Hazel Hawkins
MEMORIAL HOSPITAL

REGULAR AND SPECIAL MEETING OF THE FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
THURSDAY, SEPTEMBER 21, 2023 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM

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

1. Call to Order (President Hernandez Participating via Zoom)

2. Approve Minutes of the Finance Committee Meeting of August 17, 2023
   - Motion/Second

3. Review Financial Updates
   - Financial Statements – August 2023
   - Finance Dashboard – August 2023

4. Consider Recommendation for Board Approval of County Eligibility Specialist Worker MOU
   - Report
   - Committee Questions
   - Motion/Second

5. Consider Recommendation for Board Approval of Pension Actuarial Funding Valuation Report
   - Report
   - Committee Questions
   - Motion/Second

6. Public Comment
   This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board **Committee,** which are not on this agenda.

7. Adjournment

   The next Finance Committee meeting is scheduled for **Thursday, October 19, 2023** at **4:30 p.m.**

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

Hazel Hawkins
MEMORIAL HOSPITAL

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.

MEMORIAL HOSPITAL
SKILLED NURSING FACILITIES
HOME HEALTH AGENCY

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

September 21, 2023

CFO Financial Summary for the District Board:

For the month ending August 31, 2023, the District's Net Surplus (Loss) is $299,998 compared to a budgeted Surplus (Loss) of $569,529. The District is under budget for the month by $269,531.

YTD as of August 31, 2023, the District's Net Surplus (Loss) is $634,714 compared to a budgeted Surplus (Loss) of $1,054,867. The District is under budget YTD by $420,153.

Acute discharges were 128 for the month, under budget by 93 discharges or 42%. The ADC was 11.45 compared to a budget of 19.95. The ALOS was 2.77. The acute I/P gross revenue was under budget by **$4.9 million** while O/P services gross revenue was **$2.6 million** or 11% over budget. ER I/P visits were 97 and ER O/P visits were under budget by 23 visits or 1%. The RHCs & Specialty Clinics treated 4,217 (includes 684 visits at the Diabetes Clinic) and 1,084 visits respectively.

Other Operating revenue exceeded budget by **$4,210.** Other operating revenue includes a monthly $250,000 accrual for the PY6 QIP.

Operating Expenses were under budget by **$454,862** due mainly to variances in: Salary and Wages being over budget by $53,217, Registry over budget by $83,451. However, these overages were offset by Employee Benefits being under budget by $352,139 to the increase in employee healthcare premiums and the new PTO accrual plan. In addition, Supplies expense was under by $244,951 due to the lower patient volume.

Non-operating Revenue was over budget by **$30,857** due to the timing of the property tax accrual.

The SNFs ADC was **96.35** for the month. The Net Surplus (Loss) is **$424,781** compared to a budget of $227,602. Effective May 10, 2023, the SNF Medi-Cal rate is **$704.86** per day.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 08/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	2,671,109	5,156,735	(2,485,627)	(48)	4,645,914	5,422,411	9,519,799	(4,097,388)	(43)	8,595,921
SNF ROUTINE REVENUE	2,311,705	2,092,500	219,205	11	2,088,150	4,630,678	4,185,000	445,678	11	4,070,500
ANCILLARY INPATIENT REVENUE	3,568,790	5,860,862	(2,292,072)	(39)	5,856,332	7,176,518	11,110,766	(3,934,248)	(35)	10,961,254
HOSPITALIST\PEDS I\P REVENUE	114,863	190,826	(75,964)	(40)	209,159	252,752	381,661	(128,909)	(34)	408,689
TOTAL GROSS INPATIENT REVENUE	8,666,466	13,300,923	(4,634,457)	(35)	12,799,556	17,482,358	25,197,226	(7,714,868)	(31)	24,036,364
ANCILLARY OUTPATIENT REVENUE	27,757,876	25,106,491	2,651,385	11	23,435,712	53,461,629	51,385,376	2,076,253	4	44,629,778
HOSPITALIST\PEDS O\P REVENUE	52,421	61,398	(8,977)	(15)	59,145	106,319	122,803	(16,484)	(13)	132,342
TOTAL GROSS OUTPATIENT REVENUE	27,810,297	25,167,889	2,642,408	11	23,494,856	53,567,949	51,508,179	2,059,770	4	44,762,120
TOTAL GROSS PATIENT REVENUE	36,476,763	38,468,812	(1,992,050)	(5)	36,294,412	71,050,307	76,705,405	(5,655,098)	(7)	68,798,483
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	8,862,833	11,132,749	(2,269,916)	(20)	10,911,465	18,678,708	22,089,265	(3,410,557)	(15)	20,126,832
MEDI-CAL CONTRACTUAL ALLOWANCES	11,084,302	10,418,348	665,954	6	9,796,634	20,810,190	20,925,073	(114,883)	(1)	17,134,346
BAD DEBT EXPENSE	663,649	432,423	231,226	54	316,245	1,376,158	862,312	513,846	60	549,775
CHARITY CARE	26,414	40,452	(14,038)	(35)	35,989	70,633	80,661	(10,028)	(12)	71,596
OTHER CONTRACTUALS AND ADJUSTMENTS	4,506,455	4,340,369	166,086	4	3,023,796	8,531,241	8,721,753	(190,512)	(2)	7,134,535
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(526)	13,403	(13,929)	(104)	25,569	(4,887)	26,726	(31,613)	(118)	55,844
TOTAL DEDUCTIONS FROM REVENUE	25,143,127	26,377,744	(1,234,617)	(5)	24,109,699	49,462,043	52,705,790	(3,243,747)	(6)	45,072,928
NET PATIENT REVENUE	11,333,636	12,091,068	(757,433)	(6)	12,184,713	21,588,263	23,999,615	(2,411,352)	(10)	23,725,555
OTHER OPERATING REVENUE	586,709	582,499	4,210	1	1,418,428	1,175,951	1,164,998	10,953	1	1,953,558
NET OPERATING REVENUE	11,920,345	12,673,567	(753,222)	(6)	13,603,141	22,764,214	25,164,613	(2,400,399)	(10)	25,679,113
OPERATING EXPENSES:										
SALARIES & WAGES	4,904,069	4,754,014	150,055	3	5,457,035	9,294,179	9,481,965	(187,786)	(2)	10,119,409
REGISTRY	286,746	200,000	86,746	43	609,686	462,794	400,000	62,794	16	1,190,710
EMPLOYEE BENEFITS	2,083,670	2,514,911	(431,241)	(17)	2,767,915	3,940,859	5,036,787	(1,095,928)	(22)	5,395,853
PROFESSIONAL FEES	1,570,790	1,652,446	(81,656)	(5)	1,574,223	3,103,123	3,304,892	(201,769)	(6)	2,941,189
SUPPLIES	1,029,790	1,268,355	(238,565)	(19)	1,269,836	1,884,353	2,457,486	(573,133)	(23)	2,520,485
PURCHASED SERVICES	1,174,276	1,093,674	80,602	7	1,287,362	2,257,910	2,187,353	70,557	3	2,499,557
RENTAL	128,801	131,560	(2,759)	(2)	165,255	243,190	263,111	(19,922)	(8)	328,066
DEPRECIATION & AMORT	326,161	320,777	5,384	2	320,887	651,817	641,554	10,263	2	634,714
INTEREST	24,073	25,417	(1,344)	(5)	2,780	51,070	50,834	236	1	12,656
OTHER	414,079	436,405	(22,326)	(5)	432,437	835,211	872,806	(37,595)	(4)	890,251
TOTAL EXPENSES	11,942,454	12,397,559	(455,105)	(4)	13,887,415	22,724,506	24,696,788	(1,972,282)	(8)	26,532,889
NET OPERATING INCOME (LOSS)	(22,110)	276,008	(298,118)	(108)	(284,274)	39,708	467,825	(428,117)	(92)	(853,776)

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 08/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	1,691	5,000	(3,309)	(66)	89,759	1,133	10,000	(8,867)	(89)	129,342
PROPERTY TAX REVENUE	236,568	205,711	30,857	15	195,915	411,422	411,422	0	0	391,830
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	340,776	340,776	(1)	0	329,928
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(137,442)	(137,442)	0	0	(144,095)
OTHER NON-OPER REVENUE	14,924	13,843	1,081	8	9,241	43,510	27,686	15,824	57	28,365
OTHER NON-OPER EXPENSE	(32,742)	(32,700)	(42)	0	(37,700)	(65,442)	(65,400)	(42)	0	(76,485)
INVESTMENT INCOME	0	0	0	0	0	1,051	0	1,051		246
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	322,108	293,521	28,587	10	350,132	595,006	587,042	7,964	1	659,133
NET SURPLUS (LOSS)	299,998	569,529	(269,531)	(47)	65,858	634,714	1,054,867	(420,153)	(40)	(194,643)
EBIDA	$ 557,235	$ 821,339	$ (264,104)	(32.15)%	$ 331,529	$ 1,148,640	$ 1,558,487	$ (409,847)	(26.29)%	$ 330,722
EBIDA MARGIN	4.67%	6.48%	(1.81)%	(27.86)%	2.44%	5.05%	6.19%	(1.15)%	(18.52)%	1.29%
OPERATING MARGIN	(0.19)%	2.18%	(2.36)%	(108.51)%	(2.09)%	0.17%	1.86%	(1.68)%	(90.61)%	(3.32)%
NET SURPLUS (LOSS) MARGIN	2.52%	4.49%	(1.98)%	(43.99)%	0.48%	2.79%	4.19%	(1.40)%	(33.48)%	(0.76)%

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 08/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22
GROSS PATIENT REVENUE:										
ROUTINE REVENUE	2,671,109	5,156,735	(2,485,627)	(48)	4,645,914	5,422,411	9,519,799	(4,097,388)	(43)	8,595,921
ANCILLARY INPATIENT REVENUE	3,153,720	5,471,312	(2,317,592)	(42)	5,322,855	6,383,989	10,349,491	(3,965,502)	(38)	10,161,516
HOSPITALIST I\P REVENUE	114,863	190,826	(75,964)	(40)	209,159	252,752	381,661	(128,909)	(34)	408,689
TOTAL GROSS INPATIENT REVENUE	5,939,691	10,818,873	(4,879,182)	(45)	10,177,929	12,059,152	20,250,951	(8,191,799)	(41)	19,166,126
ANCILLARY OUTPATIENT REVENUE	27,757,876	25,106,491	2,651,385	11	23,435,712	53,461,629	51,385,376	2,076,253	4	44,629,778
HOSPITALIST O\P REVENUE	52,421	61,398	(8,977)	(15)	59,145	106,319	122,803	(16,484)	(13)	132,342
TOTAL GROSS OUTPATIENT REVENUE	27,810,297	25,167,889	2,642,408	11	23,494,856	53,567,949	51,508,179	2,059,770	4	44,762,120
TOTAL GROSS ACUTE PATIENT REVENUE	33,749,987	35,986,762	(2,236,775)	(6)	33,672,785	65,627,100	71,759,130	(6,132,030)	(9)	63,928,245
DEDUCTIONS FROM REVENUE ACUTE:										
MEDICARE CONTRACTUAL ALLOWANCES	8,534,458	10,840,639	(2,306,182)	(21)	10,599,388	18,044,632	21,519,305	(3,474,673)	(16)	19,687,578
MEDI-CAL CONTRACTUAL ALLOWANCES	10,845,770	10,310,040	535,730	5	9,638,423	20,426,677	20,708,457	(281,780)	(1)	16,824,440
BAD DEBT EXPENSE	684,786	422,423	262,363	62	288,223	1,332,075	842,312	489,763	58	512,815
CHARITY CARE	26,414	40,452	(14,038)	(35)	35,989	70,633	80,661	(10,028)	(12)	71,596
OTHER CONTRACTUALS AND ADJUSTMENTS	4,527,058	4,273,409	253,649	6	2,925,303	8,475,049	8,587,833	(112,784)	(1)	6,966,049
HOSPITALIST\PEDS CONTRACTUAL ALLOW	(526)	13,403	(13,929)	(104)	25,569	(4,887)	26,726	(31,613)	(118)	55,844
TOTAL ACUTE DEDUCTIONS FROM REVENUE	24,617,959	25,900,366	(1,282,407)	(5)	23,512,895	48,344,180	51,765,294	(3,421,114)	(7)	44,118,321
NET ACUTE PATIENT REVENUE	9,132,028	10,086,396	(954,368)	(10)	10,159,890	17,282,920	19,993,836	(2,710,916)	(14)	19,809,924
OTHER OPERATING REVENUE	586,709	582,499	4,210	1	1,418,428	1,175,951	1,164,998	10,953	1	1,953,558
NET ACUTE OPERATING REVENUE	9,718,738	10,668,895	(950,157)	(9)	11,578,318	18,458,871	21,158,834	(2,699,963)	(13)	21,763,482
OPERATING EXPENSES:										
SALARIES & WAGES	3,867,444	3,814,227	53,217	1	4,466,719	7,342,352	7,602,393	(260,041)	(3)	8,223,306
REGISTRY	250,451	167,000	83,451	50	562,406	392,311	334,000	58,311	18	1,115,830
EMPLOYEE BENEFITS	1,632,779	1,984,917	(352,139)	(18)	2,183,059	3,064,557	3,976,550	(911,993)	(23)	4,257,664
PROFESSIONAL FEES	1,568,580	1,650,109	(81,529)	(5)	1,572,013	3,098,703	3,300,218	(201,515)	(6)	2,936,259
SUPPLIES	934,046	1,178,997	(244,951)	(21)	1,164,499	1,692,254	2,278,770	(586,516)	(26)	2,316,675
PURCHASED SERVICES	1,087,215	986,211	101,004	10	1,181,462	2,078,003	1,972,427	105,576	5	2,286,204
RENTAL	127,788	130,516	(2,728)	(2)	164,236	241,187	261,023	(19,836)	(8)	326,051
DEPRECIATION & AMORT	286,768	281,320	5,448	2	280,333	573,032	562,640	10,392	2	554,981
INTEREST	24,073	25,417	(1,344)	(5)	2,780	51,070	50,834	236	1	12,656
OTHER	362,914	378,206	(15,292)	(4)	382,434	742,311	756,408	(14,097)	(2)	739,336
TOTAL EXPENSES	10,142,059	10,596,920	(454,862)	(4)	11,959,939	19,275,779	21,095,263	(1,819,484)	(9)	22,768,960
NET OPERATING INCOME (LOSS)	(423,321)	71,975	(495,296)	(688)	(381,622)	(816,908)	63,571	(880,479)	(1,385)	(1,005,478)

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 08/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	1,691	5,000	(3,309)	(66)	89,759	1,133	10,000	(8,867)	(89)	129,342
PROPERTY TAX REVENUE	205,711	174,854	30,857	18	166,528	349,708	349,708	0	0	333,056
GO BOND PROP TAXES	170,388	170,388	0	0	164,964	340,776	340,776	(1)	0	329,928
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(137,442)	(137,442)	0	0	(144,095)
OTHER NON-OPER REVENUE	14,924	13,843	1,081	8	9,241	43,510	27,686	15,824	57	28,365
OTHER NON-OPER EXPENSE	(25,454)	(25,412)	(42)	0	(29,357)	(50,867)	(50,824)	(43)	0	(59,799)
INVESTMENT INCOME	0	0	0	0	0	1,051	0	1,051		246
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	298,538	269,952	28,586	11	329,088	547,868	539,904	7,964	2	617,044
NET SURPLUS (LOSS)	(124,782)	341,927	(466,709)	(137)	(52,534)	(269,040)	603,475	(872,515)	(145)	(388,434)

HAZEL HAWKINS SKILLED NURSING FACILITIES
HOLLISTER, CA
FOR PERIOD 08/31/23

	CURRENT MONTH					YEAR-TO-DATE				
	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22	ACTUAL 08/31/23	BUDGET 08/31/23	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 08/31/22
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	2,311,705	2,092,500	219,205	11	2,088,150	4,630,678	4,185,000	445,678	11	4,070,500
ANCILLARY SNF REVENUE	415,070	389,550	25,520	7	533,477	792,529	761,275	31,254	4	799,738
TOTAL GROSS SNF PATIENT REVENUE	2,726,775	2,482,050	244,725	10	2,621,627	5,423,206	4,946,275	476,931	10	4,870,238
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	328,375	292,110	36,265	12	312,077	634,076	569,960	64,116	11	439,254
MEDI-CAL CONTRACTUAL ALLOWANCES	238,532	108,308	130,224	120	158,211	383,513	216,616	166,897	77	309,907
BAD DEBT EXPENSE	(21,137)	10,000	(31,137)	(311)	28,023	44,083	20,000	24,083	120	36,960
CHARITY CARE	0	0	0	0	0	0	0	0	0	0
OTHER CONTRACTUALS AND ADJUSTMENTS	(20,603)	66,960	(87,563)	(131)	98,493	56,192	133,920	(77,728)	(58)	168,486
TOTAL SNF DEDUCTIONS FROM REVENUE	525,168	477,378	47,790	10	596,803	1,117,863	940,496	177,367	19	954,607
NET SNF PATIENT REVENUE	2,201,607	2,004,672	196,935	10	2,024,823	4,305,343	4,005,779	299,564	8	3,915,631
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	2,201,607	2,004,672	196,935	10	2,024,823	4,305,343	4,005,779	299,564	8	3,915,631
OPERATING EXPENSES:										
SALARIES & WAGES	1,036,624	939,787	96,837	10	990,316	1,951,827	1,879,572	72,255	4	1,896,104
REGISTRY	36,295	33,000	3,295	10	47,280	70,484	66,000	4,484	7	74,880
EMPLOYEE BENEFITS	450,892	529,994	(79,102)	(15)	584,857	876,302	1,060,237	(183,935)	(17)	1,138,189
PROFESSIONAL FEES	2,210	2,337	(127)	(5)	2,210	4,420	4,674	(254)	(5)	4,930
SUPPLIES	95,744	89,358	6,386	7	105,337	192,099	178,716	13,383	8	203,810
PURCHASED SERVICES	87,061	107,463	(20,402)	(19)	105,900	171,304	214,926	(43,622)	(20)	213,353
RENTAL	1,012	1,044	(32)	(3)	1,018	2,003	2,088	(85)	(4)	2,015
DEPRECIATION	39,393	39,457	(64)	0	40,555	78,785	78,914	(129)	0	79,733
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	51,165	58,199	(7,034)	(12)	50,003	92,900	116,398	(23,498)	(20)	150,915
TOTAL EXPENSES	1,800,396	1,800,639	(243)	0	1,927,476	3,440,124	3,601,525	(161,401)	(5)	3,763,929
NET OPERATING INCOME (LOSS)	401,211	204,033	197,178	97	97,347	865,219	404,254	460,965	114	151,703
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	30,857	30,857	0	0	29,387	61,714	61,714	0	0	58,774
OTHER NON-OPER EXPENSE	(7,288)	(7,288)	0	0	(8,343)	(14,576)	(14,576)	1	0	(16,685)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	23,569	23,569	0	0	21,044	47,139	47,138	1	0	42,089
NET SURPLUS (LOSS)	424,781	227,602	197,179	87	118,392	912,358	451,392	460,966	102	193,791

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 08/31/23

	CURR MONTH 08/31/23	PRIOR MONTH 07/31/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT ASSETS					
CASH & CASH EQUIVALENT	15,017,859	14,680,916	336,944	2	14,441,825
PATIENT ACCOUNTS RECEIVABLE	56,838,808	54,833,203	2,005,605	4	51,674,982
BAD DEBT ALLOWANCE	(6,143,484)	(5,738,098)	(405,386)	7	(5,227,791)
CONTRACTUAL RESERVES	(33,762,665)	(32,822,738)	(939,927)	3	(30,266,699)
OTHER RECEIVABLES	6,636,534	6,498,368	138,166	2	5,934,176
INVENTORIES	4,054,906	4,061,474	(6,568)	0	4,057,813
PREPAID EXPENSES	2,833,976	2,633,524	200,452	8	2,222,227
DUE TO\FROM THIRD PARTIES	2,037,861	2,784,747	(746,886)	(27)	2,784,747
TOTAL CURRENT ASSETS	47,513,795	46,931,395	582,400	1	45,621,279
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	5,038,289	4,773,531	264,758	6	4,509,818
TOTAL LIMITED USE ASSETS	5,038,289	4,773,531	264,758	6	4,509,818
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	43,684,281	43,484,575	199,705	1	43,302,208
CONSTRUCTION IN PROGRESS	905,142	889,255	15,887	2	880,124
CAPITALIZED INTEREST	8,869	5,924	2,945	50	0
GROSS PROPERTY,PLANT, AND EQUIPMENT	148,067,140	147,848,602	218,538	0	147,651,180
ACCUMULATED DEPRECIATION	(91,043,489)	(90,702,745)	(340,744)	0	(90,362,507)
NET PROPERTY, PLANT, AND EQUIPMENT	57,023,651	57,145,857	(122,206)	0	57,288,673
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	458,857	464,928	(6,071)	(1)	470,999
PENSION DEFERRED OUTFLOWS NET	3,797,637	3,797,637	0	0	3,797,637
TOTAL OTHER ASSETS	4,256,494	4,262,565	(6,071)	0	4,268,636
TOTAL UNRESTRICTED ASSETS	113,832,228	113,113,348	718,880	1	111,688,406
RESTRICTED ASSETS	125,571	125,518	53	0	125,193
TOTAL ASSETS	113,957,799	113,238,866	718,933	1	111,813,599

HAZEL HAWKINS MEMORIAL HOSPITAL
HOLLISTER, CA
For the month ended 08/31/23

	CURR MONTH 08/31/23	PRIOR MONTH 07/31/23	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	5,240,865	5,164,451	(76,414)	2	4,647,330
ACCRUED PAYROLL	3,368,383	2,810,873	(557,510)	20	2,324,681
ACCRUED PAYROLL TAXES	2,188,750	2,167,396	(21,354)	1	2,123,227
ACCRUED BENEFITS	5,560,719	5,592,474	31,754	(1)	6,051,228
ACCRUED PENSION (CURRENT)	4,961,787	4,976,625	14,838	0	5,061,807
OTHER ACCRUED EXPENSES	74,985	71,127	(3,858)	5	63,664
PATIENT REFUNDS PAYABLE	1,136	961	(174)	18	961
DUE TO\FROM THIRD PARTIES	4,225,310	4,614,565	389,255	(8)	4,400,056
OTHER CURRENT LIABILITIES	3,998,326	3,767,729	(230,597)	6	3,361,223
TOTAL CURRENT LIABILITIES	29,620,260	29,166,202	(454,059)	2	28,034,176
LONG-TERM DEBT					
LEASES PAYABLE	6,017,962	6,024,619	6,656	0	6,037,899
BONDS PAYABLE	34,727,321	34,755,841	28,520	0	34,784,361
TOTAL LONG TERM DEBT	40,745,284	40,780,460	35,177	0	40,822,260
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	14,706,676	14,706,676	0	0	14,706,676
TOTAL OTHER LONG-TERM LIABILITIES	14,706,676	14,706,676	0	0	14,706,676
TOTAL LIABILITIES	85,072,220	84,653,338	(418,882)	1	83,563,112
NET ASSETS:					
UNRESTRICTED FUND BALANCE	28,085,294	28,085,294	0	0	28,085,294
RESTRICTED FUND BALANCE	165,571	165,518	(53)	0	165,193
NET REVENUE/(EXPENSES)	634,714	334,716	(299,998)	90	0
TOTAL NET ASSETS	28,885,579	28,585,528	(300,051)	1	28,250,487
TOTAL LIABILITIES AND NET ASSETS	113,957,799	113,238,866	(718,933)	1	111,813,599

Statement of Cash Flows
Hazel Hawkins Memorial Hospital
Hollister, CA
Two months ending August 31, 2023

	CASH FLOW		COMMENTS
	Current Month 8/31/2023	Current Year-To-Date 8/31/2023	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	$299,998	$634,714	
Adjustments to Reconcile Net Income to Net Cash			
Provided by Operating Activities:			
Depreciation	340,746	680,986	
(Increase)/Decrease in Net Patient Accounts Receivable	(660,292)	(752,166)	
(Increase)/Decrease in Other Receivables	(138,166)	(702,358)	
(Increase)/Decrease in Inventories	6,568	2,907	
(Increase)/Decrease in Pre-Paid Expenses	(200,452)	(611,750)	
(Increase)/Decrease in Due From Third Parties	746,886	746,886	
Increase/(Decrease) in Accounts Payable	76,415	593,537	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	532,267	518,692	
Increase/(Decrease) in Accrued Expenses	3,858	11,321	
Increase/(Decrease) in Patient Refunds Payable	174	174	
Increase/(Decrease) in Third Party Advances/Liabilities	(389,255)	(174,746)	
Increase/(Decrease) in Other Current Liabilities	230,597	637,103	Semi-Annual Interest - 2021 Insured Revenue Bonds
Net Cash Provided by Operating Activities:	**549,346**	**950,586**	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(218,538)	(415,961)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(264,758)	(528,471)	Bond Principal & Int Payment - 2014 & 2021 Bonds
(Increase)/Decrease in Other Assets	6,071	12,142	Amortization
Net Cash Used by Investing Activities	**(477,225)**	**(932,290)**	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Bond/Mortgage Debt	(6,656)	(19,936)	Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Capital Lease Debt	(28,520)	(57,040)	
Increase/(Decrease) in Other Long Term Liabilities	0	0	
Net Cash Used for Financing Activities	**(35,176)**	**(76,976)**	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	**0**	**0**	
Net Increase/(Decrease) in Cash	**336,943**	**576,034**	
Cash, Beginning of Period	14,680,916	14,441,825	
Cash, End of Period	**$15,017,859**	**$15,017,859**	$0

Cost per day to run the District	$356,539
Operational Days Cash on Hand	42.12

Hazel Hawkins
MEMORIAL HOSPITAL

San Benito Health Care District
Hazel Hawkins Memorial Hospital
AUGUST 2023

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	19.95	11.45	12.00	19.08
Average Daily Census - SNF	90.00	96.35	95.37	90.00
Acute Length of Stay	2.80	2.77	2.85	2.66
ER Visits:				
Inpatient	196	97	200	305
Outpatient	1,958	1,935	3,868	3,821
Total	2,154	2,032	4,068	4,126
Days in Accounts Receivable	45.0	50.7	50.7	45.0
Productive Full-Time Equivalents	500.90	482.39	467.28	500.90
Net Patient Revenue	12,091,068	11,333,636	21,588,263	23,999,615
Payment-to-Charge Ratio	31.4%	31.1%	30.4%	31.3%
Medicare Traditional Payor Mix	30.48%	26.91%	26.70%	30.44%
Commercial Payor Mix	21.46%	23.69%	23.29%	21.66%
Bad Debt % of Gross Revenue	1.12%	1.83%	1.95%	1.12%
EBIDA	821,339	557,235	1,148,640	1,558,487
EBIDA %	6.48%	4.67%	5.05%	6.19%
Operating Margin	2.18%	-0.19%	0.17%	1.86%
Salaries, Wages, Registry & Benefits %:				
by Net Operating Revenue	58.93%	61.03%	60.17%	59.28%
by Total Operating Expense	60.25%	60.91%	60.28%	60.41%
Bond Covenants:				
Debt Service Ratio	1.25	3.68	3.68	1.25
Current Ratio	1.50	1.60	1.60	1.50
Days Cash on hand	30.00	42.12	42.12	30.00

Met or Exceeded Target
Within 10% of Target
Not Within 10%

Hazel Hawkins Memorial Hospital
Bad Debt Expense
For the Year Ending June 30, 2024

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Budgeted Gross Revenue	38,236,593	38,468,812	35,049,053	34,999,737	35,870,267	36,385,781	34,851,365	32,060,010	36,752,432	35,946,200	39,112,090	38,876,681	436,609,021
Budgeted Bad Debt Expense	429,889	432,423	393,214	391,626	402,993	407,930	389,870	358,975	412,378	403,932	440,170	438,441	4,901,841
BD Exp as a percent of Gross Revenue	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.12%	1.13%	1.13%	1.12%
Actual Gross Revenue	34,381,757	36,309,479	-	-	-	-	-	-	-	-	-	-	70,691,236
Actual Bad Debt Expense	712,509	663,649	-	-	-	-	-	-	-	-	-	-	1,376,158
BD Exp as a percent of Gross Revenue	2.07%	1.83%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.95%
Budgeted YTD BD Exp	862,312	1.12%											
Actual YTD BD Exp	1,376,158	1.95%											
Amount under (over) budget	(513,846)	-0.82%											
Prior Year percent of Gross Revenue	**1.15%**												
Percent of Decrease (Inc) from Prior Year	-69.3%												

YTD Charity Exp Budget	80,661
YTD Charity Exp Actual	70,633
Amt under (over) budget	10,028
Charity Exp % of Gross Rev	0.10%

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

COUNTY OF SAN BENITO

AND

HAZEL HAWKINS MEMORIAL HOSPITAL

FOR THE PROVISION OF

ELIGIBILITY SERVICES FOR MEDI-CAL

This agreement is entered into by and between the County of San Benito, acting through the San Benito County Health and Human Services Agency hereinafter referred to as the "COUNTY" and Hazel Hawkins Memorial Hospital hereinafter referred to as the "CONTRACTOR"; for the purpose of providing one or more services.

WHEREAS, CONTRACTOR operates an acute care general hospital located at 911 Sunset Drive, Hollister, California 95023. In conjunction therewith CONTRACTOR needs the services of qualified personnel to determine eligibility of CONTRACTOR's patients for Medi-Cal and to assist patients with the application process for such program hereinafter referred to as the "Services".

WHEREAS, COUNTY employs or contracts with personnel who are duly qualified and experienced in furnishing the Services.

WHEREAS COUNTY AND CONTRACTOR agree that it is in the best interest of CONTRACTOR's ability to provide quality patient care in a cost-effective and efficient manner for CONTRACTOR to contract with an entity to provide the Services.

WHEREAS COUNTY shall retain all professional and administrative responsibility for the Services rendered pursuant to this Agreement to the extent required to comply with Title 22 of the California Code of Regulations, Section 70713.

NOW, THEREFORE, for and in consideration of the recitals above and the mutual covenants and conditions contained here, COUNTY and CONTRACTOR agree as follows:

A. Services:

1. County and Contractor shall perform all services as stipulated in Exhibit "A" which is incorporated by reference and made a part of this agreement.

2. In order for Scope of Work duties to be met County will provide Contractor hardware and specialized software which is to be used by the County's Eligibility Specialist in Contractor's facility in connection with the Californian Statewide Automated Welfare System (Cal-SAWS) automated eligibility system. The following is agreed to by all parties:

a. Use of Hardware & Software: During the term of this Agreement, County shall provide to Contractor, for use by each Eligibility staff, one (1) licensed Cal-SAWS hardware and software program and any updates to the hardware and software.

b. Upon termination of this Agreement, Cal-SAWS project staff shall remove all hardware, software and programs that are unique to Cal-SAWS.

c. Maintenance Costs: County is responsible for coordinating all system upgrades, maintenance, or repairs to the Cal-SAWS system. CONTRACTOR shall reimburse the COUNTY for the cost of the Cal-SAWS hardware and software maintenance throughout the term of this Agreement. The COUNTY will invoice the CONTRACTOR on an annual basis for the maintenance costs.

B. Term:

1. This agreement is effective from: **July 1, 2023 through June 30, 2026**.

C. Payments:

1. Total Amount:

In consideration of services provided by the County to the Contractor pursuant to this Agreement, the County shall be entitled to payment as specified in Exhibit "B" which is referenced and incorporated herein. An Eligibility staff maximum annual salary and benefits is not to exceed, **$92,000.00**.

2. Entire Compensation.

County shall have the sole responsibility to pay for its own employee payroll taxes, withholdings, social security, worker's compensation insurance, other post-employment benefits, disability insurance, unemployment insurance or other insurance and shall have no claim under this agreement or otherwise against Contractor for vacation pay, sick leave, retirement benefits or other benefits of any kind. County hereby agrees to indemnify and hold Contractor harmless from any and all claims, costs and/or liability suffered or incurred by Contractor in connection with any claims for compensation by County for services rendered hereunder. The indemnification obligations herein stated in this subparagraph shall survive the termination and/or expiration of this agreement.

3. Method and Rate of Payment:

In full consideration of services provided by County pursuant to this agreement, the County shall invoice Contractor quarterly, in the manner and rate described in Exhibit "B", attached hereto and by this reference incorporated herein.

4. Responsibility for Audit Exceptions:

It being understood by the parties hereto that the County's funding source herein is Federal, State, and County appropriation, and it being further understood that County is responsible for administering the program as described herein, County agrees to accept responsibility for receiving, replying to and/or complying with any audit exceptions by appropriate regulatory audit agencies occurring during the performance of this contract and through the retention of records required time frame. Contractor also agrees to pay to County the full amount of County's liability to the State Government resulting from said audit exceptions that result from a breach of contract.

D. **General Provisions:**

1. Right of Termination:

(a) **Without Cause.** This Agreement may be terminated by either party with or without cause at any time upon at least ninety (90) days written notice.

(b) **Mutual Agreement.** This Agreement may be terminated at any time upon written concurrence of the parties.

(c) **Immediate Termination.** This Agreement may be immediately terminated in the following circumstances:

(1) By either COUNTY or CONTRACTOR, if CONTRACTOR's license to operate as a general acute care hospital is revoked or suspended or if hospital is closed; or
(2) Failure of any party to maintain insurance pursuant to Section D-6 of this Agreement.

2. Effect of Termination:

As of the effective date of termination of this Agreement, neither party shall have any further rights nor obligations hereunder except: (a) as otherwise provided herein; or (b) for rights and obligations accruing prior to such effective date of termination.

3. Consideration on Termination

Upon termination of this Agreement CONTRACTOR shall be obligated to pay COUNTY for any services rendered up to the effective date of termination. Any advance payments received by COUNTY from CONTRACTOR which cover any period after the effective date of termination shall be pro-rated and refunded to CONTRACTOR.

4. Right to Monitor and Audit:

County, State and Federal Governments shall have the right to monitor all work performed under this agreement to assure that all-applicable State and Federal regulations are met. County, State and Federal Governments shall have the right to audit all work, records and procedures related to this agreement to determine the extent to which the program is achieving its purposes. County will notify Contractor within five (5) days of any potential Federal and/or State exception(s) discovered during such examination. Where such findings indicate that program requirements are not met, and Federal participation in this program may be imperiled, such written notification will constitute County's intent to terminate this contract in the event that corrections are not accomplished by Contractor within thirty (30) days.

5. Availability and Retention of Records:

Contractor shall maintain and preserve all records related to this agreement in its possession (or will assure the maintenance of such records in the possession of any third-party performing work related to this agreement) for a period of three (3) years from the effective date of this agreement, or until all State audits are complete, whichever is later. Upon request, Contractor shall make available copies of these records to County, State or Federal Governments' personnel, including the State Auditor General.

6. County Status.

County shall act at all times under this agreement as an independent contractor. The parties agree that Contractor shall not have and shall not exercise any control or direction over the manner or method by which County provides the services. However, Contractor may require County to perform at all times in accordance with currently approved methods and standards of practice for services in the community. The provisions of this paragraph shall survive expiration or other termination of this agreement, regardless of the cause of such termination.

7. Insurance.

Each party agrees to maintain insurance coverage for general liability, auto liability, worker's compensation and for personal injury as provided in Exhibit C, Standard Insurance Requirements which is incorporated by reference and made a part of this Agreement. Furthermore, each party will cause their insurance carrier to provide a certificate evidencing coverage and provide that the other party will receive thirty (30) days' notice in the event of any decrease in such coverage. It is understood by the parties that both parties are self-insured for most of their liability risk.

8. Indemnification.

Each party agrees to indemnify, defend, and save harmless the other party, its officers, agents, and employees from and against any and all claims and losses whatsoever accruing or resulting to any person, firm or corporation for damage, injury or death arising out of or connected with the other party's negligent performance of this agreement or intentional failure to perform hereunder.

9. Confidentiality:

a. Welfare and Institutions Code Compliance.

Contractor agrees to require his/her employees to comply with the provisions of Section 10850 of the Welfare and Institutions Code and Division 19-000 of the COSS Manual of Policies and Procedures to assure that:

1. All applications and records concerning any individual made or kept by any public officer or agency in connection with the administration of any provision of the Welfare and Institutions Code relating to any form of public social services for which grants-in-aid are received by this State from the Federal Government will be confidential and will not be open to examination for any purpose not directly connected with the administration of such public social services.

2. No person will publish or disclose or permit or cause to be published or disclosed any list of persons receiving public social services.

3. No person will publish, disclose, or use or permit, or cause to be published, disclosed, or used any confidential information pertaining to an applicant or recipient. Contractor agrees to inform all employees, agents, and partners on the above provisions and that any person knowingly and intentionally violating the provisions of this paragraph is guilty of a misdemeanor.

b. Contractor Information.

County recognizes and acknowledges that, by virtue of entering into this agreement and providing services to Contractor hereunder, County may have access to certain information of Contractor that is confidential and constitutes valuable, special, and unique property of Contractor. County agrees that at no time, either during or subsequent to the term of this agreement, will it disclose to others, use, copy or permit to be copies, without Contractor's express prior written consent, except pursuant to County's duties hereunder, any confidential or proprietary information of Contractor, including, but no limited to information which concerns Contractor's employees, patients, costs, or treatment methods developed by Contractor for the Contractor and which is not otherwise available to the public.

c. HIPAA Compliance.

County agrees to comply with the applicable provision of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, ad codified at 42 U.S.C. Section 1320d through d-8 ("HIPAA"), and the requirements of any regulations promulgated hereunder including without limitation the federal privacy regulations as contained in 45 CFR Part 164 (the "Federal Privacy Regulations") and the federal security standards as contained in 45 CFR Part 142 (the "Federal Security Regulations"). County agrees to comply with business associate provisions as substantially set forth in Exhibit D ("Business Associate Agreement Terms and Conditions") attached hereto and incorporated herein.

10. Hold Harmless:

The Contractor shall indemnify and save harmless the County, its officers, agents, employees and servants from all claims, suits or actions of every name, kind, and description, brought for, or on account of, injuries to or death of any person or damage to property resulting from the performance of any work required by this agreement of Contractor, its officers, agents, employees and/or servants.

The duty of the Contractor to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code, provided, however, that nothing herein shall be construed to require the Contractor to indemnify the County, its officers, agents, employees and servants against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

11. Non-Discrimination:

a. By signing this contract the CONTRACTOR certifies under the laws of the State of California that the CONTRACTOR and its contractors shall not unlawfully discriminate in the provision of services because of race, color, creed, national origin, sex, age, or physical or mental disability as provided by state and federal law and in accordance with Title VI of the Civil Rights Act of 1964 [42 USC 2000 (d)]; the Age Discrimination Act of 1975 (42 USC 6101); the Rehabilitation Act of 1973 (29 USE 794); The Education Amendments of 1972 (20 USC 1681); The Americans with Disabilities Act of 1990 (42 USC 12132), Title 45 Code of Federal Regulations, Part 84; the provisions of the Fair Employment and Housing Act (Gov. Code Sec. 12900 et seq.), and the regulations promulgated thereunder (Title 2, CCR sec. 7285.0 et seq.); Title 2, Division 3, Article 9.5 of the California Government Code, commencing with Section 11135; and Title 9, Division 4, Chapter 6 of the California Code of Regulations, commencing with Section 10800.

b. For the purpose of this contract, distinctions on the grounds of race, color, creed, national origin, sex, age or physical or mental disability include, but are not limited to, the following: denying a participant service or providing a benefit to a participant which is different, or is provided in a different manner or at a different time form that provided to other participants under this contract; subjecting a participant to segregation or separate treatment in any manner related to the receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; treating a participant differently from others in determining whether the participant satisfied any admission, enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or benefit.

c. The CONTRACTOR shall take affirmative action such as assessment and monitoring to ensure that beneficiaries and intended beneficiaries of service are provided services without regard to race, color, creed, national origin, sex, age, or physical or mental disability, and shall include nondiscrimination and compliance provisions in all subcontracts. The CONTRACTOR shall establish written procedures under which service participants are informed of their rights which shall include the right of appeal and the right to be free from sexual harassment and sexual contact by members of the treatment, recovery, advisory, or consultant staff.

d. The CONTRACTOR shall do a self-evaluation to assess access to services which relate to this contracted service.

e. The CONTRACTOR shall keep records to document compliance with the provisions referenced in Section D, Item 4, Subsections A through C and copies of the required Notice of Client's Rights. Upon request by the State and/or COUNTY, the CONTRACTOR shall provide such records to the COUNTY and/or State within fifteen (15) calendar days.

f. Noncompliance with Section D, Item 11, Subsections (a) through (e) may result in withholding of payments under this contract or termination of any part of Contractor's reimbursement.

g. "Affirmative Action" is used in a broad sense, not to imply that each and every line of the provisions of 45 CFR part 74, Appendix A, Section 1 (Equal Opportunity) is applicable to the nature of this particular contract. See CONTRACTOR'S employment policy.

12. <u>Liaison Personnel:</u>

The parties to this agreement agree that, unless otherwise indicated in writing, the following persons have primary responsibility for liaison and coordination of activities required to carry out this agreement:

For County: Tracey Belton, Director
Phone: 831-630-5146

E-mail: tbelton@cosb.us

For Contractor: Mark Robinson, Chief Financial Officer
Phone: 831-637-5711
E-mail: mrobinson@hazelhawkins.com

13. Addresses:

All correspondence, notices, claims, etc., will be addressed to the following parties unless otherwise specified in this agreement or may be otherwise specified in this agreement or may be otherwise agreed by the parties hereto:

To County: 1111 San Felipe Road, Suite 206
Hollister, CA. 95023

To Contractor: 911 Sunset Drive
Hollister, CA 95023

14. Licensing or Accreditation:

Where applicable, the Contractor shall maintain the appropriate license or accreditation through the life of this contract.

15. Assignability of Contract:

Without the written consent of the Contractor, this agreement is not assignable by County either in whole or in part.

16. Access to Information and Data:

Without infringing upon the rights of the client/Contractor's confidentially, the County will have access to any records that pertain to eligibility by the Contractor on any client receiving services in which eligibility is being determined and within the scope of this agreement for purposes of data gathering and analyzing the service given and the overall service results. In addition, in the event the Contractor loses its corporate standing or should decide to discontinue its program, copies of all files and records.

17. Subcontract:

Without the written consent of the Contractor, this agreement may not be subcontracted within whole or in part.

18. Alterations of Agreement:

No alteration or variation of the terms of this agreement shall be valid unless made in writing and signed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto. All modifications are subject to prior approval of the County.

19. Time:

Time is the essence of this agreement.

20. Law Governing Contract:

This contract shall be governed and construed in accordance with all of the laws of the State of California in addition to any cited herein.

21. Equal Opportunity Clause:

The Contractor certifies compliance with Government Code Section 12990 and California Code of Regulations, Title II, Division 4, Chapter 5 in matters related to the development, implementation, and maintenance of a nondiscrimination program. The Contractor shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation of any person. The Contractor shall take affirmative action to ensure that qualified applicants have equal opportunity for employment, and that qualified employees have equal opportunity during employment. Such action shall include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; career development opportunities and selection for training, including apprenticeship.

The Contractor requests that County again specifies that "Affirmative Action" is used in a broad sense, not to imply that each and every line of the provisions of 45 CFR Part 74, Appendix A, Section 1 (Equal Opportunity) is applicable to the nature of this particular contract. See Contractor's Equal Employment Opportunity Policy referenced and attached as Exhibit E and made a part of this contract.

22. Conflict of Interest:

a. Contractor and Contractor's employees shall have no interest, direct or indirect, which will conflict in any manner or degree with the performance of services required under this Agreement.

b. This provision does not run exclusively to County; but rather it expressly also runs to those persons receiving services provided for herein. In the event a potential conflict arises, Contractor shall immediately advise County so that the potential conflict can be eliminated or avoided.

c. This contract is entered into by County upon the express representation that Contractor has no other contracts in effect with County except as described on Exhibit "D".

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representative, have affixed their hands on the day and year first above written.

______________________________ ________
Mark Robinson, Chief Financial Officer — Date
Hazel Hawkins Memorial Hospital

______________________________ ________
Tracey Belton, Director — Date
Health and Human Services Agency

______________________________ ________
Mindy Sotelo, Chair — Date
San Benito County Board of Supervisors

______________________________ ________
San Benito County Counsel — Date

EXHIBIT A

DESCRIPTION OF SERVICES

County Responsibilities:

A. County agrees to assign a minimum half-time (20 hours per week) Eligibility Specialist up to the maximum of one Full Time Equivalent (FTE) Eligibility Specialist (hereinafter referred to as ES) to Contractor.

1. The assignment of the ES shall be the sole responsibility of County and shall be made in accordance with applicable employee rules and regulations as set forth in agreements with employee organizations. Such assignment shall be made in conformance with normal County hours of operation as specified in the County's contract with the Service Employees International Union (SEIU) Local 521 as follows:

    a. Normal County Hours of Operations: the normal work schedule is Monday through Friday, 8:00 a.m. to 5:00 p.m. each day of the year except Saturdays, Sundays, and Holidays, with a one-hour lunch break and a 15-minute rest break in the morning and afternoon daily.

    b. Holidays Defined: New Year's Day, Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Post-Thanksgiving Day, Christmas Day, and every day appointed by the President and/or Governor, and the Board, when the day is celebrated as a State or Federal Holiday. Days declared as permanent Federal holidays shall be observed as County holidays. When a holiday falls on a Saturday, it will be observed on the proceeding Friday. When a holiday falls on a Sunday, it will be observed on the following Monday.

    c. County/Human Services Agency Furlough Closure Days Defined: If the county opts to have mandatory furlough days for Health and Human Services Agency, the ES will be required to take these days as will all other Health and Human Services Agency staff.

2. The ES assigned to Contractor shall be qualified to perform the duties required. ES shall have training and experience to conduct intake interviews following County procedures for persons applying for Medi-Cal benefits.

3. The ES is prohibited from performing any work not related to Medi-cal eligibility determinations. This includes entering information into a provider's electronic systems and any other work not related to Medi-cal eligibility determinations.

B. County shall be the appointing authority and the employer of ES, responsible for his/her selection, hiring, training, and supervision. As appointing authority, County shall assume responsibility for any Worker's Compensation claims or other work-related liabilities.

C. County shall make a good faith effort to replace the ES during planned and unplanned absences. Good faith efforts will take into consideration operational needs at the main office.

D. County shall assign one bilingual Spanish/English ES to Contractor site.

E. County shall aide the Contractor's clerical staff in obtaining Medi-Cal Benefits Identification Cards (BIC) as required by law. These cards are the property of the applicant/recipient of the above-mentioned benefits.

F. ES assigned to Contractor shall conform to the reasonable rules and regulation of Contractor applicable to all contractor staff. A copy of these rules and regulations will be provided to the ES and to the ES Supervisor.

G. County shall use its best efforts to assure that case processing and final eligibility determination are accomplished within regulatory timeframes.

H. ES will be provided a primary point of contact (including a backup in times when primary is unavailable due to vacation or other leave time) in which all business matters will be conducted. ES will be made aware when the primary is unavailable.

I. Upon Request, the County will provide an update to Contractor on status of pending/approved/denied applications. As much detail as allowed by State and Federal regulations will be provided.

J. ES will attend County trainings and unit meetings as necessary and monthly at a minimum.

K. ES's working at the Contractor's site will adhere to the Contractor's rules of conduct and dress codes.

<u>County Scope of Work:</u>

A. The ES assigned to the Contractor site will conduct the following in the scope of work for an applicant that submit a SAWS 1 (Application for Cash Aid, Food Stamps, and/or Medi-Cal) through the Contractor:

    a. On receipt of the SAWS 1, the ES will research applicant for prior or on-going benefits.

    b. In cases where there isn't sufficient information to research applicant the ES will contact the primary point of contact for additional information if available.

    c. The ES will enter information into the Californian Statewide Automated Welfare System (Cal-SAWS) as required by County policy taking the application to a pending status.

d. **If the applicant is still hospitalized,** the ES will contact the applicant and complete the Medi-Cal informational packet which is required in order to determine eligibility.

e. The ES will then enter the required information into Cal-SAWS. The system will generate a verification list which will be provided in person or through the mail to the application. Verification will be due within 10 calendar days.

f. The ES will work with the primary point of contact to secure all verifications that have already been obtained by the Contractor. In addition, the Contractor can attempt to secure the required verifications however all must be received within the 10 calendar days.

g. If verifications are not received timely, the ES will notify the applicant in writing or verbally that the verifications are needed to move forward with the application. An additional 10 calendar days will be given for the additional information to be returned. This will be documented in the Cal-SAWS system.

h. The ES will review all verification documents, enter appropriate information into the Cal-SAWS system and determine eligibility as soon as administratively possible or as close to the 45-day processing standard as maintained by Federal and State regulations as possible. Standard performance for an ES is to process all applications within the set standard.

i. If verification documents are not received after the second 10 calendar day request the ES will enter appropriate information into the Cal-SAWS system and deny the application. This denial will take place at the end of the second request period which may be prior to the 45-day processing timeframe.

j. **If the applicant is not hospitalized** (this could happen over a weekend when the applicant was treated and released or never made in-patient) the Contractor will be responsible for collecting the SAWS 1 and ensuring it is given to the ES the next working day.

k. The ES will mail the Medi-Cal informational packet which is required in order to determine eligibility. A control will be set for the returned packet in 10 calendar days.

l. When the packet is returned, the ES will then enter the required information into the Cal-SAWS system. The system will generate a verification list which will be provided in person or through the mail to the application. Verification will be due within 10 calendar days.

m. If the packet is not returned within the first 10 days, the ES will notify the applicant in writing or verbally that the informational packet has not been received. An additional 10 calendar days will be given to provide the informational packet. A control will be set to have the packet returned within 10 calendar days.

n. When verifications are not received timely, the ES will notify the applicant in writing or verbally that the verifications are needed to move forward with the application. An additional 10 calendar days will be given for the additional information to be returned. This will be documented in the Cal-SAWS system.

o. When verifications are received, the ES will review all verification documents, enter appropriate information into the Cal-SAWS system and determine eligibility as soon as administratively possible or as close to the 45-day processing standard as maintained by Federal and State regulations.

p. If verification documents are not received after the second 10 calendar day request the ES will enter appropriate information into the Cal-SAWS system and deny the application. This denial will take place at the end of the second request period which may be prior to the 45-day processing timeframe.

8. **Reports:**

a. Upon request, the County will provide a report to the primary point of contact or designee on the status of applications taken or being processed at the Contractors site.

b. The report shall information that is allowable by regulation on the status of an application.

c. The report format is set by the Contract. The contractor will provide the following information:

- Patients Name, Date of Birth, Social Security Number, Admission Date, Discharge Date, and Total Charges. An additional column will be added to provide the ES a place to add the status of the case and additional comments.

d. The County comments will include but are not limited to:

- Application pending packet, Application pending verification, Pending processing. Application denied or Application approved,

C. Other Contractor Cases

a. All applicants that apply at the main Health and Human Services Agency office that are deemed Contractor applicants will be processed by the ES at the Contractors site.

b. All new Long-Term-Care cases will be processed by the ES assigned to the Contractor.

<u>Contractor Responsibilities</u>:

A. Contractor shall provide adequate office space that will protect the client's confidentiality. The office space should be lockable with access limited to the ES, the ES Supervisor, and Office Manager. Contractor shall provide a desk, locked storage, chair, telephone, and sufficient filing cabinet space and appropriate clerical support for ES assigned to Contractor. Included in the provision of adequate office space, Contractor agrees to provide for reasonable accommodation with regard to special needs the ES might have.

B. Contractor shall notify the County no less than three weeks prior to moving the ES to a different office space, so that the County can arrange to move the DSL circuit.

C. Contractor agrees that County has a compliance requirement to provide adequate language translation services to clients as needed. Contractor agrees to make available personnel for interpreter services in order for ES to appropriately complete the intake process. Contractor further understands and agrees that County has an internal process for ensuring that language translation services are available for clients, and Contractor will work cooperatively with ES in order to provide services to clients.

D. Contractor agrees to provide orientation and training related to the Contractor site environment and special precautions related to infectious diseases to the ES.

E. Both parties agree to cooperate in providing information and documents required by regulatory agencies either party may be accountable to in a timely manner.

F. Contractor shall, within (10) days of the signing of this agreement, designate a liaison to work with County.

G. Contractor staff shall determine which hospital patients are to be referred to ES for Medi-Cal eligibility determination.

H. Medi-Cal applications will be processed in accordance with applicable statutes and regulations including, but not limited to, regulations concerning the processing of applications for comatose patients and patients who are minors.

I. Maximum amount to be received by County for the above-described services are not to exceed the amount as per Exhibit B.

END OF EXHIBIT A

EXHIBIT B

METHOD AND RATE OF PAYMENT

Contractor shall reimburse County for the cost of Eligibility staff assigned to them at a flat rate of $90.00 per hour. The rate is estimated cost of an Eligibility Specialist (ES) and administrative overhead and shall not exceed $92,000.00 annually. The cost is subject to any County annual cost of living increase, increase in wages agreed to by SEIU Local 521 and the County.

Eligibility Specialist

Contractor shall reimburse County on a quarterly basis. Fiscal Year quarters are as follows:

1st Quarter	July – September
2nd Quarter	October – December
3rd Quarter	January – March
4th Quarter	April - June

County shall bill Contractor by the forty-fifth (45) day following the end of each quarter for services rendered the preceding quarter. County billing shall be amended as adjusted by State Review process.

Reimbursement should be sent to:

San Benito County Health and Human Services Agency
Attn: Fiscal Division
1111 San Felipe Road, Suite 206
Hollister, CA 95023

END OF EXHIBIT B

EXHIBIT C

STANDARD INSURANCE REQUIEMENTS

Prior to County's rendering Services provided by the terms and conditions of this Agreement, each party or their subcontractor shall acquire and maintain during the term of this Agreement, insurance coverage, through a program of commercial insurance or self-insurance. The limits of insurance herein shall not limit the liability of either party hereunder.

1. Except for professional liability coverage said policies shall be in effect throughout the term of this Agreement and shall provide that they may not be canceled without first providing the other party with thirty (30) days' written notice of such intended cancellation. If either party fails to maintain the insurance provided herein, this Agreement will terminate immediately.

2. Minimum Scope of Insurance. Each party shall procure insurance covering general liability, automobile liability, and worker's compensation. Coverage shall be at least as broad as:

(a) Commercial General Liability through a program of commercial insurance or self-insurance.

(b) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, Code I "any auto" and Endorsement CA 0029.

(c) Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

3. Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

(a) Either party's insurance coverage or self-insurance shall be primary insurance as respects the other party, its officials, employees and volunteers and any other insureds under this Agreement. Any insurance of self-insurance maintained by the either party, its officials, employees and volunteers or other insureds shall be excess of the other party's insurance and shall not contribute with it.

(b) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to either party, its officials, employees and volunteers or other insureds under this contract.

(c) Coverage shall state that each party's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(d) Workers' Compensation and Employers Liability Coverage.

(e) Professional Errors and Omissions Insurance: Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the other party.

4. Minimum Limits of Insurance. Each party shall maintain limits no less than:

(a) Commercial General Liability: One Million Dollars ($1,000,000) combined single limit per occurrence for bodily injury, personal injury, and property damage with a general aggregate limit of $1,000,000.

(b) Automobile Liability: $1,000,000 combined single limit per accident for bodily injury or property damage.

(c) Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of One Million Dollars ($1,000,000) per accident.

(d) Professional Errors and Omissions Liability: Policy limits of not less than One Million Dollars ($1,000,000) per incident and One Million Dollars ($1,000,000) annual aggregate. Coverage may be made on a claims- made basis with "Retro Date" either prior to the date of this Agreement or the beginning of the County's provision of Services. If claims-made, coverage must extend to a minimum of twelve (12) months beyond expiration or termination of this Agreement. If coverage is canceled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the effective date of this Agreement, the Hospital must purchase "extended reporting" coverage for a minimum of twelve (12) months after completion of Services.

5. Except as otherwise provided in this agreement, any deductibles or self-insured retentions must be declared to and approved by the County.

6. Contractor shall furnish the County with Certificate(s) of Insurance affecting coverage required by this clause as soon as reasonably practicable upon execution of this Agreement. The certificate(s) for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

7. If Contractor shall fail to procure and maintain said insurance, this Agreement will terminate immediately. The policies of insurance provided herein which are to be provided by Contractor shall be for a period of not less than one year, it being understood and agreed that thirty (30) days prior to the expiration of any policy of insurance, Contractor will deliver to County a renewal or new policy to take the place of the policy expiring.

END OF EXHIBIT C

EXHIBIT D

BUSINESS ASSOCIATE AGREEMENT TERMS AND CONDITIONS

To the extent County is a business associate as defined under the federal Health Insurance Portability and Accountability Act (HIPAA), County shall comply with the additional terms and conditions set forth in this Exhibit D. For purposes of this Exhibit D, use of the term "Individual" is intended to be used as defined in HIPAA and its associated regulations and amendments.

County has entered into a business relationship with Contractor that involves or may involve, the collection, transmission, retention, processing, or other use of individually identifiable protected health information ("PHI"). The purpose of this Exhibit D is to comply with HIPAA, including all its related regulations, directives, and subsequent amendments.

1. Except as otherwise provided in this agreement, County may use or disclose protected health information ("PHI") to perform functions, activities or services for or on behalf of the Contractor as specified in the Agreement and its Exhibits, provided that such use or disclosure would not violate HIPAA, 42 U.S.C. 1320d *et seq.*, and its implementing regulations and subsequent amendments, including but not limited to 45 C.F.R. Parts 142, 160, 162, and 164, also known as and referred to as the Privacy Rule. The uses and disclosures of PHI may not be more expansive than the limitations applicable to the Contractor under the regulations except as authorized for management, administrative or legal responsibilities of the County. See: 45 Code of Federal Regulations sections 164.502, 164.502(e), 164.504, 164.504(e)(2)(i)(A) and (B), 164.506, 164.508, 164.510, 164.512, 164.514, including any subsequent amendments or revisions. This Exhibit is not intended to authorize any disclosures or uses of PHI in violation of any other applicable state or federal law or regulation.

2. County shall not use or further disclose PHI other than as permitted or required by this Agreement, or as authorized or permitted by law.

3. County shall use appropriate safeguards to prevent use or disclosure of PHI, including Electronic PHI, other than as provided for by this Agreement. Such safeguards shall conform with the standards and implementation specifications required by the HIPAA Security Standards for the Protection of Electronic PHI.

4. County shall report to the Contractor any use or disclosure of the PHI, including Electronic PHI, not provided for by this Agreement or otherwise in violation of the Privacy Rule. County shall also promptly report in electronic form to the Security Officer of Contractor any Security Incident relating to Electronic PHI of which County becomes aware.

5. County shall ensure that any agent, including a subcontractor, to which County provides PHI received from, or created or received by the County on behalf of

the Contractor shall comply with the same restrictions and conditions that apply through this Agreement to the County with respect to such information.

6. County shall provide access, at the request of the Contractor, and in the time and manner designated by the Contractor to PHI in a Designated Record Set, to an Individual or the Contractor as defined by and in accord with the requirements of 45 C.F.R. section 164.524.

7. County shall make any amendment(s) to PHI in a Designated Record Set that the Contractor directs or at the request of the Contractor or Individual, and in the time and manner designated by the Contractor in accordance with 45 C.F.R. section 164.526.

8. County shall document such disclosures of PHI and information related to such disclosures as would be required for the Contractor to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. section 164.528.

9. County shall provide to the Contractor or an Individual, in time and manner designated by the Contractor, information collected in accordance with 45 C.F.R. section 164.528, to permit the Contractor to respond to a request by the Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. section 164.538.

10. County shall make internal records related to the use, disclosure, and privacy protection of PHI received from Contractor, or created or received by the County on behalf of the Contractor, available to the Contractor or to the Secretary of the United States Department of Health and Human Services for purposes of investigating or auditing the Contractor's compliance with the Privacy Rule requirements, in a time and manner designed by the Contractor or the Secretary.

11. Upon termination of this Agreement for any reason, unless otherwise directed by Contractor, County shall return all PHI received from Contractor, or created or received by County on behalf of Contractor, which PHI is required to be retained by the Privacy Rule. In addition, County shall return all other PHI not subject to the Privacy Rule which is received from Contractor, or created or received by County on behalf of Contractor. This provision shall apply to PHI in possession of subcontractors or agents of County. County, its agents, and subcontractors shall retain no copies of PHI associated with this Agreement.

12. The County shall mitigate, to the extent practicable, any harmful effect that is known to the County of a use or disclosure of PHI by the County in violation of the requirements of this Agreement.

13. The County shall comply with any and all other applicable provisions of HIPAA, its rules and regulations, and any subsequent amendments or modifications.

14. Contractor may immediately terminate this entire contract and all its exhibits in the event of a material breach of the terms and conditions of this Exhibit D which County fails to cure and/or mitigate.

15. In addition to any other indemnification and defense obligation under the Agreement, County has a separate and additional obligation to indemnify and defend Contractor against any claims or suits arising from County's breach of its obligations under the terms and conditions of this Exhibit D.

16. The Contractor and County agree that in the future, it may be necessary to amend this Agreement to allow either party to comply with Privacy Standards that have been promulgated or will be promulgated or will be promulgated by various state or federal regulations or statutes. Contractor and County agree that they will fully comply with all such standards and agree to amend this Agreement to incorporate any material amendment(s) and change(s) required by the various regulations.

17. This Agreement will remain in effect until changed or revoked in writing by an authorized representative of Contractor.

18. Paragraphs 2 through 16 of this Exhibit D shall survive the termination of the Agreement so long as PHI obtained or generated during the term of this Agreement is retained by County.

END OF EXHIBIT D

EXHIBIT E

Hazel Hawkins Memorial Hospital Equal
Employment Opportunity Policy

1. Hazel Hawkins Memorial Hospital is committed to a policy of equal employment opportunity for applicants and employees. The Hospital does not discriminate on the basis of race, color, sex, sexual orientation, pregnancy, religion, national origin, ancestry, age, physical or mental disability, or any other characteristic protected by applicable state and federal law.

2. We will recruit, hire, and promote for all job classifications without regard to race, color, sex, sexual orientation, religion, national origin, ancestry, age, physical or mental disability, except where age or sex is a bonafide occupational qualification.

3. We will base employment decisions solely upon an individual's abilities, interests, and skills as they are commensurate with their responsibilities.

4. All other personnel actions such as compensation, benefits, transfers, low census days, Hospital-sponsored training, tuition assistance, and any other such programs will be administered without regard to any protected characteristic as stated above.

5. The successful achievement of a nondiscriminatory employment program requires a maximum of cooperation between management and employees. In fulfilling its part in this cooperative effort, the Hospital is obliged to lead the way by establishing and implementing procedures and practices which will ensure our objective, equitable employment opportunity for all.

END OF EXHIBIT E

NICOLAY CONSULTING

San Benito Healthcare District

Pension Plan

January 1, 2023 Funding Valuation Report

September 2023

At the request of San Benito Healthcare District (the "District"), the plan sponsor, we have prepared this report to summarize the results of the January 1, 20223 actuarial funding valuation completed by Nicolay Consulting Group. The purpose of this report is to communicate:

- The current funded position of the plan,
- The actuarially determined contribution, and
- The determination of the PEPRA employee contribution rate as required by California statute

The results included in this report may not be appropriate for other purposes and should not be relied on for any other purposes without first contacting Nicolay Consulting Group. This report should not be disclosed to other parties without prior consent from Nicolay Consulting Group. When shared, this report should be shared in its entirety.

This report has been prepared in accordance with applicable Federal and State laws.

Our calculations were based on financial data furnished by Principal Bank and on the employee data furnished by the District as of December 31, 2022. We have reviewed the data provided for reasonableness compared to prior data collections, however, we have not audited the data. Where data was missing, we have made assumptions we believe to be reasonable given the purpose of the measurement. In general, we have relied on the data as provided. Any errors or omissions in the provided data will cause the results of our report to differ.

Actuarial assumptions were selected by the plan sponsor. Nicolay Consulting Group has not completed a thorough experience study to validate assumptions. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions;

- Changes in economic or demographic assumptions;

- Increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period);

- Changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

The valuation was based on results generated in ProVal, a third-party valuation system. Use of this software required us to code the plan provisions, assumptions, and methods outlined in this report. We reviewed the outputs for reasonableness at a high level and also reviewed sample calculations in detail. We are not aware of any material weaknesses or limitations in the software or its parameterization. We certify that the amounts presented in the accompanying report have been appropriately determined according to the actuarial assumptions stated herein.

We would be pleased to answer any questions on the material contained in this report or to provide explanation or further detail as may be appropriate.

The undersigned actuaries are members of the American Academy of Actuaries, Society of Actuaries and/or Conference of Consulting Actuaries and have met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. In our opinion, assumptions as approved by the plan sponsor are reasonably related to the experience of and expectations for the Plan. We do not have any relationship with the plan sponsor that could impact our objectivity in preparing this report.

Respectfully submitted,

Nicolay Consulting Group

Earlene L. Young

Earlene L. Young MAAA, FCA
Consulting Actuary
Enrolled Actuary No. 23-04437

Sue Simon

Sue Simon, ASA, MAAA, FCA
Vice President
Enrolled Actuary No. 23-06211

Table of Contents

A. Highlights

	January 1, 2023	January 1, 2022
Annual Actuarially Determined Contribution (ADC [1]	$ 3,401,336	$ 3,154,060
Market Value of Assets as	$ 35,137,453	$41,223,881
Actuarial Accrued Liability	$ 51,683,711	$52,003,420
Unfunded Actuarial Accrued Liability	$ 16,546,258	$10,779,539
PEPRA Employee Contribution Rate during current year	4.00%	4.00%
PEPRA Employee Contribution Rate for following year[2]	NA	4.00%
Number of Participants:		
Retired participants	138	118
Terminated vested participants entitled to future benefits	137	132
Active participants	288	280
Active participants (frozen status)	13	22
Total participants	576	552

[1]Net of estimated employee contributions
[2] Contributions ceased 7/2/2023 due to an amendment to freeze the plan.

B. Valuation Summary

The San Benito Healthcare District Pension Plan (the "Plan") was established effective January 1, 2005. The Plan was amended effective January 1, 2016 to update the plan for legislative changes according to California Public employees' Pension Reform Act of 2013 (PEPRA). The plan was most recently amended to freeze the accrual of any additional benefits under the plan effective July 3, 2023. This valuation reflects the 2023 amendment.

This report presents the results of the January 1, 2023 actuarial valuation.

This section presents a summary of the valuation results and the funding status of the Plan at January 1, 2023:

1. Annual Contribution

The employer's Actuarially Determined Contribution (ADC) for the 2023 Plan Year is $ 3,401,336 (assuming contributions will be deposited throughout the Plan Year). In addition, PEPRA employees are expected to contribute 4.0% of their eligible pay to the plan.

2. Historical Annual Contribution

	2023	2022	2021
Actuarially Determined Contribution (ADC):	$ 3,401,336	$3,154,060	$3,438,240
Total Compensation[1]:	$ 26,658,478	$26,085,105	$28,460,305
Contribution as a Percentage of Total Compensation:	12.8%	12.1%	12.1%

[1]Includes compensation for frozen employees and employees over age 65.

3. Reconciliation of Funded Status

The funded status of the Plan decreased between January 1, 2022 and January 1, 2023. The primary reasons were asset returns below expectations (-$6.6M vs. $2.7M expected) and demographic experience losses. These losses were partially offset by liability gains from assumption and plan changes noted below.

4. Assumptions and Methods Changes from Prior Valuation

The salary increase assumption rates were updated from 5.5% for NUHW participants to 3.5%. All other participant salary increases were set to 3%.

5. Plan changes since Prior Valuation

The plan was most recently amended to freeze the accrual of any additional benefits under the plan effective July 3, 2023. PEPRA employee contributions also ceased on the same date.

6. Funded Status

A plan's "funded status" is measured by comparing the Plan's assets with the Plan's actuarial liability. A ratio in excess of 100% means that the Plan's assets exceed the actuarial liability.

The Plan's actuarial liability can be measured in a variety of ways. Some of the alternatives are described below:

- Entry Age Normal Accrued Liability:

  This actuarial liability represents the actuarial present value of the projected benefits of each individual included in the valuation. Cost of benefits accrued are spread over an individual's career such that, ignoring any experience or assumption change gains or losses, costs will be a level percent of pay each year. GASB 67/68 accounting requirements and PEPRA employee contribution rates mandate the use of Entry Age Normal liability measurements.

- Frozen/Terminated Plan Basis:

  This actuarial liability represents the actuarial present value of all benefits accrued as of the valuation date, based on service and salary at that date (traditional unit credit cost method).

- All Expected Future Plan Benefits:

  This actuarial liability represents the actuarial present value of all expected future benefits under the Plan as of the valuation date including benefits expected to be earned for future service based and future salary increases.

The Plan's funded status is described below, based on each of these measures of actuarial liability as of January 1, 2023, January 1, 2022 and January 1, 2021:

	January 1, 2023	January 1, 2022	January 1, 2021
Market Value of Assets	$ 35,137,453	$41,223,881	$35,138,016
Actuarial Liabilities:			
Entry Age Normal	$ 51,683,711	$52,003,420	$47,039,034
Frozen Plan Basis	$ 51,683,711	$46,252,348	$42,132,918
All Expected Future Plan Benefits	$ 51,683,711	$68,655,321	$65,071,337
Funded Status (Market Value of Assets):			
Entry Age Normal	67.99%	79.27%	74.70%
Frozen Plan Basis	67.99%	89.13%	83.40%
All Expected Future Plan Benefits	67.99%	60.04%	54.00%

C. Historical Summary

ANNUAL COSTS	2023	2022	2021
Actuarially Determined Contributions:	$ 3,401,336	$3,154,060	$3,438,240
Employer Contributed	N/A	$1,545,627	$2,738,385
EMPLOYEE CONTRIBUTIONS			
Dollar amount	$ 121,865 [1]	$ 310,498	$262,258
Annual Rate	4.00%	4.00%	4.00%
ACTUARIAL LIABILITIES AT BEGINNING OF PLAN YEAR			
Actuarial Accrued Liability (EAN)	$ 51,683,711	$52,003,420	$47,039,034
Entry Age Normal Cost	$ 1,759,962	$1,987,739	$2,135,348
Expected Employee Contributions	$ (121,865)	$ (219,819)	$ (140,692)
Net Employer Normal Cost	$1,638,097	$1,767,920	$ 1,994,656
ASSETS AT BEGINNING OF PLAN YEAR			
Market Value of Plan Assets	$ 35,137,453	$41,223,881	$ 35,138,016
UNFUNDED ACTUARIAL ACCRUED LIABILITY	$ 16,546,258	$ 10,779,539	$ 11,901,018
NUMBER OF PARTICIPANTS			
Retired	138	118	110
Terminated Vested	137	132	125
Active (include frozen)	301	302	315
Total	576	552	550
TOTAL COMPENSATION[2]	$ 25,765,287	$24,420,350	$ 25,294,720

[1]Estimated PEPRA employee contributions (see Section II(B) for details). Contributions ceased 7/2/2023 due to an amendment to freeze the plan.
[2] Includes salary for non-frozen, active participants who are under maximum assumed retirement age (age 65).

Section II
Funding

A. Normal Cost

The normal cost is the portion of the actuarial present value of benefits allocated to the current Plan year under the actuarial cost method.

	Classic	PEPRA	Total
Total Normal Cost	$ 1,653,300	$ 106,662	$ 1,759,962
Expected Employee Contribution	$0	$ 121,865	$ 243,729
Net Employer Normal Cost	$ 1,653,300	$ (15,203)	$ 1,516,233
Covered Payroll <age 65	$ 19,672,061	$ 6,093,226	$ 25,765,287
Total Normal Cost % of Payroll	8.40%	1.75%	6.83%

B. Development of the 2023 Estimated Employee Contribution

Under the California Public Employees' Pension Reform Act of 2013 (PEPRA), government employees participating in pension programs are required to share in the cost of funding the pension program. In general, employees hired on or after 1/1/2013 must contribute one-half of their normal cost during the year. Administratively, the employee contribution rate is typically established based on the results of the prior year's actuarial funding valuation.

(a)	Total Covered Payroll for PEPRA Participants	$ 6,093,226
(b)	Annual PEPRA contribution rate (From prior year valuation report)	4.00%
(c)	Expected contribution from PEPRA participants through 7/2/2023 = (a) × (b) *.5	$ 121,865
(d)	Expected Contribution from PEPRA Participants at Beginning of Year =(c)/(1+.065*.5)	$ 118,029

C. Development of the 2023 Employer Contribution

(a)	Normal cost at January 1, 2023	$ 1,759,962
(b)	Annual amortization of Actuarial Accrued Liability	1,652,339
(c)	Expected contribution from PEPRA participants (4.00%) [see B(d)]	118,029
(d)	Contribution for 2023 plan year, payable at the beginning of the year, not less than zero = (a) + (b) - (c)	3,294,272
(e)	Interest on (d) to mid-year at 6.50%	107,064
(f)	Contribution for 2022 plan year, payable at the mid-year	$3,401,336

D. Development of the Unfunded Actuarial Accrued Liability

The actuarial accrued liability is the actuarial present value of the accrued benefits attributable to service as of the valuation date under the actuarial cost method . The excess, if any, of the actuarial accrued liability over the actuarial value of assets is the unfunded actuarial accrued liability.

1. Entry Age Actuarial Accrued Liability at January 1, 2023 attributable to:			
	Classic	PEPRA	Total
(a) Active Participants	$ 24,346,432	$ 2,815,483	$ 27,161,915
(b) Inactive (Frozen) Participants	$ 690,022	$-	$ 690,022
(c) Terminated Vested Participants	$ 7,220,387	$ 274,016	$ 7,494,403
(d) Retirees	$ 15,770,600	$ 566,771	$ 16,337,371
(e) Total = (a) + (b) + (c) + (d) + (e)	$ 48,027,441	$ 3,656,270	$ 51,683,711
2. Actuarial value of Plan assets at January 1, 2022			$ 35,137,453
3. Unfunded Actuarial Accrued Liability at January 1, 2023 = (1)(e) - (2)			$ 16,546,258

E. Development of the Actuarial (Gain) Loss

1.	Unfunded Actuarial Accrued Liability at January 1, 2022	$ 10,779,539
2.	Normal Cost due January 1, 2022	1,987,739
3.	Interest at 6.50% to the end of the Plan year on (1) + (2)	829,873
4.	Total contribution for the 2022 Plan year plus interest at 6.50%	1,916,449
5.	Expected Unfunded Actuarial Accrued Liability as of January 1, 2023 = (1) + (2) + (3) - (4), not less than zero	$ 11,680,702
6.	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023 (before change in assumptions/plan)	21,934,091
7.	Actuarial (Gain) Loss at January 1, 2023= (6) - (5)	$ 10,253,389

F. Development of the (Gain) Loss for Change in Assumption

(a)	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023 (before change in assumptions)	$ 21,934,091
(b)	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023 (after change in assumptions)	22,568,309
(c)	Actuarial (Gain) Loss due to assumption change as of January 1, 2023 = (b) - (a)	$634,218

G. Development of the (Gain) Loss for Plan Amendment

(a)	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023 (after change in assumptions)	$ 22,568,309
(b)	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023 (after plan amendment)	16,546,258
(c)	Impact of Plan Amendment as of January 1, 2023 = (b) - (a)	($ 6,022,051)

H. Amortization Method Used in Development of 2023 Recommended Employer Contribution

(a)	Actual Unfunded Actuarial Accrued Liability as of January 1, 2023	$16,546,258
(b)	Amortization Factor (15-Years at 6.5%)	10.0138
(c)	Annual Amortization of Actuarial Accrued Liability as of January 1, 2023 = (a) / (b)	$1,652,339

The Unfunded Actuarial Accrued Liability will be amortized over a closed 15-year period effective January 1, 2023. Future gains and losses will not be separately amortized. Previously, the gains and losses arising each year were amortized over closed periods over varying length depending on the source of the new unfunded liability. A fresh start closed amortization period is more appropriate for a frozen plan.

Section III
Assets

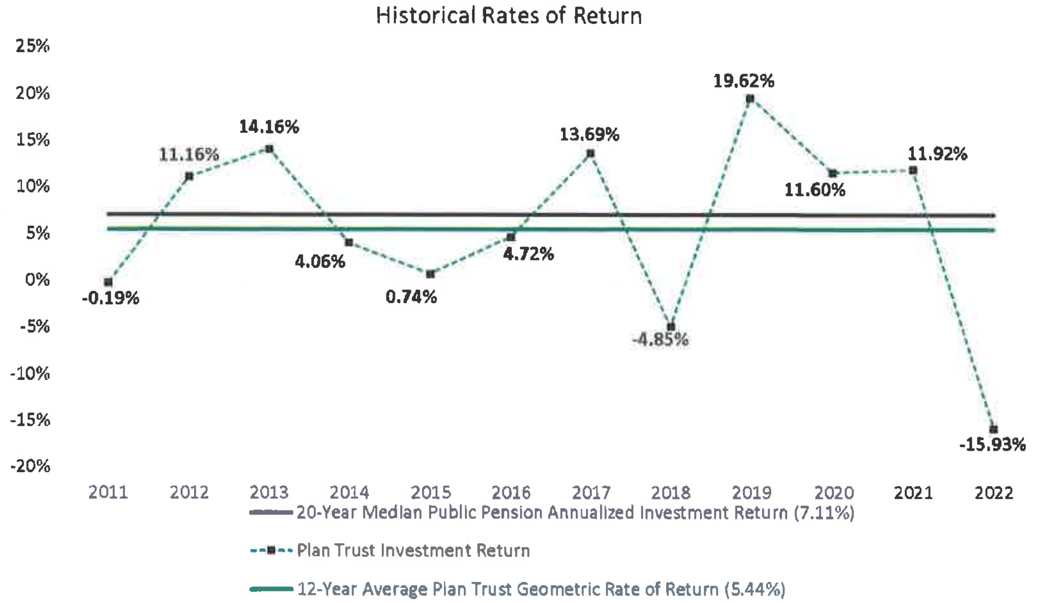
A. Statement of Plan Assets at January 1, 2023 and January 1, 2022

	2023	2022
Market Value of Assets at January 1:	$ 35,137,453	$41,223,881
Actuarial Value of Assets at January 1	$ 35,137,453	$41,223,881

B. Changes in Market Value of Assets during the 2022 and 2021 Plan Years

		2022	2021
1. Market Value of Assets at January 1st		$ 41,223,881	$ 35,138,016
2. Changes During the Year			
(a)	Credits		
(i)	Employer Contributions	$ 1,545,627	$ 2,738,385
(ii)	Employee Contributions	310,498	262,258
(iii)	Income (Interest, Dividend)	864,950	1,569,110
(iv)	Gain from Sale of Asset	1,307,231	2,162,883
(v)	Unrealized Gain/Loss	(8,768,858)	583,015
(vi)	Total Credits	$ (4,740,551)	$ 7,315,651
(b)	Charges		
(i)	Benefit Payments	$ (1,323,008)	$ (1,207,348)
(ii)	Fees and Commissions	-	-
(iii)	Other Administrative Fees	(22,868)	(22,438)
(iv)	Investment Advisory and Management Fees	-	-
(v)	Total Charges	$ (1,345,876)	$ (1,229,786)
3. Market Value of Assets at December 31st	= 1 + 2(a)(vi) + 2(b)(v)	$ 35,137,453	$ 41,223,881

C. Historical Asset Rates of Return:



Section IV
PEPRA Employee Contribution Rate

A. PEPRA Member Normal Cost

The normal cost is the actuarial present value of benefits allocated to the current Plan Year and is used to calculate the employee contribution rate for the next Plan Year. This table shows the normal cost for PEPRA employees only for select Plan Years. However, contributions will cease on July 3, 2023 due to an amendment freezing the plan.

Applicable Year[1]:	2017 (Last Adjustment)	2023	2024
(a) Normal Cost	$149,041	$458,286	N/A
(b) Covered Payroll	$1,832,105	$5,495,464	N/A
(c) Percent of Payroll	8.13%	8.34%	N/A

[1]Applicable Year is the year in which data shown will first be applicable to contributions made by PEPRA employees.

B. Development of the 2024 Estimated Employee Contribution Rate

Effective January 1, 2013, the California Public Employees' Pension Reform Act (PEPRA) requires that a new participant must contribute at least 50% of the normal cost rate of the Plan and that employers not pay any of the required employee contribution [GC 7522.30(a)]. The normal cost rate means the annual actuarially determined normal cost for the Plan based on the actuarial assumptions used to determine the liabilities and costs as part of the annual actuarial valuation [GC 7522.30(b)].

New Plan participants shall have an initial contribution rate of at least 50 percent of the normal cost rate for the Plan, rounded to the nearest quarter of 1 percent, unless a greater contribution rate was adopted [GC 7522.30(c)].Once established, the employee contribution rate shall not be adjusted on account of a change to the normal cost rate unless the normal cost rate increases or decreases by more than 1 percent of payroll above or below the normal cost rate in effect at the time the employee contribution rate is first established. Or if later, the normal cost rate in effect at the time of the last adjustment to the employee contribution rate [GC 7522.30(d)].

Valuation Date:	January 1, 2016 w/ 12/31/16 Update	January 1, 2022	January 1, 2023
Applicable Year:	2017	2023	2024[2]
(a) Normal Cost	$149,041	$458,286	N/A
(b) Covered Payroll	$1,832,105	$5,495,464	N/A
(c) Normal Cost Rate	8.13%	8.34%	N/A
(d) 1 percent in/decrease?	N/A	No	N/A
(e) 50% of NC Rate	4.06%	4.17%	N/A
(f) Rounded to ¼ of 1%	4.00%[1]	4.00%[1]	0.00%

[1] Last Adjustment (2017) contribution rate for PEPRA participants.

[2] Contributions ceased 7/2/2023 due to an amendment to freeze the plan.

Section V
Risk Analysis

SUMMARY

While the valuation results are based on the actuary's best estimate, future costs will fluctuate due to actual experience being different than assumed. We have identified the following risks that could affect the plan's future funding condition:

Risk	Risk Description	Assessed Risk Level
1. Interest Rate Risk	Despite recent increases in interest rates and inflation, there is risk that investment return outlooks may remain low resulting in a need to lower the Plan's discount rate leading to higher measured liabilities.	Moderate
2. Investment Risk	There is risk that future investment returns will be volatile causing assets to be at a low point as of a valuation date, requiring higher contributions to make up the difference.	Moderate
3. Plan Maturity Risk	There is risk for plans with a high proportion of inactive/retired participants, where the plan cost is more volatile as inactive/retired liability changes are spread over active participant future service/payroll.	Moderate
4. Demographic Risk	There is risk that participants' turnover, retirements, mortality and salary increases will be different than expected, leading to higher costs.	Low

We discuss these risks in more detail on the following pages.

1) Interest Rate Risk

Plan liabilities are measured using a discount rate based on the expected long-term return on assets. The current discount rate is 6.5%. The table below shows the impact on Plan costs if this rate decreased by 50 bps:

	Current (6.50%)	-50 bps (6.00%)
1/1/2022 EAN Actuarial Accrued Liability	$ 51,683,711	$55,134,606
2023 Recommended Contribution Level	$ 3,401,336	$ 3,885,572
Funded Status %	67.99%	63.73%

2) Investment Risk

A measure of the plan's sensitivity to Investment Risk is a stress test where assets immediately drop 20% during a period that includes the valuation date. The effect on 2023 actuarially determined contribution levels and funding status of an immediate 20% asset loss would be as follows:

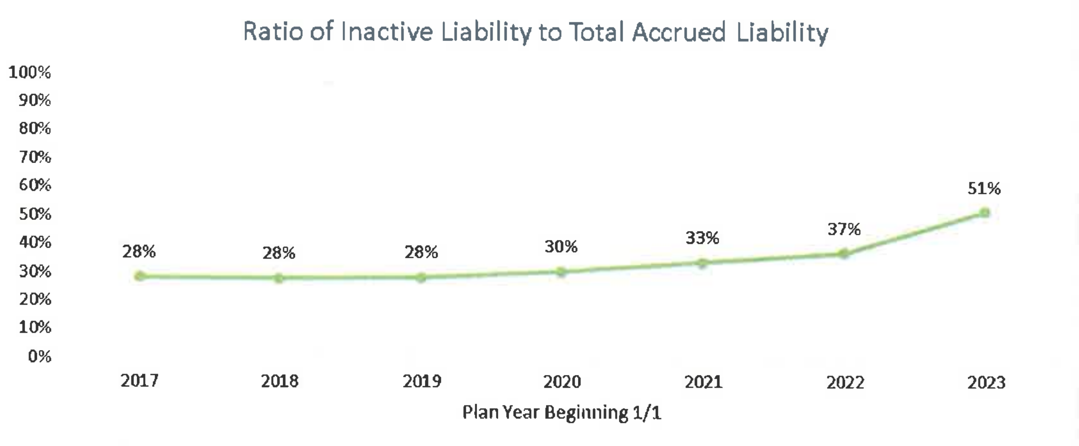
	Current Results	Revised Results if Assets Drop 20%
1/1/2023 Market Value of Assets	$ 35,137,453	$ 28,109,963
2023 Recommended Contribution Level	$ 3,401,336	$ 4,125,921
Funded Status %	67.99%	54.40%

3) Plan Maturity Risk

Plan Maturity is an additional type of risk inherent with plans that have a high proportion of liability for inactive participants. While mature plans are less sensitive to many potential shocks, they tend to have a harder time recovering from negative shocks as plan liabilities tend to be larger relative to future payroll/service of the active population. This means a mature plan's inactive liabilities may cause the plan cash costs to be more volatile than a non-mature plan.

The San Benito Healthcare District should consider how plan investments should be managed to account for the growing inactive liability percentage. Since the retired liability is a bond-like liability, the San Benito Healthcare District may want to reduce risk by matching fixed income securities with the retired liability where the fixed income securities generate income approximating the expected benefit payments. If the San Benito Healthcare District allocates a higher percentage to fixed income securities, the resulting yields may be less than expected resulting in actuarial losses. This effect would be more gradual than the 20% drop illustrated in Section 2).

The table below shows the plan's ratio of inactive and retired liability to accrued liability over time:



The chart indicates that the ratio of inactive liability to total accrued liability has increased over the last 5 years from 28% to 51%. There is no fixed measure of what constitutes a mature plan, but since the plan's inactive liability is more than 50% of total accrued liability, the plan would be considered by most to be a mature plan. The 2023 increase was impacted largely by the plan freeze.

2. Classification of Participants on January 1, 2023

		Total
1. Actives Participants accruing benefits :		
(a)	Under Normal Retirement Age	260
(b)	Over Normal Retirement Age	28
can	Total	288
2. Active Frozen Participants		13
3. Terminated Participants with deferred vested benefits		137
4. Retired Participants receiving benefit payments		138
5. Total = (1c) + (2) + (3) + (4)		576

B. Participant Data Reconciliation

The San Benito Health Care District Employees Pension Plan valuation data base included active and inactive participants, terminated participants with deferred vested rights, and retired participants. Set forth below is the reconciliation of the valuation database from the January 1, 2022 valuation to the January 1, 2023 valuation.

RETIRED PARTICIPANTS AND BENEFICIARIES

Retirees and Beneficiaries, January 1, 2022		**118**
Plus:	New retirements from actives	15
	New retirements from Vested Termination	6
	New beneficiary	1
Less:	Deaths	2
	Returned to active	0
	Data adjustments	0
Retirees and Beneficiaries, January 1, 2023		**138**

VESTED TERMINATED PARTICIPANTS

Vested Termination, January 1, 2022		**132**
Plus:	New Vested Termination with Deferred Benefits	14
	Leave of Absences	0
Less:	Deaths	0
	Retirements	6
	Returned to active	2
	Data adjustments	1
Vested Termination, January 1, 2023		**137**

ACTIVE AND INACTIVE PARTICIPANTS

	Active (Accruing)				**Active Frozen**			
	CNA[1]	NUHW	Non-Union	Total	CNA[1]	NUHW	Non-Union	Total
Active Participants, January 1, 2022	**76**	**132**	**72**	**280**	**10**	**7**	**5**	**22**
Plus: New Entrants	11	11	5	27				
Former non-vested returning								
Former vested returning		1		1	1			1
Former frozen returning	1	3	2	6	(1)	(3)	(2)	(6)
Former retired returning								
Less: Vested Terminations								
with Deferred Benefits	1	2	7	10	2		2	4
Non-Vested Terminations						1		1
Deaths								
Suspended	1	2		3	(1)	(2)		(3)
Retirements	5	6	2	13	1	1		2
Data Adjustments				0				
Plus: Union Code Changes	(2)	(1)	3					
Active Participants, January 1, 2023	**79**	**136**	**73**	**288**	**8**	**4**	**1**	**13**

1 CNA category includes participants with a Union code of LabTech, LVN, or RN.

Where current union code is missing, it is assumed union code is the same as in the prior year

Assumptions and Methods

A summary of the actuarial assumptions and methods used in the January 1, 2022 actuarial valuation of the Plan follows:

2. A. Actuarial Assumptions

Investment Return(CO):	For 2023: 6.5% per annum, compounded annually (Net of Administrative Expenses). The investment return assumption was set based on capital market projections by the investment consultant adjusted for administrative expenses paid from the trust.
Salary Scale(FE):	For 2023: 3.5% per annum (NUHW); 3.0% per annum (all other participants). These new Salary scale assumptions are based on union agreements finalized in 2022 and changes in future expected salary increases. For 2022: 5.50% per annum (NUHW); 4.00% per annum (CNA); 5.25% per annum (Other Union); 5.00% per annum (all other participants).
Mortality(FE)*:	The PubG-2010 Generational Mortality Tables for males and females and surviving spouses projected using scale MP-2021 improvement table.
Retirement Age(FE):*	100% at Normal Retirement Age. Due to the early retirement provisions in the Plan and the number of active employees older than age 65 in the data, we recommend a study of recent experience be completed to validate this assumption.
Turnover(FE)*	Based on T-4 Table, Sample Rates are:

Age	Rate
25	5.29%
35	4.70%
45	3.54%
55	0.94%

Disability (FE)*: None.

Assumptions and Methods

Marital Status(FE):	Percentage married: 80% of males and females are assumed to be married. Age difference: Females are assumed to be three years younger than males.
Inflation	2.25% per year for applicable plan limits

*NCG has not performed an experience study to select these assumptions.

Valuation Date	January 1, 2023
Actuarial Cost Method:	Entry Age Normal Cost Method This method was effective January 1, 2015. Under the Entry Age Normal Actuarial Cost Method, the actuarial value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the Actuarial Accrued Liability.

Assumptions and Methods

Amortization Policy:

For 2023:

The total unfunded actuarial accrued liability is amortized over a closed 15 year period.

For 2022:

The unfunded actuarial accrued liability is amortized at the valuation interest rate over closed periods over varying length depending on the source of the new unfunded liability:

- 20 Years – Initial Unfunded
- 10 Years – Method Changes
- 10 Years – Liability Experience
- 10 Years – Asset Experience
- 15 Years – Assumption Changes
- 15 Years – Plan Amendments

When the Plan reaches full funding, all amortization bases are wiped out.

Contributions toward prior amortization bases are allocated prorata based on their outstanding unamortized balance. Each year prior bases are re-amortized over the remaining amortization period. In years where contributions to prior bases are less (greater) than recommended, this approach will increase (decrease) the annual amortization requirement of each prior base.

FE: Indicates an assumption is an estimate of future experience.
MD: Indicates an assumption is an estimate inherent in market data.
CO: Indicates an assumption is based on a combination of estimated future experience and estimates inherent in market data.

Section VIII
Plan Provisions

Effective Date:	January 1, 2005
Most Recent Restatement Date:	January 1, 2015
Most Recent Amendment Date:	July 3, 2023(Plan Freeze)
Plan Year:	January 1 to December 31

Classic Employee Provisions

Eligible Employee:	Benefited full-time or part-time employee. Hired prior to January 1, 2013.
Participation Entry Date:	January 1st following three years of consecutive employment (1,000 hours in each year) and attainment of age 21.
Normal Retirement Date:	First of month after reaching age 65 and completion of five Years of Service.
Deferred Retirement Date:	First of any month following actual retirement after a participant's Normal Retirement Age. An employee can work beyond his normal retirement date and continue to earn pension benefits.
Early Retirement Date:	First of any month after reaching age 50 and completing 10 Years of Service.
Normal Form of Payment For Unmarried Participants:	A retirement income payable monthly for life, with guaranteed payments for 120 months.
Normal Form of Payment For Married Participants:	A retirement income payable monthly for life, with guaranteed payments for 120 months; in addition, after the guaranteed period, in the event of the participant's death, the participant's spouse will receive a monthly pension equal to 50% of the participant's pension for the remainder of the spouse's lifetime.
Optional Forms of Distribution of Retirement Benefit:	No other options available.

Retirement Benefit Formula For Future Service:	Effective January 1, 2005: 1% of the participant's compensation in each calendar year. Effective January 1, 2007, the rate increases to 1.1% per year for future service of non-SEIU employees' future service after January 1, 2007, but prior to January 1, 2010. Effective January 1, 2010, the rate increases to 1.3% per year for non-SEIU employees' future service after January 1, 2010. Effective January 1, 2012, the benefit accrual rate increases to 1.3% of participant's compensation for all eligible employees' future service after January 1, 2012. Effective July 3, 2023, benefit accruals cease due to an amendment to freeze the plan.
Retirement Benefit Formula For Past Service as of January 1, 2005	1% of the participant's compensation in each consecutive calendar year in which the participant completed 1,000 hours as a benefited full-time or part-time employee during the period 1999 through 2004.
Early Retirement Benefit:	Accrued benefit earned to the date of early retirement with payments commencing on participant's normal retirement date. The participant may elect to receive an actuarially reduced benefit starting after his or her early retirement date.
Deferred Retirement Benefit:	The greater of 1) the Accrued Benefit as of Normal Retirement Date and 2) The participants Accrued Benefit as of the Deferred Retirement Date.
Disability Benefit:	Accrued benefit earned to disability retirement date with payments commencing on participant's normal retirement date. The participant may elect to receive an actuarially reduced benefit starting after his or her early retirement date.
Death Benefits:	Larger of: (1) Present value of vested accrued benefits; (2) 25,000.
Vesting of Accrued Benefits:	The earlier of (i) the completion of five years of service (1,000 hour rate) in the Plan and (ii) a participant's Normal Retirement Date. This vested benefit would be in the form of a pension beginning at normal retirement date equal to the benefits accrued at time of termination, or for a reduced amount if an election is made to have payments commence before normal retirement date.

PEPRA Provisions

PEPRA Participant	"PEPRA Participant" means a participant who (i) was never a member of a California "public retirement system" as that term is defined in California Government Code section 7522.04(j), prior to January 1, 2013, (ii) was a member of a California public retirement system prior to January 1, 2013, other than the system through which this Plan is offered but was not subject to reciprocity under California Government Code section 7522.02(c), or (iii) was an active member in the system through which this Plan is offered but who returned to active membership in the system with a new employer after a break in service of more than six (6) months.
Classic Participant	Means a participant who is not a PEPRA Participant
Eligibility Requirements	Employees must be employed by the Employer in an eligible category of employment, attained age 21, and completed three years of service in order to be eligible to participate in the plan. An eligible employee will become a participant upon the later of January 1, 2016, completion of three years of services, or attainment of age 21. No employee will be allowed to enter or reenter the plan effective July 3, 2023.
Benefit Accrual Rates(PEPRA Participants)	Same as Retirement Benefit for Future Service
Normal Retirement:	Normal retirement age under the plan is the later of age 65 or the date an employee completes 5 years of service. Normal retirement date is the first day of the month after reaching normal retirement age.
Early Retirement:	The first day of the month following a Participant's attainment of age fifty (50) years and the completion of ten (10) Years of Service, or the first day of any subsequent month preceding the Participant's Normal Retirement Age; provided, however, that a Post-2012 Participant must have attained age fifty-two (52).
Maximum Benefit of PEPRA Participants	The Accrued Benefit of a PEPRA participant shall not exceed the amount defined in PEPRA and described in Appendix A of the plan document. The amount shall be determined by interpolating to the participant's nearest completed quarter of age at the date benefit are scheduled to commence, based on the rates shown opposite the participant's age in Appendix A of the plan document table. Based on Appendix A table, Sample rates are:

Age of retirement	Benefit Rate (Percentage of Final Base Pay)
52	1.000%
55	1.300%
60	1.800%
65	2.300%
67	2.500%

Final Base Pay

The highest average annual Pensionable Compensation earned by the Participant during a period of at least 36 consecutive months immediately preceding his retirement (or last separation from service, if earlier) Pay after 7/3/2023 will not be recognized.

Employee Contributions

PEPRA participants shall have an initial contribution rate of at least 50% of the normal cost rate as defined under the Employer PEPRA Contribution. Contributions cease on 7/3/2023.

Change in Plan Provisions

The plan was most recently amended to freeze the accrual of any additional benefits under the plan effective July 3, 2023. Employee contributions for PEPRA participants also ceased on that date.