



Hazel Hawkins  
MEMORIAL HOSPITAL

**REGULAR AND SPECIAL MEETING OF THE FINANCE COMMITTEE  
SAN BENITO HEALTH CARE DISTRICT  
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA  
THURSDAY, JULY 18, 2024 - 4:30 P.M.  
SUPPORT SERVICES BUILDING, 2<sup>ND</sup> FLOOR – GREAT ROOM**

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

1. Call to Order
  
2. Approve Minutes of the Finance Committee Meeting of June 20, 2024
  - Motion/Second
  
3. Review Financial Updates
  - Financial Statements – June 2024
  - Finance Dashboard – June 2024
  - Supplemental Payments – June 2024
  - DHLP – SBHCD Loan
  
4. Consider Recommendation for Board Approval of Letitia Bradford, M.D. Professional Services Agreement
  - Report
  - Committee Questions
  - Motion/Second
  
5. 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.

6. Adjournment

The next Finance Committee meeting is scheduled for **Thursday, August 15, 2024 at 4:30 p.m.**



# Hazel Hawkins

MEMORIAL HOSPITAL

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

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



July 18, 2024

**“Pre-Audit”**

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

For the month ending June 30, 2024, the District’s Net Surplus (Loss) is \$1,684,879 compared to a budgeted Surplus (Loss) of \$810,376. The District exceeded its budget for the month by \$874,503.

YTD as of June 30, 2024, the District’s Net Surplus (Loss) is \$15,511,128 compared to a budgeted Surplus (Loss) of \$2,117,148. The District is exceeding its budget YTD by \$13,393,980.

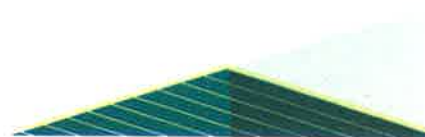
Acute discharges were 187 for the month, under budget by 27 discharges or 13%. The ADC was 18.87 compared to a budget of 19.39. The ALOS was 3.03. The acute I/P gross revenue exceeded budget by **\$81,631** while O/P services gross revenue was **\$1.28 million** or 5% under budget. ER I/P visits were 133 and ER O/P visits were over budget by 139 visits or 7%. The RHCs & Specialty Clinics treated 3,359 (includes 553 visits at the Diabetes Clinic) and 895 visits respectively.

**Other Operating** revenue was slightly budget by **\$6,822**.

**Operating Expenses** were under budget by **\$219,760** due mainly to negative variances in: Registry of \$278,139 and Purchase Services of \$187,664 being off-set by positive variances in Employee Benefits of \$479,610 and Salary and Wages of \$156,089.

**Non-operating Revenue** exceeded budget by **\$89,613** due mainly to donations offsetting legal fees associated with the 2013/2021 revenue bonds related to the DHLP subordination agreement which included U.S. Bank.

The SNFs ADC was **81.57** for the month. The Net Surplus (Loss) is **(\$87,587)** compared to a budget of \$208,414. YTD, the Net Surplus (Loss) is \$3,011,724 exceeding its budget by \$376,315.



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	36,251,934	37,061,367	36,004,686	37,198,238	37,873,381	36,232,889	37,559,748	37,686,874	38,231,850	37,122,907	441,915,110
Actual Bad Debt Expense	712,509	663,649	543,514	751,015	695,471	428,999	776,991	1,086,296	265,776	412,638	770,155	922,251	8,029,264
BD Exp as a percent of Gross Revenue	2.07%	1.83%	1.50%	2.03%	1.93%	1.15%	2.05%	3.0%	0.7%	1.1%	2.0%	2.5%	1.82%
Budgeted YTD BD Exp	4,901,841	1.23%											457,917
Actual YTD BD Exp	8,029,264	1.82%											484,918
Amount under (over) budget	(3,127,423)	-0.58%											(27,001)
Prior Year percent of Gross Revenue	1.15%												0.11%
Percent of Decrease (Inc) from Prior Year	-58.0%												

YTD Charity Exp Budget 457,917  
 YTD Charity Exp Actual 484,918  
 Amt under (over) budget (27,001)  
 -Charity Exp % of Gross Rev 0.11%

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
HOLLISTER, CA 95023  
FOR PERIOD 06/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23
GROSS PATIENT REVENUE:										
ACUTE ROUTINE REVENUE	4,095,139	4,391,511	(296,372)	(7)	2,694,039	40,084,613	53,097,685	(13,013,072)	(25)	46,889,962
SNF ROUTINE REVENUE	1,841,130	2,025,000	(183,870)	(9)	2,112,750	24,707,998	24,705,000	2,998	0	24,725,200
ANCILLARY INPATIENT REVENUE	5,429,374	5,160,219	269,155	5	3,525,808	50,172,620	62,097,206	(11,924,586)	(19)	56,642,477
HOSPITALIST\PEDS I\P REVENUE	208,571	184,678	23,893	13	118,354	2,045,800	2,253,062	(207,262)	(9)	2,032,370
TOTAL GROSS INPATIENT REVENUE	11,574,214	11,761,408	(187,194)	(2)	8,450,951	117,011,030	142,152,953	(25,141,923)	(18)	130,290,008
ANCILLARY OUTPATIENT REVENUE	25,757,265	27,055,849	(1,298,585)	(5)	24,511,635	326,949,882	293,731,103	33,218,779	11	279,974,439
HOSPITALIST\PEDS O\P REVENUE	81,974	59,424	22,550	38	45,830	856,890	724,965	131,925	18	646,826
TOTAL GROSS OUTPATIENT REVENUE	25,839,239	27,115,273	(1,276,034)	(5)	24,557,464	327,806,773	294,456,068	33,350,705	11	280,621,265
TOTAL GROSS PATIENT REVENUE	37,413,452	38,876,681	(1,463,229)	(4)	33,008,415	444,817,803	436,609,021	8,208,782	2	410,911,273
DEDUCTIONS FROM REVENUE:										
MEDICARE CONTRACTUAL ALLOWANCES	9,745,602	11,151,680	(1,406,079)	(13)	7,637,411	118,266,285	125,308,486	(7,022,201)	(6)	116,455,120
MEDI-CAL CONTRACTUAL ALLOWANCES	9,540,063	10,743,532	(1,203,469)	(11)	7,768,464	117,415,290	119,061,389	(1,646,100)	(1)	102,503,610
BAD DEBT EXPENSE	922,251	438,441	483,810	110	671,141	8,029,263	4,901,841	3,127,422	64	4,707,915
CHARITY CARE	34,099	41,028	(6,929)	(17)	54,522	484,918	457,917	27,001	6	439,859
OTHER CONTRACTUALS AND ADJUSTMENTS	4,413,075	4,479,721	(66,646)	(2)	4,539,103	53,070,799	49,641,823	3,428,976	7	45,424,498
HOSPITALIST\PEDS CONTRACTUAL ALLOW	15,480	13,589	1,891	14	(48,041)	44,147	151,767	(107,620)	(71)	(40,570)
TOTAL DEDUCTIONS FROM REVENUE	24,670,570	26,867,991	(2,197,421)	(8)	20,622,601	297,330,702	299,523,223	(2,192,521)	(1)	269,490,433
NET PATIENT REVENUE	12,742,883	12,008,690	734,193	6	12,385,815	147,487,101	137,085,798	10,401,303	8	141,420,840
OTHER OPERATING REVENUE	589,327	582,505	6,822	1	4,418,323	7,071,066	6,989,986	81,080	1	18,309,280
NET OPERATING REVENUE	13,332,209	12,591,195	741,014	6	16,804,138	154,558,167	144,075,784	10,482,383	7	159,730,120
OPERATING EXPENSES:										
SALARIES & WAGES	4,767,607	4,636,148	131,459	3	5,436,510	56,123,795	56,146,489	(22,694)	0	57,801,570
REGISTRY	482,828	200,000	282,828	141	148,701	4,539,208	2,400,001	2,139,207	89	4,217,289
EMPLOYEE BENEFITS	1,905,367	2,464,982	(559,615)	(23)	10,041,751	25,042,972	29,455,457	(4,412,485)	(15)	41,708,299
PROFESSIONAL FEES	1,604,161	1,602,560	1,601	0	1,707,445	19,358,761	19,530,040	(171,280)	(1)	20,482,577
SUPPLIES	1,119,660	1,222,616	(102,956)	(8)	(492,137)	12,885,168	14,283,869	(1,398,701)	(10)	12,878,484
PURCHASED SERVICES	1,232,236	1,058,400	173,836	16	1,282,624	13,605,672	12,912,429	693,243	5	14,776,517
RENTAL	134,640	130,294	4,346	3	128,245	1,673,766	1,571,113	102,653	7	1,803,465
DEPRECIATION & AMORT	319,957	320,773	(816)	0	324,900	3,878,005	3,849,307	28,698	1	3,901,109
INTEREST	5,656	25,416	(19,760)	(78)	302,753	483,438	305,000	178,438	59	576,910
OTHER	468,285	423,085	45,200	11	387,579	5,262,944	5,156,914	106,030	2	5,104,707
TOTAL EXPENSES	12,040,398	12,084,274	(43,876)	0	19,268,371	142,853,728	145,610,619	(2,756,891)	(2)	163,250,925
NET OPERATING INCOME (LOSS)	1,291,812	506,921	784,891	155	(2,464,234)	11,704,439	(1,534,835)	13,239,274	(863)	(3,520,805)

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED  
 HOLLISTER, CA 95023  
 FOR PERIOD 06/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE		
	ACTUAL 06/30/24	BUDGET 06/30/24	PERCENT VARIANCE	ACTUAL 06/30/24	BUDGET 06/30/24	PERCENT VARIANCE	ACTUAL 06/30/24	BUDGET 06/30/24	PERCENT VARIANCE
NON-OPERATING REVENUE\EXPENSE:									
DONATIONS	146,825	10,000	1,368	390,752	170,000	220,752	130	665,411	
PROPERTY TAX REVENUE	205,711	205,711	0	2,468,532	2,468,527	5	0	2,689,535	
GO BOND PROP TAXES	170,388	170,388	0	2,044,653	2,044,656	(3)	0	2,157,849	
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	(824,653)	(824,652)	(1)	0	(864,570)	
OTHER NON-OPER REVENUE	14,328	13,843	485	206,282	166,116	40,166	24	(284,866)	
OTHER NON-OPER EXPENSE	(86,070)	(27,766)	210	(485,275)	(372,664)	(112,611)	30	(513,633)	
INVESTMENT INCOME	10,607	0	10,607	6,398	0	6,398	0	923	
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	
TOTAL NON-OPERATING REVENUE/(EXPENSE)	393,068	303,455	89,613	3,806,689	3,651,983	154,706	4	3,850,647	
NET SURPLUS (LOSS)	1,684,879	810,376	874,503	15,511,126	2,117,148	13,393,980	633	329,842	
EBIDA	\$ 1,989,240	\$ 1,057,248	\$ 931,992	\$ 18,654,408	\$ 5,119,115	\$ 13,535,293	264.40%	\$ 3,451,305	
EBIDA MARGIN	14.92%	8.40%	6.52%	12.07%	3.55%	8.52%	239.68%	2.16%	
OPERATING MARGIN	9.69%	4.03%	5.66%	7.57%	(1.07)%	8.64%	(810.86)%	(2.20)%	
NET SURPLUS (LOSS) MARGIN	12.64%	6.44%	6.20%	10.04%	1.47%	8.57%	582.93%	0.21%	

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
HOLLISTER, CA 95023  
FOR PERIOD 06/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE		
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23
GROSS PATIENT REVENUE:									
ROUTINE REVENUE	4,095,139	4,391,511	(296,372)	(7)	40,084,613	53,097,685	(13,013,072)	(25)	46,889,962
ANCILLARY INPATIENT REVENUE	5,150,323	4,796,213	354,110	7	46,563,908	57,686,691	(11,122,784)	(19)	51,924,086
HOSPITALIST I/P REVENUE	208,571	184,678	23,893	13	2,045,800	2,253,062	(207,262)	(9)	2,032,370
TOTAL GROSS INPATIENT REVENUE	9,454,033	9,372,402	81,631	1	88,694,321	113,037,438	(24,343,117)	(22)	100,846,418
ANCILLARY OUTPATIENT REVENUE	25,757,265	27,055,849	(1,298,585)	(5)	326,949,882	293,731,103	33,218,779	11	279,974,439
HOSPITALIST O/P REVENUE	81,974	59,424	22,550	38	856,890	724,965	131,925	18	646,826
TOTAL GROSS OUTPATIENT REVENUE	25,839,239	27,115,273	(1,276,034)	(5)	327,806,773	294,456,068	33,350,705	11	280,621,265
TOTAL GROSS ACUTE PATIENT REVENUE	35,293,271	36,487,675	(1,194,404)	(3)	416,501,093	407,493,506	9,007,587	2	381,467,683
DEDUCTIONS FROM REVENUE ACUTE:									
MEDICARE CONTRACTUAL ALLOWANCES	9,533,305	10,879,374	(1,346,069)	(12)	115,645,098	122,010,650	(6,365,552)	(5)	113,534,220
MEDI-CAL CONTRACTUAL ALLOWANCES	9,451,136	10,638,716	(1,187,520)	(11)	115,626,488	117,782,647	(2,156,159)	(2)	103,082,201
BAD DEBT EXPENSE	928,480	428,441	500,039	117	8,127,358	4,781,841	3,345,517	70	4,477,715
CHARITY CARE	34,099	41,028	(6,929)	(17)	481,216	457,917	23,299	5	428,795
OTHER CONTRACTUALS AND ADJUSTMENTS	4,404,796	4,414,921	(10,126)	0	52,693,867	48,851,263	3,842,604	8	44,636,091
HOSPITALIST\PEDS CONTRACTUAL ALLOW	15,480	13,589	1,891	14	44,147	151,767	(107,620)	(71)	(40,570)
TOTAL ACUTE DEDUCTIONS FROM REVENUE	24,367,356	26,416,069	(2,048,713)	(8)	292,618,175	294,036,085	(1,417,910)	(1)	266,118,452
NET ACUTE PATIENT REVENUE	10,925,916	10,071,606	854,310	9	123,882,918	113,457,421	10,425,497	9	115,349,231
OTHER OPERATING REVENUE	589,327	582,505	6,822	1	7,071,066	6,989,986	81,080	1	18,309,280
NET ACUTE OPERATING REVENUE	11,515,242	10,654,111	861,131	8	130,953,984	120,447,407	10,506,577	9	133,658,511
OPERATING EXPENSES:									
SALARIES & WAGES	3,568,752	3,724,841	(156,089)	(4)	44,556,927	45,041,835	(484,908)	(1)	46,933,033
REGISTRY	445,139	167,000	278,139	167	4,100,669	2,004,001	2,096,668	105	3,907,532
EMPLOYEE BENEFITS	1,467,799	1,947,409	(479,610)	(25)	19,476,802	23,211,824	(3,735,022)	(16)	34,390,689
PROFESSIONAL FEES	1,601,951	1,600,224	1,727	0	19,332,241	19,502,001	(169,761)	(1)	20,455,271
SUPPLIES	1,046,043	1,134,306	(88,263)	(8)	11,756,807	13,217,864	(1,461,057)	(11)	11,832,498
PURCHASED SERVICES	1,142,070	954,406	187,664	20	12,576,872	11,643,688	933,184	8	13,632,742
RENTAL	133,136	129,269	3,867	3	1,659,390	1,558,699	100,691	7	1,792,200
DEPRECIATION & AMORT	280,920	281,320	(400)	0	3,405,517	3,375,840	29,677	1	3,427,730
INTEREST	5,656	25,416	(19,760)	(78)	483,438	305,000	178,438	59	576,910
OTHER	419,708	366,744	52,964	14	4,625,378	4,469,676	155,702	4	4,483,839
TOTAL EXPENSES	10,111,175	10,330,935	(219,760)	(2)	121,974,040	124,330,428	(2,356,389)	(2)	141,432,444
NET OPERATING INCOME (LOSS)	1,404,067	323,176	1,080,891	335	8,979,944	(3,883,021)	12,862,965	(331)	(7,773,933)

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY  
 HOLLISTER, CA 95023  
 FOR PERIOD 06/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE		
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 06/30/23	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23
NON-OPERATING REVENUE\EXPENSE:									
DONATIONS	146,825	10,000	136,825	1,368	1,208	390,752	220,752	130	665,411
PROPERTY TAX REVENUE	174,854	174,854	0	0	454,300	2,098,248	0	0	2,286,108
GO BOND PROP TAXES	170,388	170,388	0	0	343,243	2,044,656	(3)	0	2,157,849
GO BOND INT REVENUE\EXPENSE	(68,721)	(68,721)	0	0	(72,048)	(824,652)	(1)	0	(864,570)
OTHER NON-OPER REVENUE	14,328	13,843	485	4	13,916	206,282	40,166	24	(284,866)
OTHER NON-OPER EXPENSE	(79,882)	(21,578)	(58,304)	270	(51,882)	(402,220)	(112,612)	39	(417,741)
INVESTMENT INCOME	10,607	0	10,607	0	(2,456)	6,398	6,398	0	923
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	368,399	278,786	89,613	32	686,279	3,519,460	154,700	5	3,543,112
NET SURPLUS (LOSS)	1,772,466	601,962	1,170,504	194	(1,947,157)	12,499,404	13,017,665	(2,512)	(4,230,821)



HAZEL HAWKINS SKILLED NURSING FACILITIES  
HOLLISTER, CA  
FOR PERIOD 06/30/24

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23	ACTUAL 06/30/24	BUDGET 06/30/24	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 06/30/23
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,841,130	2,025,000	(183,870)	(9)	2,112,750	24,707,998	24,705,000	2,998	0	24,725,200
ANCILLARY SNF REVENUE	279,051	364,006	(84,955)	(23)	349,033	3,608,712	4,410,515	(801,803)	(18)	4,718,390
TOTAL GROSS SNF PATIENT REVENUE	2,120,181	2,389,006	(268,825)	(11)	2,461,783	28,316,710	29,115,515	(798,805)	(3)	29,443,590
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	212,297	272,306	(60,010)	(22)	227,394	2,641,187	3,297,836	(656,649)	(20)	2,920,900
MEDI-CAL CONTRACTUAL ALLOWANCES	88,866	104,816	(15,950)	(15)	142,575	1,788,801	1,278,742	510,059	40	(578,592)
BAD DEBT EXPENSE	(6,228)	10,000	(16,228)	(162)	171,563	(98,096)	120,000	(218,096)	(182)	230,201
CHARITY CARE	0	0	0	0	1,957	3,702	0	3,702	0	11,064
OTHER CONTRACTUALS AND ADJUSTMENTS	8,280	64,800	(56,520)	(87)	5,405	376,932	790,560	(413,628)	(52)	788,407
TOTAL SNF DEDUCTIONS FROM REVENUE	303,214	451,922	(148,708)	(33)	548,893	4,712,526	5,487,138	(774,612)	(14)	3,371,981
NET SNF PATIENT REVENUE	1,816,967	1,937,084	(120,117)	(6)	1,912,890	23,604,183	23,628,377	(24,194)	0	26,071,610
OTHER OPERATING REVENUE	0	0	0	0	0	0	0	0	0	0
NET SNF OPERATING REVENUE	1,816,967	1,937,084	(120,117)	(6)	1,912,890	23,604,183	23,628,377	(24,194)	0	26,071,610
OPERATING EXPENSES:										
SALARIES & WAGES	1,198,855	911,307	287,548	32	884,726	11,566,868	11,104,654	462,214	4	10,868,537
REGISTRY	37,689	33,000	4,689	14	27,709	438,540	396,000	42,540	11	309,757
EMPLOYEE BENEFITS	437,569	517,573	(80,005)	(16)	592,915	5,566,170	6,243,633	(677,463)	(11)	7,317,610
PROFESSIONAL FEES	2,210	2,336	(126)	(5)	2,486	26,520	28,039	(1,519)	(5)	27,306
SUPPLIES	73,617	88,310	(14,694)	(17)	82,636	1,128,361	1,066,005	62,356	6	1,045,987
PURCHASED SERVICES	90,166	103,994	(13,828)	(13)	85,093	1,028,801	1,268,741	(239,940)	(19)	1,143,775
RENTAL	1,504	1,025	479	47	991	14,376	12,414	1,962	16	11,265
DEPRECIATION	39,037	39,453	(416)	(1)	39,312	472,488	473,467	(979)	0	473,378
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	48,577	56,341	(7,764)	(14)	27,820	637,565	687,238	(49,673)	(7)	620,868
TOTAL EXPENSES	1,929,223	1,753,339	175,884	10	1,743,688	20,879,689	21,280,191	(400,503)	(2)	21,818,482
NET OPERATING INCOME (LOSS)	(112,256)	183,745	(296,001)	(161)	169,202	2,724,495	2,348,186	376,309	16	4,253,128
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	30,857	30,857	0	0	80,170	370,284	370,279	5	0	403,427
OTHER NON-OPER EXPENSE	(6,188)	(6,188)	0	0	(7,288)	(83,055)	(83,056)	1	0	(95,892)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	24,669	24,669	0	0	72,883	287,229	287,223	6	0	307,535
NET SURPLUS (LOSS)	(87,587)	208,414	(296,001)	(142)	242,085	3,011,724	2,635,409	376,315	14	4,560,663

HAZEL HAWKINS MEMORIAL HOSPITAL  
 HOLLISTER, CA  
 For the month ended 06/30/24

	CURR MONTH 06/30/24	PRIOR MONTH 05/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
<b>CURRENT ASSETS</b>					
CASH & CASH EQUIVALENT	35,264,193	32,506,771	2,757,422	9	13,649,396
PATIENT ACCOUNTS RECEIVABLE	67,837,204	64,285,451	3,551,753	6	51,674,982
BAD DEBT ALLOWANCE	(9,487,617)	(9,170,314)	(317,303)	4	(5,227,791)
CONTRACTUAL RESERVES	(43,423,880)	(41,958,177)	(1,465,703)	4	(32,708,039)
OTHER RECEIVABLES	5,326,870	4,963,291	363,580	7	8,381,301
INVENTORIES	3,997,285	3,995,792	1,493	0	4,057,813
PREPAID EXPENSES	1,775,026	2,429,977	(654,951)	(27)	2,042,543
DUE TO\FROM THIRD PARTIES	1,892,052	1,892,052	0	0	2,784,747
<b>TOTAL CURRENT ASSETS</b>	<b>63,181,132</b>	<b>58,944,842</b>	<b>4,236,290</b>	<b>7</b>	<b>44,654,951</b>
<b>ASSETS WHOSE USE IS LIMITED</b>					
BOARD DESIGNATED FUNDS	4,072,225	6,660,740	(2,588,515)	(39)	3,825,798
<b>TOTAL LIMITED USE ASSETS</b>	<b>4,072,225</b>	<b>6,660,740</b>	<b>(2,588,515)</b>	<b>(39)</b>	<b>3,825,798</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,098,374	100,098,374	0	0	100,098,374
EQUIPMENT	44,591,693	44,295,983	295,711	1	43,302,208
CONSTRUCTION IN PROGRESS	1,237,146	1,121,428	115,718	10	880,124
<b>GROSS PROPERTY, PLANT, AND EQUIPMENT</b>	<b>149,297,687</b>	<b>148,886,258</b>	<b>411,429</b>	<b>0</b>	<b>147,651,180</b>
ACCUMULATED DEPRECIATION	(94,410,223)	(94,075,683)	(334,540)	0	(90,362,507)
<b>NET PROPERTY, PLANT, AND EQUIPMENT</b>	<b>54,887,464</b>	<b>54,810,575</b>	<b>76,889</b>	<b>0</b>	<b>57,288,673</b>
<b>OTHER ASSETS</b>					
UNAMORTIZED LOAN COSTS	398,148	404,219	(6,071)	(2)	470,999
PENSION DEFERRED OUTFLOWS NET	18,285,289	18,285,289	0	0	18,285,289
<b>TOTAL OTHER ASSETS</b>	<b>18,683,437</b>	<b>18,689,508</b>	<b>(6,071)</b>	<b>0</b>	<b>18,756,288</b>
<b>TOTAL UNRESTRICTED ASSETS</b>	<b>140,824,257</b>	<b>139,105,664</b>	<b>1,718,593</b>	<b>1</b>	<b>124,525,709</b>
<b>RESTRICTED ASSETS</b>	<b>17,877</b>	<b>17,825</b>	<b>52</b>	<b>0</b>	<b>125,193</b>
<b>TOTAL ASSETS</b>	<b>140,842,134</b>	<b>139,123,489</b>	<b>1,718,645</b>	<b>1</b>	<b>124,650,902</b>

HAZEL HAWKINS MEMORIAL HOSPITAL  
 HOLLISTER, CA  
 For the month ended 06/30/24

	CURR MONTH 06/30/24	PRIOR MONTH 05/31/24	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/23
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	8,393,300	5,473,563	(2,919,737)	53	4,938,613
ACCRUED PAYROLL	4,776,918	4,132,425	(644,494)	16	3,345,253
ACCRUED PAYROLL TAXES	1,530,768	1,498,122	(32,647)	2	1,497,221
ACCRUED BENEFITS	6,695,829	6,865,305	169,476	(3)	6,051,228
ACCRUED PENSION (CURRENT)	4,952,331	4,952,331	0	0	5,061,807
OTHER ACCRUED EXPENSES	116,339	108,875	(7,463)	7	84,460
PATIENT REFUNDS PAYABLE	12,920	8,639	(4,280)	50	961
DUE TO\FROM THIRD PARTIES	294,647	2,308,393	2,013,746	(87)	196,789
OTHER CURRENT LIABILITIES	1,416,889	1,553,286	136,397	(9)	3,132,834
TOTAL CURRENT LIABILITIES	28,189,940	26,900,938	(1,289,003)	5	24,309,166
LONG-TERM DEBT					
LEASES PAYABLE	5,442,390	5,449,158	6,768	0	5,529,504
BONDS PAYABLE	31,742,121	32,990,641	1,248,520	(4)	34,784,361
TOTAL LONG TERM DEBT	37,184,511	38,439,799	1,255,288	(3)	40,313,865
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	36,485,864	36,485,864	0	0	36,485,864
TOTAL OTHER LONG-TERM LIABILITIES	36,485,864	36,485,864	0	0	36,485,864
TOTAL LIABILITIES	101,860,315	101,826,601	(33,714)	0	101,108,895
NET ASSETS:					
UNRESTRICTED FUND BALANCE	23,376,814	23,376,814	0	0	23,376,814
RESTRICTED FUND BALANCE	93,877	93,825	(52)	0	165,193
NET REVENUE/(EXPENSES)	15,511,128	13,826,249	(1,684,879)	12	0
TOTAL NET ASSETS	38,981,819	37,296,888	(1,684,931)	5	23,542,007
TOTAL LIABILITIES AND NET ASSETS	140,842,134	139,123,489	(1,718,645)	1	124,650,902

Description	Target	MTD Actual	YTD Actual	YTD Target
Average Daily Census - Acute	19.39	18.87	15.06	18.39
Average Daily Census - SNF	90.01	81.57	89.07	90.00
Acute Length of Stay	2.72	3.03	2.89	2.92
<u>ER Visits:</u>				
Inpatient	96	133	1,465	1,809
Outpatient	2,051	2,190	25,328	23,453
Total	2,147	2,323	26,793	25,262
Days In Accounts Receivable	45.0	54.7	54.7	45.0
Productive Full-Time Equivalents	500.90	503.56	489.37	500.90
Net Patient Revenue	12,008,690	12,742,883	147,487,101	137,085,798
Payment-to-Charge Ratio	30.9%	34.1%	33.2%	31.4%
Medicare Traditional Payor Mix	30.51%	27.98%	26.95%	30.42%
Commercial Payor Mix	22.00%	21.03%	22.93%	21.60%
Bad Debt % of Gross Revenue	1.12%	2.50%	1.82%	1.12%
EBIDA	1,057,248	1,989,240	18,654,408	5,119,115
EBIDA %	8.40%	14.92%	12.07%	3.55%
Operating Margin	4.03%	9.69%	7.57%	-1.07%
Salaries, Wages, Registry & Benefits %:				
by Net Operating Revenue	57.99%	53.67%	55.45%	61.08%
by Total Operating Expense	60.42%	59.43%	60.00%	60.44%
<u>Bond Covenants:</u>				
Debt Service Ratio	1.25	9.88	9.88	1.25
Current Ratio	1.50	2.24	2.24	1.50
Days Cash on hand	30.00	92.58	92.58	30.00
Met or Exceeded Target				
Within 10% of Target				
Not Within 10%				

**Statement of Cash Flows**  
**Hazel Hawkins Memorial Hospital**  
**Hollister, CA**  
**Eleven months ending June 30, 2024**

	CASH FLOW		COMMENTS
	Current Month 6/30/2024	Current Year-To-Date 6/30/2024	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Income (Loss)	\$1,684,879	\$15,511,128	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	334,540	4,047,722	
(Increase)/Decrease in Net Patient Accounts Receivable	(1,768,747)	(1,186,557)	
(Increase)/Decrease in Other Receivables	(363,580)	3,049,428	
(Increase)/Decrease in Inventories	(1,493)	60,528	
(Increase)/Decrease in Pre-Paid Expenses	654,951	267,516	
(Increase)/Decrease in Due From Third Parties	0	892,695	
Increase/(Decrease) in Accounts Payable	2,919,737	3,454,691	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	507,663	2,000,332	
Increase/(Decrease) in Accrued Expenses	7,463	31,876	
Increase/(Decrease) in Patient Refunds Payable	4,280	11,957	
Increase/(Decrease) in Third Party Advances/Liabilities	(2,013,746)	97,858	
Increase/(Decrease) in Other Current Liabilities	(136,397)	(1,715,944)	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
<b>Net Cash Provided by Operating Activities:</b>	<b>144,671</b>	<b>11,012,102</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Property, Plant and Equipment	(411,429)	(1,646,508)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	2,588,515	(246,427)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	6,071	72,852	Amortization
<b>Net Cash Used by Investing Activities</b>	<b>2,183,157</b>	<b>(1,820,083)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase/(Decrease) in Capital Lease Debt	(6,768)	(87,113)	
Increase/(Decrease) in Bond Mortgage Debt	(1,248,520)	(3,042,240)	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Increase/(Decrease) in Other Long Term Liabilities	0	0	
<b>Net Cash Used for Financing Activities</b>	<b>(1,255,288)</b>	<b>(3,129,353)</b>	
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	41,000	
<b>Net Increase/(Decrease) in Cash</b>	<b>2,757,422</b>	<b>21,614,797</b>	
Cash, Beginning of Period	32,506,771	13,649,396	
<b>Cash, End of Period</b>	<b>\$35,264,193</b>	<b>\$35,264,193</b>	\$0

\$380,693

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

92.58

Hazel Hawkins Memorial Hospital  
Supplemental Payment Programs  
As of June 30, 2024

	Payor	FY 2024	FY 2023	Notes:
<b>Intergovernmental Transfer Programs:</b>				
- AB 113 Non-Designated Public Hospital (NDPH)				
- SFY 2021/2022 True up for ACA	DHCS	-	170,899	Received in June 2023.
- SFY 2022/2023 Interim	DHCS	-	418,640	Letter to participate sent by March 24, 2023 deadline. Rec'd 06/15/23.
- SFY 2022/2023 Final Payment	DHCS	407,785	-	Paid on 04/17/24, \$156,525.63, funds rec'd in June.
- SFY 2023/2024 Interim	DHCS	434,472	-	Paid on 04/24/24, \$506,883.51, funds rec'd in June.
- SB 239 Hospital Quality Assurance Fund (HOAF) CY 2022	Anthem	2,405,548	2,277,244	Net amount rec'd on November 1, 2023 check for CY 2022.
- SB 239 Hospital Quality Assurance Fund (HOAF) CY 2023	Anthem	2,432,278	-	IGT by March 22, 2024 of \$1,257,738, funds expected in May/June.
- Rate Range Jan. 1, 2022 through Dec. 31, 2022	Anthem	1,025,179	-	IGT by Feb. 23, 2024 of \$472,508, funds expected in April/May.
- Rate Range Jan. 1, 2021 through Dec. 31, 2021	Anthem	-	1,180,145	Funding of \$347,021 sent by 02/17/2023. Rec'd in May 2023.
- QIP PY 5 Settlement	Anthem	3,459,757	-	IGT by Feb. 16, 2024 of \$1,891,350.65, funds expected in April/May.
- QIP PY 4 1st Loan Repayment	District	(1,253,000)	-	Paid on 02/26/2024.
- QIP PY 4 2nd Loan Repayment	District	(1,222,438)	-	Paid on 04/08/2024.
- QIP PY 4 Settlement	Anthem	-	3,713,527	\$ 1,044,187 funding sent by 02/17/2023. Plan returns May/June 2023.
- QIP PY 4 Final True-up	Anthem	-	1,245,805	Final True-up payment received on 06/02/2023.
<b>IGT sub-total</b>		<b>7,689,581</b>	<b>9,006,259</b>	
<b>Non-Intergovernmental Transfer Programs:</b>				
- AB 915	DHCS	4,143,717	3,029,540	<b>Direct Payments.</b> Received on March 11, 2024.
- SB 239 Hospital Quality Assurance Fund (HOAF)	DHCS	1,069,577	3,919,883	Three of the four Qtrly payments should be received by June 30, 2024. 1st, 2nd & 3rd Qtrs rec'd on 03/19/2024, 05/23/2024 & 06/27/2024.
- SB 239 Hospital Quality Assurance Fund (HOAF)	DHCS	3,208,731	-	Based on actual cost difference.
- Distinct Part, Nursing Facility (DP/NF)	DHCS	1,452,877	1,048,233	Includes FY 2023 true-up \$607,644 and Jul - December FY 2024.
- Medi-Cal Disproportionate Share (DSH)	CHFFA	-	3,090,086	Loan funds received 1st week of January. Due January 3, 2025.
- QIP PY 5		-	-	
<b>Non-IGT sub-total</b>		<b>9,874,903</b>	<b>11,087,742</b>	
<b>CARES Act (COVID-19) Programs:</b>				
- CARES Act Phase 4		-	-	Rec'd 12/16/2021. One-time funding.
- American Rescue Plan (ARP)		-	-	Rec'd 11/23/2021. One-time funding.
- SHIP Grant		-	258,376	Will be used for COVID expenses.
- Payroll Tax delay Pay dates 4/3 - 12/31/2020		-	(1,143,961)	Liability: 50% due 12/31/21 & 50% due 12/31/22.
<b>sub-total</b>		<b>-</b>	<b>(885,585)</b>	
<b>Program Grand Totals</b>		<b>17,564,484</b>	<b>19,208,416</b>	
Total Received		16,494,907	18,075,133	
Total Pending		1,069,577	1,133,283	
		<b>17,564,484</b>	<b>19,208,416</b>	



CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY

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EXECUTIVE DIRECTOR
CAROLYN ABOUBECHARA

July 5, 2024

Mark Robinson
Chief Financial Officer
Hazel Hawkins Memorial Hospital
911 Sunset Drive
Hollister, CA 95023

RE: Distressed Hospital Loan Program (DHLP)
Disbursement of Funds to San Benito Health Care District
dba Hazel Hawkins Memorial Hospital

Dear Mark Robinson:

California Health Facilities Financing Authority (CHFFA) has scheduled a wire to occur on July 5, 2024 in the amount of \$2,700,000.00, which represents the 1st Disbursement amount disbursed to fund your zero percent (0%) interest rate DHLP loan with CHFFA. Also, noted below is the monthly loan amount due and the 1st payment due date of the loan, per Section 2(e) of the Loan and Security Agreement.

Table with 2 columns: Description and Amount. Rows include Full Approved Loan Amount (\$10,000,000.00), This Disbursement (2,700,000.00), Total of Prior Disbursements to Date (0.00), and Amount Remaining to Disburse (\$7,300,000.00).

Please notify CHFFA's Loan Officer, Erica Rodriguez, by email at Erica.Rodriguez@treasurer.ca.gov or by phone at (916) 653-3841, the day the wire is received, so that CHFFA may track receipt of loan funds.

As a reminder, the principal sum of the loan in the amount of \$2,700,000.00 shall be repaid in equal monthly installments, commencing on the first day of the 19th month from the effective date of the Loan and Security Agreement until the principal sum of the loan is paid in full, which shall occur no later than 72 months from the date of the Loan and Security Agreement. In an event of default, as defined in the Loan and Security Agreement, CHFFA will begin the process to intercept 20% of your Medi-Cal checkwrite payments until the loan amount has been satisfied, as authorized by Section 3 of the Loan and Security Agreement.

Table with 2 columns: Description and Date/Amount. Rows include Effective Date of Loan and Security Agreement (July 1, 2024), Monthly Loan Amount Due (\$50,000.00), and Due Date (February 1, 2026).

Please do not hesitate to contact us anytime with questions or concerns at chffa@treasurer.ca.gov or by phone at (916) 653-2799.

Sincerely,
[Handwritten signature of Bianca Smith]
Bianca Smith
Deputy Executive Director

CHFFA Distressed Hospital Loan Program  
 Loan Amortization - Zero Percent (0%) Fixed Interest Rate  
**San Benito Health Care District dba Hazel Hawkins Memorial Hospital**  
**Loan and Security Agreement Effective Date: July 1, 2024**  
 Version: July 2024

Date	Payment Number	Payment Amount	Principal	Interest	Principal Balance	
Full Approved Loan Amount:					\$ 10,000,000.00	
Opening Balance - 1st Disbursement Amount					2,700,000.00	
Total of Prior Disbursement to Date:						
Amount Remaining to Disburse:					\$ 7,300,000.00	
<b>Year Ending 12/31/2024</b>						
8/1/2024	1	0.00	0.00	0.00	2,700,000.00	Deferred
9/1/2024	2	0.00	0.00	0.00	2,700,000.00	Deferred
10/1/2024	3	0.00	0.00	0.00	2,700,000.00	Deferred
11/1/2024	4	0.00	0.00	0.00	2,700,000.00	Deferred
12/1/2024	5	0.00	0.00	0.00	2,700,000.00	Deferred
<b>Total Year Ending 12/31/2024</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,700,000.00</b>	
<b>Year Ending 12/31/2025</b>						
1/1/2025	6	0.00	0.00	0.00	2,700,000.00	Deferred
2/1/2025	7	0.00	0.00	0.00	2,700,000.00	Deferred
3/1/2025	8	0.00	0.00	0.00	2,700,000.00	Deferred
4/1/2025	9	0.00	0.00	0.00	2,700,000.00	Deferred
5/1/2025	10	0.00	0.00	0.00	2,700,000.00	Deferred
6/1/2025	11	0.00	0.00	0.00	2,700,000.00	Deferred
7/1/2025	12	0.00	0.00	0.00	2,700,000.00	Deferred
8/1/2025	13	0.00	0.00	0.00	2,700,000.00	Deferred
9/1/2025	14	0.00	0.00	0.00	2,700,000.00	Deferred
10/1/2025	15	0.00	0.00	0.00	2,700,000.00	Deferred
11/1/2025	16	0.00	0.00	0.00	2,700,000.00	Deferred
12/1/2025	17	0.00	0.00	0.00	2,700,000.00	Deferred
<b>Total Year Ending 12/31/2025</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,700,000.00</b>	
<b>Year Ending 12/31/2026</b>						
1/1/2026	18	0.00	0.00	0.00	2,700,000.00	Deferred
2/1/2026	19	50,000.00	50,000.00	0.00	2,650,000.00	
3/1/2026	20	50,000.00	50,000.00	0.00	2,600,000.00	
4/1/2026	21	50,000.00	50,000.00	0.00	2,550,000.00	
5/1/2026	22	50,000.00	50,000.00	0.00	2,500,000.00	
6/1/2026	23	50,000.00	50,000.00	0.00	2,450,000.00	
7/1/2026	24	50,000.00	50,000.00	0.00	2,400,000.00	
8/1/2026	25	50,000.00	50,000.00	0.00	2,350,000.00	
9/1/2026	26	50,000.00	50,000.00	0.00	2,300,000.00	
10/1/2026	27	50,000.00	50,000.00	0.00	2,250,000.00	
11/1/2026	28	50,000.00	50,000.00	0.00	2,200,000.00	
12/1/2026	29	50,000.00	50,000.00	0.00	2,150,000.00	
<b>Total Year Ending 12/31/2026</b>		<b>550,000.00</b>	<b>550,000.00</b>	<b>0.00</b>	<b>2,150,000.00</b>	
<b>Year Ending 12/31/2027</b>						
1/1/2027	30	50,000.00	50,000.00	0.00	2,100,000.00	
2/1/2027	31	50,000.00	50,000.00	0.00	2,050,000.00	
3/1/2027	32	50,000.00	50,000.00	0.00	2,000,000.00	
4/1/2027	33	50,000.00	50,000.00	0.00	1,950,000.00	
5/1/2027	34	50,000.00	50,000.00	0.00	1,900,000.00	
6/1/2027	35	50,000.00	50,000.00	0.00	1,850,000.00	
7/1/2027	36	50,000.00	50,000.00	0.00	1,800,000.00	



CHFFA Distressed Hospital Loan Program  
 Loan Amortization - Zero Percent (0%) Fixed Interest Rate  
**San Benito Health Care District dba Hazel Hawkins Memorial Hospital**  
**Loan and Security Agreement Effective Date: July 1, 2024**  
 Version: July 2024

Date	Payment Number	Payment Amount	Principal	Interest	Principal Balance
8/1/2027	37	50,000.00	50,000.00	0.00	1,750,000.00
9/1/2027	38	50,000.00	50,000.00	0.00	1,700,000.00
10/1/2027	39	50,000.00	50,000.00	0.00	1,650,000.00
11/1/2027	40	50,000.00	50,000.00	0.00	1,600,000.00
12/1/2027	41	50,000.00	50,000.00	0.00	1,550,000.00
<b>Total Year Ending 12/31/2027</b>		<b>600,000.00</b>	<b>600,000.00</b>	<b>0.00</b>	<b>1,550,000.00</b>
Year Ending 12/31/2028					
1/1/2028	42	50,000.00	50,000.00	0.00	1,500,000.00
2/1/2028	43	50,000.00	50,000.00	0.00	1,450,000.00
3/1/2028	44	50,000.00	50,000.00	0.00	1,400,000.00
4/1/2028	45	50,000.00	50,000.00	0.00	1,350,000.00
5/1/2028	46	50,000.00	50,000.00	0.00	1,300,000.00
6/1/2028	47	50,000.00	50,000.00	0.00	1,250,000.00
7/1/2028	48	50,000.00	50,000.00	0.00	1,200,000.00
8/1/2028	49	50,000.00	50,000.00	0.00	1,150,000.00
9/1/2028	50	50,000.00	50,000.00	0.00	1,100,000.00
10/1/2028	51	50,000.00	50,000.00	0.00	1,050,000.00
11/1/2028	52	50,000.00	50,000.00	0.00	1,000,000.00
12/1/2028	53	50,000.00	50,000.00	0.00	950,000.00
<b>Total Year Ending 12/31/2028</b>		<b>600,000.00</b>	<b>600,000.00</b>	<b>0.00</b>	<b>950,000.00</b>
Year Ending 12/31/2029					
1/1/2029	54	50,000.00	50,000.00	0.00	900,000.00
2/1/2029	55	50,000.00	50,000.00	0.00	850,000.00
3/1/2029	56	50,000.00	50,000.00	0.00	800,000.00
4/1/2029	57	50,000.00	50,000.00	0.00	750,000.00
5/1/2029	58	50,000.00	50,000.00	0.00	700,000.00
6/1/2029	59	50,000.00	50,000.00	0.00	650,000.00
7/1/2029	60	50,000.00	50,000.00	0.00	600,000.00
8/1/2029	61	50,000.00	50,000.00	0.00	550,000.00
9/1/2029	62	50,000.00	50,000.00	0.00	500,000.00
10/1/2029	63	50,000.00	50,000.00	0.00	450,000.00
11/1/2029	64	50,000.00	50,000.00	0.00	400,000.00
12/1/2029	65	50,000.00	50,000.00	0.00	350,000.00
<b>Total Year Ending 12/31/2029</b>		<b>600,000.00</b>	<b>600,000.00</b>	<b>0.00</b>	<b>350,000.00</b>
Year Ending 12/31/2030					
1/1/2030	66	50,000.00	50,000.00	0.00	300,000.00
2/1/2030	67	50,000.00	50,000.00	0.00	250,000.00
3/1/2030	68	50,000.00	50,000.00	0.00	200,000.00
4/1/2030	69	50,000.00	50,000.00	0.00	150,000.00
5/1/2030	70	50,000.00	50,000.00	0.00	100,000.00
6/1/2030	71	50,000.00	50,000.00	0.00	50,000.00
7/1/2030	72	50,000.00	50,000.00	0.00	0.00
<b>Total Year Ending 12/31/2030</b>		<b>350,000.00</b>	<b>350,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>		<b>2,700,000.00</b>	<b>2,700,000.00</b>	<b>0.00</b>	<b>0.00</b>

**Board of Directors Contract Review Worksheet**

*Agreement for Professional Services with Letitia Bradford, M.D.*



**Executive Summary:** Dr. Letitia Bradford is a board-certified orthopedic surgeon and fellow of both the American Academy of Orthopedic Surgeons and the American College of Surgeons specializing in general orthopedics and total joint replacements. She completed her orthopedic surgery residency at UCSF. Since October 2023, Dr. Bradford has been providing coverage on a locum tenens basis and she has quickly become a favorite among patients due to her exceptional care and expertise.

**Recommended Board Motion:** It is recommended the hospital Board approve the Professional Services Agreement with Letitia Bradford, M.D. at a rate of \$3,580 per coverage day.

**Services Provided:** Clinic, hospital & emergency orthopedic call coverage a minimum of 6-10 days per month.

**Agreement Terms:**

Contract Term	Effective Date	FMV %ile	Esimated Base Monthly Cost	Estimated Annual Cost	Term clause
2 years	8/5/2024	<75th	Month 1-6: \$21,480 Month 7-24: \$35,800	Year 1: \$343,680 Year 2: \$429,600	60 days

# SAN BENITO HEALTH CARE DISTRICT

## ORTHOPEDIC SURGERY COVERAGE AGREEMENT

This Orthopedic Surgery Coverage Agreement (“Agreement”) is made and entered into as of **August 1, 2024** (“Effective Date”), by and between **San Benito Health Care District**, a local healthcare district organized and operating pursuant to Division 23 of the California Health and Safety Code (“SBHCD”), and **Letitia Bradford, M.D.** (“Physician”).

### RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a general acute care facility (“Hospital”) and multispecialty community medical clinics (“Clinic”), which includes orthopedic surgery services, and requires 24-hour per day coverage by an appropriately privileged physician (“Orthopedic Services”).
- B. Physician is licensed to practice medicine in the State of California, is a member in good standing of the Medical Staff of Hospital, has and maintains the appropriate privileges to provide Coverage Services, and agrees to provide the Orthopedic Services.

The parties hereby agree as follows:

### 1. SERVICES

- 1.1 Professional Services. Orthopedic Services by Physician shall be provided in accordance with the Hospital Medical Staff Bylaws, Rules and Regulations, and Clinic/Hospital’s policies and procedures, as they may be amended from time to time, in addition to all requirements imposed by federal and California state law and all standards and recommendations of The Joint Commission.
  - 1.1.1 Orthopedic Services. Beginning on the Effective Date of this Agreement, Physician shall be available to provide Orthopedic Services in Year One for a minimum of thirty (30) shifts during the first six (6) months of this Agreement, then a minimum of sixty (60) shifts beginning month seven (7) through month twelve (12). Then, in Year Two, Physician shall be available to provide Orthopedic Services for a minimum of ten (10) shifts per month, as further described in Exhibit A of this Agreement. Orthopedic Services will include Hospital services, Hospital call coverage services, and Clinic services. Physician shall provide her schedule to SBHCD at least thirty (30) days in advance and SBHCD shall schedule Physician for the minimum number of shifts as mutually agreed upon.
  - 1.1.2 Reports. Physician shall promptly report the results of Orthopedic Services to the patient’s attending physician(s), if any, in accordance with the policies and procedures established by SBHCD and Hospital Medical Staff. Physician shall promptly prepare all written reports and medical records required by SBHCD with reference to such services by Physician. SBHCD retains ownership and right of control of all reports, records, and supporting documents prepared in connection with Orthopedic Services performed by Physician, and SBHCD shall be custodian of all patient records. Physician shall cooperate fully with SBHCD by maintaining and making available all necessary records, or by executing any agreements, in order to assure that SBHCD will be able to meet all requirements for participation and payment associated with public or private third-party payment programs, including but not limited to the Federal Medicare program. Physician shall use Hospital’s/Clinic’s electronic medical record as applicable.
- 1.2 Licensure. Physician shall at all times during the term of this Agreement be licensed to practice medicine in the State of California, shall maintain Federal Drug Enforcement Administration

certification, and shall maintain membership in good standing on the Medical Staff of the Hospital with the appropriate privileges to render Orthopedic Services.

- 1.3 Control and Direction. SBHCD shall not exercise any control or direction over the professional (medical) aspects of providing Orthopedic Services, which control and direction shall be the sole responsibility of Physician; provided, however, that such Orthopedic Services are rendered in accordance with the provisions of this Agreement and the Bylaws, Rules and Regulations, standards, and policies of Hospital, its Medical Staff and Clinic, The Joint Commission, and any other regulatory agency with jurisdiction over one of the parties covering matters subject to this Agreement.
- 1.4 Independent Contractor Status. This Agreement shall not be construed to create any agency or employment relationship between SBHCD or any of its affiliates, and the Physician. Physician is an independent contractor and shall be solely responsible for payment of all wages and salaries, taxes, withholding payments, penalties, fees, contributions to insurance and pension or other deferred compensation plans (including, but not limited to, workers' compensation and Social Security contributions), licensing and registration fees. Physician shall not make any claim that SBHCD is responsible for the payment or filing of any of the foregoing payments, withholdings, contributions, taxes, or documents.

## **2. SBHCD RESPONSIBILITIES**

- 2.1 General. SBHCD shall provide the space, furniture, equipment, supplies, personnel, and services that SBHCD deems reasonably necessary for the provision of Orthopedic Services under this Agreement. Physician shall use such space, items, and services only for the performance of the Orthopedic Services required by this Agreement.
- 2.2 Non-Physician Personnel. SBHCD shall be solely responsible for all salaries, other compensation, employer's payroll taxes, workers' compensation coverage, and fringe benefits, for SBHCD employed non-physician personnel associated with the provision of Orthopedic Services and administrative services under this Agreement. SBHCD retains full authority to employ, appoint, discipline, transfer and terminate such non-physician personnel.
- 2.3 Management. SBHCD shall, at all times, retain and exercise ultimate responsibility for and management and operation of the Hospital and the Clinics. Further, SBHCD in its sole discretion shall determine and set hours of operation for the Clinic and operating room.
- 2.4 Professional Liability Coverage. SBHCD and Hospital shall maintain general and professional liability insurance coverage for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD and/or Hospital obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD or Hospital, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD or Hospital, as applicable, shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

## **3. COMPENSATION**

- 3.1 Compensation. SBHCD shall compensate Physician for Physician's Orthopedic Services in accordance with Exhibit B of this Agreement. Incorporated into compensation under this Agreement, unless specifically excluded, are all the Physician's sources of practice revenues and income from SBHCD, including medical staff emergency call stipends, other on-call fees, stipends and reading fees.
- 3.2 Payment. Payment for Orthopedic Services will be on a monthly basis, for Orthopedic Services provided in the prior month, based on the final schedule and in accordance with the SBHCD contract payment process.

- 3.3 Billing and Collection. Physician hereby assigns to SBHCD all claims, demands and rights of Physician to bill and collect for all Orthopedic Services rendered to SBHCD patients, regardless of site of service. Physician shall not bill or collect for any services rendered to SBHCD patients, and all SBHCD receivables and billings shall be the sole and exclusive property of SBHCD. Any payments made pursuant to a payor agreement (including co-payments made by patients) shall constitute revenue of SBHCD. In the event any payment is made to Physician pursuant to any payor agreement, Physician shall promptly remit such payment directly to SBHCD. Physician shall timely complete any documents or forms necessary to document the assignment set forth in this section.
- 3.4 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from all patients, third-party payors, and governmental programs for all Orthopedic Services rendered by Physician at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician Services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 302.7.
- 3.5 Form W-9. Physician shall complete and provide to SBHCD a W-9 form.

#### 4. TERM AND TERMINATION

- 4.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years, unless earlier terminated pursuant to the terms of this Agreement.
- 4.2 Termination without Cause. Either party may terminate this Agreement, without stating a cause or reason and without penalty, at any time by giving sixty (60) days' prior written notice of termination to the other party. Should this Agreement be terminated prior to the end of one (1) year from the Effective Date, the parties shall not renegotiate the terms of this Agreement or any other financial arrangement between the parties for the same services for the duration of one (1) year from the Effective Date.
- 4.3 Termination for Default. Either party may terminate this Agreement in the event of a material breach or default under this Agreement by the other party by giving written notice specifying the grounds for such termination. Such termination shall be effective fifteen (15) calendar days after the giving of written notice of termination if the default or breach specified in the notice shall not have been cured.
- 4.4 Termination for Cause. Either party shall have the right to terminate this Agreement if performance of the Agreement violates any applicable law, regulation, bond covenant, licensure requirement, or accreditation standard.
- 4.5 Termination by SBHCD. This Agreement shall terminate immediately, upon notice to Physician, if Physician:
- 4.5.1 Dies or is disabled for more than thirty (30) consecutive days or more than forty-five (45) days in a ninety (90) day period;
  - 4.5.2 Has his or her Medical Staff membership, Medical Staff clinical privileges, or license to practice medicine terminated (whether voluntarily or involuntarily), restricted, or suspended;
  - 4.5.3 Is convicted of any crime punishable as a felony (whether final or on appeal) or is excluded from participation in any state or federal health care program, including but not limited to Medicare or Medicaid;
  - 4.5.4 Fails to meet the requirements of this Agreement; or
  - 4.5.5 Fails to qualify for the required professional liability insurance.

## 5. COMPLIANCE

- 5.1 Applicable Laws. Physician agrees, represents, and warrants that Physician will maintain full compliance with all applicable federal, state, and local laws and regulations, including, without limitation, laws and regulations regarding billing for services. Nothing in this Agreement shall be construed to require SBHCD or Physician to make referrals of patients to one another. No payment is made under this Agreement in return for the referral of patients or in return for the ordering, purchasing, or leasing of products or services from SBHCD. Furthermore, the Parties acknowledge, agree, and warrant to the other that the compensation provided under this Agreement is not in excess of the fair market value of the services rendered.
- 5.2 Compliance Program. Physician acknowledges that SBHCD has implemented a Compliance Program for ensuring that the provision of, and billing for, care at the Hospital and the Clinic complies with applicable federal and state laws (“Compliance Program”). Physician agrees to adhere to, abide by, and support the Compliance Program and policies promulgated therein.
- 5.3 Physician Warranties. Upon execution of this Agreement, Physician agrees, represents and warrants that Physician: (i) has not been convicted of a criminal offense related to healthcare (unless Physician has been officially reinstated into the federal healthcare programs by the Office of Inspector General and provided proof of such reinstatement to SBHCD); (ii) is not currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation; or (iii) is not currently listed on the General Services Administration list of parties excluded from the federal procurement and non-procurement programs. Physician agrees that if Physician becomes involved in a pending criminal action or civil proposed debarment or exclusion related to any federal or state healthcare program, Physician shall immediately notify SBHCD administration and SBHCD shall then have the right to terminate this Agreement.
- 5.4 Patient Confidentiality. As a member of an Organized Health Care Arrangement with Hospital, Physician has access to patient health information, including as necessary to perform services under this Agreement. Federal, State and local laws and regulations, including the California Confidentiality of Medical Information Act, California Privacy Laws, and the Federal Health Insurance Portability and Accountability Act of 1996 and associated regulations (HIPAA), (“collectively “Privacy Regulations”), require providers to implement policies and procedures to protect the privacy and security of individually identifiable patient information (“protected health information” or “PHI”) and to afford individuals certain rights with regard to their health information. Physician shall comply with all Privacy Regulations duly implemented by SBHCD in the use and/or disclosure of patient-identifiable health care information that is received from Hospital/Clinic in the course of furnishing services under this Agreement.
- 5.5 Access to Records. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), in the event that any of the services to be performed under this Agreement are compensated to Physician in an amount of \$10,000 or more over a twelve (12) month period, Physician agrees that the books and records related to Physician’s compensation under this Agreement will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement.

## 6. GENERAL PROVISIONS.

- 6.1 No Requirement to Refer. Nothing in this Agreement, or in any other written or oral agreement, or any consideration in connection with this Agreement contemplates or requires the admission or referral of

any patient to SBHCD or Hospital. This Agreement is not intended to influence Physician's judgment in choosing the medical facility appropriate for the proper care and treatment of Physician's patients.

- 6.2 Assignment. Physician shall have no right to assign, delegate or in any manner transfer all or any portion of his interest, obligation or duty under this Agreement, without first obtaining the written consent of SBHCD, which consent shall be in SBHCD' sole and absolute discretion.
- 6.3 Waiver. Any waiver of any terms and conditions of this Agreement shall not be effective unless set forth in writing signed by the parties to this Agreement. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms and conditions of this Agreement or a continuing waiver of the terms and conditions waived.
- 6.4 Entire Agreement/Amendments. This Agreement, including its attachments and exhibits, constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. This Agreement supersedes all prior agreements or understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing and signed by all parties to this Agreement.
- 6.5 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California. Venue shall be in San Benito County, California.
- 6.6 Partial Invalidity. If a lawful forum finds any part of this Agreement invalid or unenforceable, such finding shall not invalidate the remaining provisions, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement
- 6.7 Non-Discrimination. Physician represents and warrants that, in providing services hereunder, he or she is, and at all times during this Agreement will be, in full compliance with California Health and Safety Code Section 1317 et seq. Physician further represents and warrants that he or she shall not discriminate against or refuse to provide care and services to any patient on the basis of race, ethnicity, religion, national origin, citizenship, age, sex, pre-existing medical condition, physical or mental handicap, insurance status, economic status or ability to pay for medical services.
- 6.8 Notices. All notices under this Agreement shall be in writing and sufficient if personally delivered, sent by overnight delivery, or sent by certified or registered mail, return receipt requested, postage prepaid, to each parties' current address appearing above the signatures of the parties to this Agreement. All notices shall be deemed given on the date of delivery if delivered personally or by overnight delivery, or three (3) business days after such notice is deposited in the United States mail, addressed, and sent as provided above.

The parties have executed this Agreement as of the Effective Date first written above.

**SBHCD**  
San Benito Health Care District

**PHYSICIAN**  
Letitia Bradford, M.D.

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

\_\_\_\_\_  
Letitia Bradford, M.D.

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

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

## EXHIBIT A

### ORTHOPEDIC SERVICES

A.1 Professional Services. Physician's Orthopedic Services under this Agreement shall include the usual and typical professional medical activities of a board-certified orthopedic surgeon, including but not limited to Hospital care for Physician's patients, surgical assisting, patient rounds, consultations, Clinic patient services, and on-call coverage for the Hospital and its emergency department and operating rooms. More specifically, Physicians Orthopedic Services shall include:

A.1.1 Hospital Services. Physician shall provide the following Hospital Services:

A.1.1.1 Participation in multi-disciplinary rounds as requested and in coordination with other physicians providing services in his specialty. During the multi-disciplinary rounds, Physician will assist in the evaluation and management of patients, and when necessary, may intervene in the care of patients. Physician shall report information in a timely manner to the attending physician.

A.1.1.2 Consultations, upon request, to members of the Hospital's Medical Staff managing their own patients or concerning the application of the admission or discharge criteria or the admission or discharge of Physician's patients.

A.1.1.3 Assistance with the management and treatment of patients for whom Physician is responsible as part of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision-making and keep such physician informed.

A.1.2 Clinic Services. Physician shall provide the following Clinic Services:

A.1.2.1 Render evaluation, management, surgical and non-surgical services to orthopedic patients.

A.1.2.2 The coordination of medical activities of the Clinic to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding matters relating to the orthopedic medical administration of the Clinic.

A.1.2.3 Provide chart review and audits of appropriate mid-level practitioner staff, as needed.

A.1.3 Hospital Call Coverage Services. During the hours when Physician is providing Hospital Call Coverage Services, Physician must respond by telephone within fifteen (15) minutes, and Physician must be physically present within sixty (60) minutes. Hospital Call Coverage Services include availability to the emergency department, the operating rooms, and to inpatient units.

A.2 Additional Services

A.2.1 Communication with Referring Physicians. When furnishing care to patients upon the referral by another physician, Physician shall provide the referring physician with appropriate follow-up oral reports and updates on the patient's course of treatment and condition in a manner and frequency consistent with the patient's condition. When Physician discharges any patient referred by another physician, Physician shall provide the referring physician with Physician's



recommendations concerning appropriate patient follow-up care if Physician will no longer be following the patient.

- A.2.2 Communication. Physician shall maintain an effective communication process to interface with patients, patients' attending and specialist physicians, staff at the Hospital and Clinic, and the public, with the goal of enhancing patient satisfaction and the quality of care.
- A.3 Schedule. Depending on the needs of SBHCD and the availability of Physician, Physician's scheduled Shift shall consist of a variety of the following types of shifts:
- A.3.1 Day Shift – where Physician is providing services in the Clinic and the Hospital operating room generally between the hours of 7:30 a.m. and 5:00 p.m. Monday through Friday. This shift includes availability for scheduled and walk-in Clinic patients, performance of scheduled and unscheduled surgical procedures, availability for Hospital consults, patient rounds, and assisting in the operating room.
- A.3.2 24-hour Shift – where Physician is scheduled to respond to SBHCD for Hospital inpatients, the emergency department, and the operating room for consultations, assisting in surgery, and performing surgery in accordance with the response times outlined in Section A.1.3. A 24-hour shift begins at 7:00 a.m. and ends at 6:59 a.m. the next morning. A 24-hour shift includes daily patient rounds on all hospitalized orthopedic service patients.
- A.3.3 Combination Shift – where Physician is providing both Day Shift and 24-hour shift activities in the same day.

**EXHIBIT B**

**COMPENSATION, HOUSING & REIMBURSEMENT OF EXPENSES**

- B.1 **Shift Compensation.** As full compensation for each shift worked by Physician, SBHCD shall pay Physician the amount of **Three Thousand Five Hundred Eighty Dollars (\$3,580.00)**.
- B.2 **Housing.** SBHCD will provide Physician with local housing accommodations as approved in advance in writing by Physician while Physician is providing Orthopedic Services under this Agreement at a rate consistent with local market occupancy rates. Housing accommodation is to be used from arrival the day before the start of the shift and ending on the last day of shift or morning after if providing emergency call coverage.
- B.3. **Expense Reimbursement.** SBHCD will reimburse Physician for: (1) round trip mileage at the standard Internal Revenue Service rate, between Physician's home/office and SBHCD, (2) standard rental car expenses, (3) round-trip coach flight expenses limited to flights within the continental United States under the normal monthly SBHCD payment process. Physician shall submit an itemized invoice within ten (10) days of the conclusion of each month for expenses from the prior month.