

It is our mission to deliver quality healthcare to the residents of and visitors to BigBearValley through the most effective use of available resources.

VISION

 ${\it To be the premier provider of emergency medical and healthcare services in our BigBear Valley}.$

BOARD OF DIRECTORS BUSINESS MEETING AGENDA Wednesday, August 09, 2017@ 1:00 p.m. –Hospital Conference Room 41870 Garstin Drive, Big Bear Lake, CA 92315

(Closed Session will be held upon adjournment of Open Session as noted below. Open Session will reconvene @ approximately 3:00 p.m. –Hospital Conference Room 41870 Garstin Drive, Big Bear Lake, CA 92315)

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the Chief Executive Officer's Office and are available for public inspection or purchase at 10 cents per page with advance written notice. In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a District meeting or other services offered by the District, please contact Administration (909) 878-8214. Notification at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.DOCUMENTS RELATED TO OPEN SESSION AGENDAS (SB 343) - Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the public counter located in the Administration Office, located at 41870 Garstin Drive, Big Bear Lake, CA 92315. For questions regarding any agenda item, contact Administration at (909) 878-8214.

OPEN SESSION

1. CALL TO ORDER

Donna Nicely, President

2. PUBLIC FORUM FOR CLOSED SESSION

This is the opportunity for members of the public to address the Board on Closed Session items. (Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)

3. ADJOURN TO CLOSED SESSION*

CLOSED SESSION

- 1. REAL PROPERTY NEGOTIATIONS:*Government Code Section 54956.8
 - District Negotiator: John Friel, CEO
 Property: 1020 W. Big Bear Blvd, Big Bear City, CA 92314
- 2. CHIEF OF STAFF REPORT/QUALITY IMPROVEMENT: *Pursuant to Health & Safety Code Section 32155
 - (1) Chief of Staff Report
- 3. HOSPITAL QUALITY/RISK/COMPLIANCE REPORTS: *Pursuant to Health & Safety Code Section 32155
 - (1) Risk / Compliance Management Report
 - (2) QI Management Report
- 4. CONFERENCE WITH LABOR NEGOTIATORS: *Government Section Code: 54957.6: Negotiator: John Friel, CEO & Garth Hamblin, CFO
 - (1) Continuing Union Negotiations with: UNAC & OPEIU
- 5. TRADE SECRETS: Pursuant to Health and Safety Code Section 32106, and Civil Code Section 3426.1
 - (1) Marsh & McLennan Agency Employee Benefits Consulting Agreement (Anticipated date of disclosure 08/09/17)

- (2) Steven Knapik, D.O. Rural Health Clinic Medical Director Service Agreement (Anticipated date of disclosure 08/09/17)
- (3) Jeffrey Orr, M.D. Hospitalist Service Agreement (Anticipated date of disclosure 08/09/17)
- (4) Madhu Anvekar, M.D. Physician Service Agreement (Anticipated date of disclosure 08/09/17)
- (5) Madhu Anvekar, M.D. Hospitalist Service Agreement (Anticipated date of disclosure 08/09/17)
- (6) Quorum Health Resource Amendment to Contract (Anticipated date of disclosure 08/09/17)
- (7) JWT & Associates Service Agreement (Anticipated date of disclosure 08/09/17)

6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION *Pursuant to Government Section Code: 54957

(1) Chief Executive Officer

OPEN SESSION

1. CALL TO ORDER Donna Nicely, President

2. ROLL CALL Shelly Egerer, Administrative Assistant

- 3. FLAG SALUTE
- 4. ADOPTION OF AGENDA*
- 5. RESULTS OF CLOSED SESSION Donna Nicely, President

6. PUBLIC FORUM FOR OPEN SESSION

This is the opportunity for persons to speak on items of interest to the public within subject matter jurisdiction of the District, but which are not on the agenda. Any person may, in addition to this public forum, address the Board regarding any item listed on the Board agenda at the time the item is being considered by the Board of Directors. (Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must berequested in writing, signed and turned in to Administration. Please state your name and city of residence.)

PUBLIC RESPONSE IS ENCOURAGED AFTER MOTION, SECOND AND PRIOR TO VOTE ON ANY ACTION ITEM

- 7. DIRECTORS' COMMENTS
- 8. INTRODUCTION OF NEW STAFF:
 - (1) Heidi Markus, RN, BSN; Emergency Room Director
 - (2) Pamela Lambert, RD; Dietary Manager
- 9. INFORMATION REPORTS

A. Foundation Report

Holly Elmer, Foundation President

B. Auxiliary Report

Gail Dick, Auxiliary President

10. CONSENT AGENDA*

Notice to the Public:

Background information has been provided to the Board on all matters listed under the Consent Agenda, and the items are considered to be routine by the Board. All items under the Consent Agenda are normally approved by one (1) motion. If discussion is requested by any Board Member on any item; that item will be removed from the Consent Agenda if separate action other than that as stated is required.

- **A.** July 12, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Admin. Assistant
- **B.** June/July 2017 Planning & Facilities Report: Michael Mursick, Plant Manager
- C. July 2017 Human Resource Report: Erin Wilson, Human Resource Director
- **D.** July 2017 Infection Control Report: Heather Loose, Infection Preventionist
- **E.** Policies and Procedures: (Summary Attached)
 - (1) Administration/Board of Directors
 - (2) Admitting
 - (3) Compliance
 - (4) Diagnostic Imaging
 - (5) Employee Health
 - (6) Family Health Center & Rural Health Clinic
 - (7) Human Resource
 - (8) Physical Therapy
 - (9) Radiology
 - (10) Risk Management
 - (11) Surgery
 - (12) Ultrasound
- F. Board of Directors; Committee Meeting Minutes:
 - (1) July 07, 2017 Policy & Procedure & BVCHD District Bylaw Committee Meeting Minutes
 - (2) July 21, 2017 Policy & Procedure & BVCHD District Bylaw Committee Meeting Minutes
 - (3) July 06, 2017 Finance Committee Meeting Minutes
 - (4) May 25, 2017, Planning & Facilities Committee Meeting Minutes

11. OLD BUSINESS*

A. Discussion and Potential Approval of the Marsh & McLennan Agency Employee Benefits Consulting Agreement

12. NEW BUSINESS*

- **A.** Discussion and Potential Approval of the Following Service Agreement (s)
 - (1) Steven Knapik, D.O. Rural Health Clinic Medical Director Service Agreement
 - (2) Jeffrey Orr, M.D. Hospitalist Service Agreement
 - (3) Madhu Anvekar, M.D. Physician Service Agreement
 - (4) Madhu Anvekar, M.D. Hospitalist Service Agreement
 - (5) Quorum Health Resource Amendment to Contract
 - (6) JWT & Associates Service Agreement
- **B.** Discussion and Potential Approval of BVCHD/Quorum Annual Business Plan
- C. Discussion and Potential Approval of Resolution # 17-451 Proclamation for Helen Walsh as 2017 Humanitarian of the Year in Recognition of Many Years of Service
- **D.** Discussion and Potential Approval of Dissolving/Discharging the Policy & Procedure & BVCHD District Bylaw Committee (Committee Purpose, Achievement and Goals have been Accomplished)
- **E.** Discussion and Potential Approval of the Following Bylaws:
 - (1) Bear Valley Community Healthcare District Bylaws
 - (2) Bear Valley Community Healthcare District Medical Staff: Allied Health Professionals Rules and Regulations: Amendment to Section O, subsection 1.c. and e., AHP Scope of Practice Guidelines for Physician Assistant
 - (3) Bear Valley Community Healthcare District Foundation Bylaws
 - (4) Bear Valley Community Healthcare District Auxiliary Bylaws

13. ACTION ITEMS*

A. Acceptance of QHR Report

Ron Vigus, QHR

(1) July 2017 QHR Report

B.

<u>Acceptance of CNO Report</u> Kerri Jex, Chief Nursing Officer

(1) July 2017 CNO Report

Acceptance of the CEO Report C.

John Friel, Chief Executive Officer

- (1) July 2017 CEO Report
- (2) Organizational Chart

Acceptance of the Finance Report & CFO Report D.

Garth Hamblin, Chief Financial Officer

- (1) June 2017 Financials
- (2) July 2017 CFO Report
- (3) Physician Provider Reconciliation Fiscal Year 2017

14. ADJOURNMENT*

* Denotes Possible Action Items

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT BUSINESS BOARD MEETING MINUTES 41870 Garstin Drive, Big Bear Lake, Ca. 92315 July 12, 2017

PRESENT: Donna Nicely, President Gail McCarthy, Secretary

Rob Robbins, 1st Vice President John Friel, CEO

Jack Roberts, 2nd Vice President Shelly Egerer, Admin. Assistant

Barbara Willey, Treasurer

ABSENT: Steven Knapik, DO

STAFF: Garth Hamblin Mary Norman Erin Wilson

Sheri Mursick Kerri Jex

OTHER: Ron Vigus, QHR Holly Elmer, Foundation

Gail Dick, Auxiliary

COMMUNITY

MEMBERS: Tami Hayes

ODEN GEGGION

OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to order at 1:00 p.m.

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION:

President Nicely opened the Hearing Section for Public Comment on Closed Session items at 1:00 p.m. Hearing no request to make public comment. President Nicely closed Public Forum for Closed Session at 1:00 p.m.

2. ADJOURNED TO CLOSED SESSION:

President Nicely motioned to adjourn to Closed Session at 1:00 p.m. Second by Board Member Willey to adjourn to Closed Session. President Nicely called for a vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

RECONVENE TO OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to Open Session at 3:10 p.m.

2. ROLL CALL:

Donna Nicely, Rob Robbins, Jack Roberts, Barbara Willey and Gail McCarthy were present. Also present were John Friel, CEO, and Shelly Egerer, Administrative Assistant.

3. FLAG SALUTE:

Board Member Roberts led the flag salute all present participated.

4. ADOPTION OF AGENDA:

President Nicely called for a motion to adopt the agenda as presented. Motion by Board Member Willey to adopt the agenda as presented. Second by Board Member McCarthy to adopt the agenda as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

5. RESULTS OF CLOSED SESSION:

President Nicely reported that the following action was taken in Closed Session:

- Chief of Staff Report
 - Request for Initial Appointment:
 - o Vaibhav Anvekar, MD Internal / Family Practice
 - o Michael Hepfer, MD Renaissance Radiology
 - o Chad Hays, MD Internal Medicine
 - Request for Reappointment
 - o Brian Biscotti, DC- Chiropractic
 - Voluntary Resignation
 - o Kathryn November, LCSW
 - Expired Privileges:
 - o Murray Alsip, MD
 - o David Ulick, MD
 - o Mark Brown, DDS
 - o Michael Chan, MD
 - o James Kim, MD
 - o Holly McCune, MD
- Risk Management Report
- QI Management Report

President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

6. PUBLIC FORUM FOR OPEN SESSION:

President Nicely opened the Hearing Section for Public Comment on Open Session items at 3:09 p.m.

• Tami Hayes presented a complaint to the Board of Directors in 2015 regarding quality issues on patient care for her father. Ms. Hayes recently came to the ER, for care. Dr. Beaird, ER physician gave appropriate and excellent care and wanted to inform the Board of Directors and Management that they are doing a great job and that she could not be more pleased with the changes made within the facility.

President Nicely closed Public Forum for Open Session at 3:12 p.m.

7. DIRECTORS COMMENTS

- Board Member Robbins stated the Policy Procedure and District Bylaw Committee
 has worked hard on revising the Board Policies and Procedures and thanked President
 Nicely for the time and effort she has personally dedicated to the revisions of the
 bylaws.
- Board Member Willey stated that herself and Board Member Robbins are comfortable at the Finance Committee and very pleased with the FY 2017/18 Budget and the Capital Budget.
- Board Member McCarthy thanked Tami Hayes for providing this information to the Board of Directors about her care provided in the ER. .
- Board Member Roberts stated that he received excellent service in the ER and very pleased with staff.

8. INFORMATION REPORTS:

A. Foundation Report:

- Ms. Elmer reported the following:
 - o Continue to review new membership applications.
 - o Helen Walsh has retired from the Foundation.
 - o Foundation conducted a meeting to review the Foundation Bylaws and should have the revised bylaws for the Board of Directors, August Board Meeting.
 - o Ms. Elmer will be providing a member list with contact information in the next few weeks.

B. Auxiliary Report:

- Ms. Dick provided the following information:
 - Annual Golf Tournament is August 18. The Auxiliary is requesting any raffle items or cash donations to purchase items for the raffle conducted at the Golf Tournament.

9. CONSENT AGENDA:

- A. June 14, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Admin. Assistant
- B. May/June, 2017 Planning & Facilities Report: Michael Mursick, Plant Manager
- C. Q2 Fire Life/Safety Report: Michael Mursick, Plant Manager
- D. June 2017 Human Resource Report: Erin Wilson, Human Resource Director
- E. June 2017 Infection Control Report: Heather Loose, Infection Preventionist
- **F.** Policies and Procedures
 - (1) Contracts and Agreements
 - (2) Contracts and Agreement with Physicians and Other Referral Sources
- **G.** Board of Directors; Committee Meeting Minutes:
 - (1) April 24, 2017 Human Resource Committee Meeting Minutes
 - (2) June 05, 2017 Special Finance Committee Meeting Minutes

President Nicely motioned to approve the Consent Calendar as presented with items 9.D Human Resource Report and item F. 1 Contracts and Agreement Policy and Procedure to be pulled for additional discussion. Second by Board Member Willey to approve the Consent Calendar as presented with items 9.D Human Resource Report and item F. 1 Contracts and Agreement Policy and Procedure to be pulled for additional discussion. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

10. OLD BUSINESS:

• None

11. NEW BUSINESS*

A. Discussion and Potential Approval of the Following Service Contracts:

- (1) Marsh & McLennan Agency Employee Benefits Consulting Agreement
 - President Nicely reported this contract was discussed in Closed Session and stated the Board of Directors was not ready to approve the agreement at this time.

President Nicely motioned to table the Marsh & McLennan Agency Employee Benefits Consulting Agreement for follow up information that the Board has requested from Administration and is to be brought back to the August Board Meeting. Second by Board Member Roberts to table the Marsh & McLennan Agency Employee Benefits Consulting Agreement for follow up information that the Board has requested from Administration and is to be brought back to the August Board Meeting. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

- (2) Top Notch Networking (Copiers)
- (3) Intellicon Communications, Inc (Phone system)
- (4) Premier Physician Service Agreement Emergency Department Services EmCare
- (5) Premier Physician Service Agreement In-Patient Services (EmCare)
 - President Nicely reported that the contracts were discussed in Closed Session.

President Nicely motioned to approve contracts 2 through 5 as presented. Second by Board Member Robbins to approve contracts 2 through 5 as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

B. Discussion and Potential Approval of the Board of Directors Travel Expenses for Attendance at the Quorum Board of Trustee conference Not to Exceed \$4,000.00:

• Mr. Friel reported that three Board Members and he would be attending the Quorum Board of Trustee Conference.

President Nicely motioned to approve \$4,000.00 for travel reimbursement for three Board Members attending the QHR Trustee Conference. Second by Board Member Willey to approve \$4,000.00 for travel reimbursement for three Board Members attending the QHR Trustee Conference. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely -yes
- Board Member McCarthy yes
- Board Member Roberts yes

C. Discussion and Potential Approval for Reconsideration of Action taken at the Business Board Meeting on May 10, 2017 to Instigate RFP for Legal Counsel/Attorney Search:

- Board Member Willey stated that when this item came up in May to ask Administration to obtain RFP's for new legal counsel she did not consider that the Board of Directors had done this approximately 2 years ago. Our current legal counsel has reduced their rates 20% due to the financial problems we previously had and the additional staff that we have access to through our current counsel has been an asset. Board Member Willey stated that she has reconsidered her previous vote and would like to have discussion with the Board of Directors to reconsider previous action taken.
- Board Member Roberts stated that he feels that this item has been discussed outside of the Board Meeting with individual Board Members and wanted to ensure that discussion does not take place amongst Board Members unless it is a posted Board Meeting.
- Board Member McCarthy stated that she too felt her vote at the previous meeting was not a good vote; current legal counsel is doing a great job.

Board Member Willey motioned to reconsider action taken by the Board of Directors at the May 10, 2017 Business Board Meeting for RFP on Legal Counsel Search. Second by Board Member McCarthy to reconsider action taken by the Board of Directors at the May 10, 2017 Business Board Meeting for RFP on Legal Counsel Search. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Barbara Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

D. Discussion and Potential Action Regarding Request For Proposal (RFP) for Legal Counsel/Attorney Search:

Board Member Willey stated that she has reached out to local Special Districts
within the area and that the majority of them have same legal counsel for five years
and BVCHD had recently gone out for RFP's and does not feel that we should go
out again at this time.

President Nicely called for a motion to cancel the request for reconsidering the request for RFP's for legal counsel. Motion by Board Member Willey to cancel the request for reconsidering the request for RFP's for legal counsel. Second by Board Member McCarthy to cancel the request for reconsidering the request for RFP's for legal counsel. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Barbara Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

E. Consent Agenda: Item 9. D June 2017 Human Resource Report: Erin Wilson, Human Resource Manager:

- President Nicely requested clarification on the open Workers Comp Claims.
- Ms. Wilson reported that there are eleven cases total, five remain open due to type of claim and six cases are open and active.

F. Consent Calendar: Item 9. F (1) Policies & Procedure Contract and Agreements:

 President Nicely stated that she wanted to inform the Board that the Contract Cover Sheet did not include the Board of Directors approval; the change was made and wanted to ensure the Board was aware of the requested change.

President Nicely motioned to approve Consent Calendar item 9. D HR Report and Item 9. F (1) Contract and Agreement Policy & Procedure. Second by Board Member McCarthy to approve Consent Calendar item 9. D HR Report and Item 9. F (1) Contract and Agreement Policy & Procedure. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Barbara Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

12. ACTION ITEMS*

A. Quorum Health Resource Report:

- (1) June2017 QHR Report:
 - Mr. Vigus reported the following:
 - o Compliance Officer is continuing to work with Tomi Hagan.
 - o Look forward to seeing the Board Members at Quorum Conference.
 - o COO is John Mayer.
 - Several training dates for various topics are available through OHR Website.

President Nicely called for a motion to approve the QHR Report as presented. Motion by Board Member Willey to approve the QHR Report as presented. Second by Board Member Roberts to approve the QHR Report as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

B. CNO Report:

- (1) June 2017 CNO Report:
 - Ms. Jex provided the following information.
 - o Travel nurse is covering until the end of the month; Acute nurse is out.
 - Sherrill Reynolds will attend the IDCP Meetings and Social Worker for SNF.
 - o Additional staff will need to be hired if we increase surgery days. A Surgery Performa should be provided to the Board of Directors in October.
 - o A part time Case Manager has been hired; current Case Manager will be retiring.
 - o Patient Advisory Council list made of suggestions:
 - O Signage needs to patient friendly, such as ER, Lab, direction arrows have errors and increase size in some of the signs. There are 11-12 members in this committee.
 - o Work Place Violence Committee is regulated; we have formed a work group to ensure we follow the law.
 - o Heidi Markus has accepted the ER Manager position and will begin working in August.

President Nicely motioned to approve the CNO Report as presented. Second by Board Member Willey to approve the CNO Report as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins yes
- Board Member Willey yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts yes

C. Acceptance of the CEO Report:

- (1) June 2017 CEO Report:
 - Mr. Friel reported the following information:
 - Board Member Roberts stated that he has requested for the last seven months for information on the clinics accepting the employee insurance and the information has not been provided to the Board; Board Member Roberts stated that is seems we are not moving forward in this request. Board Member Roberts also stated that he feels individual Board Members are receiving District information individually and the full Board is not receiving all the same information; if there is discussion or communication to one Board Member and it is District related then all Board Members should have the same information.
 - Mr. Friel stated that the insurance information is on the top of the list, and Administration is trying to continue to work on this item and the Board of Directors will be informed once there is a clear answer.
 - o Gerald Curry, Interim Laboratory Manager is on site; this is a 12-week contract. The Laboratory Manager position is being advertised and Mr. Curry will be assisting in vetting applicants and involved in interviews.
 - O Pamela Lambert has accepted the Dietary Manager Position and the District will cancel the Nutricopia and Nutrition Ink Service Agreement since Ms. Lambert is a RD and can provide the services that we receive from the current agreements.
 - o The Dietary Manager will be reporting to Kerri Jex.

(2) Strategic plan

- Mr. Friel reported the following information:
 - o Strategic Plan will be updated and provided to the Board on a quarterly basis. The priorities were not changed.
 - o Administration will be implementing the Quality Improvement and is being worked into Administration Team.

President Nicely motioned to approve the CEO Report and Strategic Plan Update as presented. Second by Board Member Robbins to approve CEO Report and Strategic Plan Update as presented. President Nicely called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts- yes

D. Acceptance of the Finance Report:

- (1) May 2017 Financials:
 - Mr. Hamblin reported the following:
 - o 11 months into the Fiscal Year we are on track to have another strong vear.
 - o May had a small surplus.
 - o Net income surplus in \$2.8 million range.
 - o Key statistics continue to grow.
 - o Continue to monitor budget and expenses.
 - Meetings with managers and budgets will be scheduled quarterly; first part of August.
 - o FTE's will be monitored.
 - o CT has small decrease in-patient's seen; we should see an upward trend in August.
 - o Mammo has some accreditation documents to be signed off in order to begin using the new equipment.
 - o Renaissance is working well and service provided is excellent.
 - Board Member Robbins stated that we are so far ahead of finances from previous years and the District is stable but we do still have a \$3 million debt from the USDA Loan.

(2) CFO Report:

- Mr. Hamblin reported the following:
 - o Health Care Reform is still unknown.
 - Alpha reports the Senate is going to extend their session by another two weeks. Article included from Hospital Association was included in the CEO Report.
 - o Items from the FY 2017/2018 Budget by President Nicely were addressed in the CFO report.

President Nicely called for a motion to approve the May 2017 Finance Report and CFO Report as presented. Motion by Board Member Willey to approve the May 2017 Finance Report and CFO Report as presented. Second by Board Member Robbins to approve the May 2017 Finance Report and CFO Report as presented. President Nicely called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins yes
- Board Member Willey- yes
- President Nicely yes
- Board Member McCarthy yes
- Board Member Roberts- yes

13. ADJOURNMENT:

President Nicely called for a motion to adjourn the Board Meeting at 4:10 p.m. Motion by Board Member Willey to adjourn. Second by Board Member McCarthy to adjourn. President Nicely called for the vote. A vote in favor of the motion was unanimously approved 5/0.

- Board Member Robbins yes

- Board Member Willey- yes
 President Nicely yes
 Board Member McCarthy yes
- Board Member Roberts- yes

Bear Valley Community Healthcare District Construction Projects 2017

Department / Project	Details	Vendor and all associated costs	Comments	Date
CT Scanner Project	Project is on schedule. Drywall finish is complete, wielding is complete, vinyl flooring is complete, and starting tile this week.	E.H. Butland	In Progress	
Mammo Project	Patients are being seen.	Advanced Medical Builders	Completed.	
Painting the Hospital exterior & repairing stucco.	Planning start of project with contractor.	Loose Painting	Project will start in August	
Install keypad at ER EMS Entrance	Keypad will keep door from auto opening when somone passes in front of photo eye	Action Doors	In Progress	
Intall new under eve lights	Replacing old incandescent yellow lights to improve lighting for safety.	Ludeke Electric	In Progress	

Bear Valley Community Healthcare District Potential Equipment Requirements

Department / Project	Details	Vendor and all associated costs	Comments	Date
Facilities- Mezzanine Control air compressor	Compressor needs replaced.	Ingersoll Rand- Approximately \$6500	In Progress	
Facilities- Dry Valve on sprinkler system	Planning installation with vendor.	Simplex Grinnell- \$ 11,000	In Progress	
Facilities- Elecric Cart	Cart for guys performing small jobs.	N/A	In Progress	
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Bear Valley Community Healthcare District Repairs Maintenance

Department / Project	Details	Vendor and all associated costs	Comments	Date
Replacing plastic water lines above CT.	Replacing Pex water lines that do not meet code.	Mike's Plumbing	In progress	
Replaced broken glass in ER sliding door.	Patient kicked out glass pane.	Action Doors	Complete	
Replace filters in hospital	Preventative Maintenance.	Maintenance	Complete	
Repaired hot water heater at FHC	Fire eye continued to fail turning off the flame to heat water.	Maintenance	Complete	



HR Monthly Report July 2017

STAFFING	Active: 209
	New Hires: 7
	Terms: 0
	Open Positions: 14
EMPLOYEE	DELINQUENT:
PERFORMANCE	30 days: 5
EVALUATIONS	60 days: 0
	90 days: 2
	90+ days: 0
	MOVING FORWARD: Enforce Delinquent Evaluation Policy and continue menitoring
	MOVING FORWARD: Enforce Delinquent Evaluation Policy and continue monitoring ongoing annual evaluations.
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WORK COMP	NEW CLAIMS: 0
	OPEN: 11
	Indemnity (Wage Replacement, attempts to make the employee financially whole) - 6
	Future Medical Care - 5
	MOVING FORWARD: Quarterly claims update.
FILE AUDIT/	ENCE ELLE ALIDIT
LICENSING	FIVE FILE AUDIT:
LICENSING	Two missing FEMA
	All items returned from provious month
	All items returned from previous month
	All Licenses are up to date
	All Licenses are up to date
	MOVING FORWARD: Obtain required items, continue file audit.
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Infection Prevention Monthly Report July 2017

TOPIC	UPDATE	ACTION/FOLLOW UP
1. Regulatory	Continue to receive updates from APIC.	Review ICP regulations.
	 AFL (All Facility Letters) from CDPH have been reviewed. No AFLs related to infection control 	 AFL to be reviewed at Infection Control Committee and Regulatory committee.
	 Continue NHSN surveillance reporting. 	 Continue Monthly Reporting Plan submissions.
	 Completion of CMR reports to Public Health per Title 17 and CDPH regulations. No reportable diseases this month 	
	 CMS is requiring each facility to have a comprehensive Water Management Plan in place to help prevent Legionella which causes Legionaire's Disease. Legionella found in water systems, especially stagnant areas of old pipes. 	 Will work with Facilities Manager and outside agencies to test water and develop plan.
2. Construction	 Mammography project complete. CT project in progress with anticipated completion this 	Work with Maintenance and

	month.	contractors to ensure compliance.
3. QI	 Continue to work towards increased compliance with Hand Hygiene. IP to have increased presence in patient care areas to monitor hand hygiene practices 	 Continue monitoring hand hygiene compliance.
4. Outbreaks/ Surveillance	 Public Health Report Hepatitis A outbreak in San Diego County among homeless and Illicit drug users. 4 deaths reported. Could possibly spread northwards to surrounding counties. Hepatitis A discovered in fish purchased from Hilo Fish Company. These fish are often sold in local farmer's markets. They have been recalled. Zika Virus – continue to monitor. No local mosquito-borne illness in this area, only travel-related cases reported. 	■ Informational
5. Policy Updates	 Policies reviewed, approved: "Handling of Soiled Instruments in ER and Clinics" unanimously approved. "Clinic Infection Control Policy and Procedure" unanimously approved. 	 Clinical Policy and Procedure Committee to review and update Infection Prevention policies.
6. Safety/Product	 Approved use of Steris Pre-Klenz instrument transport gel in ER and Clinics . 	 Continue to monitor compliance with approved cleaning procedures.
7. Antibiotic Stewardship	 Danggiao Phan continues to monitor Antimicrobial Stewardship. Dr. Paja and Danggiao Phan head the Antimicrobial Stewardship program. 	■ Informational.

8. Education	■ ICP continues to attend the APIC meetings in	ICP to share information at appropriate committees.
9. Informational	■ none	Informational
Heather Loose, BSN	, RN Infection Preventionist	Date: August 1, 2017

Board of Directors Policy & Procedures Summary Administration Policy & Procedures March 23, 2017

Board Members Code of Conduct	Annual Review - No Changes
Board Policy on Receipt of Correspondence Regarding Personnel Matters	Annual Review: Revised verbiage and added Brown Act - Written Waiver: Government Section Code 54957
Board/CEO Operating Governance Protocols	Annual Review - Revised to reflect current process
Public Participation at Board of Directors Meetings	Annual Review - Revised to reflect current process

Compliance	Department	Title (Version)	Date Last Submitted	P&T	MEC	BOD
Compilance	Admitting	Important Message from Medicare	NA	NA		8/9/2017
Compilance Code of Conduct (v.1) - Revised to reflect QHR recommendations. 6/12/2017 7/19/2017 8/9/20	Compliance	Report of Suspected or Known Compliance Issues (v.1)- New policy to reference	5/26/2017	NA	7/19/2017	8/9/2017
Compilance Compilance Program (v.4)	Compliance		6/12/2017		7/19/2017	8/9/2017
Emergency Drug Boxes (v.2)	Compliance		6/12/2017		7/19/2017	8/9/2017
Diagnostic Imaging Fluoroscopy Weekly Check Procedure (v.4) 6/9/2017 NA 7/19/2017 8/9/20	Compliance	HIPAA Compliance Program (v.4)	6/12/2017	NA		
Diagnostic Imaging Outpatient Critical Imaging Findings (v.1) 6/9/2017 NA 7/19/2017 8/9/20 7/19	Diagnostic Imaging	Emergency Drug Boxes (v.2)	5/17/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Diagnostic Contrast Agents Used and Storage Policy (v.3) 6/9/2017 NA 7/19/2017 8/9/20 7/9/2017 RAGIation Dosineter Policy and Guidelines (v.2) 6/9/2017 NA 7/19/2017 8/9/20 7/9/2017 RAGIation Dosineter Policy and Guidelines (v.2) 6/9/2017 NA 7/19/2017 8/9/20 7/9/2017 RAGIation Dosineter Policy and Guidelines (v.2) 6/9/2017 NA 7/19/2017 8/9/20 7/9/2017 8/9/20	Diagnostic Imaging	Fluoroscopy Weekly Check Procedure (v.4)	6/9/2017	NA		
Diagnostic Imaging Diagnostic Imaging Diagnostic Imaging Scope of Care (v.3) 6/9/2017 NA 7/19/2017 8/9/20 6/9/2017 NA 7/19/2017 8/9/20	Diagnostic Imaging	Outpatient Critical Imaging Findings (v.1)				
Diagnostic Imaging	Diagnostic Imaging	Diagnostic Contrast Agents Used and Storage Policy (v.3)	6/9/2017	NA		8/9/2017
Diagnostic Imaging General Guidelines for Radiation Safety (v.3) 6/9/2017 NA 7/19/2017 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8/9/20 8/9/2017 NA 8/9/20 8/9/20 8/9/2017 NA 8/9/20 8/9/20 8/9/2017 NA 8/9/20 8/9/20 8/9/20 8/9/2017 NA 8/9/20	Diagnostic Imaging	Diagnostic Imaging Scope of Care (v.3)	6/9/2017	NA		
Diagnostic Imaging General Guidelines for Radiation Safety (v.3) 6/9/2017 NA 7/19/2017 8/9/20	Diagnostic Imaging	Emergency Department Patient Procedure and Preparation for Imaging (v.2)	6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Gonadal Shielding (v.3) 6/9/2017 NA 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 7/19/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/2017 8/9/			6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Inpatient Procedures (v.3) 69/2017 NA			6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Lead Apron Inspection (v.2) 6/9/2017 NA 7/19/2017 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8/9/20 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 8/9/20 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8/9/20 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8/9/20 8/9/20 8/9/2017 NA 7/19/2017 8/9/20 8			6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Management of the Critically III Patient in the Radiology Department (v.2) 6/9/2017 NA 7/19/2017 8/9/20			6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Mechanical and Electrical Safety for Radiology Equipment (V.2) 6/9/2017 NA 7/19/2017 8/9/20 Diagnostic Imaging Diagnostic Imaging Procedure (v.2) 6/9/2017 NA 7/19/2017 8/9/20 Diagnostic Imaging Radiation Dosimeter Policy and Guidelines (v.2) 6/9/2017 NA 7/19/2017 8/9/20 Biagnostic Imaging Radiation Exposure for Women of Child Bearing Age (v.2) 6/9/2017 NA 7/19/2017 8/9/20 Binploye Health Workplace Violence Plan NA NA NA NA 8/9/20 Binploye Health Workplace Violence Plan NA NA NA NA 8/9/20 Binploye Health Cartino of Proffessional Relationships with Patients.(v.1)- New policy to reflect 6/30/2017 NA 7/19/2017 8/9/20 Binc Binc Evaluation (v.3) 7/19/2017 8/9/20 Binc Binc Binc Binc Binc Binc Binc Binc	Diagnostic Imaging				7/19/2017	8/9/2017
Diagnostic Imaging Radiation Dosimeter Policy and Guidelines (v.2) 6/9/2017 NA 7/19/2017 8/9/20 Radiation Exposure for Women of Child Bearing Age (v.2) 6/9/2017 NA 7/19/2017 8/9/20 Rmploye Health Workpiace Violence Plan NA	Diagnostic Imaging	Mechanical and Electrical Safety for Radiology Equipment (v.2)	6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Radiation Dosimeter Policy and Guidelines (v.2) 6/9/2017 NA 7/19/2017 8/9/20	Diagnostic Imaging	Outpatient Imaging Procedure (v.2)	6/9/2017	NA	7/19/2017	8/9/2017
Diagnostic Imaging Radiation Exposure for Women of Child Bearing Age (v.2) 6/9/2017 NA 7/19/2017 8/9/20					7/19/2017	8/9/2017
Employe Health Workplace Violence Plan NA NA NA 8/9/20 FHC, RHC Termination of Proffessional Relationships with Patients.(v.1)- New policy to reflect 6/30/2017 NA 7/19/2017 8/9/20 FHC, RHC Annual Clinic Evaluation (v.3) 6/29/2017 NA 7/19/2017 8/9/20 FHC, RHC Chronic Pain Management (v.1)- New policy. Five attachments added. 6/30/2017 NA 7/19/2017 8/9/20 FHC, RHC Clinic Infection Control (v.2) 6/27/2017 6/7/2017 7/19/2017 8/9/20 8/9/20 FHC, RHC Scope of Service-Family Health Center (v.3) 8/9/20 NA 7/19/2017 8/9/20 FHC, RHC Referrals (v.3) 6/26/2017 NA 7/19/2017 8/9/20 8/9/20 FHC, RHC Patient Check Out (v.2) 6/26/2017 NA 7/19/2017 8/9/20 8/9/20 FHC, RHC Wrist Splint - Application of (v.3) 6/20/2017 NA 7/19/2017 8/9/20 8/9/20 FHC, RHC Unna Boot (v.3) 6/20/2017 NA 7/19/2017 8/9/20 8/9/20 FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2)			6/9/2017	NA	7/19/2017	8/9/2017
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FHC, RHC Chronic Pain Management (v.1)- New policy. Five attachments added. 6/30/2017 NA 7/19/2017 8/9/20 FHC, RHC Clinic Infection Control (v.2) 6/27/2017 6/7/2017 7/19/2017 8/9/20 FHC, RHC Scope of Service-Family Health Center (v.3) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Referrals (v.3) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Patient Check Out (v.2) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Wrist Splint - Application of (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Unna Boot (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/201	FHC, RHC				7/19/2017	8/9/2017
FHC, RHC Clinic Infection Control (v.2) 6/27/2017 6/7/2017 7/19/2017 8/9/20 FHC, RHC Scope of Service-Family Health Center (v.3) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Referrals (v.3) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Patient Check Out (v.2) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Wrist Splint - Application of (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Unna Boot (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7			6/30/2017	NA	7/19/2017	8/9/2017
FHC, RHC Scope of Service-Family Health Center (v.3) FHC, RHC Referrals (v.3) FHC, RHC Patient Check Out (v.2) FHC, RHC Wrist Splint - Application of (v.3) FHC, RHC Unna Boot (v.3) FHC, RHC Transfer to the Emergency Department (v.3) FHC, RHC Cervical Collar - Application of (v.2) FHC, RHC Cervical Collar - Application of (v.2) FHC, RHC Cast Removal (v.3)			6/27/2017	6/7/2017	7/19/2017	8/9/2017
FHC, RHC Patient Check Out (v.2) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Wrist Splint - Application of (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Unna Boot (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20	FHC, RHC		6/26/2017	NA	7/19/2017	8/9/2017
FHC, RHC Patient Check Out (v.2) 6/26/2017 NA 7/19/2017 8/9/20 FHC, RHC Wrist Splint - Application of (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Unna Boot (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20	FHC, RHC	Referrals (v.3)	6/26/2017	NA	7/19/2017	8/9/2017
FHC, RHC Wrist Splint - Application of (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Unna Boot (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20			6/26/2017	NA	7/19/2017	8/9/2017
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FHC, RHC Transfer to the Emergency Department (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20			6/20/2017	NA	7/19/2017	8/9/2017
FHC, RHC Cervical Collar - Application of (v.2) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20					7/19/2017	8/9/2017
FHC, RHC Cast Removal (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20						
FHC, RHC Allergy Documentation (v.3) 6/20/2017 NA 7/19/2017 8/9/20 FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20						
FHC, RHC VFC Patient Eligibility (v.2) 6/20/2017 NA 7/19/2017 8/9/20						
	Human Resources	Just Culture	NA S/25/25/1	NA	NA	8/9/2017

Human Resources	Computer Use Agreement			NA	8/9/2017
Physical Therapy	Physical Therapy Fire at 370 Summit Blvd (v.3)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Assessment Patient Care Evaluations and Treatment Guidelines	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Assessment Policy for In-patients & Swing Patients (v.6)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Assessment Policy for Outpatient & Skilled Nursing Facility	5/26/2017		7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Charges and Billing for Services Rendered (v.6)	5/26/2017		7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Charting Forms (v.7)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Continuing Education for Staff (v.7)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Definition of Assistance Levels (v.6)	5/26/2017		7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Department Security (v.6)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Family Education & Teaching (v.6)	5/26/2017		7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Functional Criteria For Referral (v.6)	5/26/2017		7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Impaired Patient Policy (v.6)	5/26/2017		7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Mandatory Posting from the PT Board of CA Notices to	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Medi-Cal E-TAR Instructions-Approval of Requested Treatments	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Medical Emergencies (v.4)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Mission Statement & Scope of Practice (v.6)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Patient Scheduling (v.6)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Topical Medication Use, Storage, and Disposal (v.6)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Training and Re-education in Activities of Daily Living (ADL) (v.6)	5/26/2017	NA	7/19/2017	8/9/2017
Physical Therapy	Physical Therapy Infection Control Policy (v.6)	5/26/2017	6/7/2017	7/19/2017	8/9/2017
Radiology	Critical and Unexpected Findings (v.1)- New policy per Compliance Assessment	6/9/2017	NA	7/19/2017	8/9/2017
Radiology	Diagnostic Imaging Patient Preparation (v.3)	6/9/2017	NA	7/19/2017	8/9/2017
Radiology	Fluoroscopy Procedures (v.2)	6/9/2017	NA	7/19/2017	8/9/2017
Radiology	Procedures Deemed Inappropriate by the Radiologist (v.2)	6/9/2017	NA	7/19/2017	8/9/2017
Radiology	Standard Radiographic Views (v.2)	6/9/2017	NA	7/19/2017	8/9/2017
Risk Management	Service Animals (v.1)- New policy to outline ADA standards.	6/2/2017	NA	7/19/2017	8/9/2017
Risk Management	Consents (v.3)	6/2/2017	ΝA	7/19/2017	8/9/2017
Risk Management	Consent for Photography other than treatment/hospital's healthcare operations	6/2/2017	NA	7/19/2017	8/9/2017
Risk Management	EMTALA Guidelines (v.4)	6/2/2017	'NA	7/19/2017	8/9/2017
Risk Management	Loitering (v.1)- New policy.	5/26/2017	'NA	7/19/2017	8/9/2017
Risk Management	Abuse - Mandatory Reporting Requirements (v.4)	6/12/2017	NA	7/19/2017	8/9/2017
Risk Management	Against Medical Advice (v.2)	6/12/2017	NA	7/19/2017	8/9/2017
Risk Management	Risk Management Plan (v.3)	6/12/2017	NA NA	7/19/2017	8/9/2017
Risk Management	Risk/Quality Committee (v.2)	6/12/2017	'NA	7/19/2017	8/9/2017
Risk Management	Serious Reportable Events (v.1)- Policy name changed, verbiage added to reflect	6/12/2017	' NA	7/19/2017	8/9/2017
Risk Management	Variance Report (v.1)	6/12/2017	NA	7/19/2017	8/9/2017
Risk Management	EMTALA Guidelines (v.4)	6/12/2017	'NA	7/19/2017	8/9/2017
Risk Management	False Claims Act Policies (v.3)	6/12/2017	/NA	7/19/2017	8/9/2017
Surgery	Handling of Soiled Instruments in ER and Clinics (v.1)- New policy regarding	6/30/2017		7/19/2017	8/9/2017

Ultrasound	Abdomen Ultrasound Procedure (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	Aorta Ultrasound Procedure (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	Carotid Ultrasound Procedure (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	Male Bladder Ultrasound Procedure (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	OB Ultrasound Procedure (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	Pelvic Ultrasound (Female) (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	Peripheral Arterial Ultrasound (v.2)	6/9/2017 NA	7/19/2017 8/9/2017
Ultrasound	Venous Peripheral Ultrasound Procedure (v.2)	6/9/2017 NA	7/19/2017 8/9/2017

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT SPECIAL POLICY & PROCEDURE & DISTRICT BYLAW

COMMITTEE MEETING MINUTES

41870 Garstin Drive, Big Bear Lake, Ca. 92315 July 07, 2017

MEMBERS PRESENT: Donna Nicely, President John Friel, CEO

Rob Robbins, 1st Vice President Shelly Egerer, Admin. Asst.

Mary Norman, Risk/Compliance Officer

MEMBERS ABSENT: None

STAFF: None

GUESTS: None

OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to order at 12:00 p.m.

2. ROLL CALL:

Donna Nicely and Rob Robbins were present. Also, present were John Friel, CEO, Mary Norman, Risk Manager/Compliance Officer and Shelly Egerer, Admin. Asst.

3. ADOPTION OF AGENDA:

President Nicely motioned to adopt the July 07, 2017 Agenda as presented. Second by Board Member Robbins to adopt the July 07, 2017 Agenda as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes

4. PUBLIC FORUM FOR OPEN SESSION:

President Nicely opened the Hearing Section for Public Comment at 12:00 p.m. Hearing no request to address the Committee, Board Member Nicely closed the Hearing Section at 12:00 p.m.

5. DIRECTORS COMMENTS

None

6. APPROVAL OF MINUTES*

A. May 30, 2017

President Nicely called for a motion to approve the May 30, 2017 minutes as presented. Motion by Board Member Robbins to approve the May 30, 2017 minutes as presented. Second by President Nicely to approve the May 30, 2017 minutes as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes

6. OLD BUSINESS:

- A. Discussion and Potential Approval of the Policy & Procedure & Bylaw Committee Meeting Calendar:
 - President Nicely suggested that the committee meet to review the final revisions of the bylaws so that the committee ensures all changes are made and all section codes and table of contents are correct.
 - President Nicely and Board Member Robbins suggested the next committee meeting be conducted July 21, 2017 at 12:00.

Board Member Robbins motioned to approve the next committee meeting to be scheduled for July 21, 2017 at 12:00 p.m. Second by President Nicely to approve the next committee meeting to be scheduled for July 21, 2017 at 12:00 p.m. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes

8. NEW BUSINESS*

None

9. PRESENTATION, REVIEW AND REVISION OF BVCHD BYLAWS*

- (1) August 2015 BVCHD Bylaws:
 - Reviewed the recent changes to the bylaws that legal counsel had completed at the request of the committee.

10. ADJOURNMENT*

President Nicely motioned to adjourn the meeting at 12:43 p.m. Second by Board Member Robbins to adjourn the meeting. President Nicely called for the vote. A vote in favor of the motion was unanimously approved. President Nicely adjourned the meeting.

- Board Member Robbins- yes
- President Nicely- yes

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT SPECIAL POLICY & PROCEDURE & DISTRICT BYLAW

COMMITTEE MEETING MINUTES

41870 Garstin Drive, Big Bear Lake, Ca. 92315 July 21, 2017

MEMBERS PRESENT: Donna Nicely, President Shelly Egerer, Admin. Asst.

Rob Robbins, 1st Vice President

Mary Norman, Risk/Compliance Officer

MEMBERS ABSENT: John Friel, CEO

STAFF: None

GUESTS: None

OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to order at 12:00 p.m.

2. ROLL CALL:

Donna Nicely and Rob Robbins were present. Also, present were Mary Norman, Risk Manager/Compliance Officer and Shelly Egerer, Admin. Asst. Absent was John Friel, CEO.

3. ADOPTION OF AGENDA:

President Nicely motioned to adopt the July 21, 2017 Agenda as presented. Second by Board Member Robbins to adopt the July 21, 2017 Agenda as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes

4. PUBLIC FORUM FOR OPEN SESSION:

President Nicely opened the Hearing Section for Public Comment at 12:00 p.m. Hearing no request to address the Committee, Board Member Nicely closed the Hearing Section at 12:00 p.m.

5. DIRECTORS COMMENTS

None

6. APPROVAL OF MINUTES*

A. July 07, 2017

President Nicely called for a motion to approve the July 07, 2017 minutes as presented. Motion by Board Member Robbins to approve the July 07, 2017 minutes as presented. Second by President Nicely to approve the July 07, 2017 minutes as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes

7. OLD BUSINESS:

None

8. NEW BUSINESS*

None

9. PRESENTATION, REVIEW AND REVISION OF BYCHD BYLAWS*

- A. Discussion and Potential Recommendation to the Board of Directors the BVCHD District Bylaws Reviewed and Revised 2017:
 - The committee reviewed all revisions made to the District Bylaws. The page numbers and table of contents will need to be reviewed, revision date on the first page of the bylaws and signature page to be added for the Board of Directors.

President Nicely motioned to send the District Bylaws to legal counsel and to present to the Board of Directors at the August Board Meeting. Second by Board Member Robbins to send the District Bylaws to legal counsel and to present to the Board of Directors at the August Board Meeting. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes
- B. Discussion of Policy & Procedure & District Bylaw Committee Purpose, Goals and Accomplishments, and Potential Recommendation to Board of Directors that the Committee be Dissolved/Discharged by the Board of Directors:

President Nicely motioned to recommend to the Board of Directors that the Policy & Procedure and District Bylaw Committee be dissolved/discharged. Second by Board Member Robbins to recommend to the Board of Directors that the Policy & Procedure and District Bylaw Committee be dissolved/discharged. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Nicely- yes

10. ADJOURNMENT*

President Nicely motioned to adjourn the meeting at 1:11 p.m. Second by Board Member Robbins to adjourn the meeting. President Nicely called for the vote. A vote in favor of the motion was unanimously approved. President Nicely adjourned the meeting.

- Board Member Robbins- yes
- President Nicely- yes

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT BOARD OF DIRECTORS

SPECIAL FINANCE COMMITTEE MEETING MINUTES 41870 Garstin Drive, Big Bear Lake, Ca. 92315 July 06, 2017

MEMBERS Barbara Willey, Treasurer

Garth Hamblin, CFO

PRESENT: Rob Robbins, 1st Vice President

Shelly Egerer, Admin. Asst.

John Friel, CEO

STAFF: Kerri Jex Mary Norman

COMMUNITY MEMBERS: None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Robbins called the meeting to order at 1:17 p.m.

2. ROLL CALL:

Barbara Willey and Rob Robbins were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Administrative Assistant.

3. ADOPTION OF AGENDA:

Board Member Robbins motioned to adopt the July 06, 2017 agenda as presented. Second by Board Member Willey to adopt the July 07, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

4. PUBLIC FORUM FOR OPEN SESSION

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 1:18 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:18 p.m.

5. DIRECTORS COMMENTS:

• None

6. APPROVAL OF MINUTES:

A. June 05, 2017

Board Member Willey called for a motion to approve the June 05, 2017 Finance Committee Meeting Minutes as presented. Motion by Board Member Robbins to approve the June 05, 2017 Finance Committee Meeting Minutes as presented.

Second by Board Member Willey to approve the June 05, 2017 Finance Committee Meeting Minutes as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

7. OLD BUSINESS:

None

8. NEW BUSINESS*

A. Discussion of BVCHD Petty Cash Policy:

- Mr. Hamblin stated that there are departments that need cash boxes for payments, copayments, Dietary Department, the Clinic's, and the Emergency Room. Mr. Hamblin informed the Committee that there will be attachments to include in the policy and he will be revising some of the verbiage in the policy. A random audit will be completed for all departments with cash boxes. The petty cash box is reconciled monthly when the Department Manager submits the monthly audit with the receipts and submitted to the Accounting Department. There is a potential to reduce some of the cash boxes if needed.
- Discussion took place with the committee and the committee members stated that the less cash boxes the District has the less problems there are. Board Member Willey suggested that the policy state how many cash boxes the District has in the policy; i.e. per department. The policy will come back to the committee with the appropriate attachments and the revisions to the policy.

Board Member Willey reported this was informational only.

B. Discussion and Potential Recommendation to the Board of Directors the Following Contracts:

- (1) Top Notch Networking (Copiers):
 - Board Member Willey stated that she feels that this contract is not good for the District that it benefits the vendor and puts the District at risk.
 - Mr. Hamblin stated that legal counsel approved the final version of the contract and is being presented after legal counsel signed off on it.
 - Board Member Robbins stated that there are other organizations that we received bids from and the committee and Board stated that they have requested a matrix of the other vendors that provided bids; this is to include vendor name, proposal, term, cost and any other pertinent information that the Board may need to make an appropriate decision. The committee also noted that this contract states there is a 6% increase for the next 5 years and feels that could be a costly increase. The committee will not recommend approval to the Board of Directors for the contract but stated if the additional information can be obtained then to present the agreement at the July 12 Board Meeting.

Board Member Robbins motioned that the Finance Committee will not recommend the Top Notch Networking Contract with the lack of information given at this time. Administration can prepare the proposal to put before the full Board for a vote with corrections, inclusions and changes requested. To include a matrix and legal counsel to consider the term of the contract. Second by Board Member Willey that the Finance Committee will not recommend the Top Notch Networking Contract with the lack of information given at this time. Administration can prepare the proposal to put before the full Board for a vote with corrections, inclusions and changes requested. To include

a matrix and legal counsel to consider the term of the contract. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

(2) Intellicom Communication, Inc. (Phone System)

- Mr. Hamlin asked if the committee was willing to pay the extra \$22,000 to purchase the phone system so that the District can update our current phone system. The new phone system should be good for the next ten to twenty years, software updates also are available and all features will be looked into to ensure we have a good phone system. The cost is approximately \$90,000 for the phone system.
- Board Member Robbins requested that a matrix, bids that were obtained by
 other vendors be submitted to the Board of Directors. Once again this is a best
 practice that has been asked by the committee members and the full Board and
 it is not being presented with such information. Board Member Robbins also
 stated that he is concerned about purchasing phones due to the issues we had
 with the email server being down for several weeks. The communication within
 the District is too important to have another glitch of communication for
 internal and external uses.
- Mr. Hamblin stated that the phone system comes with software updates, voice
 mail, and forward voice mail to outlook inbox, and features will be looked at to
 ensure we have a good system. A committee will be formed to ensure the setup
 is successful. This system has been on the Capital Budget for several years and
 is time to update the phone system.

Board Member Robbins recommends \$90,000 for the phone system contingent upon the appropriate information being presented to the full Board, i.e. matrix, vendor information, features and pricing. Second by Board Member Willey to recommend \$90,000 for the phone system contingent upon the appropriate information being presented to the full Board, i.e. matrix, vendor information, features and pricing. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

9. Presentation and Review of Financial Statements:

A. May 2017 Finances:

- Mr. Hamblin reported the following:
 - o Over \$13 million in cash and investments.
 - o Surplus of \$129,126 for the month.
 - o Expenses under budget.
 - o Will end the fiscal year strong.
 - Dental services have continued to be positive and patient volume continues to increase.
 - o Performa was based on 240 visits per month and should exceed that number.
 - o Not ready to begin seeing other insurance carriers and Medi-Cal patients have been booking time slots and are booked at least 3 to 4 months out.
- The committee stated the finances are looking fantastic and very pleased.

B. CFO Report:

- Mr. Hamblin reported the following information:
 - o Healthcare Reform still unknown, there is an attachment on some key issues; summary included from the Hospital Association.
 - Questions at last Board Meeting on the FY 2017/2018 Budget are included in the CFO Report.
 - o Dues and subscriptions are listed from high to low cost.
 - o Emailed President Nicely this item since she has so many questions about the FY 2017/18 Budget at the June Board Meeting.
 - o Staff being involved with organizations to network and gain benefit from the membership and Administration feels this is a positive thing.
 - o Miscellaneous items:
 - Added additional money for Marketing effort continue highlighting the Hospital, the Clinics and the Mom & Dad Project.
 - o Telephone system cost increased due to RHC reopening.
 - o Obligated to pay for travel expenses for Culture Training.
 - Increase in minor equipment for Plant/Maintenance and Surgery Department.
- The Finance Committee appreciated that there was a break down on the questions asked at the June Board Meeting.

Board Member Robbins motioned to approve the May 2017 Finance Report and the CFO Report as presented. Second by Board Member Willey to approve the May 2017 Finance Report and the CFO Report as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

10. ADJOURNMENT*

Board Member Robbins motioned to adjourn the meeting at 2:15 p.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT SPECIAL PLANNING & FACILITIES COMMITTEE MEETING MINUTES MAY 25, 2017

MEMBERS Donna Nicely, President Shelly Egerer, Admin. Assistant PRESENT: Jack Roberts, 2nd Vice President Michael Mursick, Plant Manager

John Friel, CEO

STAFF: Kerri Jex Mary Norman

ABSENT: Garth Hamblin

OTHER: Natalie Williams w/Grizzly

COMMUNITY

MEMBERS: None

OPEN SESSION

1. CALL TO ORDER

President Nicely called the meeting to order at 12:00 p.m.

2. ROLL CALL

Donna Nicely and Jack Roberts were present. Also present were John Friel, CEO, Mike Mursick, Plant Manager and Shelly Egerer, Admin. Assistant.

3. ADOPTION OF AGENDA*

President Nicely motioned to adopt the May 25, 2017 agenda as presented. Second by Board Member Roberts to adopt the May 25, 2017 agenda as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- President Nicely yes
- Board Member Roberts- yes

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION

President Nicely opened the Hearing Section for Public Comment on Open Session items at 12:00 p.m. Hearing no request to address the Planning & Facilities Committee, President Nicely closed the Hearing Section at 12:01 p.m.

2. ADJOURN TO CLOSED SESSION*

Board Member Roberts motioned to adjourn to Closed Session at 12:00 pm. Second by President Nicely to adjourn to Closed Session. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- President Nicely yes
- Board Member Roberts- yes

OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to order at 12:15 p.m.

2. RESULTS OF CLOSED SESSION:

President Nicely stated there was no reportable action taken in Closed Session.

3. PUBLIC FORUM FOR OPEN SESSION:

President Nicely opened the Hearing Section for Public Comment on Open Session items at 12:15 p.m. Hearing no request to address the Planning & Facilities Committee, President Nicely closed the Hearing Section at 12:15 p.m.

4. DIRECTOR'S COMMENTS:

• Board Member Roberts stated that the Maintenance Department is doing a phenomenal job.

5. APPROVAL OF MINUTES:

A. April 27, 2017

President Nicely motioned to approve the April 27, 2017 minutes as presented. Second by Board Member Roberts to approve the April 27, 2017 minutes as presented. President Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- President Nicely yes
- Board Member Roberts- yes

6. OLD BUSINESS*

7. NEW BUSINESS*

A. Discussion of Designated Employee and Patient Smoking Area:

- Board Member Roberts informed the committee and staff that he requested this item be placed on the Planning Agenda in order to discuss a potential designated smoking area for staff. Board Member Roberts stated that staff is standing in front of the hospital; on the curb in scrubs and feels this looks unprofessional to the public.
- President Nicely stated that she agreed that it looks bad but does not feel we should have a designated smoking area since we are a Hospital and we need to promote good health. President Nicely also stated that there is a policy in place that this is a non-smoking campus.
- Further discussion took place on enforcing no smoking and the appearance of staff standing on the sidewalk in front. The committee also discussed the potential to provide classes and education to employees on the benefits of quitting smoking. The committee gave direction to Administration to create a plan of enforcing the non-smoking campus, encouraging staff to not smoke on the sidewalk and any education classes to offer to staff.

President Nicely reported there is no action required.

8. PLANNING & FACILITIES*

A. Construction Project:

- Mr. Mursick reported the following:
 - o CT Scanner and Mammo Project
 - o Construction has begun and continues to move forward in a timely manner.
 - o There are a few minor items that require additional work but we will continue to be in the 10% contingency budget.
 - o Staff lounge is being discussed with Senior Administration.

B. Potential Equipment Requirements:

- Mr. Mursick reported the following:
 - o Golf cart continues to remain on hold until the Capital Budget is approved.

C. Repairs Maintenance (FHC, RHC, PT, Hospital):

- Mr. Mursick reported the following:
 - o Brenda Boss Facility passed a 5-year fire sprinkler inspection.
 - o CNO office is not able to hear pages; this will be followed up by staff.
 - o ER Director will need to have office space.

D. District Master Plan Project / Construction Options:

- Mr. Friel reported that GKK was invited to provide an overview of the plans from several years back. A vendor related to QHR has been contacted and will begin discussing some options.
- Discussion took place in regards to reaching out to vendors that were in attendance at the Rural Health Conference. The committee and Board at some point will need to determine what we want to do, build a new Hospital or remodel the existing Hospital. The committee and Administration agreed that a vendor used must be familiar with OSHPD and California laws. The other item that will need to be addressed is how the project will be funded, there is a potential of the cost being approximately \$30 million.
- Mr. Friel informed the committee that obtaining information could take a few months before having any answer to the committee's questions.

President Nicely motioned to approve the Planning & Facilities Report as presented. Second by Board Member Roberts to approve the Planning & Facilities Report as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.

- President Nicely yes
- Board Member Roberts- yes

9. ADJOURNMENT*

President Nicely motioned to adjourn the meeting at 12:48 p.m. Second by Board Member Roberts to adjourn the meeting. President Nicely adjourned the meeting.

- President Nicely yes
- Board Member Roberts- yes



BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

EMPLOYEE BENEFITS CONSULTING AGREEMENT

BETWEEN BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT AND MARSH & MCLENNAN AGENCY LLC

AGREEMENT

This Agreement is entered into by and between Marsh & McLennan Agency LLC, located at 9171 Towne Centre Drive, San Diego, CA 92122, hereinafter referred to as "MMA" or "Broker/Consultant," and Bear Valley Community Healthcare District located at 41870 Garstin Dr, Big Bear Lake, CA 92315 hereinafter referred to as "Client".

PERFORMANCE STANDARDS

Broker/Consultant shall discharge its duties pursuant to this Agreement in accordance with directions and instructions of Client. Broker/Consultant shall act with the generally acceptable professional standards and within applicable law, always acting honestly, in good faith and in the best interest of Client. Broker/Consultant shall exercise the degree of care, diligence and skill of a prudent and experienced insurance broker and consultant.

SERVICES

PLAN DESIGN CONSULTATION

- Provide analysis of existing plans, offer new ideas, including alternative designs and provide cost estimates and supporting recommendations.
- Educate Client on benefit trends and industry best practices.
- Advise Client on the impact of pending as well as enacted legislation and regulations, which affect benefits and/or the administration of the plans.
- Keep abreast and provide information on new benefit developments and options.
- Assist in the implementation and administration of new programs or changes to existing programs.
- Benchmark plans against competitive environment.
- Create a three to five year strategy.

MARKETING & RENEWAL

- Work with Client and to develop objectives and plan designs to include in Requests for Proposals (RFPs).
- Prepare detailed specifications for RFPs.
- Submit RFPs to insurance markets/vendors.
- Review each proposal. Use our influence in the marketplace to leverage and negotiate the best rates and conditions per Client specifications.
- Prepare an evaluation of the proposals to simplify the comparative differences and important components of the proposals. Evaluation will include recommendations to the Client concerning such proposals.
- Evaluate renewals proposed by insurance companies. Negotiate rates with companies after analyzing current experience, retention, previous year's financial results and the competitive marketplace.
- Plan costs analyze current plan costs of all benefits compared to prior year's costs by participant and by line of coverage.
- Year End Accounting review policy year financial summaries for complete cost breakdown.
 Analyze costs including premium, claims, and reserve levels, expenses, pooling levels, margins and overall effectiveness of funding arrangement.
- Assist with preparation of open enrollment communication materials and organizing vendor participation at open enrollment meetings.
- Attend and conduct open enrollment meetings.

Employee Benefits Consulting Agreement

ADMINISTRATION

- Provide a team that will be available and responsive on a timely basis.
- Attend insurance committee/Human Resource meetings and other meetings, as necessary.
- Assist with claims questions, issues and appeals.
- · Conduct quarterly claim review meetings to identify trends and forecast future costs
- Provide monthly Self-funded claim report updates.
- Provide actuarial rate setting and plan design pricing.
- Attend Bi-weekly Wellness Conference calls and quarterly meetings.
- Assist with problems regarding billing, enrollments, terminations and reconciliations.
- Participate in the preparation and presentation of quarterly financial reports.
- Notify carriers of any plan change or administrative changes.
- Monitor plan carriers and providers to ensure smooth administration.
- Review contracts, plan documents, insurance policies and other documents for applicability, accuracy and consistency. Prepare and deliver necessary reports to Client.
- Assist Client with the development of performance guarantees relating to vendors' performance of services for Client and evaluate the performance of vendors.

REGULATORY COMPLIANCE

- Legislative Notification keep Client abreast of proposed and enacted legislation and regulations through newsletters and ongoing communication. Consult on implications of enacted legislation and recommend benefit or funding revisions when appropriate.
- Perform Health Care Reform modeling to ensure compliance and prudence for complying with Full time employee determination, look back periods and other important compliance milestones.
- Regulatory Compliance provide updates on government laws and regulations promulgated by federal and state agencies for compliance purposes.
- Seminars/Workshops offer seminars hosted by in-house and outside resources and professionals.
- Submit written reports and other documents as required by the federal government.

ADDITIONAL SERVICES

- Preparation of Annual 5500 reports.
- · Assist in creation of Summary Plan Descriptions.

RESPONSIBILITIES OF CLIENT

Client shall furnish Broker/Consultant with data necessary for discharge of Broker/Consultant's duties set forth in this document. Client shall be solely responsible for the accuracy and completeness of all information furnished to Broker/Consultant and/or insurers, and Client shall sign any required application for insurance. Broker/Consultant shall not be responsible to verify the accuracy or completeness of any information that Client provides, and Broker/Consultant shall be entitled to rely on that information. Broker/Consultant shall have no liability for any errors, deficiencies or omissions in any services provided to Client, including the placement of insurance on Client's behalf, that is based on inaccurate or incomplete information provided to Broker/Consultant. Client understands that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage. Client agrees that it will review all policy documents provided to it by Broker/Consultant.

COMPENSATION

Based on the current enrollment, Broker/Consultant's first year's base compensation (consulting retainer) will be calculated based on \$31.50 per eligible employee per month, payable in twelve (12) equal installments invoiced on a monthly basis.

If this Agreement is renewed for a second year, both parties will evaluate compensation terms to arrive at a mutually agreed upon base compensation. Additional compensation may be required for services provided outside of the scope of this Agreement, as agreed by both parties in advance of the work being performed.

AMENDMENT

This Agreement may be amended only with the consent of the parties. All amendments must be in writing and must be approved by the Broker/Consultant and by the Client's Governing Board.

TERMS

This Agreement is effective September 1, 2017 and will automatically renew unless otherwise terminated as provided herein.

TERMINATION

Both parties may terminate this Agreement upon thirty (30) days written notice to the other. Said notice shall be sent by certified or registered mail. In the event of such termination by the Client, Broker/Consultant shall be paid for professional services rendered up to the date of such termination. The Client's right to terminate under this paragraph shall be in addition to any other rights reserved to the Client under this Agreement. Said termination by either party shall not be deemed to be a breach of this Agreement and/or tortious conduct.

INDEMNIFICATION

Client agrees to defend, indemnify, and save free and harmless the Broker/Consultant, its officers, agents and employees against any and all losses, injuries, claims, actions, causes of action, judgment, and liens arisen from, or alleged to have arisen from Client's performance or lack thereof under this Agreement.

INDEPENDENT CONTRACTOR

While in the performance of this Agreement, Broker/Consultant is an independent contractor and not an officer, agent, or employee of the Client.

BROKER OF RECORD

Client shall appoint Broker/Consultant as its exclusive insurance broker with respect to Client's insurance requirements for the services provided by Broker/Consultant pursuant to this Agreement. This appointment rescinds all previous appointments, and the authority associated with such appointment shall remain in full force and effect until cancelled in writing. Broker/Consultant shall not be responsible for any claims, liabilities, injuries, suits and demands and expenses of any kind which may result or arise out of any act or omission of the broker of record previously designated by Client.

SEVERABILITY

Should any portion, term, condition or provision of this Agreement be determined by a court of competent jurisdiction or by the California Department of Insurance to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions and provisions shall not be affected thereby.

COMPENSATION DISCLOSURE

MMA's standard compensation disclosure will be provided to Client annually.

PROTECTED HEALTH INFORMATION

MMA shall handle "Protected Health Information" (as defined in the Federal HIPAA privacy regulations, 45 C.F.R. Parts 160, 164) as a business associate of Client in accordance with the provisions of the Business Associate Agreement between Client (acting on behalf of the Client's Group Health Plans), and MMA in Appendix AB.

DISCLAIMERS

Broker/Consultant does not speak for any insurer, is not bound to utilize any particular insurer and is not authorized to make binding commitments on behalf of any insurer, except under special circumstances which Broker/Consultant shall endeavor to make known to Client. Broker/Consultant shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Broker/Consultant does not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to Client. Broker/Consultant will not take any action to replace Client's insurers unless Client instructs Broker/Consultant to do so. Client acknowledges that, in performing services hereunder, Broker/Consultant and its affiliates are not acting as a fiduciary for Client, except to the extent required by applicable law. Any reports or advice provided by Broker/Consultant should not be relied upon as accounting, legal, regulatory or tax advice. In all instances, Broker/Consultant recommends that Client seek its own advice on such matters from professional accounting, legal, regulatory and tax advisors.

Broker/Consultant will not be responsible for the adequacy or effectiveness of any insurance programs or policies implemented by another broker, or any acts or omissions occurring prior to Broker/Consultant's engagement.

Broker/Consultant may provide to Client information and services related to insurance regulatory and insurance tax issues relating to Client's insurance program. Any reports or advice provided by Broker/Consultant will be based on publicly available information and Broker/Consultant's experience as an insurance broker and risk consultant in dealing with such matters for other clients and should not be relied upon as accounting, regulatory or tax advice. In all instances, Broker/Consultant recommends that Client seek its own advice on accounting, regulatory and tax matters from professional legal and tax advisers.

Employee Benefits Consulting Agreement

Broker/Consultant may provide Client with modeling and/or business analytics services, including hazard loss and catastrophe modeling, loss forecasting and triangles, adverse event simulation, scenario and portfolio risk analysis, decision mapping, risk bearing and risk retention tolerance analysis and insurance program evaluation analysis ("Modeling and Analytics"), Modeling and Analytics services will be based upon a number of assumptions, conditions and factors. If any of them or any information provided to Broker/Consultant is inaccurate or incomplete or should change, the Modeling and Analytics provided by Broker/Consultant could be materially affected. These services are subject to inherent uncertainty, and actual results may differ materially from that projected by Broker/Consultant. They are provided solely for Client's benefit, and do not constitute, and are not intended to be a substitute for, actuarial, accounting or legal advice. Broker/Consultant shall have no liability to any third party in connection with these services or to Client with regard to any services performed or provided by a third party. Except to Client's insurers in connection with the placement of coverage by Broker/Consultant, Client shall not share any of Broker's Modeling and Analytics work product with a third party without Broker/Consultant's prior written consent.

LIMITATION OF LIABILITY

Unless stated otherwise herein, in no event shall either party to this Agreement be liable for any indirect. special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by Broker/Consultant or its affiliates. This paragraph shall not apply to Client liabilities incurred by Client as a result of Broker/Consultant's negligence or other intentional misconduct arising out of or relating to any services provided by Broker/Consultant or its affiliates. The aggregate liability of Broker/Consultant, its affiliates and its and their employees to Client or its affiliates arising out of or relating to the provision of services by Broker/Consultant or its affiliates shall not exceed \$10,000,000.

MISCELLANEOUS

This Agreement shall be governed by the laws the State of California, without regard to its conflict of laws principles. Each party to this Agreement, on behalf of itself and its affiliates, agrees that any dispute, claim or controversy arising out of or relating to this Agreement or the provision of services by Broker/Consultant or its affiliates shall be resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall be conducted by a panel of three arbitrators, with each party selecting one arbitrator and the two arbitrators selecting the third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. Each of the arbitrators shall have at least fifteen years of insurance industry experience. Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction.

Any notice provided pursuant to this Agreement shall be in writing and must be sent postage pre-paid, certified U.S. mail, return receipt requested, or delivered by overnight commercial courier, and shall be deemed given upon receipt. All notices shall be addressed to the applicable party at its respective address first set forth above or such other address as may be designated on notice to the other party pursuant hereto. This Agreement may be executed and delivered in several counterparts and transmitted by facsimile, a copy of which shall constitute the same as an original.

[SIGNATURE PAGE FOLLOWS]

By: Bear Valley Community Healthcare District Authorized Representative, Title Date By: Marsh & McLennan Agency LLC, a Delaware limited liability company Authorized Representative, Title

ACCEPTANCE

Date

APPENDIX AB

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "Agreement") is made and entered into as of the 1th day of September, 2017 (hereinafter the "Date") by and between Bear Valley Community Healthcare District on behalf of Bear Valley Community Healthcare Districts Benefit Welfare Plan (hereinafter "Covered Entity"), and **Marsh & McLennan Agency LLC** (hereinafter "Business Associate").

RECITALS

WHEREAS, the Department of Health and Human Services ("HHS") has promulgated regulations at 45 C.F.R. Parts 160-164, implementing the privacy and electronic security requirements set forth in the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by American Recovery and Reinvestment Act of 2009 (P.L. 111-5, ARRA) ("HIPAA");

WHEREAS, Business Associate acknowledges that certain provisions of HIPAA have been amended in ways that directly regulate Business Associate's obligations and activities with respect to PHI;

WHEREAS, HIPAA provides, among other things, that Covered Entity is permitted to disclose Protected Health Information (as defined below) to Business Associate and allow Business Associate to obtain and receive Protected Health Information, if Covered Entity obtains satisfactory assurances in the form of a written contract that Business Associate will appropriately safeguard the Protected Health Information; and

WHEREAS, Business Associate will create, receive, maintain or transmit certain Protected Health Information in conjunction with the services being provided by Business Associate to Covered Entity pursuant to the Employee Benefits Consulting Agreement entered into by the parties as of May 16th, 2017 (the "Services Agreement"), thus necessitating a written agreement that meets the applicable requirements of HIPAA. Both parties have mutually agreed to satisfy the foregoing regulatory requirements through this Agreement.

NOW THEREFORE, Covered Entity and Business Associate agree as follows:

1. DEFINITIONS; APPLICABILITY.

- (a) All terms not defined herein shall have the meaning ascribed to them in HIPAA.
- (b) This Agreement shall apply only with respect to and to the extent that Business Associate creates, receives, maintains or transmits PHI for or on behalf of Covered Entity.
- (c) HITECH Act, "HITECH Act" shall mean Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- (a) Business Associate agrees to not use or further disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.
- (b) Business Associate agrees to use commercially reasonable and appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.

- (c) Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware. In event of a Breach of Unsecured PHI by Business Associate or any of its officers, directors, employees, or subcontractors, Business Associate shall promptly notify Covered Entity in accordance with 45 C.F.R. 164.410.
- (d) Business Associate and Covered Entity agree to mitigate, to the extent practicable, any harmful effect that is known to it arising out of a use or disclosure of Protected Health Information in violation of the requirements of this Agreement.
- (e) Business Associate agrees to ensure that any subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate agrees to substantially similar restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- (f) Business Associate agrees to provide access to Protected Health Information in a Designated Record Set, in the time and manner Required by Law, to Covered Entity or, as directed by Covered Entity, to an Individual, in order to meet the requirements under 45 C.F.R. 164.524. Business Associate may impose a reasonable cost-based fee for the provision of copies of PHI in a Designated Record Set in accordance with 45 C.F.R. 164.524(c)(4).
- (g) Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set pursuant to 45 C.F.R. 164.526 at the request of Covered Entity or an Individual, and in the time and manner Required by Law.
- (h) Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate, on behalf of Covered Entity, available to the Secretary of Health and Human Services ("Secretary"), for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with HIPAA.
- (i) Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528.
- (j) Business Associate agrees to provide to Covered Entity, upon request and in the time and manner Required by Law, an accounting of disclosures of an Individual's Protected Health Information, collected in accordance with Section 2(i) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528. If Covered Entity requests an accounting of an Individual's Protected Health Information more than once in any twelve (12) month period, Business Associate will impose a reasonable fee for such accounting in accordance with 45 C.F.R. 164.528(c).
- (k) Business Associate agrees to comply, where applicable, with Subpart C of 45 CFR Part 164 to maintain the security of the Electronic Protected Health Information and to prevent unauthorized uses or disclosures of such Electronic Protected Health Information. Business Associate shall report to the Covered Entity any Security Incident that results in the unauthorized use or disclosure of Protected Health Information of which it becomes aware.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

(a) Business Associate may use or disclose Protected Health Information to perform its obligations and services to Covered Entity, provided that such use or disclosure would not violate HIPAA if done by Covered Entity.

- (b) Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate or as otherwise permitted by HIPAA.
- (c) Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- (d) Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity.

4. OBLIGATIONS OF COVERED ENTITY.

4.1 PROVISIONS FOR COVERED ENTITY TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

- (a) Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. § 164.520, as well as any changes to that notice.
- (b) Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.
- (c) Covered Entity shall notify Business Associate, in writing, of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522.
- (d) Covered Entity warrants and represents that it shall provide to, or request from, the Business Associate only the minimum Protected Health Information necessary for Business Associate to perform or fulfill a specific function required or permitted hereunder.
- (e) If Protected Health Information is transmitted by electronic transfer or sent in physical media by or on behalf of Covered Entity, Covered Entity shall transmit all such Protected Health Information to Business Associate in an encrypted format, to be mutually agreed by the parties.
- 4.2 PERMISSIBLE REQUESTS BY COVERED ENTITY. Covered Entity represents and warrants that it has the right and authority to disclose Protected Health Information to Business Associate for Business Associate to perform its obligations and provide services to Covered Entity, and Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would violate HIPAA, other applicable laws or Covered Entity's privacy notice, if done by Covered Entity.

5. TERM AND TERMINATION

- (a) <u>Term.</u> The provisions of this Agreement shall take effect as of the earlier of (i) the Date, or (ii) May 16th, 2017 (the "Effective Date"), and shall continue for the term of the Services Agreement.
- (b) <u>Termination for Cause.</u> Upon the parties mutual agreement that there has been a material breach by a party which does not arise from any breach by the other party, the non-breaching party shall provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement if the breaching party does not cure the breach or end the violation

Employee Benefits Consulting Agreement

within a mutually agreeable time, or immediately terminate this Agreement if cure of such breach is not possible.

(c) Effect of Termination.

- (1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall request, in writing, Protected Health Information that is in the possession of subcontractors of Business Associate.
- (2) In the event the Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall extend the protection of this Agreement to such Protected Health Information and limit further uses or disclosures to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6. MISCELLANEOUS

- (a) <u>Regulatory References</u>. A reference in this Agreement to a section in HIPAA means the section as in effect or as amended, and for which compliance is required.
- (b) <u>Amendment.</u> Upon the enactment of any law or regulation affecting the use or disclosure of Protected Health Information, or the publication of any decision of a court of the United States or any state relating to any such law or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, the parties agree to negotiate in good faith to amend the Agreement as necessary to comply with such law or regulation.
- (c) <u>Survival.</u> The obligations of Business Associate under section 5(c)(2) of this Agreement shall survive the termination of this Agreement.
- (d) Interpretation; Entire Agreement. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits both parties to comply with HIPAA. This Agreement shall be subject to the terms and conditions of the Services Agreement; provided, however, that in the event of any inconsistency or conflict between this Agreement and any the Services Agreement, the terms, provisions and conditions of this Agreement shall govern and control. This Agreement and the Services Agreement constitute the complete agreement between the parties relating to the matters specified in this Agreement, and supersede all prior representations or agreements, whether oral or written, with respect to such matters.
- (e) <u>No third party beneficiary</u>. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.



Contract Cover Sheet

Contract Name:				
Purpose of Contract: total Clunic Medical Director				
Contract #				
Originating Dept. Name/Number: Adum (Shrishion				
Department Manager	Signature:	Date		
	BAA:	YesNO W-9 _X	es _No	
Administrative Officer	Signature:	<u>'\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>	Date <u>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</u>	
Compliance Officer	Signature:	Mary Norman	Date 7/18/17	
HIM Director	Signature	Pamool	Date 7.20.17	
Legal Counsel	Signature:	ola Email	Date: 172/	
Chief Financial Officer	Signature:	Sant May C	Date 13 July 2017	
Chief Executive Officer	Signature:	Jam the	Date 7.19-17	
Board Approved	Signature:		Date	
Contract Support Services	Signature:	July Eguer	Date 7-24-17	
1. Final Signatures on (Contract, BAA	& W-9:	Date	
2. Copy of Contract/BAA/W-9 forwarded to Department Manager:		Date		
3. Copy of Contract/BA	A/W-9 forward	ed to Contractor (if applicable):	Date	
4. Copy of Contract/BA	AA/W-9 scanne	d:	Date	

Contract Cover Sheet CONFIDENTIAL NOTICE:

Note: This document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370.

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Shelly Egerer

From:

Christina Meissner < CMeissner @ MTBAttorneys.com>

Sent: To: Tuesday, July 11, 2017 4:13 PM Shelly Egerer; Deborah Tropp

Cc:

John Friel

Subject:

RE: Steven Knapik Interim Medical Director Clinic Agreement

Attachments:

Steven Knapik Interim Medical Director Clinic Agreement_10.2017.docx

Hi Shelly,

The revised agreement for Dr. Knapik is attached.

Thanks, Christina

From: Shelly Egerer [mailto:Shelly.Egerer@bvchd.com]

Sent: Monday, July 10, 2017 3:05 PM

To: Deborah Tropp < DTropp@MTBAttorneys.com>; Christina Meissner < CMeissner@MTBAttorneys.com>

Cc: John Friel < John. Friel@bvchd.com>

Subject: Steven Knapik Interim Medical Director Clinic Agreement

Good afternoon,

Can you please take a moment to review the attached contract.

Best Wishes,

Shelly Egerer Administrative Assistant Bear Valley Community Healthcare District (909) 878-8214 Phone (909) 878-8282 Fax

Note: This email document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370.

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RURAL HEALTH CLINIC MEDICAL DIRECTOR AGREEMENT BETWEEN BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT AND STEVEN KNAPIK, DO

THIS MEDICAL DIRECTOR AGREEMENT ("Agreement") is made and entered into as of the 1st of October 2017 by and between Bear Valley Community Healthcare District ("Hospital"), a public entity, and Steven Knapik, DO ("Director").

RECITALS

WHEREAS, Hospital, a licensed California hospital, has been certified Federally/state to operate a hospital-based 95-210 Rural Health Clinic ("RHC"), under which Hospital may contract with and physicians and physician extenders to provide medical treatment to RHC patients. The RHC will be referred to as the Clinic herein.

WHEREAS, Director is licensed by the Osteopathic Medical Board of California to practice medicine, is board certified by the American Board of Internal Medicine and is qualified to perform the services of Director of Hospital's Clinic.

WHEREAS, Hospital desires to retain the services of Director to serve in capacity as Medical Director of Bear Valley's Rural Health Clinic and Director desires to so contract with Hospital.

NOW THEREFORE, in consideration of the mutual covenants, undertakings and promises contained herein, as well as other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

AGREEMENTS

SECTION I. RESPONSIBILITIES OF DIRECTOR.

A. SERVICES. During the term of this Agreement, Director shall serve as the Medical Director of the Clinic and shall perform the duties and obligations set forth below.

B. COORDINATION OF SERVICES.

- 1. Shall be available in person or by electronic communication at all times when staff providing services in the clinic are caring for patients.
- 2. Shall countersign and date medical records, as required by law, written by non-physician members of the clinic within seven (7) working days of the care that was given.
- 3. Provide assistance and guidance to the non-physician members of the clinic regarding the clinical issues as needed.
- 4. Assists Hospital in the selection and evaluation of clinic mid-level practitioners.
- 5. Maintains status as a Medi-Cal and Medicare provider.
- 6. Maintains active medical staff privileges at Hospital.
- 7. Be a liaison to appropriate medical staff committees relevant to the clinic.
- 8. At least annually, reviews and takes recommendations as necessary to revise clinic policies and procedures.
- 9. Reviews records and reports of patient service in the clinic to promote quality of patient care.

- 10. Maintains adequate activity records (logs) including time sheet, of Director's duties performed. Time sheet will be submitted to administration no later then the 10th date of the following month. (Exhibit A)
- 11. Provides on-site services in compliance with all applicable Medicare/MediCal rules and regulations pertaining to the clinic in order to assure certification.
- 12. Assists in providing and coordinating educational opportunities for the mid-level practitioners within the clinic.
- 13. Annually performs direct observation/supervision with mid-level practitioners during patient clinic visit.
- 14. Acts as clinical consultant to the staff and all other professional disciplines.
- 15. Keeps appropriate individuals aware of issues, changes and/or pertinent problems in the department and within the scope of responsibility. Advises appropriate personnel of situations requiring follow up attention.
- 16. Supports BVCHD's value of continuous improvement in the quality of service by suggesting practical solutions to respond to changing regulations and customer needs.
- 17. Participates in the identification, accomplishment and evaluation of BVCHD goals.
- C. ACCESS TO BOOKS AND RECORDS. Upon request of the Secretary of Health and Human Services for the Comptroller General or any of their duly authorized representatives, the Director shall make available to the Secretary those contracts, books, documents, and records necessary to verify the nature and extent of the cost providing his services. If Director carried out any of the duties of the Agreement through a subcontract with a value of \$10,000 or more over a twelve (12) month period with a related individual or organization, Director agrees to include this requirement in any such subcontract. This section is included pursuant to and is covered by the requirements of Public Law 96-499, (S 952)(v)(1) of the Social Security Act and regulations promulgated thereunder.
- D. If Director is permitted to and carries out any of the duties of the Agreement through a subcontract with a value of \$10,000 or more over a twelve (12) month period with any other individual or organization, Director agrees to specify that all terms of this Agreement shall be explicitly made applicable to any subcontractor and that a copy of this Agreement shall be attached to any subcontract for services and explicitly incorporated by reference into said subcontract.
- E. Qualifications. Director shall be a member in good standing in the "active staff" category of Hospital's Medical Staff. Director shall be duly licensed and qualified to practice medicine in the State of California.
- F. Notification of Certain Events. Director shall notify Hospital in writing within three (3) business days after the occurrence of any one or more of the following events:
 - 1. Director's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished;
 - 2. Director becomes the subject of any suit, action or other legal proceeding arising out of Director's professional services;
 - 3. Director is required to pay damages or any other amount in any malpractice action by way of judgment or settlement:
 - 4. Director becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior:
 - 5. Director becomes incapacitated or disabled from practicing medicine;
 - 6. Any act of nature or any other event occurs which has a material adverse effect on Director's ability to perform the Services;
 - 7. Director changes the location of his offices;

8. Director is charged with or convicted of a criminal offense; or

9. Director is debarred, suspended, or otherwise excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or Medi-Cal Office, or by any equivalent or coordinating governmental agencies.

SECTION II. REPRESENTATIONS AND WARRANTIES

Director represents and warrants to Hospital, upon execution and throughout the term of this Agreement as follows:

- A. Director is not bound by any agreement or arrangement which would preclude Director from entering into, or from fully performing the services required under this Agreement;
- B. Director's license to practice medicine in the State of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction;
- C. Director's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
- D. Director shall perform the services required hereunder in accordance with: (1) all applicable federal, state, and local laws, rules and regulations; (2) all applicable standards of care of the Department of Health Services or other relevant accrediting organizations; (3) participate in continuing education as necessary to maintain licensure, maintain board certification, maintain professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession; and (4) all applicable Bylaws, Rules and Regulations of Hospital and it's Medical Staff;
- E. Director has not in the past conducted and is not presently conducting, Director's medical practice in such a manner as to cause Director to be suspended, excluded, barred or sanctioned under the Medicare or Medi-Cal Programs or any government licensing agency, and has never been convicted of an offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation; and
- F. Director has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the State of California and staff membership privileges at Hospital.

SECTION III. INDEPENDENT CONTRACTOR.

In performing the services herein specified, Director is acting as an independent contractor, and shall not be considered an employee of Hospital. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto, and nothing herein contained shall be construed to authorize either party to act as agent for the other. Director shall be liable for Director's own debts, obligations, acts and omissions, including the payment of all withholding, social security and other taxes and benefits. As an independent contractor, Director is responsible for filing such tax returns and paying such self-employment taxes as may be required by law or regulations.

SECTION IV. COMPENSATION.

At the end of each month Director shall submit to the District a completed and signed Director Monthly Administrative Services Log (Exhibit A). Upon receipt of completed and signed log, and

for services rendered under this Agreement, Hospital shall pay Director, compensation of \$1,500.00 (one thousand five hundred dollars) per month.

SECTION V. COMPLIANCE.

District is committed to compliance with all billing and claims submission, fraud and abuse laws and regulations. In contracting with District, Director agrees to act in compliance with all laws and regulations. District has completed a Compliance Program to assure compliance with laws and regulations. Director is thereby expected to comply with the policies of the District's Compliance Program.

At a minimum, Director is expected to:

- Be aware of those procedures which affect the agent and which are necessary to implement the Compliance Program, including the mandatory duty of Director to report actual or possible violations of fraud and abuse laws and regulations; and
- Understand and adhere to standards, especially those which relate to Director's functions for or on behalf of the District.

Failure to follow the standards of the District's Compliance Program (including the duty to report misconduct) may be considered to be a violation of the Director's arrangement with the District and may be grounds for action by the District, including termination of the relationship.

SECTION VI. TERM.

Unless terminated early in accordance with Section VII below, this Agreement is effective from, October 1, 2017 until September 30, 2019.

SECTION VII. EARLY TERMINATION.

- A. Hospital may terminate this Agreement immediately upon written notice to Director in the event that:
 - 1. Director's license to practice medicine is suspended, revoked, terminated, or otherwise restricted:
 - Director's medical staff privileges at the Hospital are in any way suspended, revoked, or otherwise restricted;
 - 3. Medicare and/or MediCal significantly changes the RHC program;
 - Hospital fails to maintain RHC status;
 - 5. Director's Professional Services Agreement is terminated or expires;
 - 6. Director's failure to comply with the standards of the Bear Valley Community
 Healthcare District Compliance Program to the extent that such failure results in
 material fine and or sanction from Medicare or MediCal Program:
 - 7. Neglect of professional duty by Director in a manner that poses an imminent danger to the health or safety of any individual, or violates Hospital's or the Medical Staff's policies, rules and regulations:
 - 8. The failure of Director to make a timely disclosure required pursuant to Section I, subdivision F;
 - 9. Breach by Director of any of the confidentiality provisions under this Agreement;
 - 10. Failure by Director to maintain the insurance required under this Agreement;
 - 11. The conviction of Director of a criminal offense related to health care, or the listing of Director by a federal agency as being debarred, excluded or otherwise ineligible for federal program participation; or
 - 12. Director is removed from office by the Medical Executive Committee according to any applicable Medical Staff Bylaws.

- B. Either party may terminate this Agreement for material default, provided that the non-defaulting party shall give written notice of the claimed default, and the other party shall have 30 days to cure such performance, failing which, this Agreement may thereafter be immediately terminated by the non-defaulting party.
- C. Either party may terminate this agreement, without cause, upon ninety (90) days prior written notice to the other party unless mutually agreed upon.
- D. EFFECT OF TERMINATION. In the event that this Agreement is terminated for any reason, Director shall be entitled to receive only the amount of compensation earned prior to the date of termination.
- E. TERMINATION WITHIN FIRST TWELVE (12) MONTHS. If this Agreement is terminated, with or without cause, during the first twelve (12) months of the term, the parties shall not enter any new agreement or arrangement during the remainder of such twelve (12) month period.

SECTION VIII. CONFIDENTIALITY.

Director shall not disclose to any third party, except where permitted or required by law or where such disclosure is expressly approved by the patient in writing, any patient or medical record information regarding Hospital patients (Including Family Health Center patients) and Director shall comply with all federal and state laws and regulations, and all rules, regulations, and policies of Hospital and it Medical Staff, regarding the confidentiality of such information From Hospital or Family Health Center patients receiving treatment of any kind, including treatment for alcohol and drug abuse. Director is fully bound by the provisions of the federal regulations governing Confidentiality of Alcohol and drug Abuse Patient Records as codified at 42 C.F.R. Chapter 1, Part, enacted pursuant to 42 U.S.C. 290ee, and agrees to be separately bound by a Business Associate Agreement drafted pursuant to HIPAA as set forth in Public Law 104-191, as codified at 42 U.S.C. 1301 et seq.

SECTION IX. INSURANCE.

- A. Director Duties. District shall purchase insurance against liability arising from Director's administrative services undertaken within the course and scope of this Medical Director Agreement.
- B. Professional Liability. Director shall keep continuously in force during the entire term of this Agreement a claims made professional liability insurance policy with minimum limits of liability of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate covering Director for Professional Medical Services provided under this Agreement. Director will provide District advance written notice of any coverage changes or cancellation of the policy. Director will provide District with evidence of coverage as stated above, showing professional liability coverage. All professional liability coverage must meet the requirements of the Medical Staff and Medical Staff Bylaws.

The obligations set forth in this Section shall survive the termination of this Agreement.

SECTION X. ASSIGNMENT.

Director shall not assign, sell, or otherwise transfer his Agreement or any interest in it without consent of District.

SECTION XI. NOTICES.

The notice required by this Agreement shall be effective on the day personally served, or two (2) business days after the notice is deposited with the United States Postal Service for collection, with postage thereon fully prepaid, and addressed as follows:

Hospital:

John Friel, Chief Executive Officer

Bear Valley Community Healthcare District

P. O. Box 1649

Big Bear Lake, CA 92315

Director:

Steven Knapik, DO

P.O. Box 7007

Big Bear Lake, CA 92315

SECTION XII. PRE EXISTING AGREEMENT.

This Contract replaces and supersedes any and all prior arrangements or understandings by and between District and Director with regard to the subject matter hereof.

SECTION XIII. DISTRICT NOT PRACTICING MEDICINE.

This Agreement shall in no way be construed to mean or suggest that District is engaged in the practice of medicine.

SECTION XIV. ENTIRE AGREEMENT.

This Agreement constitutes the entire Agreement, both written and oral, between the parties, and all prior or contemporaneous agreements respecting the subject matter hereof, whether written or oral, express or implied, are suppressed. This Agreement may be modified only by written agreement signed by both of the parties.

SECTION XV. SEVERABILITY.

The non-enforceability, invalidity, or illegality of any provision to this Agreement shall not render the other provisions unenforceable, invalid or illegal.

SECTION XVI. GOVERNING LAW.

This Agreement shall be governed under the laws of the State of California. In the event of any dispute arising between the parties arising out of or related to this Agreement, the parties agree that such dispute shall be settled by binding arbitration, pursuant to the rules of the American Arbitration Association, San Bernardino County.

SECTION XVII. REFERRALS.

The parties acknowledge that none of the benefits granted Director is conditioned on any requirement that Director make referrals to, be in a position to make or influence referrals to, or otherwise generate business for Hospital. The parties further acknowledge that Director is not restricted from establishing staff privileges at, referring any service to, or otherwise generating any business for any other facility of Director's choosing.

SECTION XVIII. ANTI-HARASSMENT/DISCRIMINATION/RETALIATION

The parties are prohibited from engaging in any discriminatory, harassing, or retaliatory conduct, and Physician agrees to fully comply with all applicable local, state and federal anti-discrimination and employment-related regulations and laws.

SECTION XIX. HIPAA BUSINESS ASSOCIATE AGREEMENT.

The parties have concurrently with the execution of this Agreement, executed Exhibit B entitled HIPAA Business Associates Agreement, which Exhibit is attached hereto and incorporated herein by reference.

EXECUTED IN DUPLICATE ORIGINALS ON THE DATE AND YEAR SET FORTH BELOW.

Dated:	By:	
	Donna Nicely, President, Board of Directo	
	Bear Valley Community Healthcare District P. O. Box 1649	ct
	Big Bear Lake, CA 92315	
Dated:	Ву:	
	Steven Knapik, DO	
	P.O. Box 7007	
	Big Bear Lake CA 92315	

EXHIBIT A

PHYSICIAN DEPARTMENT DIRECTOR MONTHLY ADMINISTRATION SERVICES LOG

Medical Director of Rural Health Clinic

M	onth of:		
<u>M</u>	eeting Attendance:		
AA	Medical Executive Committee Attendance Quarterly Department Status Report to MED	Present Yes	Absent No
De	epartment Supervision/Administration:		
		Hours Com	<u>nments</u>
>	Department Clinical Direction/Personnel Supervision	 .	
>	Department Quality Improvement Activity		
>	Department Utilization Review		
>	Presentation/Participation Continuing Education Activity		
>	Other (Department policy/procedure development, equipment needs evaluation, risk management)		
	TOTAL Department Supervision/Administration Hours		
	Signature		Date



Contract Cover Sheet

	Court	207 11 5		
Contract Name:	HX 4.	JRC, MU		
Purpose of Contract:	HOSP1-	houst Contra	econo.	
Contract #		S		
Originating Dept. Name/Num	ıber:	munistrastion		
Department Manager	Signature:		Date	
	BAA:	Yes NO W	-9 _Yes _No	
		on hile	ontile	
Administrative Officer	Signature:	.) .	_ Date	
	KLCOVIM	iend addressing 1580e	s as per De Knapeks lette	Z
Compliance Officer	Signature:	Mary NORman	Date Dr. Krapik's lette Date 7/18/17	
HIM Director	Signature	BMorol	Date 7.20.17	
	J.g.,		à	
Legal Counsel	Signature:	DIA EMOLL	Date: 7 12 17	
Chief Eineneiel Officer	Signature:	Ato bil.	Data 18 Ten 2	
Chief Financial Officer	Signature.		Date 13 Tun, 2017	
Chief Executive Officer	Signature:	Jun Mul	Date 7:19:17	
Board Approved	Signature:	\bigcirc	Date	
Contract Support Services	Signature:	Dully tare	Date 7.2417	
1. Final Signatures on (Contract, BAA	& W-9:	Date	
2. Copy of Contract/BA	A/W-9 forward	led to Department Manager:	Date	
· ·		•		
		led to Contractor (if applicable):	Date	
4 Conv. of Contract/RA	A/W-9 scanne	ad.	Date	

Contract Cover Sheet CONFIDENTIAL NOTICE:

Note: This document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370.

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Shelly Egerer

From:

Christina Meissner < CMeissner @ MTBAttorneys.com>

Sent: To: Tuesday, July 11, 2017 2:40 PM Shelly Egerer; Deborah Tropp

Cc:

John Friel

Subject:

RE: Hospitalist Contract Jeffrey Orr MD (2)

Attachments:

Hospitalist Contract Jeffrey Orr MD_10.2017.docx

Hi Shelly,

The revised agreement is attached.

From: Shelly Egerer [mailto:Shelly.Egerer@bvchd.com]

Sent: Monday, July 10, 2017 2:03 PM

To: Deborah Tropp Deborah Tropp Deborah Tropp

Cc: John Friel < John.Friel@bvchd.com>

Subject: Hospitalist Contract Jeffrey Orr MD (2)

Good afternoon,

Can you please take a moment to review the attached Hospitalist Agreement for Dr. J. Orr.

The contract has a 2 year term.

Best Wishes.

Shelly Egerer Administrative Assistant Bear Valley Community Healthcare District (909) 878-8214 Phone (909) 878-8282 Fax

Note: This email document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370.

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BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT PHYSICIAN AGREEMENT FOR HOSPITALIST SERVICES WITH JEFFERY ORR, M.D.

THIS PHYSICIAN AGREEMENT FOR HOSPITALIST SERVICES ("Agreement") is made and entered into as of the 30th day of September, 2017 by and between Bear Valley Community Healthcare District (a public entity), ("Hospital") and Jeffery Orr, M.D., ("Physician").

RECITALS

WHEREAS, Hospital, is the owner and operator of a general acute care hospital located in Big Bear Lake, California.

WHEREAS, Physician is licensed by the Medical Board of California to practice medicine, board certified in internal medicine and is qualified to perform physician services for the hospital's Clinic patients.

WHEREAS, Hospital and Physician desire to enter into this Agreement pursuant to which Physician shall provide Hospitalist Services, and Physician desires to so contract with Hospital to furnish those services.

NOW THEREFORE, in consideration of the mutual covenants, undertakings and promises contained herein, as well as other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

AGREEMENTS

SECTION I. RESPONSIBILITIES OF PHYSICIAN.

- A. SERVICES. During the term of this Agreement, Physician agrees to the following:
 - 1. Physician shall render such Hospitalist Services as may be required for the care and treatment of Hospital's inpatients requiring said services in accordance with the prevailing standard of care in the community, including 24 hour on-call coverage as scheduled by mutual agreement between Hospital Administration and Physician.
 - Physician shall complete and maintain adequate and proper medical records with respect to all patients examined and treated in accordance with standard industry practices and shall provide such other record keeping and administrative services as may be reasonably requested by Hospital. All medical records remain the property of the Hospital.
 - 3. Physician shall cooperate with any quality management and utilization management programs instituted by Hospital.
- B. ACCESS TO BOOKS AND RECORDS. If the value or cost of Services rendered to Hospital pursuant to this Agreement is Ten Thousand Dollars (\$10,000.00) or more over a twelve- month period, Physician agrees as follows:

- 1. Until the expiration of four (4) years after the furnishing of such Services, Physician shall, upon written request, make available to the Secretary of the Department of Health and Human Services (the "Secretary"), the Secretary's duly-authorized representative, the Comptroller General, or the Comptroller General's duly-authorized representative, such books, documents and records as may be necessary to certify the nature and extent of the cost of such Services; and
- 2. If any such Services are performed by way of subcontract with another organization and the value or cost of such subcontracted services is Ten Thousand Dollars (\$10,000.00) or more over a twelve (12) month period, such subcontract shall contain, and Physician shall enforce, a clause to the same effect as subparagraph 1. immediately above.

The availability of Physician's books, documents, and records shall be subject at all times to all applicable legal requirements, including without limitation, such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. The provisions of subparagraphs 1. and 2. of Section I.B. shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

- C. Physician will not carry out any of the duties of the Agreement through a subcontract.
- D. ETHICS. In performing services under this Agreement, Physician shall use his/her best and most diligent efforts and professional skills; perform professional supervisory services; render care to patients in accordance with and in a manner consistent with the high standards of medicine; conduct himself/herself in a manner consistent with the principles of medical ethics promulgated by the American Medical Association; and comply with the Hospital's rules and regulations.
- E. In respect to Physician's performance of Physician's professional duties, the Hospital shall neither have nor exercise control or direction over the specific methods by which Physician performs Physician's professional clinical duties. The Hospital's sole interest shall be to ensure that such duties are rendered in a competent, efficient and satisfactory manner.
- F. Physician recognizes that the professional reputation of the Hospital is a unique and valuable asset. Physician shall not make any negative, disparaging or unfavorable comments regarding the Hospital or any of its owners, officers and/or employees to any person, either during the term of this Agreement or following termination of this Agreement.
- G. NOTIFICATION OF CERTAIN EVENTS. Physician shall notify Hospital in writing within three (3) business days after the occurrence of any one or more of the following events:
 - 1. Physician's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished;
 - Physician becomes the subject of any suit, action or other legal proceeding arising out of Physician's professional services;
 - 3. Physician is required to pay damages or any other amount in any malpractice action by way of judgment or settlement;
 - Physician becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior;
 - Physician becomes incapacitated or disabled from practicing medicine;

- 6. Any act of nature or any other event occurs which has a material adverse effect on Physician's ability to perform the Services under this Agreement;
- 7. Physician changes the location of his offices;
- 8. Physician is charged with or convicted of a criminal offense; or
- 9. Physician is debarred, suspended, or otherwise excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or Medi-Cal Office, or by any equivalent or coordinating governmental agencies.
- H. COORDINATION OF SERVICES. Physician shall cooperate with Hospital, through its Chief Executive Officer, in connection with providing the Services.

SECTION II. REPRESENTATIONS AND WARRANTIES

Physician represents and warrants to Hospital, upon execution and throughout the term of this Agreement as follows:

- A. Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement;
- B. Physician's license to practice medicine in the State of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction;
- Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
- D. Physician shall perform the services required hereunder in accordance with: (1) all applicable federal, state, and local laws, rules and regulations; (2) all applicable standards of care of relevant accrediting organizations; and (3) all applicable Bylaws, Rules and Regulations of Hospital and it's Medical Staff;
- E. Physician has not in the past conducted and is not presently conducting Physician's medical practice in such a manner as to cause Physician to be suspended, excluded, barred or sanctioned under the Medicare or Medi-Cal Programs or any government licensing agency, and has never been convicted of an offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation;
- F. Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the State of California and staff membership privileges at Hospital;
- G. Physician has disclosed and will at all times during the term of this Agreement promptly disclose to the Hospital: (1) the existence and basis of any legal, regulatory, professional or other proceeding against Physician instituted by any person, organization, governmental agency, health care facility, peer review organization, or professional society which involves any allegation of substandard care or professional misconduct raised against Physician; and (2) any allegation of substandard care or professional misconduct raised against Physician by any person, organization, governmental agency, health care facility, peer review organization or professional society.

- H. Physician agrees to promptly disclose any change to the status of his license to practice medicine or any changes the status of any privileges Physician may have at any other health care facility;
- Physician shall deliver to the Hospital promptly upon request copies of all certificates, registrations, certificates of insurance and other evidence of Physician's compliance with the foregoing as reasonably requested by the Hospital and
- J. Physician shall participate in all government and third-party payment or managed care programs in which Hospital/Clinic participates, render services to patients covered by such programs, and accept the payment amounts provided for under these programs as payment in full for services of Physician to Hospital/Clinic's patients. If Hospital/Clinic deems it advisable for Physician to contract with a payer with which Hospital/Clinic has a contract, Physician agrees in good faith to negotiate a contractual agreement equal to the reasonable prevailing reimbursement rates for internists/hospitalists within the geographic area of Hospital/Clinic.

SECTION III. INDEMNIFICATION OF LIABILITY.

Physician agrees to indemnify, defend and hold harmless Hospital and its governing board, officers, employees and agents from and against any and all liabilities, costs, penalties, fines, forfeitures, demands, claims, causes of action, suits, and costs and expenses related thereto (including reasonable attorney's fees) which any or all of them may thereafter suffer, incur, be responsible for or pay out as a result of bodily injuries (including death) to any person or damage to any property (public or private), alleged to be caused by or arising from: (1) the negligent or intentional acts, errors, or omissions of Physician; (2) any violations of federal, state, or local statutes or regulations arising out of or resulting from any negligent or intentional acts, errors or omissions of Physician, including those relating to Physician's billing practices; (3) the use of any copyrighted materials or patented inventions by Physician; or (4) Physician's breach of its warranties or obligations under this Agreement. The rights and obligations created by this indemnification provision shall survive termination or expiration of this Agreement.

SECTION IV. INDEPENDENT CONTRACTOR.

In performing the services herein specified, Physician is acting as an independent contractor, and shall not be considered an employee of Hospital. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto, and nothing herein contained shall be construed to authorize either party to act as agent for the other. Physician shall be liable for Physician's own debts, obligations, acts and omissions, including the payment of all withholding, social security and other taxes and benefits. As an independent contractor, Physician is responsible for filing such tax returns and paying such self-employment taxes as may be required by law or regulations.

SECTION V. COMPENSATION AND BILLING FOR PHYSICIAN SERVICES.

- A. On a monthly basis, Hospital shall pay Physician, as sole compensation hereunder, a fee of \$500.00 per each 24 hour on call period worked on Monday, Tuesday, Wednesday and/or Thursday; \$750.000 per each 24 hour on call period worked on Fridays; and \$1,000.00 for each 24 hour on call period worked on Saturdays, Sundays or Federal Holidays. Monthly payments to Physician shall be made on or before the 10th (tenth) day of the month, following the month in which services are rendered.
- B. Physician shall be solely responsible for billing and submitting claims to third party payors, including all government sponsored programs, for Professional Services rendered

pursuant to this Agreement. Physician shall also be solely responsible for collecting payment from any such third party payors. Physician agrees to follow all applicable rules, regulations, laws and policies pertaining to billing practices.

SECTION VI. COMPLIANCE.

A. Hospital is committed to compliance with all billing and claims submission, fraud and abuse laws and regulations. In contracting with Hospital, Physician agrees to act in compliance with all laws and regulations. Hospital has completed a Compliance Program to assure compliance with laws and regulations. Physician is therefore expected to comply with the policies of the Hospital Compliance Program.

At a minimum, Physician is expected to:

- Be aware of those procedures which affect the physician and which are necessary to implement the Compliance Program, including the mandatory duty of Physician to report actual or possible violations of fraud and abuse laws and regulations; and
- 2. Understand and adhere to standards, especially those which relate to the Physician's functions for or on behalf of the District/Hospital.
- B. Failure to follow the standards of Hospital's Compliance Programs (including the duty to report misconduct) may be considered to be a violation of the Physician's arrangement with the Hospital and may be grounds for action by Hospital, including termination of the relationship.

SECTION VII. TERM.

This Agreement is effective from October 01, 2017 to September 30, 2019; however this Agreement is subject to early termination as provided in Section. VIII. below.

SECTION VIII. EARLY TERMINATION.

- A. Hospital may terminate this Agreement immediately upon written notice to Physician based on the occurrence of any of the following events:
 - 1. Physician's license to practice medicine is suspended, revoked, terminated, or otherwise restricted:
 - 2. Physician's medical staff privileges at the Hospital, or any other healthcare facility, are in any way suspended, revoked, or otherwise restricted;
 - 3. Medicare and/or Medi-Cal significantly changes the RHC program;
 - 4. Hospital fails to maintain RHC status;
 - 5. Physician Services Agreement is terminated or expires:
 - 6. Physician's failure to comply with the standards of the Hospital's Compliance Program, to the extent that such failure results in material fine and or sanction from Medicare or Medi-Cal Program:
 - 7. Physician fails to complete medical records in a timely fashion;
 - 8. Physician fails to maintain the minimum professional liability insurance coverage;
 - 9. Physician inefficiently manages patients and such inefficient management has not been cured after 30 days written notice from the Hospital:
 - 10. Physician's inability to work with and relate to others, including, but not limited to patients and ancillary staff, in a respectful, cooperative and professional manner and such inability has not been cured after 30 days written notice from the Hospital;
 - 11. Physician is unable to provide medical services under the terms of this Agreement due to a physical or mental disability;
 - 12. Physician becomes impaired by the use of alcohol or the abuse of drugs:

- 13. Physician is convicted of any criminal offense, regardless of whether such action arose out of Physician's provision of professional services;
- 14. Physician commits any act of fraud as determined by reasonable discretion of the Board whether related to the Physician's provision of professional services or otherwise; or
- 15. A mutual written agreement terminating this Agreement is entered into between the Hospital and Physician.
- B. Either party may terminate this Agreement for material breach provided that the non-defaulting party shall give written notice of the claimed default, and the other party shall have 30 days to cure such performance, failing which, this Agreement may thereafter be immediately terminated by the non-defaulting party.
- C. Either party may terminate this Agreement, without cause, by providing the other party ninety (90) days prior written notice.
- D. This Agreement may be terminated automatically upon mutual written agreement terminating This Agreement entered into by Hospital and Physician.
- E. EFFECT OF TERMINATION. In the event that this Agreement is terminated for any reason, Physician shall be entitled to receive only the amount of compensation earned prior to the date of termination.
- F. TERMINATION WITHIN FIRST TWELVE (12) MONTHS. If this Agreement is terminated, with or without cause, during the first twelve (12) months of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such twelve (12) month period for similar services.

SECTION IX. CONFIDENTIALITY.

Physician shall not disclose to any third party, except where permitted or required by law or where such disclosure is expressly approved by the patient in writing, any patient or medical record information regarding Hospital patients (including Family Health Center patients), and Physician shall comply with all federal and state laws and regulations, and all rules, regulations, and policies of Hospital and its Medical Staff, regarding the confidentiality of such information from Hospital or Family Health Center patients receiving treatment of any kind, including treatment for alcohol and drug abuse. Physician is fully bound by the provisions of the federal regulations governing Confidentially of Alcohol and Drug Abuse Patient Records as codified at 42 C.F.R. Chapter 1, Part 2, enacted pursuant to 42 U.S.C. 290ee, and agrees to be separately bound by a Business Associate Agreement drafted pursuant to HIPAA as set forth in Public Law 104-191, as codified at 42 U.S.C. 1301 et. seq.

SECTION X. INSURANCE.

PROFESSIONAL LIABILITY. Physician shall maintain, at Physician's sole expense, a policy or policies of professional liability insurance as required by this Section. Such insurance shall provide coverage for Physician as the named insured, and such policy shall cover any acts of Physician's professional negligence which may have occurred during the relevant term and said policies of insurance shall be written with limits of liability of at least the minimum coverage required from time to time by the Medical Staff bylaws, but in any event no less than One Million Dollars (\$1,000,000.00) per claim/Three Million Dollars (\$3,000,000.00) annual aggregate for "claims made" insurance coverage. Physician further shall maintain "continuous coverage," as defined by this Section for the entire relevant term. The relevant term shall commence with the date of this Agreement and shall continue through the term of this

Agreement, as well as any extensions or renewals thereof, and for a period thereafter of no less than three (3) years. In order to maintain continuous coverage for the entire relevant term Physician shall, if it changes insurers for any reason, take the necessary actions required in order to provide continuous coverage by either obtaining "tail" insurance from the preceding carriers, or "nose" insurance from the subsequent carriers. In order to satisfy the requirements of this Section, the "tail" insurance must be of either an unlimited type or of the type which would extend the discovery period beyond the last effective day of the last contract between the parties for a period of three (3) years. In order to satisfy the requirements of this Section for "nose" insurance, the retroactive effective date for such insurance must be at least the first date of the relevant term noted above. Physician shall provide proof of current insurance and, in the event of modification, termination, expiration, non-renewal or cancellation of any of the aforesaid policies of insurance, Physician shall give Hospital written notice thereof within thirty (30) business days of Physician's receipt of such notification from any of his/her insurers.

SECTION XI. ASSIGNMENT.

Physician shall not assign, sell, or otherwise transfer his/her Agreement or any interest in it without written consent of Hospital.

SECTION XII. NOTICES.

The notice required by this Agreement shall be effective if mailed, one (1) business day after the day on which the notice was sent via overnight mail, addressed as follows:

Hospital:

John Friel, Chief Executive Officer

Bear Valley Community Healthcare District

P. O. Box 1649

Big Bear Lake, CA 92315

Physician:

Jeffery Orr, M.D. PO Box 1391

Big Bear Lake, CA 92315

SECTION XIII. PRE EXISTING AGREEMENT.

This Contract replaces and supersedes any and all prior arrangements or understandings by and between Hospital and Physician with regard to the subject matter hereof.

SECTION XIV. HOSPITAL NOT PRACTICING MEDICINE.

This Agreement shall in no way be construed to mean or suggest that Hospital is engaged in the practice of medicine.

SECTION XV. ENTIRE AGREEMENT.

This Agreement constitutes the entire Agreement, both written and oral, between the parties, and all prior or contemporaneous agreements respecting the subject matter hereof, whether written or oral, express or implied, are suppressed. This Agreement may be modified only by written agreement signed by both of the parties.

SECTION XVI. SEVERABILITY.

The non-enforceability, invalidity, or illegality of any provision to this Agreement shall not render the other provisions unenforceable, invalid or illegal.

SECTION XVII. GOVERNING LAW.

This Agreement shall be governed under the laws of the State of California. In the event of any dispute arising between the parties arising out of or related to this Agreement, the parties agree that such dispute shall be settled by binding arbitration, pursuant to the rules of the American Arbitration Association, San Bernardino County.

SECTION XVIII. REFERRALS.

The parties acknowledge that none of the benefits granted Physician is conditioned on any requirement that Physician make referrals to, be in a position to make or influence referrals to, or otherwise generate business for Hospital. The parties further acknowledge that Physician is not restricted from establishing staff privileges at, referring any service to, or otherwise generating any business for any other facility of Physician's choosing.

SECTION XIX. ANTI-HARASSMENT/DISCRIMINATION/RETALIATION

The parties are prohibited from engaging in any discriminatory, harassing, or retaliatory conduct, and Physician agrees to fully comply with all applicable local, state and federal anti-discrimination and employment-related regulations and laws.

SECTION XX. HIPAA BUSINESS ASSOCIATE AGREEMENT.

The parties have concurrently with the execution of this Agreement, executed Exhibit A entitled HIPAA Business Associates Agreement, which Exhibit is attached hereto and incorporated herein by reference.

In Witness Whereof, the parties have executed this Agreement as of the first date written above.

Dated:	By:	
	Donna Nicely, President, Board of Dire Bear Valley Community Healthcare Dis P. O. Box 1649	
	Big Bear Lake, CA 92315	
Dated:	By:	
	Jeffery Orr, M.D.	
	PO Box 1391	
	Big Bear Lake, CA 92315	



Contract Cover Sheet

Contract Name:	MPSIN	MULKUK	
Purpose of Contract: _	Chrico	DUCES (Phy SV	in)
Contract # / Effective Da		1 Aug 10,2017	1 / Aug 9, 2019
Originating Dept. Name	/ Number - AC	uminstration	
Department Manager	Signature:		Date:
	BAA:	_YesNo W-	9:YesNo
Administrative Officer	Signature:	NA	Date:
HIPAA/Privacy Officer (as appropriate)	Signature	12.Mrove	Date: 8.1.17
Legal Counsel	Signature:	via email	Date: <u>7-27-1</u> 7
Compliance Officer	. Signature:	Mary Norman,	Date: <u> </u>
Chief Financial Officer	Signature:	Sath N-K	Date: 1 AUG 2017
Chief Executive Officer	Signature:		Date:
Board of Directors When Applicable		·	Date:
	<u> </u>		
1. Final Signature	s on Contract, BAA &	W-9:	Date:
2. Copy of Contract/BAA/W-9 forwarded to Department Manager:		Date:	
3. Copy of Contract/BAA/W-9 forwarded to Contractor (if applicable):		Date:	
4. Copy of Contract/BAA/W-9 scanned/emailed to Controller and Legal: (if applicable)			al: Date:

Contract Cover Sheet CONFIDENTIAL NOTICE:

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NOTICE TO RECIPIENT: If you are not the intended recipient of this, you are prohibited from sharing, copying or otherwise using or disclosing its contents. If you have received this document in error, please notify the sender immediately by reply email and permanently delete this document and any attachments without reading, forwarding or saving them. Thank you Updated 5/2017



BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT PHYSICIAN AGREEMENT FOR SERVICES AT THE RURAL HEALTH CLINICS WITH MADHU ANVEKAR, M.D.

THIS PHYSICIAN AGREEMENT ("Agreement") is made and entered into as of the 10th day of August 2017 by and between Bear Valley Community Healthcare District (a public entity), ("Hospital") and Madhu Anvekar M.D., ("Physician").

RECITALS

WHEREAS, Hospital, is the owner and operator of a general acute care hospital located in Big Bear Lake, California. Hospital has a federally approved hospital-based 95-210 Rural Health Clinic located at two sites known as the Family Health Center and the Rural Health Clinic ("the Clinic"), under which Hospital may contract with physicians and physician extenders to provide medical treatment to the Clinic's patients.

WHEREAS, Physician is licensed by the Medical Board of California to practice medicine, and is qualified to perform physician services for the Hospital's Clinic patients.

WHEREAS, Hospital desires to retain the services of Physician to provide professional medical services, and Physician desires to so contract with Hospital to furnish those services.

NOW THEREFORE, in consideration of the mutual covenants, undertakings and promises contained herein, as well as other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

AGREEMENTS

SECTION I. RESPONSIBILITIES OF PHYSICIAN.

- A. SERVICES. During the term of this Agreement, Physician agrees to the following:
 - 1. Physician shall provide professional physician services at the Clinic on an as needed basis as agreed upon by Hospital and Physician.
 - 2. Physician shall maintain medical records for all patients consistent with standard industry practices and shall provide such other record keeping and administrative services as may be reasonably requested by Hospital. All medical records remain the property of the Hospital.
 - 3. Physician shall cooperate with any quality management and utilization management programs instituted by Hospital.
- B. ACCESS TO BOOKS AND RECORDS. If the value or cost of Services rendered to Hospital pursuant to this Agreement is Ten Thousand Dollars (\$10,000.00) or more over a twelve- month period, Physician agrees as follows:
 - 1. Until the expiration of four (4) years after the furnishing of such Services, Physician shall, upon written request, make available to the Secretary of the Department of

Health and Human Services (the "Secretary'), the Secretary's duly-authorized representative, the Comptroller General, or the Comptroller General's duly-authorized representative, such books, documents and records as may be necessary to certify the nature and extent of the cost of such Services; and

2. If any such Services are performed by way of subcontract with another organization and the value or cost of such subcontracted services is Ten Thousand Dollars (\$10,000.00) or more over a twelve (12) month period, such subcontract shall contain, and Physician shall enforce, a clause to the same effect as subparagraph 1. immediately above.

The availability of Physician's books, documents, and records shall be subject at all times to all applicable legal requirements, including without limitation, such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. The provisions of subparagraphs 1. and 2. of Section I.B. shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

- C. Physician will not carry out any of the duties of the Agreement through a subcontract.
- D. ETHICS. In performing services under this Agreement, Physician shall use his/her best and most diligent efforts and professional skills; perform professional supervisory services; render care to patients in accordance with and in a manner consistent with the high standards of medicine; conduct himself/herself in a manner consistent with the principles of medical ethics promulgated by the American Medical Association; and comply with the Hospital's rules and regulations.
- E. In respect to Physician's performance of Physician's professional duties, the Hospital shall neither have nor exercise control or direction over the specific methods by which Physician performs Physician's professional clinical duties. The Hospital's sole interest shall be to ensure that such duties are rendered in a competent, efficient and satisfactory manner.
- F. Physician recognizes that the professional reputation of the Hospital is a unique and valuable asset. Physician shall not make any negative, disparaging or unfavorable comments regarding the Hospital or any of its owners, officers and/or employees to any person, either during the term of this Agreement or following termination of this Agreement.
- G. NOTIFICATION OF CERTAIN EVENTS. Physician shall notify Hospital in writing within three (3) business days after the occurrence of any one or more of the following events:
 - 1. Physician's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished;
 - 2. Physician becomes the subject of any suit, action or other legal proceeding arising out of Physician's professional services;
 - 3. Physician is required to pay damages or any other amount in any malpractice action by way of judgment or settlement;
 - 4. Physician becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior;
 - 5. Physician becomes incapacitated or disabled from practicing medicine;
 - 6. Any act of nature or any other event occurs which has a material adverse effect on Physician's ability to perform the Services under this Agreement;
 - 7. Physician changes the location of her offices:

- 8. Physician is charged with or convicted of a criminal offense; or
- Physician is debarred, suspended, or otherwise excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or Medi-Cal Office, or by any equivalent or coordinating governmental agencies.
- H. COORDINATION OF SERVICES. Physician shall cooperate with Hospital, through its Chief Executive Officer, in connection with providing the Services.

SECTION II. REPRESENTATIONS AND WARRANTIES

Physician represents and warrants to Hospital, upon execution and throughout the term of this Agreement as follows:

- A. Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement;
- B. Physician's license to practice medicine in the State of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction;
- C. Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
- D. Physician shall perform the services required hereunder in accordance with: (1) all applicable federal, state, and local laws, rules and regulations; (2) all applicable standards of care of relevant accrediting organizations; and (3) all applicable Bylaws, Rules and Regulations of Hospital and it's Medical Staff;
- E. Physician has not in the past conducted and is not presently conducting Physician's medical practice in such a manner as to cause Physician to be suspended, excluded, barred or sanctioned under the Medicare or Medi-Cal Programs or any government licensing agency, and has never been convicted of an offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation;
- F. Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the State of California and staff membership privileges at Hospital;
- G. Physician has disclosed and will at all times during the term of this Agreement promptly disclose to the Hospital: (1) the existence and basis of any legal, regulatory, professional or other proceeding against Physician instituted by any person, organization, governmental agency, health care facility, peer review organization, or professional society which involves any allegation of substandard care or professional misconduct raised against Physician; and (2) any allegation of substandard care or professional misconduct raised against Physician by any person, organization, governmental agency, health care facility, peer review organization or professional society.
- H. Physician agrees to promptly disclose any change to the status of his license to practice medicine or any changes the status of any privileges Physician may have at any other health care facility;

- I. Physician shall deliver to the Hospital promptly upon request copies of all certificates, registrations, certificates of insurance and other evidence of Physician's compliance with the foregoing as reasonably requested by the Hospital; and
- J. Physician shall participate in all government and third-party payment or managed care programs in which Hospital/Clinic participates, render services to patients covered by such programs, and accept the payment amounts provided for under these programs as payment in full for services of Physician to Hospital/Clinic's patients. If Hospital/Clinic deems it advisable for Physician to contract with a payer with which Hospital/Clinic has a contract, Physician agrees in good faith to negotiate a contractual agreement equal to the reasonable prevailing reimbursement rates for internists/hospitalists within the geographic area of Hospital/Clinic.

SECTION III. INDEMNIFICATION OF LIABILITY.

Physician agrees to indemnify, defend and hold harmless Hospital and its governing board, officers, employees and agents from and against any and all liabilities, costs, penalties, fines, forfeitures, demands, claims, causes of action, suits, and costs and expenses related thereto (including reasonable attorney's fees) which any or all of them may thereafter suffer, incur, be responsible for or pay out as a result of bodily injuries (including death) to any person or damage to any property (public or private), alleged to be caused by or arising from: (1) the negligent or intentional acts, errors, or omissions of Physician; (2) any violations of federal, state, or local statutes or regulations arising out of or resulting from any negligent act, error or omission of Physician; (3) the use of any copyrighted materials or patented inventions by Physician; or (4) Physician's breach of its warranties or obligations under this Agreement. The rights and obligations created by this indemnification provision shall survive termination or expiration of this Agreement.

SECTION IV. INDEPENDENT CONTRACTOR.

In performing the services herein specified, Physician is acting as an independent contractor, and shall not be considered an employee of Hospital. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto, and nothing herein contained shall be construed to authorize either party to act as agent for the other. Physician shall be liable for Physician's own debts, obligations, acts and omissions, including the payment of all withholding, social security and other taxes and benefits. As an independent contractor, Physician is responsible for filing such tax returns and paying such self-employment taxes as may be required by law or regulations.

SECTION V. COMPENSATION.

At the end of each month, Physician shall submit to the administration a completed time sheet of time spent in the Family Health Clinic seeing patients. Upon receipt of completed and signed provider time sheet for services rendered under this Agreement, Hospital shall pay Physician, as for sole compensation hereunder, on a fee per visit basis at \$65.00 (Sixty-Five Dollars) per visit. A billable visit is a face to face encounter where services are rendered at a level that justifies a clinic charge of 99201 or higher for a new patient, or 99212 or higher for an established patient, or 99381 or higher for a preventative medicine visit. "No charge/courtesy" visits are not eligible for provider payment. Hospital will provide Physician a list of patients seen per Hospital records that supports the payment made to Physician. All patient billings for Physician services remain the property of Hospital. Monthly payments to Physician shall be made on or before the 10th (tenth) day of the month, following the month in which services are rendered.

SECTION VI. COMPLIANCE.

A. Hospital is committed to compliance with all billing and claims submission, fraud and abuse laws and regulations. In contracting with Hospital, physician agrees to act in compliance with all laws and regulations. Hospital has completed a Compliance Program to assure compliance with laws and regulations. Physician is therefore expected to comply with the policies of the Hospital Compliance Program.

At a minimum, Physician is expected to:

- Be aware of those procedures which affect the physician and which are necessary to implement the Compliance Program, including the mandatory duty of Physician to report actual or possible violations of fraud and abuse laws and regulations; and
- 2. Understand and adhere to standards, especially those which relate to the Physician's functions for or on behalf of the District/Hospital.
- B. Failure to follow the standards of Hospital's Compliance Programs (including the duty to report misconduct) may be considered to be a violation of the Physician's arrangement with the Hospital and may be grounds for action by Hospital, including termination of the relationship.

SECTION VII. TERM.

This Agreement is effective from August 10, 2017 to August 9, 2019; however this Agreement is subject to early termination as provided in Section. VIII. below.

SECTION VIII. EARLY TERMINATION.

- A. Hospital may terminate this Agreement immediately upon written notice to Physician based on the occurrence of any of the following events:
 - 1. Physician's license to practice medicine is suspended, revoked, terminated, or otherwise restricted:
 - 2. Physician's medical staff privileges at the Hospital, or any other healthcare facility, are in any way suspended, revoked, or otherwise restricted;
 - 3. Medicare and/or Medi-Cal significantly changes the RHC program;
 - 4. Hospital fails to maintain RHC status;
 - 5. Physician Services Agreement is terminated or expires;
 - 6. Physician's failure to comply with the standards of the Hospital's Compliance Program, to the extent that such failure results in material fine and or sanction from Medicare or Medi-Cal Program;
 - 7. Physician fails to complete medical records in a timely fashion;
 - 8. Physician fails to maintain the minimum professional liability insurance coverage;
 - 9. Physician inefficiently manages patients and such inefficient management has not been cured after 30 days written notice from the Hospital:
 - 10. Physician's inability to work with and relate to others, including, but not limited to patients and ancillary staff, in a respectful, cooperative and professional manner and such inability has not been cured after 30 days written notice from the Hospital;
 - 11. Physician is unable to provide medical services under the terms of this Agreement due to a physical or mental disability;
 - 12. Physician becomes impaired by the use of alcohol or the abuse of drugs;
 - 13. Physician is convicted of any criminal offense, regardless of whether such action arose out of Physician's provision of professional services;

- 14. Physician commits any act of fraud as determined by reasonable discretion of the Board whether related to the Physician's provision of professional services or otherwise; or
- 15. A mutual written agreement terminating this Agreement is entered into between the Hospital and Physician.
- B. Either party may terminate this Agreement for material breach; provided that the non-defaulting party shall give written notice of the claimed default, and the other party shall have 30 days to cure such performance, failing which, this Agreement may thereafter be immediately terminated by the non-defaulting party.
- C. Either party may terminate this Agreement, without cause, by providing the other party ninety (90) days prior written notice.
- D. EFFECT OF TERMINATION. In the event that this Agreement is terminated for any reason, Physician shall be entitled to receive only the amount of compensation earned prior to the date of termination.
- E. TERMINATION WITHIN FIRST TWELVE (12) MONTHS. If this Agreement is terminated, with or without cause, during the first twelve (12) months of the term, the parties shall not enter any new agreement or arrangement during the remainder of such twelve (12) month period.

SECTION IX. CONFIDENTIALITY.

Physician shall not disclose to any third party, except where permitted or required by law or where such disclosure is expressly approved by the patient in writing, any patient or medical record information regarding Hospital patients (including Family Health Center patients), and Physician shall comply with all federal and state laws and regulations, and all rules, regulations, and policies of Hospital and its Medical Staff, regarding the confidentiality of such information from Hospital or Family Health Center patients receiving treatment of any kind, including treatment for alcohol and drug abuse. Physician is fully bound by the provisions of the federal regulations governing Confidentially of Alcohol and Drug Abuse Patient Records as codified at 42 C.F.R. Chapter 1, Part 2, enacted pursuant to 42 U.S.C. 290ee, and agrees to be separately bound by a Business Associate Agreement drafted pursuant to HIPAA as set forth in Public Law 104-191, as codified at 42 U.S.C. 1301 et. seq.

SECTION X. INSURANCE.

PROFESSIONAL LIABILITY. Physician shall procure and maintain a policy or policies of professional liability insurance as required by this Section. Such insurance shall provide coverage for Physician as the named insured, and such policy shall cover any acts of Physician's professional negligence which may have occurred during the relevant term and said policies of insurance shall be written with limits of liability of at least the minimum coverage required from time to time by the Medical Staff bylaws, but in any event no less than One Million Dollars (\$1,000,000) per claim/Three Million Dollars (\$3,000,000) annual aggregate for "claims made" insurance coverage. Physician further shall maintain "continuous coverage," as defined by this Section for the entire relevant term. The relevant term shall commence with the date of this Agreement and shall continue through the term of this Agreement, as well as any extensions or renewals hereof, and for a period thereafter of no less than three (3) years. In order to maintain continuous coverage for the entire relevant term Physician shall, if it changes insurers for any reason, take the necessary actions required in order to provide continuous coverage by either obtaining "tail" insurance from the preceding carriers, or "nose" insurance from the subsequent carriers. In order to satisfy the requirements of this

Section, the "tail" insurance must be of either an unlimited type or of the type which would extend the discovery period beyond the last effective day of the last contract between the parties for a period of three (3) years. In order to satisfy the requirements of this Section for "nose" insurance, the retroactive effective date for such insurance must be at least the first date of the relevant term noted above. Physician shall provide proof of current insurance and, in the event of modification, termination, expiration, non-renewal or cancellation of any of the aforesaid policies of insurance, Physician shall *give* Hospital written notice thereof within thirty (30) business days of Physician's receipt of such notification from any of its insurers. In the event Physician fails to procure, maintain or pay for said insurance as required in this section, Hospital shall have the right, but not the obligation to obtain such insurance. In that event, Physician shall reimburse Hospital for the cost thereof, and failure to repay the same upon demand by Hospital shall constitute a material breach hereunder.

SECTION XI. ASSIGNMENT.

Physician shall not assign, sell, or otherwise transfer his/her Agreement or any interest in it without written consent of Hospital.

SECTION XII. NOTICES.

The notice required by this Agreement shall be effective if mailed, one (1) business day after the day on which the notice was sent via overnight mail, addressed as follows:

Hospital: John Friel, Chief Executive Officer

Bear Valley Community Healthcare District

P. O. Box 1649

Big Bear Lake, CA 92315

Physician: Madhu Anvekar, M.D.

50 Bellefontaine St. # 307 Pasadena, CA 91105

SECTION XIII. PRE EXISTING AGREEMENT.

This Contract replaces and supersedes any and all prior arrangements or understandings by and between Hospital and Physician with regard to the subject matter hereof.

SECTION XIV. HOSPITAL NOT PRACTICING MEDICINE.

This Agreement shall in no way be construed to mean or suggest that Hospital is engaged in the practice of medicine.

SECTION XV. ENTIRE AGREEMENT.

This Agreement constitutes the entire Agreement, both written and oral, between the parties, and all prior or contemporaneous agreements respecting the subject matter hereof, whether written or oral, express or implied, are suppressed. This Agreement may be modified only by written agreement signed by both of the parties.

SECTION XVI. SEVERABILITY.

The non-enforceability, invalidity, or illegality of any provision to this Agreement shall not render the other provisions unenforceable, invalid or illegal.

SECTION XVII. GOVERNING LAW.

This Agreement shall be governed under the laws of the State of California. In the event of any dispute arising between the parties arising out of or related to this Agreement, the parties agree that such dispute shall be settled by binding arbitration, pursuant to the rules of the American Arbitration Association, San Bernardino County.

SECTION XVIII. REFERRALS.

The parties acknowledge that none of the benefits granted Physician is conditioned on any requirement that Physician make referrals to, be in a position to make or influence referrals to, or otherwise generate business for Hospital. The parties further acknowledge that Physician is not restricted from establishing staff privileges at, referring any service to, or otherwise generating any business for any other facility of Physician's choosing.

SECTION XIX. ANTI-HARASSMENT/DISCRIMINATION/RETALIATION

The parties are prohibited from engaging in any discriminatory, harassing, or retaliatory conduct, and Physician agrees to fully comply with all applicable local, state and federal anti-discrimination and employment-related regulations and laws.

SECTION XXI. HIPAA BUSINESS ASSOCIATE AGREEMENT.

The parties have concurrently with the execution of this Agreement, executed Exhibit A entitled HIPAA Business Associates Agreement, which Exhibit is attached hereto and incorporated herein by reference.

In Witness Whereof, the parties have executed this Agreement as of the first date written above.

Dated:	By:	
	Donna Nicely, President, BOD	
	Bear Valley Community Healthcare Dist P. O. Box 1649	trict
	Big Bear Lake, CA 92315	
Dated:	By:	
	Madhu Anvekar, M.D.	
	50 Bellefontaine St. # 307	
	Pasadena, CA 91105	



Contract Cover Sheet

Contract Name:	MAdhu	<u> Anverde</u>	
Purpose of Contract:	tospitale	St SERDICES	
Contract # / Effective Date	/ Term	, Aug 10, 17	1 Aug 9,2019
Originating Dept. Name / N	lumber - Ad		·
Department Manager	Signature:		_ Date:
	BAA: ¿	∠Yes _No W	/-9: <u></u> -YesNo
Administrative Officer	Signature:	NA	Date:
HIPAA/Privacy Officer (as appropriate)	Signature	Paloose	
Legal Counsel	Signature:	Ma email	Date: 7-27-17 Howes of
Compliance Officer	Signature:	Mary Norman	Date: 8.2.17 on-call
Chief Financial Officer	Signature:	Santallall	Date: / Au. 2017
Chief Executive Officer	Signature:		Date:
Board of Directors When Applicable			Date:
	-		
1. Final Signatures or	n Contract, BAA	& W-9:	Date:
2. Copy of Contract/E	BAA/W-9 forward	ed to Department Manager:	Date:
3. Copy of Contract/E	BAA/W-9 forward	ed to Contractor (if applicable)	: Date:
4. Copy of Contract/l	BAA/W-9 scanne	d/emailed to Controller and Le	gal: Date:

Contract Cover Sheet CONFIDENTIAL NOTICE:

Note: This document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370. NOTICE TO RECIPIENT: If you are not the intended recipient of this, you are prohibited from sharing, copying or otherwise using or disclosing its contents. If you have received this document in error, please notify the sender immediately by reply email and permanently delete this document and any attachments without reading, forwarding or saving them. Thank you Updated 5/2017



BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT PHYSICIAN AGREEMENT FOR HOSPITALIST SERVICES WITH MADHU ANVEKAR, M.D.

THIS PHYSICIAN AGREEMENT FOR HOSPITALIST SERVICES ("Agreement") is made and entered into as of the 10th day of August, 2017 by and between Bear Valley Community Healthcare District (a public entity), ("Hospital") and Madhu Anvekar, M.D., ("Physician").

RECITALS

WHEREAS, Hospital, is the owner and operator of a general acute care hospital located in Big Bear Lake, California.

WHEREAS, Physician is licensed by the Medical Board of California to practice medicine, board certified in internal medicine and is qualified to perform physician services for the hospital's Clinic patients.

WHEREAS, Hospital and Physician desire to enter into this Agreement pursuant to which Physician shall provide Hospitalist Services, and Physician desires to so contract with Hospital to furnish those services.

NOW THEREFORE, in consideration of the mutual covenants, undertakings and promises contained herein, as well as other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

AGREEMENTS

SECTION I. RESPONSIBILITIES OF PHYSICIAN.

- A. SERVICES. During the term of this Agreement, Physician agrees to the following:
 - 1. Physician shall render such Hospitalist Services as may be required for the care and treatment of Hospital's inpatients requiring said services in accordance with the prevailing standard of care in the community, including 24 hour on-call coverage as scheduled by mutual agreement between Hospital Administration and Physician.
 - 2. Physician shall complete and maintain adequate and proper medical records with respect to all patients examined and treated in accordance with standard industry practices and shall provide such other record keeping and administrative services as may be reasonably requested by Hospital. All medical records remain the property of the Hospital.
 - 3. Physician shall cooperate with any quality management and utilization management programs instituted by Hospital.
- B. ACCESS TO BOOKS AND RECORDS. If the value or cost of Services rendered to Hospital pursuant to this Agreement is Ten Thousand Dollars (\$10,000.00) or more over a twelve- month period, Physician agrees as follows:

- 1. Until the expiration of four (4) years after the furnishing of such Services, Physician shall, upon written request, make available to the Secretary of the Department of Health and Human Services (the "Secretary'), the Secretary's duly-authorized representative, the Comptroller General, or the Comptroller General's duly-authorized representative, such books, documents and records as may be necessary to certify the nature and extent of the cost of such Services; and
- 2. If any such Services are performed by way of subcontract with another organization and the value or cost of such subcontracted services is Ten Thousand Dollars (\$10,000.00) or more over a twelve (12) month period, such subcontract shall contain, and Physician shall enforce, a clause to the same effect as subparagraph 1. immediately above.

The availability of Physician's books, documents, and records shall be subject at all times to all applicable legal requirements, including without limitation, such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. The provisions of subparagraphs 1. and 2. of Section I.B. shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

- C. Physician will not carry out any of the duties of the Agreement through a subcontract.
- D. ETHICS. In performing services under this Agreement, Physician shall use his/her best and most diligent efforts and professional skills; perform professional supervisory services; render care to patients in accordance with and in a manner consistent with the high standards of medicine; conduct himself/herself in a manner consistent with the principles of medical ethics promulgated by the American Medical Association; and comply with the Hospital's rules and regulations.
- E. In respect to Physician's performance of Physician's professional duties, the Hospital shall neither have nor exercise control or direction over the specific methods by which Physician performs Physician's professional clinical duties. The Hospital's sole interest shall be to ensure that such duties are rendered in a competent, efficient and satisfactory manner.
- F. Physician recognizes that the professional reputation of the Hospital is a unique and valuable asset. Physician shall not make any negative, disparaging or unfavorable comments regarding the Hospital or any of its owners, officers and/or employees to any person, either during the term of this Agreement or following termination of this Agreement.
- G. NOTIFICATION OF CERTAIN EVENTS. Physician shall notify Hospital in writing within three (3) business days after the occurrence of any one or more of the following events:
 - 1. Physician's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished;
 - Physician becomes the subject of any suit, action or other legal proceeding arising out of Physician's professional services;
 - 3. Physician is required to pay damages or any other amount in any malpractice action by way of judgment or settlement;
 - 4. Physician becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior;
 - 5. Physician becomes incapacitated or disabled from practicing medicine;

- 6. Any act of nature or any other event occurs which has a material adverse effect on Physician's ability to perform the Services under this Agreement;
- 7. Physician changes the location of his offices;
- 8. Physician is charged with or convicted of a criminal offense; or
- Physician is debarred, suspended, or otherwise excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or Medi-Cal Office, or by any equivalent or coordinating governmental agencies.
- H. COORDINATION OF SERVICES. Physician shall cooperate with Hospital, through its Chief Executive Officer, in connection with providing the Services.

SECTION II. REPRESENTATIONS AND WARRANTIES

Physician represents and warrants to Hospital, upon execution and throughout the term of this Agreement as follows:

- A. Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement;
- B. Physician's license to practice medicine in the State of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction;
- C. Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
- D. Physician shall perform the services required hereunder in accordance with: (1) all applicable federal, state, and local laws, rules and regulations; (2) all applicable standards of care of relevant accrediting organizations; and (3) all applicable Bylaws, Rules and Regulations of Hospital and it's Medical Staff;
- E. Physician has not in the past conducted and is not presently conducting Physician's medical practice in such a manner as to cause Physician to be suspended, excluded, barred or sanctioned under the Medicare or Medi-Cal Programs or any government licensing agency, and has never been convicted of an offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation;
- F. Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in the State of California and staff membership privileges at Hospital;
- G. Physician has disclosed and will at all times during the term of this Agreement promptly disclose to the Hospital: (1) the existence and basis of any legal, regulatory, professional or other proceeding against Physician instituted by any person, organization, governmental agency, health care facility, peer review organization, or professional society which involves any allegation of substandard care or professional misconduct raised against Physician; and (2) any allegation of substandard care or professional misconduct raised against Physician by any person, organization, governmental agency, health care facility, peer review organization or professional society.

- H. Physician agrees to promptly disclose any change to the status of his license to practice medicine or any changes the status of any privileges Physician may have at any other health care facility;
- I. Physician shall deliver to the Hospital promptly upon request copies of all certificates, registrations, certificates of insurance and other evidence of Physician's compliance with the foregoing as reasonably requested by the Hospital; and
- J. Physician shall participate in all government and third-party payment or managed care programs in which Hospital/Clinic participates, render services to patients covered by such programs, and accept the payment amounts provided for under these programs as payment in full for services of Physician to Hospital/Clinic's patients. If Hospital/Clinic deems it advisable for Physician to contract with a payer with which Hospital/Clinic has a contract, Physician agrees in good faith to negotiate a contractual agreement equal to the reasonable prevailing reimbursement rates for internists/hospitalists within the geographic area of Hospital/Clinic.

SECTION III. INDEMNIFICATION OF LIABILITY.

Physician agrees to indemnify, defend and hold harmless Hospital and its governing board, officers, employees and agents from and against any and all liabilities, costs, penalties, fines, forfeitures, demands, claims, causes of action, suits, and costs and expenses related thereto (including reasonable attorney's fees) which any or all of them may thereafter suffer, incur, be responsible for or pay out as a result of bodily injuries (including death) to any person or damage to any property (public or private), alleged to be caused by or arising from: (1) the negligent or intentional acts, errors, or omissions of Physician; (2) any violations of federal, state, or local statutes or regulations arising out of or resulting from any negligent or intentional acts, errors or omissions of Physician, including those relating to Physician's billing practices; (3) the use of any copyrighted materials or patented inventions by Physician; or (4) Physician's breach of its warranties or obligations under this Agreement. The rights and obligations created by this indemnification provision shall survive termination or expiration of this Agreement.

SECTION IV. INDEPENDENT CONTRACTOR.

In performing the services herein specified, Physician is acting as an independent contractor, and shall not be considered an employee of Hospital. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto, and nothing herein contained shall be construed to authorize either party to act as agent for the other. Physician shall be liable for Physician's own debts, obligations, acts and omissions, including the payment of all withholding, social security and other taxes and benefits. As an independent contractor, Physician is responsible for filing such tax returns and paying such self-employment taxes as may be required by law or regulations.

SECTION V. COMPENSATION AND BILLING FOR PHYSICIAN SERVICES.

- A. On a monthly basis, Hospital shall pay Physician, as sole compensation hereunder, a fee of \$500.00 per each 24 hour on call period worked on Monday, Tuesday, Wednesday and/or Thursday; \$750.000 per each 24 hour on call period worked on Fridays; and \$1,000.00 for each 24 hour on call period worked on Saturdays, Sundays or Federal Holidays. Monthly payments to Physician shall be made on or before the 10th (tenth) day of the month, following the month in which services are rendered.
- B. Physician shall be solely responsible for billing and submitting claims to third party payors, including all government sponsored programs, for Professional Services rendered

pursuant to this Agreement. Physician shall also be solely responsible for collecting payment from any such third party payors. Physician agrees to follow all applicable rules, regulations, laws and policies pertaining to billing practices.

SECTION VI. COMPLIANCE.

A. Hospital is committed to compliance with all billing and claims submission, fraud and abuse laws and regulations. In contracting with Hospital, Physician agrees to act in compliance with all laws and regulations. Hospital has completed a Compliance Program to assure compliance with laws and regulations. Physician is therefore expected to comply with the policies of the Hospital Compliance Program.

At a minimum, Physician is expected to:

- Be aware of those procedures which affect the physician and which are necessary to implement the Compliance Program, including the mandatory duty of Physician to report actual or possible violations of fraud and abuse laws and regulations; and
- 2. Understand and adhere to standards, especially those which relate to the Physician's functions for or on behalf of the District/Hospital.
- B. Failure to follow the standards of Hospital's Compliance Programs (including the duty to report misconduct) may be considered to be a violation of the Physician's arrangement with the Hospital and may be grounds for action by Hospital, including termination of the relationship.

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This Agreement is effective from August 10, 2017 to August 09, 2019; however this Agreement is subject to early termination as provided in Section. VIII. below.

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 - 2. Physician's medical staff privileges at the Hospital, or any other healthcare facility, are in any way suspended, revoked, or otherwise restricted;
 - 3. Medicare and/or Medi-Cal significantly changes the RHC program;
 - 4. Hospital fails to maintain RHC status;
 - 5. Physician Services Agreement is terminated or expires;
 - 6. Physician's failure to comply with the standards of the Hospital's Compliance Program, to the extent that such failure results in material fine and or sanction from Medicare or Medi-Cal Program:
 - 7. Physician fails to complete medical records in a timely fashion;
 - 8. Physician fails to maintain the minimum professional liability insurance coverage;
 - 9. Physician inefficiently manages patients and such inefficient management has not been cured after 30 days written notice from the Hospital;
 - 10. Physician's inability to work with and relate to others, including, but not limited to patients and ancillary staff, in a respectful, cooperative and professional manner and such inability has not been cured after 30 days written notice from the Hospital;
 - 11. Physician is unable to provide medical services under the terms of this Agreement due to a physical or mental disability;
 - 12. Physician becomes impaired by the use of alcohol or the abuse of drugs;

- 13. Physician is convicted of any criminal offense, regardless of whether such action arose out of Physician's provision of professional services;
- 14. Physician commits any act of fraud as determined by reasonable discretion of the Board whether related to the Physician's provision of professional services or otherwise; or
- 15. A mutual written agreement terminating this Agreement is entered into between the Hospital and Physician.
- B. Either party may terminate this Agreement for material breach provided that the non-defaulting party shall give written notice of the claimed default, and the other party shall have 30 days to cure such performance, failing which, this Agreement may thereafter be immediately terminated by the non-defaulting party.
- C. Either party may terminate this Agreement, without cause, by providing the other party ninety (90) days prior written notice.
- D. This Agreement may be terminated automatically upon mutual written agreement terminating This Agreement entered into by Hospital and Physician.
- E. EFFECT OF TERMINATION. In the event that this Agreement is terminated for any reason, Physician shall be entitled to receive only the amount of compensation earned prior to the date of termination.
- F. TERMINATION WITHIN FIRST TWELVE (12) MONTHS. If this Agreement is terminated, with or without cause, during the first twelve (12) months of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such twelve (12) month period for similar services.

SECTION IX. CONFIDENTIALITY.

Physician shall not disclose to any third party, except where permitted or required by law or where such disclosure is expressly approved by the patient in writing, any patient or medical record information regarding Hospital patients (including Family Health Center patients), and Physician shall comply with all federal and state laws and regulations, and all rules, regulations, and policies of Hospital and its Medical Staff, regarding the confidentiality of such information from Hospital or Family Health Center patients receiving treatment of any kind, including treatment for alcohol and drug abuse. Physician is fully bound by the provisions of the federal regulations governing Confidentially of Alcohol and Drug Abuse Patient Records as codified at 42 C.F.R. Chapter 1, Part 2, enacted pursuant to 42 U.S.C. 290ee, and agrees to be separately bound by a Business Associate Agreement drafted pursuant to HIPAA as set forth in Public Law 104-191, as codified at 42 U.S.C. 1301 et. seq.

SECTION X. INSURANCE.

PROFESSIONAL LIABILITY. Physician shall maintain, at Physician's sole expense, a policy or policies of professional liability insurance as required by this Section. Such insurance shall provide coverage for Physician as the named insured, and such policy shall cover any acts of Physician's professional negligence which may have occurred during the relevant term and said policies of insurance shall be written with limits of liability of at least the minimum coverage required from time to time by the Medical Staff bylaws, but in any event no less than One Million Dollars (\$1,000,000.00) per claim/Three Million Dollars (\$3,000,000.00) annual aggregate for "claims made" insurance coverage. Physician further shall maintain "continuous coverage," as defined by this Section for the entire relevant term. The relevant term shall commence with the date of this Agreement and shall continue through the term of this

Agreement, as well as any extensions or renewals thereof, and for a period thereafter of no less than three (3) years. In order to maintain continuous coverage for the entire relevant term Physician shall, if it changes insurers for any reason, take the necessary actions required in order to provide continuous coverage by either obtaining "tail" insurance from the preceding carriers, or "nose" insurance from the subsequent carriers. In order to satisfy the requirements of this Section, the "tail" insurance must be of either an unlimited type or of the type which would extend the discovery period beyond the last effective day of the last contract between the parties for a period of three (3) years. In order to satisfy the requirements of this Section for "nose" insurance, the retroactive effective date for such insurance must be at least the first date of the relevant term noted above. Physician shall provide proof of current insurance and, in the event of modification, termination, expiration, non-renewal or cancellation of any of the aforesaid policies of insurance, Physician shall give Hospital written notice thereof within thirty (30) business days of Physician's receipt of such notification from any of his/her insurers.

SECTION XI. ASSIGNMENT.

Physician shall not assign, sell, or otherwise transfer his/her Agreement or any interest in it without written consent of Hospital.

SECTION XII. NOTICES.

The notice required by this Agreement shall be effective if mailed, one (1) business day after the day on which the notice was sent via overnight mail, addressed as follows:

Hospital: John Friel, Chief Executive Officer

Bear Valley Community Healthcare District

P. O. Box 1649

Big Bear Lake, CA 92315

Physician: Madhu Anvekar, M.D.

50 Bellefontaine St. # 307 Pasadena, CA 91105

SECTION XIII. PRE EXISTING AGREEMENT.

This Contract replaces and supersedes any and all prior arrangements or understandings by and between Hospital and Physician with regard to the subject matter hereof.

SECTION XIV. HOSPITAL NOT PRACTICING MEDICINE.

This Agreement shall in no way be construed to mean or suggest that Hospital is engaged in the practice of medicine.

SECTION XV. ENTIRE AGREEMENT.

This Agreement constitutes the entire Agreement, both written and oral, between the parties, and all prior or contemporaneous agreements respecting the subject matter hereof, whether written or oral, express or implied, are suppressed. This Agreement may be modified only by written agreement signed by both of the parties.

SECTION XVI. SEVERABILITY.

The non-enforceability, invalidity, or illegality of any provision to this Agreement shall not render the other provisions unenforceable, invalid or illegal.

SECTION XVII. GOVERNING LAW.

This Agreement shall be governed under the laws of the State of California. In the event of any dispute arising between the parties arising out of or related to this Agreement, the parties agree that such dispute shall be settled by binding arbitration, pursuant to the rules of the American Arbitration Association, San Bernardino County.

SECTION XIX. ANTI-HARASSMENT/DISCRIMINATION/RETALIATION

The parties are prohibited from engaging in any discriminatory, harassing, or retaliatory conduct, and Physician agrees to fully comply with all applicable local, state and federal anti-discrimination and employment-related regulations and laws.

SECTION XX. HIPAA BUSINESS ASSOCIATE AGREEMENT.

The parties have concurrently with the execution of this Agreement, executed Exhibit A entitled HIPAA Business Associates Agreement, which Exhibit is attached hereto and incorporated herein by reference.

In Witness Whereof, the parties have executed this Agreement as of the first date written above.

Dated:	By:	
	Donna Nicely, President, Board of Di Bear Valley Community Healthcare D P. O. Box 1649 Big Bear Lake, CA 92315	
Dated:	Ву:	
	Madhu Anvekar, M.D. 50 Bellefontaine St. # 307	

EXHIBIT A HIPAA Business Associate Agreement

This HIPAA Business Associate Agreement, effective as of August 9, 2017, is made by and between Bear Valley Community Healthcare District (BVCHD) and Madhu Anvekar, M.D. for the purpose of compliance with the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, and regulations issued pursuant thereto ("*HIPAA*"). This Agreement amends and is incorporated into any underlying agreement between BVCHD and Madhu Anvekar, M.D. In consideration of the foregoing and the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the following:

SECTION I. DEFINITIONS.

<u>Catch-all definition</u>: The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

Specific definitions:

- (a) <u>Business Associate</u>. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Jeffery Orr, M.D.
- (b) <u>Covered Entity</u>. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean BVCHD.
- (c) <u>HIPAA Rules</u>. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

SECTION II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE.

Business Associate agrees to:

- (a) Not use or disclose protected health information other than as permitted or required by the Agreement or as required by law;
- (b Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement;
- (c) Within three (3) business days, report to covered entity any use or disclosure of protected health information not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware:
- (d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information;

- (e) Make available protected health information in a designated record set to the "covered entity" as necessary to satisfy covered entity's obligations under 45 CFR 164.524;
- (f) Make any amendments to protected health information in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526:
- (g) Maintain and make available the information required to provide an accounting of disclosures to the covered entity as necessary to satisfy covered entity's obligations under 45 CFR 164.528;
- (h) To the extent the business associate is to carry out one or more of covered entity's obligations under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligations; and
- (i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

SECTION III. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

- (a) Business associate may only use or disclose protected health information as necessary to perform the services set forth in the BVCHD Physician Agreement for Hospitalist Services.
- (b) Business associate may use or disclose protected health information as required by law.
- (c) Business associate agrees to make uses and disclosures and requests for protected health information consistent with covered entity's minimum necessary policies and procedures.
- (d) Business associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by covered entity.
- (e) Business associate may use protected health information for the proper management and administration of the business associate or to carry out the legal responsibilities of the business associate.
- (f) Business associate may disclose protected health information for the proper management and administration of business associate or to carry out the legal responsibilities of the business associate, provided the disclosures are required by law, or business associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies business associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- (g) Business associate may provide data aggregation services relating to the health care operations of the covered entity.

SECTION IV. TERM AND TERMINATION.

- (a) <u>Term</u>. The Term of this Agreement shall be effective as of the term stated in the Agreement for Hospitalist Services and shall terminate on the date covered entity terminates for cause as authorized in paragraph (b) of this Section, or on the date the Hospitalist Services Agreement is terminated, whichever is sooner.
- (b) <u>Termination for Cause</u>. Business associate authorizes termination of this Agreement by covered entity, if covered entity determines business associate has violated a material term of the Agreement and business associate has not cured the breach or ended the violation within the time specified by covered entity.
- (c) <u>Obligations of Business Associate Upon Termination</u>. Upon termination of this Agreement for any reason, business associate, with respect to protected health information received from covered entity, or created, maintained, or received by business associate on behalf of covered entity, shall:
 - 1. Retain only that protected health information which is necessary for business associate to continue his/her proper management and administration or to carry out his/her legal responsibilities;
 - 2. Return to covered entity the remaining protected health information that the business associate still maintains in any form;
 - Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as business associate retains the protected health information;
 - 4. Not use or disclose the protected health information retained by business associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out at Section III Permitted Uses and Disclosures By Business Associate related to paragraphs (e) and (f) above which applied prior to termination; and
 - Return to covered entity the protected health information retained by business associate when it is no longer needed by business associate for his/her proper management and administration or to carry out his/her legal responsibilities.
- (d) <u>Survival</u>. The obligations of business associate under this Section shall survive the termination of this Agreement.

IN WITNESS WHEREOF, duly authorized representatives of each of BVCHD and Business Associate have executed this Agreement as of the Effective Date.

BVCHD:	Business Associate:
Date:	Date:
Name:	Name:
Title:	Title:



Contract Cover Sheet

Contract Name: _	BHR -	15+ Smendme	n -
Purpose of Contract:	CEU Spec	ial Employees	membership due
Contract # / Effective Da	te / Term	1 2-9-17	
Originating Dept. Name	Number -		/////
Department Manager	Signature:		Date:
	BAA: -	Yes No	W-9: _Yes _No
Administrative Officer	Signature:	<u> </u>	Date: NA_
HIPAA/Privacy Officer (as appropriate)	Signature	43 Moor	Date: 7.31.17
Legal Counsel	Signature:	vra email	Date: <u>7:31-17</u>
Compliance Officer	Signature:	Mary Norman	Date: <u>8.2.17</u>
Chief Financial Officer	Signature:	Nath Ne 1	Date: <u> 4uc 2</u> o17
Chief Executive Officer	Signature:		Date:
Board of Directors When Applicable			Date:
1. Final Signatures	on Contract, BAA 8	& W-9:	Date:
2. Copy of Contract	/BAA/W-9 forwarde	ed to Department Manager:	Date:
3. Copy of Contract	/BAA/W-9 forwarde	ed to Contractor (if applicable): Date:
4. Copy of Contract (if applicable)	t/BAA/W-9 scanned	i/emailed to Controller and L	egal: Date:

Contract Cover Sheet CONFIDENTIAL NOTICE:

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Deborah S. Tropp-Thompson

Attorney at Law

MTB

McNeil, Tropp & Braun LLP 2 Park Plaza, Suite 620 Irvine, Ca 92614 T. (949) 259-2890 F. (949) 259-2891 E: dtropp@MTBattorneys.com

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్రాంగా: Deborah Tropp

nt: Monday, July 31, 2017 11:10 AM

To: 'Vigus, Ron' < RVigus@qhr.com>; Friel, John - Bear Valley Comm Hosp < john.friel@bvchd.com>

Subject: RE: Emailing - 072817 - First Amendment to AHAS - Bear Valley off

Ron:

The amendment is fine. Thanks

Deborah S. Tropp-Thompson

Attorney at Law

MTB

McNeil, Tropp & Braun LLP 2 Park Plaza, Suite 620 Irvine, Ca 92614 (949) 259-2890

F. (949) 259-2891

E: dtropp@MTBattorneys.com

FIRST AMENDMENT TO AGREEMENT FOR HOSPITAL ADMINISTRATIVE SERVICES

This Amendment to the Agreement for Hospital Administrative Services (the "First Amendment"), by and between Bear Valley Community Hospital District ("Hospital") and Quorum Health Resources, LLC ("Quorum"), is executed and effective as of the last date below the parties' respective signatures (the "First Amendment Effective Date"). Both Hospital and Quorum are individually referred to herein as the "Party" and collectively referred to herein as the "Parties".

WITNESSETH

WHEREAS, Hospital and Quorum are parties to that certain Agreement for Hospital Administrative Services effective June 25, 2015 (the "Agreement"); and

WHEREAS, Hospital and Quorum desire to amend the Agreement as set forth below.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

- 1. As part of this Agreement, and on an annual basis, the Hospital agrees to pay for the CEO Special Employee's membership dues for one (1) civic organization and one (1) professional organization of CEO's choosing. The annual dues payable under this section shall not exceed \$2,000.00 per year, including CEO's expenses to attend any meetings or other events of the selected organizations;
- 2. Except as otherwise set forth above, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to be effective on the First Amendment Effective Date.

AGREED TO AND APPROVED (Bear Valley Community Hospital District):

Board Chairman Signature	Date	
AGREED TO AND APPROVED (Q	Quorum Health Resources, LLC):	
Robert A. Vento, Chief Executive Office	er	Date



Contract Cover Sheet

Contract Name:	JUT & AS	SOCIATED AND ENG	ACE MENT LETTER
Purpose of Contract:	INDER NOAL	is AUDITOR (fy RO	n Aupis)
Contract # / Effective D	ate / Term		
Originating Dept. Name	e / Number - 🗘	COUNTING	
Department Manager	Signature:		te: <u>2 AUG 2017</u>
	BAA:	YesNo W-9: _ <u>v</u>	YesNo
Administrative Officer	Signature:	NA	Date: <u> </u>
HIPAA/Privacy Officer (as appropriate)	Signature	Parone	Date: 8.2.17
Legal Counsel	Signature:	wa emul	Date: 8.3-17
Compliance Officer	Signature:	Mary Nopenan	Date: 8-3-17
Chief Financial Officer	Signature:	Sata Nak	Date: 2 02.6 2017
Chief Executive Office	<u>r</u> Signature:		Date:
Board of Directors When Applicable	·		Date:
			<u> </u>
1. Final Signature	s on Contract, BAA	& W-9:	Date:
2. Copy of Contract/BAA/W-9 forwarded to Department Manager:		Date:	
3. Copy of Contra	ct/BAA/W-9 forward	ed to Contractor (if applicable):	Date:
4. Copy of Contr (if applicable)	act/BAA/W-9 scanne	d/emailed to Controller and Legal:	Date:

Contract Cover Sheet CONFIDENTIAL NOTICE:

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MEMO

Date: 1 August 2017

To: BVCHD Finance Committee

From: Garth M Hamblin, Interim CFO

Re: JWT & Associates, FY 2017 Independent Auditor

Recommended Action

Approve JWT & Associates, to conduct FY 2017 Audit. Fee of \$24,000 including expenses.

Background

JWT & Associates, has conducted our independent audit for a number of years. Our recommendation it that he and his firm, JWT& Associates, conduct our audit for fiscal year ending June 30, 2017.

Jerrel Tucker has done a good job in our annual audits and for a reasonable fee. Last year during his presentation to the Board he provided valuable benchmarking information to compare our results to similar Critical Access Hospitals.

JWT & Associates, LLP

Advisory Assurance Tax

1111 E. Herndon Avenue, Suite 211, Fresno, CA 93720 Voice: (559) 431-7708 Fax: (559) 431-7685

June 27, 2017

Garth Hamblin, CFO Bear Valley Community Healthcare District PO Box 1649 Big Bear Lake, CA 92315

We are pleased to confirm our understanding of the services we are to provide for Bear Valley Community Healthcare District (the District) for the year ended June 30, 2017. We will audit the financial statements of the District, which comprise the statement of net position as of June 30, 2017, the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Audit Objective

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

The auditors' procedures do not include testing compliance with laws and regulations in any jurisdiction related to Medicare and Medicaid antifraud and abuse. It is the responsibility of management of the entity, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provision of laws and regulations that determine the reported amounts and disclosures in the entity's financial statements. Therefore, management's responsibilities for compliance with laws and regulations applicable to its operations, include, but are not limited to, those related to Medicare and Medicaid antifraud and abuse statutes.

Other Services

We will also assist in preparing the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by you.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

HIPAA Business Associate Agreement

You agree that you are solely responsible for the accuracy, completeness, and reliability of all data and information you provide us for our engagement. You agree to provide any requested information on or before the date we commence performance of the services. To protect the privacy and provide for the security of any protected health information, as such is defined by the Health Insurance Portability and Accountability Act of 1996, as amended from time to time, and the regulations and policy guidance thereunder (HIPAA), we shall enter into a HIPAA Business Associate Agreement.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers. We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of JWT & Associates, LLP (JWT) and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to authorized regulators or their designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of JWT personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulators or their designee. The regulators or their designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$24,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

RESPONSE:

MV7 & Associates, LLP

nis letter cor	ectly sets forth the understanding of Bear Valley Community Healthcare District
Signature:	
Name:	
Title:	
Date	



BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT & QUORUM ANNUAL BUSINESS PLAN FISCAL YEAR 2018

	Strategy	Assigned to:	Goals & Measurements	Status	Due Date
			Strategic Imperatives – 1 Community		
1)	Increase Awareness of Services Lines and Clinical Capability	John Friel & Megan Meadors	Continue implementation of Board Approved Marketing and Communication Plan of 2017 Utilize Board Approved Community Needs Assessment of 2017	Ongoing	June 2018
			 3) Utilize updated website (5/17) highlighting programs & services New Pediatrics Services Promote new OB/GYN provider Ortho specialist in RHC & OP Surgery Available Dental services available in RHC Additional Chiropractor provider in BBD – RHC Prime Project (Opioid dependence) 5 Star Rating of DPSNP Flu Shot Clinic Immunization Fair 		
		Kerri Jex	4) Publish results of surgery services study in 2 nd Quarter (October)	In Process	2 nd Quarter 2018
		Sheri Mursick	5) Study opportunities for Dermatology & Acupuncture Services through RHC		1st Quarter 2018
	ncrease RHC visits by 10%	Sheri Mursick	1) Track Monthly		June 2018
	.55 27 1070	& Admin Team	Expand Telemedicine Service, Dermatology, Psychiatry, Neurology etc.	Ongoing	

3) Active Participation in Community Wide Events	John Friel, Megan Meadors, & Admin Team	1) Rotary, Soroptimist, Chamber of Commerce & AAUW 2) Participation in & Sponsor Community Wide Events o Amgen Tour o Tour de Big Bear o Polar Plunge o Dancing for the Lake o Host Chamber Mixer in September highlighting New Mammo & CT Equipment Host Blood Drive (x2)	Ongoing	Throughout year
		Strategic Imperatives 2 Medical Staff Engagement		
1) Recruit FP for RHC	John Friel	Working with 2 National Recruiting Firms with Fidelis and Online Group	Ongoing	3 rd Quarter
2) Enhance Communication & with Medical Staff and Providers	Admin Team	 Continue to host bi-annual office staff luncheon to inform of process changes, mandates new forms etc. CEO & CNO attendance at all MEC Meetings 	Ongoing	

		 3) Monthly Meetings with Chief of Staff, CEO, CNO & Risk/Compliance Manager 4) Ongoing communication with "Heritage" Leadership regarding additional service to be provided by BVCHD 		2 nd Quarter 2018
		Strategic Imperative Financial Viability 3 Facility Master Plan		
1) Ensure Facility readiness to meet growth, quality initiatives & consumer/ Patient satisfaction through Mater Facility Planning Process	John Friel & Garth Hamblin	 Identify experts to consult with MFP at an affordable rate & California Experience Complete a space plan to document facility needs for 20 years 		3 rd Quarter (January 2018)
Ensure ongoing reviews of financial performance	Garth Hamblin	Monitor monthly departmental variances for areas of improvement, hold managers accountable for variances	Monthly review	Ongoing
3) Monitor Revenue Cycle Performance for improvement opportunities	Garth Hamblin & Admin Team	1) Reduce Net A/R days to 65		

4) Continue upgrading 5 Year Financial Plan	Garth Hamblin	Compatibility to industry changes regarding funding Medicare & Medical	Quarterly review	
5) Implement 340B Pharmacy Program to its fullest potential	Garth Hamblin Danggiao Phan & John Friel	Measurable Pharmaceutical Cost Reduction		3 rd Quarter 2018
6) Complete a Debt Capacity Study to identify BVCHD's capacity for replacement vs retrofit to meet future needs	John Friel & Garth Hamblin	Realistic results & funding credit worthiness to be approved by the Board of Directors		4 th Quarter
7) Reenergize BVCHD Foundation	John Friel	1) Support activities; i.e. grant writing, fund raising, and activities in cojunction with marketing. Foundation to raise \$25,000 by June 2018	Ongoing	
8) Meet all Meaningful Use goals	Admin Team	1) Accomplish Compliance		January 1, 2018
		Strategic Imperative 4 Quality Focus		

Improve Quality of Care and Patient Satisfaction	Admin Team & Sheri Mursick	1) Continue to engage staff by reporting results of NRC Picker, Qualitick, MERP, MBQUIP, STEEPS, & QAPI. Report results at Department Meetings. Achieve improvement by 5% 2) Track suggestions of Patient Advisory Committee and make changes where appropriate	Ongoing	June 2018
	Sheri Mursick Kerri Jex & Admin Team	3) Expand where appropriate HCAHPS indicators; i.e. SNF4) Expand "BETA Heart program and Just Culture		2 nd Quarter November 2017
		Strategic Imperative 5 People		

1) Continue employee engagement and Safety Survey	Admin Team & Mary Norman	Conduct and report at all levels results of survey / measuring opportunities for improvement. Achieve 10% improvement by June 2018	Ongoing	June 2018
Recruit full time Laboratory Manager	Erin Wilson & John Friel	1) Position filled – Interim	In Process	2 nd Quarter 2018
3) Provide additional support to the Human Resource Department	Erin Wilson & John Friel	Employ full time Human Resource Department Data Analogist	In Process	2 nd Quarter 2018
4) Review and propose changes to Health Benefit Providers	Erin Wilson	Recommendation to the Board of Directors	In Process	2 nd Quarter 2018
5) Evaluate and select a program for providing Customer Service Workforce training; i.e. Studer Group	Admin Team		On hold pending completion of Union Negotiations	3 rd Quarter 2018

6) Engage consultant to conduct Sensitivity Training for all staff	Admin Team	Completion of program with 75% participation	In process	2 nd Quarter 2018
7) Assure ability to recruit and retain staff	Erin Wilson	Conduct a wage salary review and propose salary adjustment where appropriate	On going	
		Review and revise all job descriptions to include approach to hard to fill positions.	Ongoing	
		Continually evaluate turnover and develop and implement program to reduce it		
		Review and revise employee evaluation process	Ongoing	
		5) Employee Recognition Program	Ongoing	
8) Successfully renegotiate new contract with OPEIU & UNAC	Erin Wilson	Multiyear contract within approved budgeted parameters with no work disruption	In process, negotiations started in July 2017	2 nd Quarter 2018

9) Ensure effective leadership rounding	Admin Team	Rounding completed consistently by AOC with weekly reporting at Admin Council	Ongoing	2 nd Quarter 2018
10) Ongoing development for Board of	John Friel	Annual Board Retreat with 100% attendance of Board Members	Ongoing	August 2017
Directors		Attendance of Annual QHR Board Leadership Meeting	Ongoing	
		3) At least 1 attendance by each Board Member of Regional/Local Seminar		
		Strategic Imperative 6 Regional Collaboration		
Evaluate opportunities for collaboration/clin ical relationship referral centers	John Friel	Continue discussion with LLUMC, Riverside Community Medical Center, Heritage Group. Open discussions with Desert Medical Center, Saint Mary's and Arrowhead Regional Center	Ongoing	June 2018
		Increase accessibility to managed care insurance plans; i.e. Heritage & Kaiser Permanente		



RESOLUTION NO. 17-451

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT ADOPTING A PROCLAMATION FOR HELEN WALSH AS 2017 HUMANITARIAN OF THE YEAR

WHEREAS, the Bear Valley Community Healthcare District has enjoyed the support of the Bear Valley Community Healthcare District Foundation for decades and has collaboratively worked with the Foundation to add services, equipment and programs that benefit patients and the community at large.

WHEREAS, over the past 10 years Helen Walsh has served the Bear Valley Community Healthcare District Foundation Board as a member and over half that time as the President of the Foundation.

WHEREAS, during her leadership tenure Bear Valley Community Healthcare District has received hundreds of thousands of dollars through the Foundations generosity and support.

WHEREAS, Bear Valley Community Healthcare District is greatly appreciative of Helen Walsh's leadership as a volunteer and a donor and hereby passes this resolution in honor of Helen Walsh being selected as Humanitarian of the Year for 2017 by Bear Valley Community Healthcare District

WHEREAS, Bear Valley Community Healthcare District holds Helen Walsh in high esteem and desires to make this known for the record; the Bear Valley Community Healthcare District does proclaim its deep and sincere gratitude for, and appreciation of, the dedication, talent, and service of Helen Walsh; and the Bear Valley Community Healthcare District does hereby commend Helen Walsh for her many significant accomplishments on behalf of the Bear Valley Community Healthcare District.

Bear Valley Community Healthcare District.
APPROVED AND ADOPTED this 09 th , day of August 2017.
Donna Nicely, President, Board of Directors
Gail McCarthy, Secretary, Board of Directors



BYLAWS OF BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT 2017

Mission

To deliver the highest quality of care to all members of the community and visitors through the most effective use of available resources

Vision

To be the premier provider of emergency medical and health care services in a rural community

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PREAMBLE

These District Bylaws are adopted by the Bear Valley Community Healthcare District (the District) Board of Directors (the Board) pursuant to and consistent with Division 23 of the Health and Safety Code of the State of California, known as "The Local Health Care District Law". These District Bylaws are established to further enable the Board to Faithfully Exercise its powers and fiduciary duties in accordance with applicable law.

ARTICLE 1

SCOPE AND PURPOSE

SECTION 1 NAME NATURE OF DISTRICT

The name of this nonprofit Healthcare District Organization shall be the Bear Valley Community Healthcare District, organized under the terms of the Local Healthcare District Law, Division 23 of the California Health and Safety Code Section (32000, et seq.) to promote the public health and general welfare.

Bear Valley Community Healthcare District (the "District") is a healthcare district organized under the Local Health Care District Law of the State of California (Health & Safety Code, Sections 32000 and following).

SECTION 2 DEFINITIONS BYLAWS

- "Administrator / CEO" shall include and refer to the Hospital Administrator or an Administrator of Bear Valley Community Hospital and shall mean the Chief Executive Officer of the District.
- "Board" shall mean the Board of Directors, of the District, or the Governing Body of the District.
- "Brown Act" means the Ralph M. Brown Act, Chapter 9, Division 2, Title 5 of Government Code (54950, edotseq).
- "CAH" shall mean Critical Access Hospital.
- "CDPH" shall mean the California Department of Public Health.
- "Chief Executive Officer" shall include and refer to the Administrator of Bear Valley Community Hospital and the District.
- "Chief Financial Officer" shall include and refer to the CFO of Bear Valley Community Hospital and the District.
- "Chief Nursing Officer" shall include and refer to the CNO of Bear Valley Community Hospital and the District.

- "CMS" shall mean the Center for Medicare and Medicaid Services.
- "DHCS" shall mean the Department of Health Care Services.
- "District" shall mean the Bear Valley Community Healthcare District or Bear Valley Community Hospital.
- "Facilities" shall mean a Healthcare Facility, Hospital, Clinic and other establishments operated by the District.
- "Hospital Auxiliary" shall mean Bear Valley Community Hospital Auxiliary, a California Non Profit Public Benefit Corporation, a 501 (c) 3.
- "Hospital Foundation" shall mean Bear Valley Community Healthcare District Foundation a California Non Profit Public Benefit Corporation, a 501 (c) 3.
- "Medical Record" shall mean and include, but not be limited to, personal identification data, treatment and findings of a medical nature.
- "Medical Staff" shall mean the organized Medical Staff of Bear Valley Community Hospital.
- "Physician" shall mean a physician or surgeon licensed to practice medicine in the State of California and whom the Board of Directors has credentialed to practice at Bear Valley Community Hospital or at any District Facilities.
- "Practitioner" shall mean and include Podiatrist, Chiropractor, Dentist, Physician Assistant, Nurse Practitioner, Licensed Clinical Social Worker, Certified Registered Nurse Anesthetist and Psychologist licensed to practice in the State of California has been credentialed to practice at Bear Valley Community Hospital or at any District Facilities by the Board of Directors.
- "Quorum Health Resource" shall mean "QHR". QHR shall provide said District the services of Chief Executive Officer and Chief Financial Officer. QHR will provide specialty consultants on an as need basis upon Board approval.
- "Telemedicine/Telehealth" shall mean medical service provided by a credentialed provider through telephonic systems.

ARTICLE 1 SCOPE OF PURPOSE

SECTION 1 NATURE OF DISTRICT

Bear Valley Community Health District (the District") is a Healthcare District organized under the Local Health Care District Law of the State of California (Health & Safety Code, Sections 32000, et seq.).

SECTION 2 MISSION & VISION STATEMENT

The Mission of Bear Valley Community Healthcare District is to deliver quality healthcare to the residents of and visitors to Big Bear Valley through the most effective use of available resources. The vision of Bear Valley Community Healthcare District is to be the premier provider of emergency medical and healthcare services in our Big Bear Valley.

SECTION 3 RELATIONSHIPS

The Board recognizes it is most effective in maintaining, improving, and restoring the health of everyone in our community when it works in collaboration with others. Among our partners are Residents of the Community, the Hospital, the Medical Community, and other Health Care Providers. Although the responsibilities of the Board are set forth in our public trust, with Fiduciary responsibility, care, and in State Law. It is the intent of the Board to maximize its impact on health by building strong, cooperative relationships.

SECTION 4 SCOPE OF BYLAWS

These bylaws are intended for the regulation of the District, its Board of Directors (the "Board") and Bear Valley Community Hospital (the "Hospital"). These bylaws shall be regarded as rules and regulations of the District adopted pursuant to the Local Health Care District Law, and any powers hereunder with respect to the operation of the Hospital shall be interpreted to be consistent with such law.

The Governing Board may delegate certain powers to the Administrator/CEO, Medical Staff, or other affiliated subordinated organizations or groups. No assignment, referral, or delegation of authority by the Governing Board shall preclude the Governing Board from exercising the authority required to meet its responsibilities or operation of Bear Valley Community Healthcare District and the quality of patient care. The Governing Board shall retain the right to rescind any such delegation.

SECTION 5 PURPOSES AND POWERS

The jurisdiction, powers, and purposes of the District, its Board of Directors and its officers and agents shall be as now or hereafter provided by the provisions of the Local Health Care District Law subject thereto, the purposes of the District shall include, but not necessarily be limited to, the following:

- a) Within the limits of Hospital and community resources, to establish, maintain, and operate, or provide assistance in the operation of one or more health facilities or health services, including, but not limited to, acute and continued care of the injured and ill, outpatient programs, retirement programs, or other health care programs, services and facilities and activities at any location within or without the District for the benefit of the District and the people served by the District, regardless of race, creed, national origin, gender, religion, handicap, ability or inability to pay for services, method of payment, or any other basis prohibited by law.
- b) To coordinate the services of the District with community agencies and other hospitals providing specialized care.
- c) To conduct educational and research activities essential to the attainment of its purposes.
- d) The Bylaws and Rules and Regulations of the Medical Staff, the Hospital Auxiliary, Bear Valley Community Healthcare District Foundation and other affiliated subordinate organizations and groups and any amendments to such Bylaws, shall not be effective until the same are approved by the Governing Board.
- e) To contract with legal counsel to advise the Board of Directors in all matters pertaining to the business of the District.
- f) To employ/retain/contract any officers, and employees, consultants, and other professionals the Board of Directors deems necessary to properly carry on the business of the District.
- g) To do any and all other acts and things necessary to carry out the provisions of the Local Health Care District Law.

SECTION 6 PROFIT OR GAIN

There shall be no contemplation of profit or pecuniary gain and no distribution of profits to any individual, under any guise whatsoever, nor shall there be any distribution of assets or surpluses to any individual upon dissolution of this District. Use of the District Letterhead for personal profit or gain is strictly prohibited. •

SECTION 7 DISPOSITION OF SURPLUS

Should the operation of the District result in a surplus of revenue over expenses during any particular period, such surplus may be used and dealt with by the Directors for improvements in the Hospital's facilities and services for the care of the sick, injured or disabled, or for other purposes not inconsistent with the Local Health Care District Law or these bylaws.

The District shall have the authority to dispose of surplus property consistent with requirements of Health and Safety code 32121.2.

SECTION 8 HARASSMENT AND DISCRIMINATION

It is the policy of the District that there be no discrimination or harassment against any person or employee on the basis of race, color, religion, sex, pregnancy, martial or domestic partner status, sexual orientation, gender identity or expression, age, ancestry, national origin, disability, or medical condition, as defined in applicable State and Federal Laws, or for any other reason whatsoever. In keeping with this policy, the District will not tolerate discrimination or harassment of any kind by any District Personnel, Contractors and/or Vendors.

Any alleged or reported incidents of discrimination or harassment will be thoroughly investigated by Senior Management and/or Legal Counsel, and after reviewing the facts and circumstances, a determination concerning whether reasonable grounds exist to believe that harassment or discrimination has occurred, will be made. If it is determined to have occurred, the matter will be addressed and appropriate action will be promptly taken by either Senior Management, Legal Counsel and/or by the Board of Directors.

ARTICLE II

GENERAL PROVISIONS

SECTION 1 PRINCIPAL OFFICE

The principal office for the transaction of the business of the District is hereby fixed at 41870 Garstin Drive, Big Bear Lake, San Bernardino County, California. Branch offices may at any time be established by the Board of Directors at any place or places within the geographical boundaries of the District, when necessary or desirable for the conduction of business of the District.

The principle US Mail address of the District is: PO Box 1649 Big Bear Lake, California, 92315.

SECTION 2 SEAL

The Board shall have the power to adopt a form of corporate seal and to alter it at its pleasure. The Secretary may affix the seal to all appropriate documents. The failure to affix the seal shall not affect the validity of any instrument.

ARTICLE III

DIRECTORS

SECTION 1 NUMBER AND QUALIFICATIONS

The Board of Directors shall consist of five members, each of whom shall be a registered voter residing in the District, elected by the public from registered voters of the District in accordance with California Health and Safety Code Section 32100, et, seq.

Candidates for the Board of Directors shall not have a direct or indirect financial interest in the Hospital and shall not be engaged in any business transaction or professional activity which is in substantial conflict with the discharge of the powers and duties of a Director **as defined in Article III, Section 5** of these bylaws. A substantial conflict of interest arises when an official expects to derive a direct monetary gain or suffer a direct monetary loss by reason of his or her official activity, or the activity of said Director's spouse. A substantial conflict does not exist if a Director accrues no greater benefit or detriment as a member of a business, profession, occupation or group than any other Director. If a Director shall recuse themselves from any discussion on the matter, as well as any vote on the matter.

Pursuant to Government Code Section 53227, an employee of the District/Hospital may not be sworn into office as an elected or appointed member of the Board of Directors unless he or she resigns as an employee. If the employee does not resign, the employment shall be deemed automatically terminated upon his or her being sworn into office.

SECTION 2 ELECTIONS AND TERM

The election of Directors shall be consolidated with the statewide general election and shall be held in each even numbered year. A Director shall be elected for a term of four (4) years or until his or her successor is elected and has qualified. The term of Directors shall be staggered such that two seats are filled in one District election and three seats are filled in the following District election. Prior to taking office, each elected officer shall take the official oath and execute any bond required by the principal act. Per State and County regulations, (California Election Code, Division 10 Section 10554), elective officers, elected or appointed pursuant to this part, take office no later than the first Friday in December following the November general district election.

SECTION 3 VACANCIES

Any vacancy on the Board shall be filled by appointment by a majority vote of the remaining members of the Board. Any person appointed to fill such vacancy shall hold office for such term and under such conditions as specified by California Government Code Section 1780, California Health & Safety Code 32100.1.In the event that a Board Member resigns his or her position, the Board Member must contact Administration. Administration must contact the Office of Registrar of Voters immediately. A new Board Member shall be appointed to fill the vacated position from applicants who meet qualifications for election by vote of the remaining Board Members in a publicly noticed open meeting. The appointed Board Member shall serve until the next general election.

SECTION 4 GOVERNING BOARD REMOVAL

Any member of the Governing Board may be recalled by the voters of the District by following the recall procedure set forth in the California Election Code and other applicable law.

SECTION 5 ORIENTATION

A newly elected or appointed Director shall receive an orientation to the roles and responsibilities of the position by the CEO, and the President of the Board of Directors, or their designee, within 30 days of taking office. State mandated courses which include, but are not limited to, AB1234, and Sexual Harassment, must be completed and renewed by all Board Members within the state mandated time frame. HIPAA, Compliance, and Ethics Training are also to be completed and renewed by all Directors annually or within the State mandated time frame.

SECTION 6 POWERS AND DUTIES

The Board shall have and exercise all the powers of a Health Care District as set forth in the Local Health Care District Law, California Health and Safety Code 32000 that are necessary for fulfilling its mission. These shall include, but are not limited to the following:

- a) To control and be responsible for the financial viability and management of all operations and affairs of the District and the Hospital.
- b) To make and enforce all rules and regulations necessary or desirable for the Administration, Government, protection, and maintenance of the Hospital and other facilities under District jurisdiction.
- c) To approve or disapprove all articles of incorporation, constitutions, bylaws, rules and regulations, including amendments thereof, of all affiliated or subordinate organizations.
- d) To approve policies for the operation of the District and its facilities including the Hospital. Policies that address cross-functional, interdisciplinary, and/or multi-departmental activities shall be developed collaboratively among Hospital representatives responsible for such activities.
- e) To designate by resolution persons who shall have authority to sign checks drawn on the funds of the District.
- f) To negotiate and enter into agreements with independent contractors, including practitioners and paramedical personnel.
- g) Using criteria, to appoint a Chief Executive Officer and to define the qualifications, powers, and duties of such appointee.
- h) To delegate certain powers to the Medical Staff and other affiliated or subordinate organizations in accordance with their respective bylaws.
- i) To provide for the organization of physicians, surgeons, podiatrists, dentist and chiropractors licensed to practice in this state and who are permitted to practice in the hospital with a formal medical staff, with appropriate officers and bylaws and with staff appointments on a biennial basis.

- j) To provide that the medical staff shall be self-governing with respect to the professional work performed in the hospital and, that the medical staff shall meet in accordance with the minimum requirements of the laws of the State of California.
- k) To provide for a procedure for appointment and reappointment of medical staff as provided by medical staff bylaws and the laws of the State of California.
- 1) To provide that accurate and complete medical records be prepared and maintained for all patients by proper hospital staff.
- m) To approve negotiated agreements with representative labor organizations.
- n) To provide for resources and support systems for the quality improvement functions and risk management functions related to patient care and safety.
- o) To regularly monitor, through information provided by appropriate persons and entities, such as designed committees of the Medical Staff, the quality and appropriateness of services provided.
- p) To do any and all other acts and things necessary to carry out the provisions of these bylaws or the Local Health Care District Law.
- q) To provide for the election of its officers and for the appointments of committees as necessary to effect the discharge of its responsibilities. In addition, to adopt a schedule of meetings, attendance requirements, and methods of recording minutes of the Board's proceedings.
- r) To assure that major plans and programs are designed to meet objectives and are consistent with recognized planning agency recommendations, and are justified by present and future community health needs. Such plans and programs shall reflect the Hospital's present and future role in meeting community health needs.
- s) To perform the functions inherent, and maintenance of, any elective or required accreditation of the Hospital. To be actively involved in any accreditation process which shall include participation in a Hospital survey process when deemed necessary.
- t) To authorize the purchase, lease, and disposal of capital and noncapital equipment needed to meet its mission, California Health and Safety Code 32122, 32132.
- u) To acquire, lease, manage, and dispose of real assets for the purpose of meeting its mission, California Health and Safety Code 32121, 32123, 32126.
- v) To place before the public for vote parcel tax, ad valorem tax, and bond measures to finance health care services and facilities. California Health and Safety Code 32127.

SECTION 7 COMPENSATION

The Board of Directors shall serve without compensation, except that the Board of Directors, by a resolution adopted by a majority vote of the members of the Board, may authorize payment not to exceed one hundred dollars (\$100.00) per Brown Act meeting attended and not to exceed five Brown Act meetings a month as compensation to each member of the Board of Directors. Board Members shall not be compensated for any month

in which the member does not attend any Brown Act meetings. California Health & Safety Code 32103.

Each Member of the Board of Directors shall be allowed his or her actual necessary travel and incidental expenses incurred in the performance of official business of the District as approved by the Board. Should any member of the Board of Directors request compensation for any activity other than a meeting, as defined by the Brown Act, a majority vote of the Board is required prior to attending such activity. A Board Member shall be compensated with a stipend not to exceed one hundred dollars (\$100.00) for attending educational seminars related to the official business of the District. This \$100 will not count towards the \$500 monthly stipend limit for attendance at Brown Act Meetings, it is separate and in addition thereto.

SECTION 8 ABSENCES FROM REGULAR MEETINGS

All Board members shall notify the President or designee no later than 24 hours prior to any regular meeting of their intent not to attend said meeting. If any member of the Board is absent, with or without excuse, from meetings of the Board for three consecutive regular meetings or from three of any five consecutive (regular or special) meetings of the Board (Local Health Care District Law 32100.2), the Board by resolution, shall declare that a vacancy exists on the Board, and that Director's term shall expire upon adoption by the Board of such resolution.

SECTION 9 DIRECTORS' PERFORMANCE REVIEW

The Board shall, at least annually, review and document its performance with regard to its responsibilities as the governing body of the District no later than February 1st of each calendar year. A plan shall be developed by the Directors to facilitate improvement in any areas judged as needing improvement. The plan will identify specific problems, a methodology, and time frame for resolution, assignment of responsibility, and measurement criteria for identifying when resolution has occurred.

SECTION 10 CONTRACTS REQUIRING BIDS

Except as otherwise provided in Health and Safety Code Section 32132, or in Chapter 3.2 (commencing with Section 4217.10) of Division 5 of Title 1 of the Government Code, the Board shall let any contract involving an expenditure of more than twenty-five thousand dollars (\$25,000) for materials and supplies to be furnished, sold, or leased to the district, or any contract involving an expenditure of more than twenty-five thousand dollars (\$25,000) for work to be done, to the lowest responsible bidder who shall give the security the board requires, or else reject all bids.

ARTICLE IV

MEETING OF DIRECTORS

SECTION 1 PUBLIC MEETINGS

All meetings of the Board, whether regular, special, or adjourned, shall be open to the public except for closed or executive sessions authorized by law. The designated

representative(s) of the management company retained by the Healthcare District, Quorum Health Resources, LLC, may, at the discretion of the Board of Directors, have authority to attend closed session meetings of the Board.

Closed sessions may involve only the members of the legislative body and only agency counsel, management and support staff, and consultants necessary for the consideration of the matter that is the subject of closed session. Individuals who do not have an official role in advising the legislative body on closed session subject matters must be excluded from closed session discussions. (98 Ops. Cal. Atty. Gen 1011 (1999)

SECTION 2 QUORUM

A majority of the members of the Board shall constitute a quorum for the transaction of business at any duly convened meeting of the Board.

SECTION 3 REGULAR MEETINGS

At a scheduled December meeting or, at the latest, the January Board Meeting the regular monthly meetings of the Board for the upcoming calendar year shall be established. (Government Code Section54954.2). The Board may from time to time change the day and time of such regular meetings as dictated by holiday schedules or changing circumstances. The regular meetings will be limited to five (5) hours in length, unless specifically extended by majority vote of the Board. If the business of the Board is not completed in the five (5) hour meeting limit, and the meeting limit is not so extended, a Special Meeting will be scheduled to complete the business of the Board or the Board may vote to add those items not addressed to the next regularly scheduled meeting of the Board.

SECTION 4 SPECIAL MEETINGS

Special meetings may be called by the President of the Board or by a majority of the members of the Board (Government Code Section 54956) by giving notice to each member of the Board, each local newspaper of general circulation, and each radio or television station requesting the notice in writing. The notice shall be delivered by hand, by mail or by electronic device and shall be received at least twenty-four (24) hours before the time of the meeting as specified in the notice, except for emergency meetings held in compliance with the Government Code Section 54956.5. The call and notice for special meetings shall specify the time and place of the special meeting and the business to be transacted and no other business shall be considered at such meetings. Written notices may be dispensed with in the case of a Board member, who at or prior to the time of the special meeting, files a written waiver of notice with the clerk of Secretary of the Board. Likewise, written notices may also be dispensed with in the case of members who are actually present at the special meeting when it convenes.

SECTION 5 ADJOURNMENT

The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment, provided that the provisions comply with Government Code Section 54955.

SECTION 6 POSTING OF AGENDAS

The Board shall post agendas of all regular meetings, containing a brief general description of each item of business to be transacted or discussed at the meeting, at least seventy two (72) hours before such meeting. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. No action shall be taken on any item not appearing on such posted agendas, except as provided by Government Code Section 54954.2.

SECTION 7 OPPORTUNITY FOR PUBLIC TO ADDRESS THE BOARD

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the Board directly on any item, provided that such matters are within the subject matter jurisdiction of the Board, and provided that no action shall be taken by the Board on any item arising out of such addresses unless the matter already appears on the agenda for that meeting. The Board may adopt reasonable regulations which govern the amount of time allocated to, and the decorum of, members of the public addressing the Board.

Government Code Section 54954.3

SECTION 8 OPPORTUNITY FOR PARTICIPATION BY MEDICAL STAFF The Chief of the Medical Staff shall be entitled to attend and participate in discussions at all open Board meetings.

SECTION 9 MINUTES

The secretary of the Board shall cause to be kept at the principal office of the District a book of minutes of open meetings of the Board. The minutes shall indicate time, place, and whether regular or special. If a special meeting, the minutes shall indicate how the special meeting was authorized, the notice given, the names of the Directors present, and a statement of the vote of the Directors on all motions and resolutions if taken.

SECTION 10 VOTING RIGHTS

Each Director shall have one vote on each issue properly raised at meetings of the Board. There shall be no voting by proxy or absentee ballot.

SECTION 11 SPECIFIC ITEMS ADDRESSED DURING REGULAR MEETINGS

At the regularly scheduled Board meetings, the Board shall discuss and report on information or action taken concerning Department Management Reports, Human Resources, Planning & Facilities, and the District's Finances. The foregoing list is not intended to be exhaustive and the Board reserves the right to modify the list as necessary to accommodate the needs of the District, however a balanced agenda will be managed regarding the monthly reports provided by staff.

ARTICLE V

OFFICERS

SECTION 1 OFFICERS

The officers of the Board shall be President, First Vice President, Second Vice President, Secretary, and Treasurer.

SECTION 2 ELECTIONS OF OFFICERS

The officers of the Board shall be chosen every year by the Board during its first Regular or Special Board Meeting in December. If there is no Board Meeting held in December, and/or if a majority of the Board agrees to do so, the officers of the Board shall be chosen at the first Regular or Special Board Meeting in January. Each officer shall hold office for one year or until his/her successor is elected and qualified, or until he or she resigns or is otherwise disqualified to serve.

SECTION 3 PRESIDENT

The Board shall elect one of their members to act as President. If at any time the President shall be unable to act, the First Vice President shall perform the President's duties. If the First Vice President shall also be unable to act, the second Vice President shall perform the president's duties.

The President shall:

- a) Preside over all **Board of Directors Business Board Meetings.** of the Board.
- b) Sign as President, on behalf of the District, all instruments in writing which he or she has been specifically authorized by the Board to sign.
- c) The President shall work with Administrator and Administrative Assistant to prepare and approve the Business Board Meeting Agenda.

SECTION 4 FIRST VICE PRESIDENT

The First Vice President shall, in event of absence, or other inability of the President, exercise all powers and perform all the duties herein given to the President.

SECTION 5 SECOND VICE PRESIDENT

In the absence of both the President and the First Vice President, the Second Vice President shall exercise all powers and perform all the duties herein given to the President.

SECTION 6 SECRETARY

The secretary shall keep, or cause to be kept, accurate minutes of all meetings, all meetings on order of the President, attend to all correspondence of the Board, and perform such other duties as ordinarily pertain to this office or which are designated by the Board.

SECTION 7 TREASURER

The Treasurer shall be the Chair of the Finance Committee and shall be charged with the safekeeping and disbursal of the funds in the treasury of the District. Except as to principal

and interest of bonds, moneys in the treasury of the District shall be paid out by the Treasurer or such other officer or officers of the District as may be authorized by the Board. The Treasurer shall keep or cause to be kept such orders as vouchers, receipts, accounts, disbursements, maintenance of financial records of the District and to prepare such financial reports as are required by the Board.

SECTION 8 OTHER OFFICERS

The Board may create such other offices as the business of the District may require and the holder of each such office shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine. Where permitted by law such additional offices may be filled by either members or nonmembers of the Board.

ARTICLE VI

COMMITTEES OF THE BOARD

SECTION 1 COMMITTEES GENERALLY

Committees of the Board may be established by resolution of the Board. If so established, committees shall continue in existence until discharged by the Board. The committees may be standing or special("ad hoc") committees. Members of the Medical Staff shall be included in Board committee meetings that deliberate issues affecting the discharge of Medical Staff responsibilities. Members of the community may be appointed by a majority vote of the Board to special committees of the Board. Where required by these bylaws or appointed by the Board, hospital employees shall be members of committees, shall serve in an ex officio capacity, and shall not be entitled to a vote.

SECTION 2 SPECIAL (AD HOC) COMMITTEES

The President with the concurrence of the Board may, from time to time, appoint one or more members of the Board and other persons as necessary or appropriate to constitute a special (ad hoc) committee or task force for the investigation, study or review of specific matters. A special (ad hoc) committee or task force shall be discharged upon completion of the task for which it was constituted upon action by the Board, whichever occurs first. If the special (ad hoc) committee is composed of less than a quorum of the legislative body then the special (ad hoc) committee is not subject to the Brown Act.

SECTION 3 FAIR POLITICAL FORM 806

Pursuant to FPPC Regulation 18702.5, the District is required to promptly file a Form 806 reflecting the new position(s) on their website. Furthermore, the Form 806 shall be amended promptly upon any of the following circumstances: 1) The number of scheduled meetings is changed, 2) There is a change in the compensation paid to the member, 3) There is a change in membership on the Board, Committee or Commission, or 4) There is a new appointment to a new agency. The Form 806 will be posted on BVCHD's website listing all the paid appointed positions.

SECTION 4 QUORUM AND VOTING

A Majority of the members of a committee, including at least one board member, shall constitute a quorum, and any transaction of a committee shall require a majority vote of the quorum present at any meeting. Each member of a committee, including the person presiding at the meeting, but not including ex officio members, shall be entitled to one vote. There shall be no voting by proxy or absentee ballot.

SECTION 5 MEETINGS OF COMMITTEES

Regular meetings of the standing committees or special committees, as may be established, shall be scheduled by members of each committee. The committee may change the time and day of such regular committee meetings as dictated by holiday schedules or changing circumstances. Each committee shall keep minutes of its meetings and the chair of the committee, or his/her designees shall promptly and regularly report to the Board concerning its recommendations. Committees composed of or attended by a majority of the members of the Board, as well as standing committees of which two or more members of the Board are committee members, shall comply with the requirements for open meetings, notice, posting of agendas and other matters with respect to meetings or the Board set forth in Article IV of these bylaws.

SECTION 6 AUTHORITY

All committees, as may be established, shall serve only as advisors to the Board, and no committee shall have any power or authority to commit the Board, the Hospital, or the District in any manner or to expend any funds of the Hospital or the District.

ARTICLE VII

CHIEF EXECUTIVE OFFICER

The Board, upon recommendation by the management company retained by the Healthcare District, Quorum Health Resources, LLC, shall select a person who, by virtue of education and experience, has demonstrated his or her qualifications to be Chief Executive Officer of the Healthcare District. Subject to the Chief Executive Officer's service agreement and such policies as may be adopted and such orders as may be issued by the Board, the authority and responsibility of the Chief Executive Officer shall include:

- a) Carrying out all policies established by the Board and advising on the formation of these policies.
- b) Developing and submitting to the Board for approval an organizational chart for the conduct of Healthcare District operations and recommending changes to that plan when necessary.
- c) Directing the preparation of, and adherence to, an annual budget; including expected revenue, expenditures and balance sheet.
- d) Supervising business affairs to ensure that funds are collected and expended per the District adopted budget.
- e) Developing and maintaining personnel policies and practices which include the selection, employment, supervision and termination of employees.

- f) Maintaining physical properties in a safe state of repair and operating condition in compliance with Title 22.
- g) Working with healthcare professionals to ensure patient care is consistently rendered.
- h) Presenting to the Board, or its authorized committees, reports reflecting the professional services and financial activities of the Hospital.
- i) Attending all meetings of the Board and serving on committees as required.
- j) Serving as a liaison between the Board and its committees; assists the Medical Staff with its organization and administrative requirements.
- k) Preparing the District's Strategic Plan and periodically evaluating, updating and presenting findings to the Board.
- 1) Representing the Hospital in its relationship with other agencies.
- m) Preparing, in conjunction with the Board, the Chief Executive Officer's performance evaluation, which shall be reviewed and approved by the Board on an annual basis and placed in the Chief Executive Officer's personnel file.
- n) Ensure compliance with applicable laws, regulations, and standards of performance as well as acting on reports and recommendations of authorized regulatory and accrediting agencies.
- o) Performing other duties as necessary or as required by the Chief Executive Officer's service agreement.

ARTICLE VIII

MEDICAL STAFF

SECTION 1 ORGANIZATION

There shall be a Medical Staff organization for the District's Hospital with appropriate officers and bylaws and with staff appointment on a biennial basis. The Medical Staff of the Hospital shall be self-governing with respect to the professional work performed in the Hospital. Membership in the Medical Staff organization shall be a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws.

SECTION 2 MEDICAL STAFF BYLAWS

The Medical Staff shall propose and adopt by vote bylaws, rules and regulations for its internal governance, which shall be subject to and effective upon Board approval, which shall not be unreasonably withheld. The bylaws, rules and regulations shall be periodically reviewed for consistency with Hospital policy and applicable legal or other requirements. The bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board. The bylaws, rules and regulations shall state the purpose, functions, and organization of the Medical Staff and shall set forth the policies by which the Medical Staff exercises and accounts for its delegated authority and responsibilities. The bylaws, rules and regulations shall also establish mechanisms for the selection by the Medical Staff of its officers, departmental chairmen and committees.

SECTION 3 LIABILITY INSURANCE

Medical Staff members must obtain, submit to the Chief Executive Officer (or designee) of the Hospital, proof of, and maintain professional liability insurance in the amount of not less than \$1 million dollars per occurrence and \$3 million dollars in the aggregate. Medical Staff members shall notify the Chief Executive Officer of **any change** in the amount or scope of such insurance.

SECTION 4 QUALITY IMPROVEMENT, MEDICAL STAFF MEMBERSHIP AND CLINICAL PRIVILEGES

Membership on the Medical Staff shall be restricted to Practitioners who are competent in their fields, worthy in character and professional ethics, and who are currently licensed by the State of California. The bylaws of the Medical Staff may provide for additional qualifications for membership and privileges, as appropriate. The Board shall require, after considering the recommendation of the Medical Staff, the conduct of specific review and evaluation activities to assess preserve and improve the overall quality and efficiency of patient care in the Hospital. The Board shall also require mechanisms to assure the provision of one level of care, and to assure that patients with the same health problem are receiving a consistent level of care. Medical record review, direct observation/proctoring and on-going quality peer review shall be the basis for the medical staffs review and analysis of their clinical experience and expertise. The Board, through the Chief Executive Officer, shall provide whatever administrative assistance is reasonably necessary to support and facilitate these activities. The Board hereby delegates to the Medical Staff the responsibility and authority to carry out these activities including the investigation and evaluation of all matters relating to Medical Staff membership status, clinical privileges and corrective action. The Medical Staff shall forward to the Board specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action. Final action on all matters relating to Medical Staff quality assurance, membership status, clinical privileges, and correction action shall be taken by the Board after considering Medical Staff recommendations. The Board shall utilize the advice of the Medical Staff in granting and defining the scope of clinical privileges to individuals, commensurate with their qualifications, experience, and present capabilities. If the Board does not concur with a Medical Staff recommendation relative to any Medical Staff appointment, reappointment, or termination of appointment and granting or curtailment of clinical privileges, the matter shall be processed in accordance with the procedures set forth in the Medical Staff bylaws and applicable law before the Board renders a final decision. No applicant shall be denied Medical Staff membership and/or clinical privileges on the basis of sex, race, creed, color, age, or national origin, or on the basis of any other criterion lacking professional justification.

SECTION 5 TERMS AND CONDITIONS

The terms and conditions of membership status in the Medical Staff, and of clinical privileges, and corrective action, shall be specified in the Medical Staff bylaws.

SECTION 6 PROCEDURE

The procedure to be followed by the Medical Staff and the Board in acting on matters of membership status, clinical privileges, and correction action, shall be specified in the Medical Staff bylaws.

SECTION 7 HEARING AND APPELLATE REVIEW

Any adverse action taken by the Board with respect to a Practitioner's Medical Staff status or clinical privileges, shall, except under circumstances for which specific provision is made in the Medical Staff bylaws, be subject to the Practitioner's right to hearing and an appellate review in accordance with procedures set forth in the Medical Staff bylaws.

SECTION 8 JUDICIAL REVIEW

Section 1094.6 of the California Code of Civil Procedure shall govern the rights of any person aggrieved by the final decision of the Board, either with respect to decision pertaining to a Medical Staff issue or any other issue whatsoever upon which the board may act.

ARTICLE IX

RESERVATION OF AUTHORITY

No assignment, referral, or other delegation of the Board's authority to the Chief Executive Officer, the Medical Staff, or anyone else by these bylaws, by contract, or by other means shall preclude the Board from exercising the authority required to meet its responsibilities for the conduction of the District's business. The Board shall retain the right to rescind any such delegation.

ARTICLE X

ADJUNCT ORGANIZATIONS

SECTION 1 BEAR VALLEY COMMUNITY HOSPITAL AUXILIARY

There may be an organization designated the Bear Valley Community Hospital Auxiliary, a California nonprofit corporation (the "Auxiliary"). It shall be the purpose of the Auxiliary to promote and advance the welfare of the District, the Hospital and its patients through ways and means prescribed and approved by the Board. The bylaws and other governing documents of the Auxiliary, and the adoption, amendment or repeal thereof shall not be effective until approved by the Board.

SECTION 2 BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT FOUNDATION

There may be an organization designated the Bear Valley Community Healthcare District Foundation, (the "Foundation") a California nonprofit corporation. It shall be the purpose of the Foundation to work collaboratively with the District.

- a) to obtain, acquire, receive, accept, and hold gifts, contributions, donation, bequests, and devises of money, property and assets for the use and benefit of the District and the Hospital;
- b) to hold, manage, invest, deposit, lease, exchange, and sell such money, property, and assets for the use and benefit of the District and the Hospital;
- c) to pay and expend the moneys of the Foundation for the improvement, development, expansion, advancement, and maintenance of the District, the Hospital and the property, buildings, structures, furnishings, fixtures, equipment, and assets thereof: and
- d) to encourage and solicit gifts, contributions, donations, memorials, bequests and devises by last will and testament for the use and benefit of the District and the Hospital.

The Foundation shall not have any power or authority to commit the Board, the Hospital, or the District in any manner or to expend any funds of the Hospital or the District.

SECTION 3 OTHER ADJUNCT ORGANIZATIONS

The Board may authorize the formation of such other adjunct organizations as it may deem necessary or desirable to carry out the purposes of the District. Such organizations shall be subordinate to the Board and shall be organized and operated in a manner approved by the Board.

ARTICLE XI

CONFLICT OF INTEREST CODE

The Board shall adopt and maintain in force a Conflict of Interest Code, which shall conform to the provisions of California Government Code Sections 81000 and following, annually or as California Government Code Sections 81000 is amended. A Board Member shall recues himself/herself from any discussion and/or voting on any issues before the Board that could create a Conflict of Interest.

ARTICLE XII

REORGANIZATION/DISSOLUTION OF THE DISTRICT

Any provision for reorganization/ dissolution of the District shall be subject to confirmation by the voters of the District in accordance with Cortese-Knox Local Government Reorganization Act of 1985, Government Code Section 56000 et seq.

ARTICLE XIII

AMENDMENT AND REVIEW

These bylaws may from time to time, be amended, or repealed, and new or additional bylaws adopted at any regular meeting of the Board by unanimous approval of the Board. In the event a proposed amendment to or repeal of the bylaws does not receive unanimous approval at its initial presentation to the Board, said action, may be presented to the Board for vote at the next regular Board meeting at which time adoption shall require an affirmative vote of at least three Board members. These bylaws should be reviewed annually.

MEMORANDUM

To: BVCHD Board of Directors

Fr: Deborah Tropp

Re: AHP Rules and Regulations change - Section O, subsection 1. c. and e., AHP Scope of

Practice Guidelines for Physician Assistant

Date: 7/26/2017

The most recent revisions to the AHP Rules and Regulations pertain to the section on "Scope of Practice Guidelines for Physician Assistant" and, specifically, the supervising physician's requirements as far as reviewing and countersigning records. The changes made reflect the requirements stated in Section 1399.545 of the Physician Assistant Regulations and are in line with the form "Delegation of Services Agreement" we previously prepared.

The requirement that all records/entries be countersigned by the supervising physician within 14 days was removed as it is not required by law.

Deborah

- c. Conditions and Standards of Practice
 - Nothing herein should be presumed as authorization to allow for independent practice at BVCHD.
 - Nothing herein shall create any vested rights to receive or to maintain any practice prerogatives at BVCHD.
 - The supervising physician will be the observer for his/her PA activities as identified under "Proctoring".
 - iv. A supervising physician shall be available in person or by electronic means at all times when the PA is caring for patients.
 - A request for consultation remains a physician contact. A Physician Assistant may not institute a request for consultation.
 - vi. The PA shall practice only under the direction and supervision of a supervising physician. No supervising physician shall supervise more than two (2) PA's at any time.
 - vii. The Physician Assistant shall perform only those tasks or functions within the scope of practice as described in these Rules and Regulations and as approved by the supervising physician, the Credentials Chair, the Medical Executive Committee, Board of directors and those permitted by law for his or her designated specialty as set forth in California Code of Regulation, Title 6, Section 1399.500 et seq. In addition, the PA at all times, will act within the scope of practice as set down in the delegation of services agreement, and approved by the Credentials Chair, and the Medical Executive committee.
- viii. Supervising Physician shall utilize one or more of the following mechanisms to supervise PA, as required by Section 1399.545 of the Physician Assistant Regulations:
 - Examination of the patient by Supervising Physician the same day as care is given by PA;
 - Supervising Physician shall review, audit and countersign every medical record written by PA within 30 days of the encounter; or
 - 3. Supervising Physician shall audit the medical records of at least five percent (5%) of the patients managed by PA under protocols which shall be adopted by Supervising Physician and PA, pursuant to Section 3502(c)(2) of the Business and Professions Code. Supervising Physician shall select for review those cases which by diagnosis, problem, treatment or procedure represent, in his or her judgment, the most significant risk to the patient.

vii.

viii. All data, summaries, progress notes, directions or other information entered into the medical record or chart of a patient by a PA shall be countersigned by the supervising physician within fourteen (14) days after chart entry. Pursuant to Section D. above, discharge summaries must also be countersigned by the supervising physician(s) within fourteen (14) days of discharge.

ix. If PA is operating under interim approval, Supervising Physician shall review, sign and date the medical records of all patients cared for by the PA within seven (7) days if Supervising Physician was on the premises when the patient was diagnosed or treated. If Supervising Physician was not on the premises at

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the time, he or she shall review, countersign and date such medical records within 48 hours of the time the medical services were provided

In order to continue the team approach for continuous quality of care, the Physician Assistant will inform and involve BVCH personnel when appropriate.

d. Duties and Tasks

Because the PA practice is directed by a supervising physician, and a PA acts as an agent for that physician, the orders given and the tasks performed by a PA are considered the same as if they had been given and performed by the supervising physician. Unless otherwise specified in these regulations, in the written delegation of service agreement, or in treatment protocols, the following duties may be initiated only with the prior patient specific order of the supervising physician:

 Order or transmit an order for x-ray, other studies, therapeutic diets, physician therapy, occupational therapy, respiratory therapy and nursing services.

 Order, transmit an order for, perform, or assist in the performance of laboratory procedures, screening procedures, and therapeutic procedures.

iii. Complete forms and charts pertinent to the patient's medical record, and provide services to patients requiring continuing care including following discharge and in accordance with the practice prerogatives.

 Recognize and evaluate situations which call for immediate attention of a physician, when necessary, treatment procedures essential for the life of the patient.

v. Instruct and counsel patients regarding matters pertaining to their physical and mental health. Counseling may include topics such as medications, diets, social habits, family planning, normal growth and development, aging and understanding of, and long term management of their diseases which are directly related to the specialty

 vi. Initiate and facilitate the referral of patients to the appropriate health facilities, agencies and resources of the community and prepare the appropriate transfer documents.

vii. Transmit orally, or in writing on the patient's medical records, a medication prescription from the supervising physician to a person who lawfully may accept and administer the medication, subject to certain limitations, with prescription transmittal authority.

viii. Assist the supervising/sponsoring member of the BVCHD Medical Staff with bedside procedures for which the supervising/sponsoring member of the BVCHD Medical Staff has privileges.

ix. Dressing and re-dressing of wounds.

x. Assist in surgery, if granted.

Bach department may delineate responsibilities, including procedures specific to the subspecialty involved (unless excluded above), with approval of the Credentials Chair and Medical Executive Committee.

e. Medical Records

A PA may record progress notes. All entries must be legible, dated and signed with title. Each time a PA cares for a patient and enters his/her name, signature, and initials on the patient record, the PA shall also enter the name of his/her supervising physician who is responsible for the patient. When a PA transmits an oral order, he/she shall also state the name of the supervising physician who is responsible for the patient. The supervising physician must eo sign all entries made by the PA within fourteen (14) days. See section C, section D and section O, subsections 1., c., viii, and ix, for co-signature requirements of the supervising physician on PA chart entries.

2. Nurse Practitioner

a. Scope of Practice

A Nurse Practitioner (NP) may only provide those medical services which he or she is competent to perform and which are consistent with the NP's education, training, and experience. When applicable, NPs function under standardized procedures (Title 16, Section 1474 Nursing Practice Act, California Code of Regulations) and protocols developed/recommended by the Credentials Chair, and the Medical Executive Committee and approved by BVCHD's Board of Directors.

The Nurse Practitioner (NP) supervising/sponsoring physician shall submit a signed, written request, which describes those tasks and functions that the NP would perform at BVCHD. If the NP works for a group of associated physicians, each physician must be listed as a supervising or sponsoring physician and they must agree in writing to assume full legal and medical responsibility for the actions of the NP. The NP may be granted selected authorization to perform the following practice prerogatives at BVCHD, but only for patients whose care is the direct

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT FOUNDATION

MISSION STATEMENT

The primary objectives and purposes of the Bear Valley Community Healthcare District Foundation are to raise charitable funds to support Bear Valley community Healthcare District. Our focus is to assist in providing additional state of the are facilities, equipment, and health related programs for the residents, workers and visitors to the Bear Valley Communities. This would also include any marketing and advertising as requested by the District, if approved by the Board of Directors.

BYLAWS

OF

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT FOUNDATION

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

BYLAWS

OF

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT FOUNDATION

A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

ARTICLE 1.

NAME

The name of this Corporation shall be Bear Valley Community Healthcare District Foundation.

ARTICLE 2.

OFFICES

SECTION 1. PRINCIPAL OFFICE

The principal office of the Corporation for the transaction of its business is located in San Bernardino Country, California.

SECTION 2. CHANGE OF ADDRESS

The county of the Corporation's principal office can be changed only by amendment of these Bylaws and not otherwise. The Board of Directors may, however, change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed an amendment of these Bylaws:

SECTION 3. OTHER OFFICES

The Corporation may also have offices at such other places, within or outside of the State of California, where it is qualified to do business, as its business may require and as the Board of Directors may from time to time, designate.

Date: _____

Date:

ARTICLE 3.

PURPOSES

SECTION 1. OBJECTIVES AND PURPOSES

The primary purpose of the Bear Valley Community Healthcare District Foundation is to create activities and programs intended to raise charitable and grant funds from the community and beyond to support the Bear Valley Community Healthcare District. Our focus is to assist in providing funding for additional state of the art facilities, equipment and health related programs.

SECTION 2. EXEMPT PURPOSES

The purposes for which this Corporation is organized are exclusively charitable and educational within the meaning of Section 501(c) (3) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statue). Notwithstanding any other provision of these Bylaws, the Corporation shall not, except to an insubstantial degree, engage in or carry on any activities or exercise any power that is not in furtherance with the goals and purposes of this Corporation, or which are not permitted to be carried on (i) by a Corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statue) or Section 23701(d) of the California Revenue and Taxation Code, as amended from time to time (or any successor statute) or (ii) by a Corporation, contributions to which are deductible under Section 170(c) (2) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statute) or under Section 17240 and related Sections of the California Revenue and Taxation Code, as amended from time to time (or any successor statute).

ARTICLE 4.

MEMBERSHIP

The Corporation shall have no member as that term is defined in Section 5056 of the California Non-Profit Corporation Law.

ARTICLE 5.

DIRECTORS

The Board of Directors of the Foundation shall consist of up to 12 voting directors but not less than 8 voting directors with the precise numbers being either increased or decreased from time to time by the Board of Directors elected by the Board of Directors as provided in Section 3 of this Article. In the event that the number of Directors is decreased either by amendment to these Bylaws, or by action of the Board of Directors, each Director in office shall serve until his resignation or removal as hereinafter provided.

SECTION 2. POWERS

Subject to the provisions of the California Non-Profit Public Benefit Corporation Law, the business and affairs of the Corporation shall be managed, and all Corporation powers shall be exercised, by or under the direction of the Board of Directors.

SECTION 3. DUTIES

It shall be the duty of the directors to:

- a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Corporation or by these Bylaws;
- b) Supervise all officers of the Corporation to insure that their duties are performed properly;
- c) Meet at such times and places as required by these Bylaws;
- d) Register their addresses with the Secretary of the Corporation and notices of meetings mailed, faxed or electronically mailed to them at such addresses shall be valid notices thereof.

SECTION 4. TERMS OF OFFICE

Each director shall hold office for two years and the period until the next annual meeting for election of the Board of Directors as specified in these Bylaws, and until his or her successor is elected and qualifies. Directors may be elected for additional two-year terms. Upon written request and upon approval of the Board of Directors, a Director may be granted a leave of absence for a period of time approved by the Board of Directors

SECTION 5. COMPENSATION

Directors shall serve without compensation. However, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their regular duties as specified in SECTION 3 of this Article. Outside directors may not be compensated for rendering services to the BVCHD, the BVCH Auxiliary, or this Corporation in any capacity.

SECTION 6. PLACE OF MEETING

Regular and special meetings of the Board of Directors must be held at any place within or outside the State of California that has been designated from time to time by resolution of the Board. In absence of such designation, regular and special meetings shall be held at the principal executive office of the Corporation.

SECTION 7. TELEPHONE MEETINGS

Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in such meeting can hear or communicate with each other.

SECTION 8. ANNUAL MEETING

The Annual Meeting of the Board of Directors shall be held in May of each year for the purpose of election of officers, if necessary, and the transaction of other business.

SECTION 9. MEETINGS

Regular meetings of Directors shall be held every month at a time and place designated by the Board of Directors. Other Special meetings shall be called at the discretion of the Chair/President or Board of Directors.

SECTION 10. SPECIAL MEETINGS

Special meetings of the Board of Directors for any purpose may be called at any time by the Board Chair/ President, Vice Chair/ President, the Secretary or Treasurer. Such meetings shall be held at a place within or outside the State of California, designated by the person or persons calling the meeting, and in the absence of such designation, at the principal office of the Corporation.

SECTION 11. NOTICE OF MEETINGS

Notice of the date, time and place of meetings shall be provided to the Secretary by the Chair/President. Secretary will then notice the Board of Directors and Members at large of the same.

SECTION 12. QUORUM

A quorum shall consist of six (6) directors.

Except as otherwise provided in these Bylaws or in the Articles of Incorporation of this Corporation, or by law, no business shall be considered by the board at any meeting at which a quorum, as defined, is not present, and the motion which the Chairperson shall entertain at such meeting is a motion to adjourn.

Notwithstanding the foregoing, in the event that there should at any time be fewer than 8 Members, a quorum shall consist of 100% of the directors then in office. No action can be taken at any meeting attended by less than 6 Members other than the appointment of new directors.

The irectors present at a duly called and held meeting at which a quorum is initially present may continue to do business notwithstanding the loss of a quorum at the meeting due to a withdrawal of directors from the meeting, provided that any action thereafter taken must be approved by at least a majority of the required quorum for such meetings or such greater

percentage as may be required by law or the Articles of Incorporation or Bylaws of this Corporation.

SECTION 13. VACANCIES

Vacancies on the Board of Directors shall exist (1) on the death, resignation or removal of any director, (2) at the end of a two year (2) year term as defined in Article 5. Section 4, (3) whenever the number of authorized directors is increased.

The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by final order of court, or convicted of a felony, or been found by a final order or judgment of any court to have breached any duty under Section 5230 and following the California Non-Profit Public Benefit Corporation Law.

Failure of a Director to attend at least eight (8) board meetings in a one-year period may also cause the Board of Directors to declare a vacancy.

Any Director may resign effective upon giving written notice to the Chair/ President of the Board, the Secretary, or the Board of Directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the Corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Attorney General.

If the resignation of a director is to be effective in the future, the remaining directors may vote by simple majority to accept the resignation effective anytime between the time the resignation is submitted and the future effective date and the Board of Directors may select a successor to take office as soon as the resignation becomes effective.

A person elected to fill a vacancy as provided by this Section shall hold office until the next annual election of the Board of Directors or until his death, resignation or removal from office

SECTION 14. NON LIABILITY OF DIRECTORS

The director shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

SECTION 15. INDEMNIFICATION BY CORPORATION

To the extent that a person who is, or was, a director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgement against such person by reason of the fact that he is, or was, an agent of the Corporation, or has been successful in the defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceedings. If such person either settles any such claim or sustains a judgement against him, then indemnification against expenses, judgments, fines settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this Corporation but only to

the extent allowed by, and in accordance with the requirements of Section 5238 of the California Non-Profit Public Benefit Corporation.

SECTION 16. INDEMNIFICATION BY CORPORATION

To the extent that a person who is, or was, a director, officer, employee or other agent of this Corporation has been successful on the merits in defense of any civil, criminal, administrative or investigative proceeding brought to procure a judgment against such person by reason of the fact that he is, or was, an agent of the Corporation, or has been successful in the defense of any claim, issue or matter, therein, such person shall be indemnified against expenses actually and reasonably incurred by the person in connection with such proceedings. If such person either settles any such claim or sustains a judgment against him, then indemnification against expenses, judgments, fines, settlements and other amounts reasonably incurred in connection with such proceedings shall be provided by this Corporation but only to the extent allowed by, and in accordance with the requirements of Section 5238 of the California Non-Profit Public Benefit Corporation.

SECTION 17. INSURANCE FOR CORPORATE AGENTS

The Board of Directors may adopt a resolution authorizing the purchase and maintenance on behalf of any Agent of the Corporation (including a director, officer, employee or other agent of the Corporation) against any liability other than for violating provisions of law relating to self-dealing (Section 5233 of the California Non-Profit Public Benefit Corporation Law) asserted against or incurred by the agent in such capacity or arising out of the agent's statues as such, whether or not the Corporation would have power to indemnify the agent against such liability under the provisions of Section 5238 of the California Non-Profit Public Benefit Corporation Law.

ARTICLE 6.

OFFICERS

Section 1. NUMBER OF EXECUTIVE COMMITTEE MEMBERS OF THE CORPORATION

The members of the Executive Committee of the Corporation shall be a Chair/President, Vice Chair/Vice President or Immediate Past Chair/Past President, Secretary and a Treasurer. Any number of offices may be held by the same person except that neither the Secretary nor the Treasurer may serve as Chair/President of the Board.

SECTION 2. QUALIFICATION, ELECTION AND TERM OF OFFICE

Any Director may serve as Officer of this Corporation after a 1 year term as a Director, as long as the Director has the equivalent of 1 year as a Director or Officer of another 501 (c) 3 organization. This applies only if no other qualified Director wants to serve as an officer.

SECTION 3. REMOVAL OF EXECUTIVE COMMITTEE MEMBERS

Any Executive Committee Member may be removed with or without cause by the Board of Directors at any regular or special meeting of the Board of Directors.

SECTION 4. RESIGNATION OF EXECUTIVE COMMITTEE MEMBERS

Any Executive Committee Member may resign at any time by giving written notice to the Corporation. Any resignation will take effect on the date of the receipt of that notice, or at any later time specified in that notice and accepted by the majority of the Executive Committee Members and unless otherwise specified in that notice the acceptance of that notice shall not be necessary to make it effective.

SECTION 5. VACANCIES

Any vacancy caused by death, resignation, removal, disqualification, or otherwise, of any Executive Committee Member shall be filled by the Board of Directors. In the event of a vacancy in any office other than that of Chair/President, such vacancy may be filled temporarily by appointment by the Chair/President until such time as the Board shall fill the vacancy. Vacancies occurring in offices of the Executive Committee Members appointed at the discretion of the Board may or may not be filled, as the Board shall determine.

SECTION 6. DUTIES OF THE CHAIRPERSON

The Chair/President shall, subject to the control of the Board of Directors, generally supervise, direct and control the business and the Executive Committee, agents and employees of the Corporation. He/she shall preside at all meetings of the Board of Directors. The Chair/President shall exercise such other powers and duties as may be prescribed by law, by the Articles of Incorporation, or by these bylaws, or as may be prescribed by the action of the Board of Directors.

The Chair/President shall have the power to transact all regular business of the Corporation during the period between the meetings of the Board, subject to any limitations imposed by the Board and with the understanding that all matters of major importance will be referred to the Board of Directors. Except as otherwise expressly provided by law, by the Articles of Incorporation, or by these Bylaws, he/she shall in the name of the Corporation, execute such deeds, mortgages, bonds, contracts, checks or other instruments, which may from time to time be authorized by the Board of Directors. The Chair/President shall serve as an ex-officio member of all committees.

SECTION 7. DUTIES OF THE VICE CHAIR/PRESIDENT OR IMMEDIATE PAST CHAIR/PRESIDENT

In the absence of the Chair/President or in the event of his/her inability or refusal to act, the Vice Chair/President or Immediate Past Chair/ President shall perform all the duties of the Chair/President, and when so acting, shall have all the powers, and shall be subject to all the restrictions on the Chair/President. The Vice Chair/President or Immediate Past Chair/ President shall have other powers and perform such other duties as may be prescribed by law,

by the Articles of Incorporation, or by the Bylaws, or as may be prescribed by the action of the Board of Directors.

SECTION 8. DUTIES OF THE SECRETARY

The Secretary shall:

Certify and keep at the principal office of the Corporation the original or a copy of these Bylaws as amended or otherwise altered to date.

Keep at the principal office of the Corporation or at such other place as the Board may determine, a book of minutes, of all meetings of the Board of Directors, and if applicable, meetings of committees, recording time and place, regular or special, how notice thereof.

See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

Be custodian of the records and of the seal of the Corporation and see that the seal is affixed to all duly executed documents, the execution of which on behalf of the Corporation under its seal is authorized by law or these Bylaws.

In general, perform all duties incident to the office of Secretary and such other duties as may be required by law, by the Articles of Incorporation of this Corporation, or by these Bylaws, or which may be assigned to him/her from time to time by the Board of Directors.

SECTION 9. TREASURER

The Treasurer shall be responsible for the following:

To account for all funds and securities of the Corporation, and cause to be deposited timely all such funds in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors.

To receive, and give receipt for, monies due and payable to the Corporation from any source whatsoever.

To disburse the funds of the Corporation as may be directed by the Board of Directors, taking proper vouchers for such disbursements.

To keep and maintain adequate and correct accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains and losses.

Ensure that the books of accounts or financial records of the Corporation may be exhibited at all reasonable times to its corporate agent or attorney on request thereof.

Render to the Chairperson and directors, whenever requested, an account of any or all of his/her transactions as Treasurer and of the financial condition of the Corporation.

Prepare, or cause to be prepared, and certify the financial statements to be included in any required reports.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of this office and for restoration to the Corporation of all its books, papers, voucher, money and other property of every kind in his/her possession or under his/her control on his/her death, resignation or removal from office.

In general, perform all duties incident to the office of Treasurer and such other duties as may be required by law, the Articles of Incorporation of the Corporation, or by these Bylaws, or which may be assigned to him/her by the Board of Directors.

ARTICLE 7

COMMITTEES

SECTION 1. EXECUTIVE COMMITTEE

The Executive committee shall consist of the Chair/President, the Vice Chair/Vice President or Immediate Past Chair/President, the Secretary and the Treasurer.

The Executive Committee shall act as a consulting body to the Chair/President who will set the agenda for the regular meeting of the Board of Directors. The power of all decisions rests with the Board of Directors.

SECTION 2. FINANCE COMMITTEE

The Finance Committee shall consist of the Treasurer, the Chair/ President and at least 1 member of the Board of Directors. However, more members of the Board may serve if approved by the Chair/President. The Finance Committee shall be responsible for supervising the management of all the endowment and trust funds to be properly invested with one or more trust companies or banks as duly authorized to conduct such business in the state. The Finance Committee shall request an annual certified audit by a qualified independent person, not a member of the Board of Directors, if required. .The Finance committee shall be responsible for all required State and General Filings.

SECTION 3. OTHER COMMITTEES

The Corporation shall have such other committees as may from time to time be designated by the Board of Directors. Such other committees may consist of persons who are not also members of the Board of Directors. These additional committees shall act in an advisory capacity only to the Board and shall be clearly titled as "advisory" committees.

ARTICLE 8.

RECORDS AND REPORTS

SECTION 1. MAINTENANCE AND INSPECTION OF DOCUMENTS

Every Director shall have the right at a reasonable time to inspect all records and documents of the Corporation. Any Director has the right to request copies of any document.

ARTICLE 9.

MISCELLANEOUS

SECTION 1. AGENTS AND REPRESENTATIVES

The Board of Directors may appoint such agents and representatives of the Corporation with such powers and to perform such acts or duties on behalf of the Corporation as the Board of Directors may see fit, so far as may be consistent with these Bylaws and as may be authorized or permitted by the California Non-Profit Corporation Law. The Board of Directors shall remain principally responsible for management of all affairs of the Corporation.

SECTION 2. CONTRACTS

The Board of Directors may, except as otherwise provided in the Bylaws, may authorize any Officer, agent or employee to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority my be general or confined to a specific instance; and unless so authorized by the Board of Directors shall remain principally responsible for management of all the affairs of the Corporation.

SECTION 3. FISCAL YEAR

The fiscal year for the Corporation shall commence on July 1 of each year and end on June 30 of each year.

SECTION 4. INVESTMENTS

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner and to invest and reinvest any funds held by it, according to the judgment of the Board of Directors based upon recommendation from the Finance Committee (without being restricted to the class of investments which a trustee is or may hereafter be permitted by law to make or any similar restrictions); No action shall be taken by or on behalf of the Corporation if such action is a prohibited transaction or would result in the denial of the tax exemption under 503 or 504 of the Internal Revenue Code and its regulations as tey now exist, or as they may hereafter be amended.

SECTION 5. EXEMPT ACTIVITIES

Notwithstanding any other provision of the Bylaws, no Director, Officer, agent, employee or representative of the Corporation shall take any action or carry on any activities by or on behalf of the Corporation not permitted to be taken or carried on by any organization exempt under Sections 503 (c)(3) or 503 (c)(4) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or by an

organization contributions to which are deductible under Section 170(c)(2) of such Code (or corre3sponding provision of any such future law).

SECTION 6. DISSOLUTION

The property of this Corporation is irrevocably dedicated to the charitable and educational purposes set forth in these Bylaws, and no part of the net income or assets of this Corporation shall inure to the personal benefit of any Director, Trustee, Officer or Member (should it ever have members) of this Corporation, or to the benefit of any other private person.

Upon the winding up and dissolution of the Corporation, after paying or adequately providing for the debts and obligations of the Corporation, the remaining assets shall be distribute to the Bear Valley Healthcare District a public agency organized under the California Local Healthcare District Law or another non-profit fund, foundation, of the Bear Valley Community Healthcare District is not in existence, or Corporation which is organized and operated exclusively for charitable, educational, religious and/or specific purposes and which has established its tax exempt status under Section 501(c)(3) of the internal Revenue Service.

ARTICLE 10.

AMENDMENTS

New Bylaws may be adopted or these Bylaws may be amended or repealed upon the majority vote of the Board of Directors provided a quorum is present.

CERTIFICATION OF SECRETARY

VALLEY COMMUNITY HEALT and the above Bylaws, cor	that I am the presently elected and acting Secretary of BEAR THCARE DISTRICT FOUNDATION, a California Non-Profit Corporation is sisting of Fifteen (15) pages are the Bylaws of this Corporation as meeting of the Board of Directors held on August 8, 2017
DATED	Executed at Big Bear Lake, California
	Secretary, Lynda Lacayo
	Bear Valley Community Healthcare District Foundation
	Board of Directors

BEAR VALLEY COMMUNITY HOSPITAL AUXILIARY

BY-LAWS

REVISED JUNE 2016

STANDING RULES

REVISED JUNE 2016

This organization shall be known as Bear Valley Community Hospital Auxiliary, Inc.

ARTICLE II - PURPOSE

The Auxiliary is a non-profit organization whose purpose is to serve the patients of the Bear Valley Community Hospital Healthcare District through direct services or through the provision of other support services is such a way as to enhance their care and comfort and strengthen the public relations with the Healthcare District.

ARTICLE III - MEMBERSHIP

- 1. Any person interested in helping the Auxiliary achieve its purpose may apply for membership. Minimum age requirement is 18 years old.
- 2. The application must be in writing, listing two verifiable Valley residents as references and stating applicant's general interest in serving the Auxiliary. The applicant must present her/his application to the Executive Auxiliary Board and Membership chair. A background check needs to be completed prior to meeting the Auxiliary Board. Upon Board approval, candidate will be presented to the General meeting for their approval.
- 3. All members shall be required once a year to attend Hospital orientation, have a TB screening and a flu shot. NOTE: New members must have two (2) TB screenings.
- 4. There shall be three (3) categories of membership, with members of all categories being eligible to vote at any regular session of the membership wherein a quorum is present The categories are:

Active Members

Active Members are those who serve 100 hours annually and attend at least 50% of all general membership meetings.

Associate Members

Associate Members shall be those who support the hospital financially.

Honorary Life Members

Honorary Life Members may also be members of the Active or Associate memberships, or be former members of those categories who are recognized by the general membership for their past contributions. The Executive Committee shall select Honorary Life Members.

ARTICLE IV - PROCEDURES FOR GENERAL MEETINGS

- 1. A quorum for general membership meetings shall be twelve (12) members.
- 2. Revised "Roberts Rules of Order" shall apply to all meetings procedures where applicable and where there is not conflict between such rules and these By-Laws.
- 3. The Auxiliary's general membership shall customarily meet monthly, as its officers may determine, or upon a call from the President or Vice-President.

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ARTICLE V - PROJECTS AND ACTIVITIES

- 1. All projects and activities shall be provided with the approval of the Auxiliary Board.
- 2. All funds or monies raised by the organization shall be used for specific health-related purposes as proposed by the Auxiliary (Articles of Incorporation, Article II).
- 3. Approved projects and activities may include, but are not limited to:
 - A. Miscellaneous services as needed throughout the hospital.
 - B. Academic and Vocational Scholarship Funds (Local High School Student).
 - C. Book Shop/Gift Shop
 - D. Misc. fund raisers as approved by the Vice President.

ARTICLE VI - OFFICERS

- The Officers of the Auxiliary should consist of a President, Vice President, Secretary and Treasurer, all of whom shall be elected.
- 2. The term of the office shall be one (1) year or more as elected each year for the President, Vice President, Secretary and the Treasurer.

3 President

The President shall preside over general, board and special meetings of the auxiliary. She/he shall appoint all committees and the parliamentarian and chairperson to serve as Program Chair.. The President or designee shall represent the Auxiliary at functions for the community and other organizations. She/he shall be custodial of all documents pertaining to the organization. The President shall be responsible for collecting Auxiliary mail, opening the bank statements to inspect transactions, and distributing the mail to board members and/or committee chairmen, as appropriate.

4 Vice President

The Vice President shall assume the duties of the President in her or his absences. Also will be in charge of Ways and Means. She/he shall keep a calendar of all Auxiliary fund raising activities, work with the Chairman of such activities, post flyers and obtain news releases. She/he will also be responsible for coordinating activities such as, but not limited to, bake sales, bazaars, boutiques, and opportunity drawings. She/he will be responsible for preparing an annual goal for fund raising, and reporting progress toward that goal at the general meetings.

5 Secretary

The Secretary shall record the minutes of the general, special, and Board meetings of the Auxiliary. The minutes will be approved by the board at the next scheduled meeting. She/he shall collect and maintain the file of minutes, which should be available at all meetings for reference. The Secretary will be responsible for writing correspondence as requested by the President.

6 Treasurer The Treasurer shall be responsible for keeping an accurate record of all financial transactions of the Auxiliary: 1) preparation of federal and state tax filings' 2) annual submission of such records to the audit committee; She/he shall prepare reports of receipts, disbursements, committed and available funds for each scheduled general membership meeting, or at the request of the Board and provide copies of such reports to all officers. These reports shall be filed with the minutes providing a detailed financial accounting. She/he shall have charge of auxiliary finances, under the control of the Board, and shall maintain and reconcile checking

and savings accounts, transferring between such accounts as to maximize interest earnings, as approved by the Board. She/he will deposit all funds received and make timely payments of expenditures as approved by the Board.

7. Parliamentarian

The Parliamentarian shall advise the presiding officer, board or members of the Auxiliary on points of parliamentary procedures and shall be present or should be represented at all meetings. The Parliamentarian shall be appointed by the President.

ARTICLE VII - BOARD OF DIRECTORS AND COMMITTEES

1. The Board of Directors

The Board of Directors of the Auxiliary shall consist of the elected Officers of the Auxiliary. All action of the Board is subject to the approval of the membership. A quorum for all board meetings shall be five (5) board members and the board shall meet monthly.

2. Executive Committee

- A. The Executive Committee shall consist of the President, Vice President, Treasurer and Secretary.
- B. Executive Committee shall select the recipient of the Outstanding Service Award.
- c. This committee shall be available to serve under the President for any closed session concerning confidential business.
- D. The Executive Committee will be responsible for the selection of the recipient of the annual Micki Plummer Memorial scholarship(s)
- E. The Executive Committee shall be the ultimate decision maker on all items not covered in the By-Laws.

3 Nominating Committee

- A. The President shall appoint one (1) member from the Board and two (2) Members shall be elected by the membership-at large to the Nominating Committee at the September Meeting.
- B. All nominees for elective offices must be members of the Auxiliary in good standing.
- C. This slate shall be presented to the membership at the October meeting, at which time nominations may be made from the floor. Prior to the nominations, consent of the candidates should be obtained.
- D. If there is more than one candidate for an office, voting shall be by written ballot. Election shall be in November.
- E. Officers so elected shall assume office as of January 1st.

4 . Annual Internal Audit

A person shall be appointed by the President and or Treasurer to review the annual internal audit, the audit is to be approved at the end of the first quarter in the following r. fiscal year. The fiscal year shall be January 1 to December 31.

ARTICLE VIII - BOOK/GIFT SHOP

- 1. The Book/gift shop shall be maintained by Auxiliary volunteers. The Treasurer will maintain the records for the Book/Gift Shop.
- 2. Every Auxiliary member must be familiar with the cash register and charge card machine and admitting procedures.

ARTICLE IX - AMMENDMENTS

These By-Laws may be amended by the vote of two-thirds (2/3) majority of those present in a legal meeting of the members of the Auxiliary, providing the proposed changes have been presented and discussed prior to a vote.

ARTICLE X - STANDING RULES

These By-Laws shall be augmented by such STANDING RULES as are adopted by the General Membership.

2016 Bylaws and Standing Rules (Revised 6/2016)

Revision of the Bylaws and Standing Rules were approved by the membership at the regular meeting June 2016

STANDING RULES

- 1. One Hundred (100) hours of service a year and a minimum of 50% of the general meetings a year is required to maintain active membership.
- 2. Each member will be responsible for recording her/his own service hours in the annual service hours book located at the front lobby desk..
- 3. Credit allowed for various types of service shall be:

General meetings - 2 hours

Board meetings - 4 hours

All services, including work at home - actual time spent.

Each hour served in actual hospital service shall count as two (2) hours of credit.

- 4. Awards, other than the Outstanding Service award, shall be a Bar awarded each year for total service hours.
- 5. A son or daughter of an Auxiliary member, all other factors being equal, should have preference in the decision of the Committee qualifying the student for the Auxiliary Scholarship. The scholarship recipient must be enrolled in an accredited educational institution and show evidence of enrollment before scholarship payment will be issued. The scholarship committee shall consist of Scholarship Chairman, President, and a member-at-large. Graduating senior must adhere to high school guidelines.

- 6. All Project Chairman are required to abide by job description duties. Procedure books shall be maintained by each Officer and Project Chairman. These books shall contain records of all committee meetings and any other pertinent information and examples. These books should be updated regularly and kept as a permanent record for future officers and chairman.
- 7. Work done through other organizations is not applicable for service hours in the Auxiliary.
- 8. Uniforms:
 - A. Name badges shall be required for all work in or for the Hospital Auxiliary capacity.
 - B. Uniforms are required to be worn whenever working in an official Auxiliary capacity. (An exception may be granted by the Board.)
 - C. Uniforms shall consist of a smock or polo shirt, color and style as designated by the Auxiliary. Dark pants below the knee, white shirt, low heeled, closed toed shoes, no sandals.
 - D. Friday is casual day at the hospital. No shorts.
- 9. Procedures for Volunteers:
 - A. No food shall be consumed while a volunteer is on duty in the lobby.
 - B. Volunteers may have a meal in Hospital provided it is served at regular meal times after our patients have been served. Auxiliary members may eat after 12:15 pm each day.
 - C. Volunteers are to be polite and courteous but firm at all times.
 - D. Volunteers shall follow all directions set forth by the Auxiliary, Hospital and Administrator.
 - E. Hospital procedures are located in Book in the Front Lobby desk drawer.
- 10. The Executive committee shall prepare an annual budget each year.
- 11. The annual dues have been established at \$10.00 per year. Dues are payable by March 31st.

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Board Report

August, 2017

Compliance Implementation

Tomi Hagen, QHR Compliance Consultant has supported Mary Norman with the following work:

Compliance Officer Progress

- Obtained Administrator privileges for hotline
- Noted increase in reporting
- Staff training at skills fair
- Drafted policy on how to report a compliance issue
- Updated the HIPAA Program
- Rewrote study guides for Compliance and False Claims Act

Remote Implementation Assistance

- Reviewed and provided feedback on key compliance program documents
 - Code of Conduct
 - Compliance Information-Study Guide
 - Compliance Program

Planned Activity

- Remote Implementation Assistance
 - Physician Payment Reconciliation by August 2017
 - Ongoing phone/email support
- On-Site Implementation Assistance October 2017
 - Compliance Risk Assessment
 - 2018 Compliance Monitoring & Auditing Plan

Upcoming Education

Quorum Compliance Hot Topic Webinars – quarterly

Quorum Compliance Conference – November 14-15, 2017

Reimbursement & Regulatory Update: Final Inpatient PPS Rule - Parts 1, 2, 3 Aug 9, 10, 11

Infection Prevention Aug 25



Marketing Programs

Aug 22 Understanding and Using Market Data

Sep 19 Making an Impact on Quality Scores

Oct 17 Update on Marketing Compliance

Nov 15 Finding Your Brand

Dec 19 Understanding and Managing Your Online Reputation

Trustee Conference

August 3 and 4 - Nashville

Boot Camps

Aug 29 - 31, 2017 Lean Boot Camp - Brentwood, Tennessee

Other

• Ron Vigus is planning to attend the August Board meeting.

Completed Projects

- Contractual Accounts and Bad Debt Analysis
- Financial Operations Review
- RHC Coding & Compliance Review
- Community Health Needs Assessment
- Chargemaster Review



CNO Monthly Report

TOPIC	UPDATE	ACTION/FOLLOW UP
1. Regulatory Updates	 Regulatory Committee met to review CAH regulations & review order sets. 	Informational
2. Budget/Staffing	 Overtime and call-offs are assessed by department managers and house supervisors each shift. There is currently 1 PD RN vacancy. 1st quarter budget meetings are in process of being scheduled. 	Continue to monitor
3. Departmental Reports		
 Emergency Department 	 ED Director- Heidi Markus has started as the ED Director. Heidi is being oriented to her role and developing 	Informational
	goals for the ED, she is meeting with each Department Manager.	Informational
■ Acute	 Swing bed current census=0 Acute specific staff meeting was held; the department is working on care planning. TeamSTEPPS was implemented on the Acute. 	Continue to monitor
Skilled Nursing	 SNF remains at 5 star rating. Census is currently at 18 residents. SNF policies are currently being revised & new policies developed to ensure compliance with updated regulations. SNF QAPI team meeting was held. The team is focusing on an interdisciplinary team approach to reduction in falls, oxygen tubing expiration dates and restorative functional ability programs. SNF DSD and RNA attended the Inland Empire Fall Collaborative. 	Continue to monitorInformational

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	 Sherrill Reynolds LCSW, has replaced the healing hearts contract for social work services on the SNF. SBAR communication was implemented on the SNF. Staff attended an educational session/training on assessment and communication with physicians. 	
■ Surgical Services	 Surgical stats are attached. Orthopedic procedures are being done by Dr. Pautz one day per week. Updates to the OR and additional staffing will be needed if surgical services are to continue and/or expand. 	Continue to monitor
■ Case Management	 Working closely with DON and Eligibility Worker re new SNF residents and SWING patients. Currently case manager is working on placement, consultations and/or discharge plans for SNF resident(s) that need additional or different level of services. Case Management is working on training a new Case Manager. 	Continue to monitor
Respiratory Therapy	 1 FT RT position is vacant, offer currently being extended. 	Informational
Physical Therapy	 Volumes expected to remain steady with full PT staff in place. 	Continue to monitor
■ Food and Nutritional Services	 Pamela Lambert, Registered Dietician has started in her role as Dietician and Department Manager. An In-service was held on food allergies for dietary staff. Pamela is being oriented to the department and has started participating in hospital wide committees. Pamela has started looking for opportunities to improve the department and integrate with other departments to improve food service and patient/resident experience. SNF and Dietary are working together to ensure new regulations are met in regard to "patient centered care." 	

	 Pamela is working with vendors to encourage use of locally sourced produce. 		
4. Infection Prevention	 Hand Hygiene monitoring continues. Infection Preventionist is working to develop an active "surveillance" program and alternative hand hygiene monitoring systems. SNF Antibiotic Stewardship program is being implemented in anticipation of stronger regulations. Infection preventionist is working on program regarding new regulations for the hospital water system and risk of legionella contamination. 	Continue to observe staffInformational	
5. QAPI	 CalHIIN visited BVCHD 6/9/17 to discuss abstraction and process improvement related to QI measures. Suggestions following the visit were submitted to BVCHD and are being implemented. Patient and Family Advisory Council met on 6/29/17 and discussed ER Communication, staff dress code expectations, and admission packets for the acute unit. Signage is being updated based on PFAC recommendations. Suggestion boxes were placed in the FHC lobby and main hospital lobby based on PFAC recommendations. Just Culture readiness assessments were completed and HR policies are being updated to 	 Informational Continue PFAC meetings and projects. Coordinate with applicable department managers Continue process for Just Culture/ 	
	reflect just culture principles. Confirmed with Beta that BVCHD will have an opportunity to enroll in the Heart program at the upcoming symposium.	BETA Heart implementation	
6. Policy Updates	 Nursing Administration and HR policies are being reviewed. All policies that deal with disciplinary action are being revised to reflect just culture language. 	Reviewed through P&P Committee	
7. Safety/Product	 Workplace Violence workgroup met to discuss SB1299 and OSHA regulations. The group has done "walking rounds" of the facility and has gathered information related to safety and 	 Continue to monitor new regulation and compliance dates 	

	 security of staff. The group has put together a security action plan and has distributed it to appropriate department managers. Recommendations are currently being implemented as part of the security risk assessment plan that is required by Cal OSHA. Reporting for hospital workplace violence events is mandatory as of 7/1/17. Admin team and HR has access to report workplace violence incidents on the Cal OSHA website. 	
8. Education	 BLS Classes scheduled monthly. ACLS/ PALS was held July 28. CPI training is being implemented, first class to be held in August. 	Continue to monitor
9. Information Items/Concerns	 Attended: Innovations Grant San Bernardino County DBH/ HASC Committee was on site for evaluation Working with HASC to determine if tele-psych service can be implemented using DBH grand funding. CHA Managing Behavioral Health Patients in the ED and Acute Settings San Bernardino Hospital Collaborative 	■ Informational
Respectfully Submitted By: Kerri Jex, CNO	Date: August 2 nd , 2017	

2017 Surgery Report

May-17		
Physician	# of Cases	Procedures
Critel - CRNA	2	Heel Injection
Critel - CRNA	2	Trigger Point Injection
Critel - CRNA	1	Shoulder Injection
Pautz - DO	3	ORIF
Pautz - DO	1	Carpal Tunnel Release
Pautz - DO	1	Ulnar Nerve Transposition
Pautz - DO	1	Lateral Epicondylar Release
Pautz - DO	1	Excision of Ganglion Cyst
Pautz - DO	1	A-1 Pully Release
Pautz - DO	1	Arthrodesis Carpometacarpal Joints
Pautz - DO	1	Open Mumford Resection Clavicle
Tayani	8	Cataracts
Total	23	

		Jun-17	
Physician	# of Cases	Procedures	
Critel - CRNA	2	Shoulder Injections	
Critel - CRNA	2	Trigger Points	
Critel - CRNA	1	B/L Knee Injections	
Pautz - DO	1	ORIF Ankle	
Pautz - DO	1	ORIF Patella	
Pautz - DO	1	ORIF Wrist	
Pautz - DO	1	ORIF Elbow	
Pautz - DO	1	Patella Repair	
Pautz - DO	1	Acromioplasty, Rotator Cuff Repair	
Pautz - DO	1	Excision Prepatellar Bursa	
Pautz - DO	1	Excision Exostosis Foot	
Pautz - DO	1	Interpositional Artholasty Thumb	
Pautz - DO	1	Carpal Tunnel Release	
Pautz - DO	1	A-1 Pulley Release	
Tayani	4	Cataracts	
Total	20		
	Jul-17		
Physician	# of Cases	Procedures	
Critel - CRNA	1	Bilateral Knees Steroid Injection	
Critel - CRNA	1	Thumb Steroid Injection	
Critel - CRNA	1	Femoral Block for Pain Control	
Pautz - DO	1	Closed Reduction Under Anesthesia	
Pautz - DO	1	Repair Bony Mallet Finger	
Pautz - DO	1	Arthrodesis Talonavicular Joint	
Pautz - DO	1	ORIF Ankle	
Pautz - DO	1	Excision Gouty Tophi	
Pautz - DO	1	Acromioplasty, Rotator Cuff Repair	
Tayani	6	Cataracts	
Total	15		



CHIEF EXECUTIVE OFFICER REPORT JULY 2017

CEO Information:

Instillation on the CT Scanner continues and is scheduled for completion Late August. A physicist will be on site August 10 to inspect the equipment; accreditation is scheduled for August 14.

Heidi Markus, RN began her duties as the ER Director, July 31, 2017 and is settling in well with her department and staff.

Pamela Lambert, RD began her duties as the Dietary & Nutrition Director July 15, 2017 and is settling in well with her department and staff.

Laboratory Manager Applications are being vetted and we will be scheduling interviews in the next few weeks.

"Save the Date" 1st Annual Helen Walsh, Humanitarian of the Year Award is scheduled for August 27 3:00 pm to 7:00 pm. Invitations will be sent to the full Board. (Attachment)

The Foundation will be conducting their monthly meetings in the Hospital Conference Room in the future.

We have invited the Soroptimist to have lunch on August 10 provided by the Hospital to thank them for their financial contribution to the Mammography Project and will be providing a tour of the new Mammography Department.

We have invited the AAUW Group hosting a lunch and learn August 30 to also provide information and a tour of the new Mammography Room.

The 2nd Annual Dancing for the Lake was conducted July 29 and the Mom & Dad Project is a candidate to receive a grant. The amount is unknown at this time.

Marketing:

The Mom & Dad Project & the District have a booth at the Farmers Market for promoting services within the facility, clinic & Mom & Dad Project.

Tour de Big Bear is scheduled for August 5, we will have a first aide booth and will provide marketing items.

The Annual Airshow is scheduled for August 26 and the District & The Mom & Dad Project will have a marketing booth.

The Hospital will be hosting a Chamber Mixer on September 26 and we will be promoting the Mammography Room and the CT Scanner.

OHR Board of Trustee Conference:

The Board Leaders Conference conducted August 3 & August 4 was very successful and well attended. We have three Board Members in attendance and the CEO

Employee Activities:

July 22, 2017 the District hosted an Immunization Clinic at the FHC & the Mom & Dad Project. Several community organizations and the Auxiliary Carnival participated and was well received by the community.

BVCHD is conducting a Children's Book Drive scheduled for August 31. If you would like to donate any children's books, please feel free to drop them off in the Administration Office. (Attachment)

Information:

Quorum Board Minutes

August 1st-31st

BVCHD'S Children's Book DRIVE

Help us give the gift of reading to the children of our community.

Donate new or gently used children's books at the bins located in the cafeteria and the front lobby. Donations will also be accepted at the Mom and Dad Project during and after the book drive.

Questions? Call Destiny at 909.878.2326

Save the Date!

The Bear Valley Community Healthcare District's Foundation cordially invites you to save the date for the

1st annual Helen Walsh Humanitarian of the year award

Please join us on August 27th, 2017 from 3pm to 7pm as we honor Helen Walsh.

This celebration will bring together friends and families of the BVCHD Foundation, The Hospital, DOVES, Soroptimist, Rotary, Community Members and many other groups and organizations as we celebrate Helen's irreplaceable efforts towards the betterment of the Big Bear Valley!

If you are interested in attending this event or know of additional persons who may be interested, please email Megan Meadors at megmeadors@hotmail.com with a valid mailing address, a formal invitation to follow.



Quorum Board Minutes

Addressing Changes in the Healthcare Landscape



The Latest on CMS's Proposed Quality Payment Program Rule

July 2017

The Centers for Medicare and Medicaid Services (CMS) recently proposed a rule to change the Physician Quality Payment Program (QPP) under the MACRA (Medicare Access and CHIP Reauthorization Act of 2015) law, affecting Medicare-participating physicians covered under the MIPS (Merit-based Incentive Payment System) program or those participating in APMS (advanced payment models) in 2018. Hospitals with employed physicians are those that are most impacted by this rule.

Some healthcare leaders believe the proposed rule gives some relief; as it allows providers to hold off on electronic health record (EHR) upgrades and other mandatory data reporting requirements.

Tom Nickels, executive vice president of American Hospital Association stated, "We are encouraged by CMS's proposal for a facility-based clinician reporting option that may promote better alignment and collaboration efforts to improve quality among

hospitals and clinicians. We also applaud CMS's proposal to provide much-needed relief from unrealistic, unfunded mandates for EHR capabilities by extending the use of modified Meaningful Use Stage 2 requirements through 2018." Nickels added, "We will encourage CMS to provide the same relief to hospitals."

Regardless of the outcome of the proposed changes to the rule, MIPS penalties are significant. Physicians that do not report performance metrics to CMS for CY 2017, will incur a 4% payment reduction in CY 2019. The penalties will increase in subsequent years reaching 9% by 2022.

MACRA will eliminate the sustainable growth formula and replace it with a 0.5% annual rate increase through 2019, after which physicians are encouraged to one of the following reimbursement tracks for physicians:





Strategic Considerations

It is important for hospitals to think about the following as providers prepare for and adopt the rule:

- Engage medical staff and executive leaders early to determine clinical process improvement activities (CPIA), for example:
 - Providing 24/7 access to MIPS-eligible clinicians (expanded evening and weekend hours)
 - Improving access to care through e-visits, home visits, assisted living centers, etc.
- Assess performance and provide feedback to the board, leaders and medical staff, such as:
 - · Collecting and following up on patient experience and satisfaction data on beneficiary engagement; and
 - Utilizing telehealth services and data analysis for quality improvement.

John Waltko CPA, vice president of regulatory and financial reporting for Quorum Health Resources (QHR), recently gave a Webinar on this topic. To learn more you can contact John Waltko at jwaltko@qhr.com.

Heard in the News

Read more about this topic here:

http://www.fiercehealthcare.com/practices/doc-groups-mostly-positive-about-cms-proposed-rule-will-update-macra-program-for-2018

http://www.healthleadersmedia.com/finance/macra-2018-proposed-rule-reflects-new-cms-flexibility#

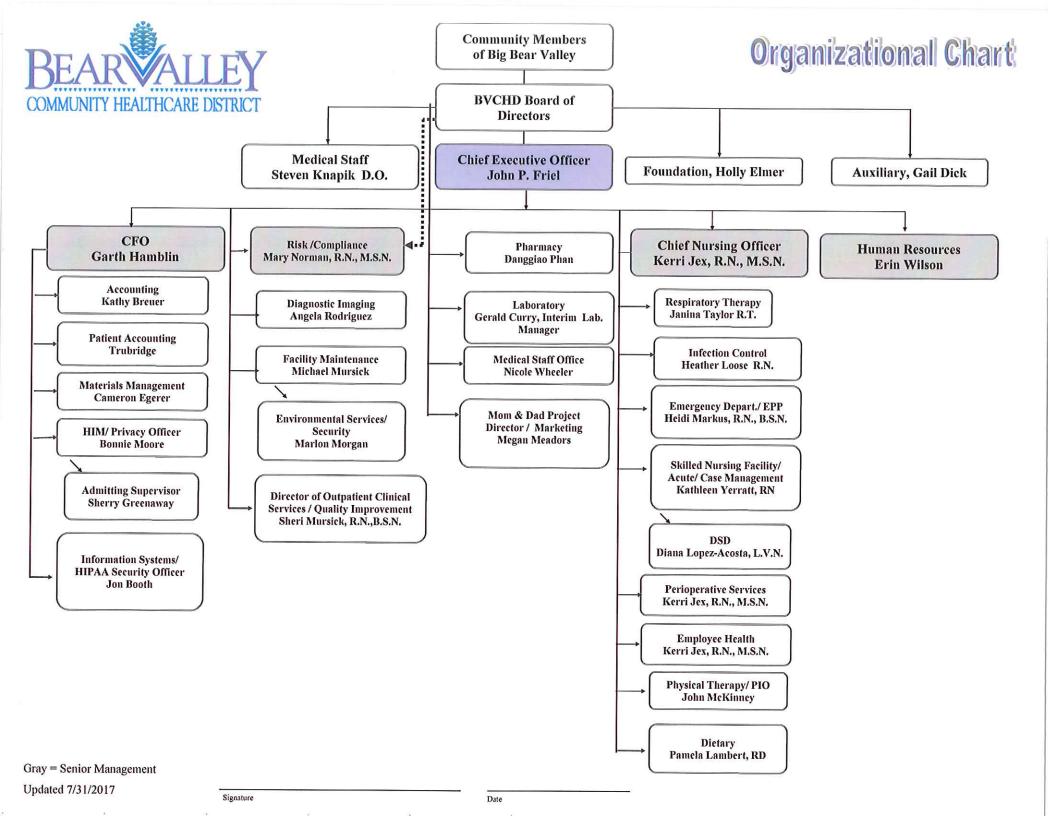
http://www.healthcarefinancenews.com/news/macra-shows-cms-all-value

http://www.healthcaredive.com/news/macra-qpp-2018-proposed-rule/445648/

Resources:

American Hospital Association







Finance Report June 2017 Results

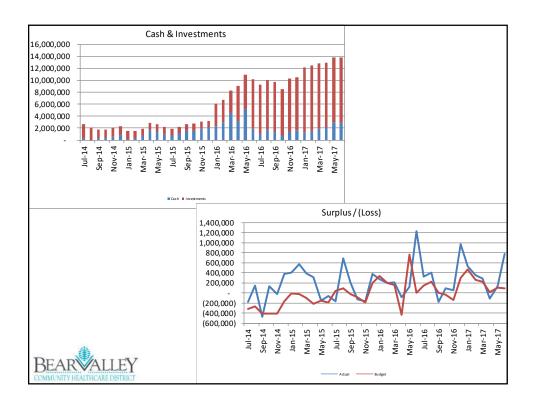
Summary for June 2017

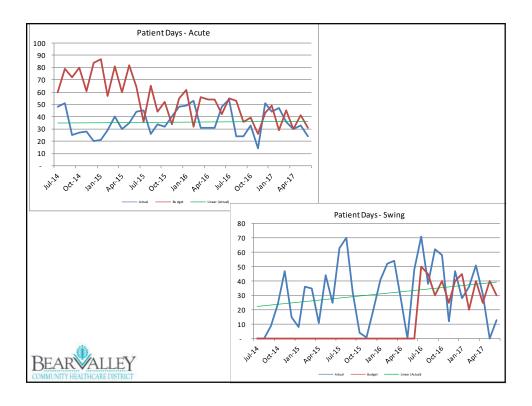
- Pre-Audit, full FY 2017 results
- Cash on Hand \$2,886,705

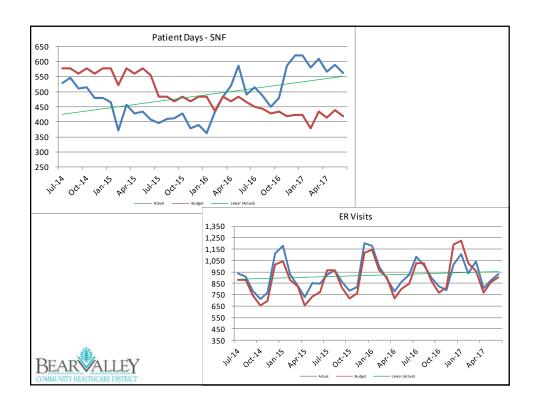
Investments - \$10,870,876

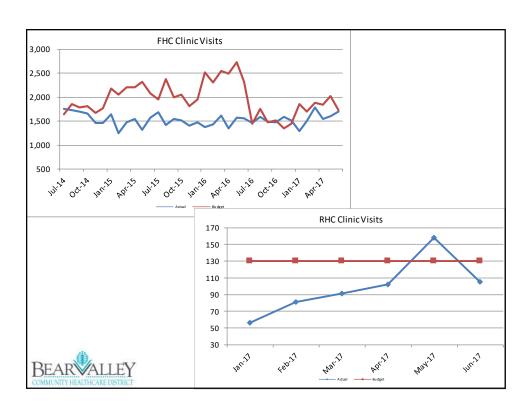
- Days Cash on hand, including investments with LAIF 230
- Surplus of \$777,254 for the month (with year-end closeout of IGT amounts). We had budgeted a Surplus of \$96,326.
- Total Patient Revenue over Budget by 2.5% for the month
- Net Revenue was 41.1% over budget.
- Total Expenses 5.7% higher than budget
- Year-to-date (pre-audit) surplus of \$3,612,543 is \$1,966,657 over budget

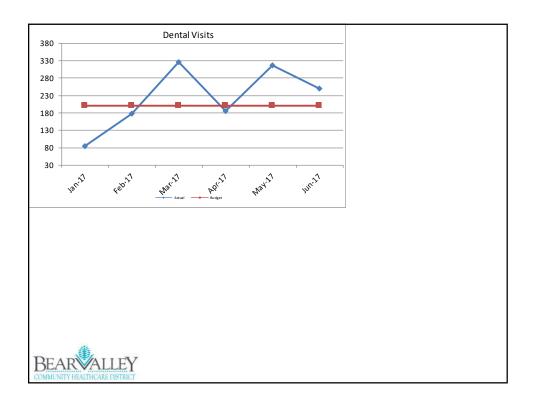


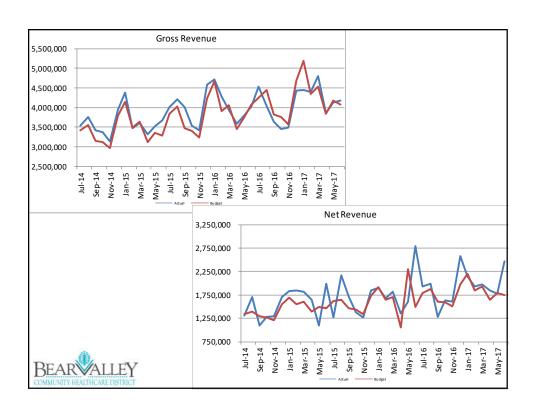


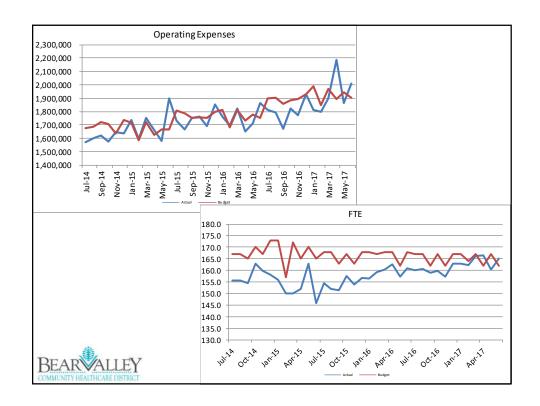


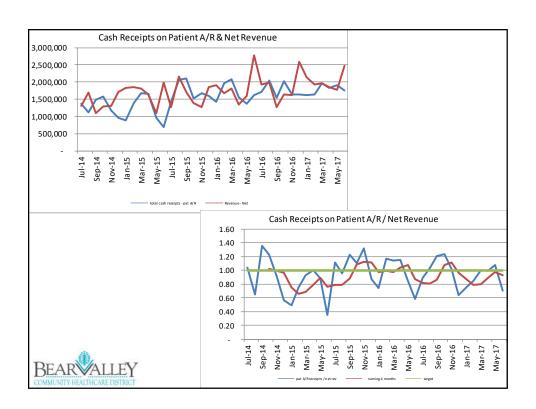








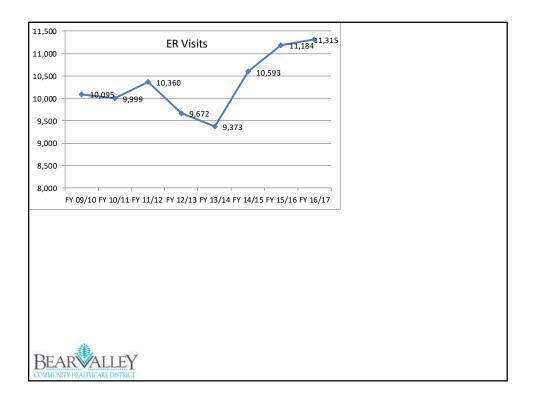


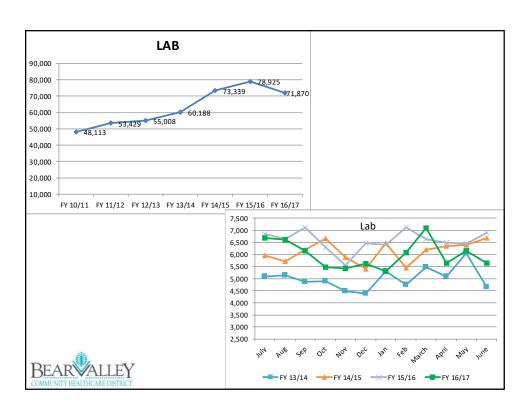


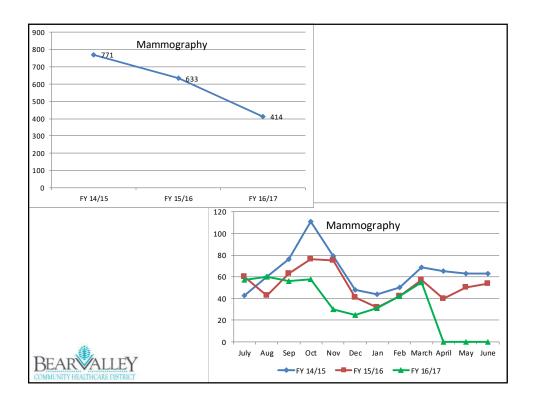


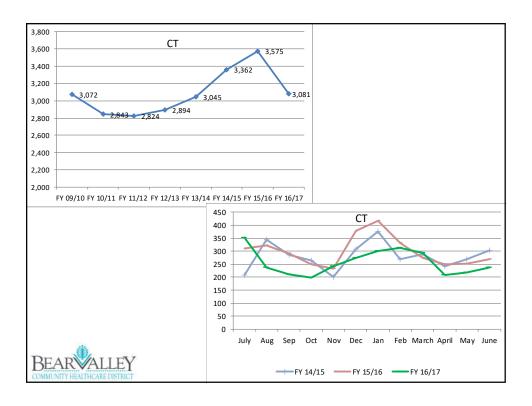
Department Statistics - Annual

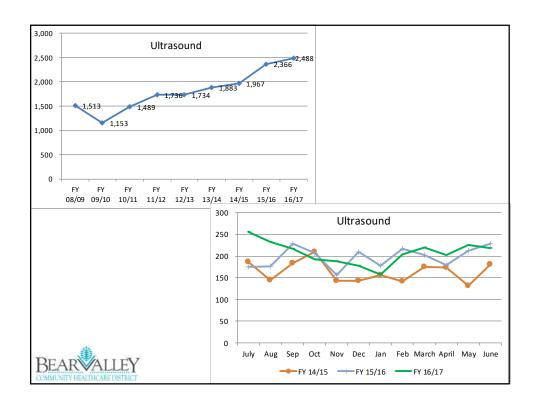


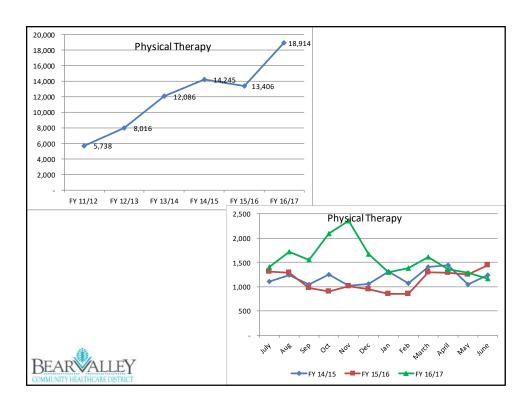














June 2017 Financial Results

For the month . . .

Total Patient Revenue of \$4,179,293 was over budget by 2.5%. Inpatient and Emergency Room revenue were under budget. Outpatient, Clinic, and SNF were each over budget.

Deductions from Revenue of \$1,714,590 were under budget by 26.6%. With the close of our fiscal year, we close our accounts related to Inter-Governmental Transfers

Total operating Revenue (Revenue less revenue deductions) of \$2,471,120 was under budget by 41.1%.

Total Operating Expenses of \$2,011,966 were over budget by 5.7%.

Our surplus for the month of June 2017 was \$777,254. We had budgeted a surplus of \$96,326 for the month.

Our Operating Cash and Investments total \$13,757,581. Total Days Cash on hand - 230.

Key Statistics

Both Inpatient Swing Patient days were under budget.

SNF days totaled 563, an Average Daily Census of 18.8.

Emergency Room visits were 928 for the month.

RHC and Dental Clinic visits were 105 and 249 respectively.

Year-to-date

Inpatient and Swing Patient day totaled 861. This was 5.1% under the budget of 907

ER visits of 11,315 were 1.0% lower than our budget of 11,425, but represents a 1.2% growth over last year.

Total operating revenue was 7.9% over budget.

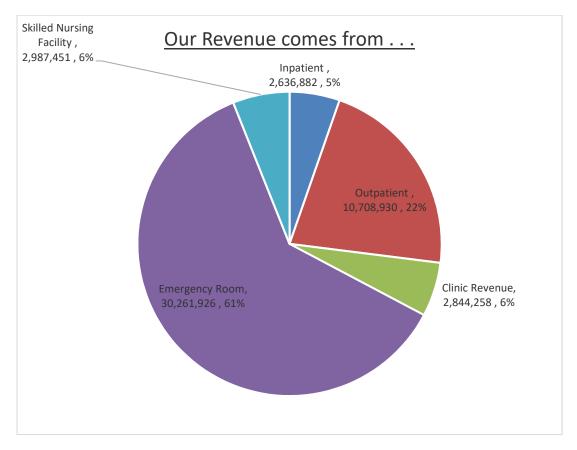
Total expenses were 2.3% under budget.

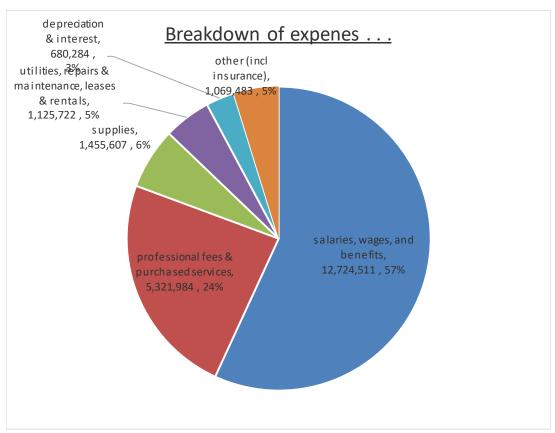
Our surplus of \$3,612,543 is \$1,966,657 over budget.

A summary of Financial results for recent 3 years shows another strong year in terms of financial performance.

	ACTUAL	ACTUAL	preliminary
	FY 6/30/15	FY 6/30/16	FY 6/30/17
TOTAL PATIENT REVENUE	43,148,581	48,138,966	49,439,447
TOTAL REVENUE DEDUCTIONS	24,546,705	27,351,620	26,308,099
TOTAL REVERSE BEBOOTIONS	24,040,700	27,001,020	20,000,000
NET PATIENT REVENUE	18,601,876	20,787,346	23,131,348
NET OPERATING REVENUE	19,119,178	21,076,409	23,264,204
TOTAL OPERATING EXPENSE	19,877,132	20,860,958	22,377,592
INCOME (LOSS) FROM OPERATIONS	(757,954)	215,451	886,612
Surplus (Loss)	1,812,930	2,987,386	3,612,542
Operating Margin	-1.8%	0.4%	1.8%
Total Margin	4.2%	6.2%	7.3%
revenue deductions %	56.9%	56.8%	53.2%
net revenue %	44.3%	43.8%	47.1%

These two graphs breakdown revenue by major source and our major categories of exdpense





Bear Valley Community Healthcare District Financial Statements June 30, 2017

Financial Highlights—Hospital STATEMENT OF OPERATIONS

		Α	В	С	D	E	F	G	Н	1	J
			Curr	ent Month		1		Ye	ear-to-Date		
		FY 15/16	FY 16	/17	VARIA	NCE	FY 15/16	FY 16	/17	VARIAN	ICE
		Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1	Total patient revenue	4,022,936	4,179,293	4,078,992	100,301	2.5%	48,138,967	49,439,447	50,718,045	(1,278,598)	-2.5%
2	Total revenue deductions	1,209,064	1,714,590	2,334,710	(620,120)	-26.6%	27,351,621	26,308,099	29,236,196	(2,928,097)	-10.0%
3	% Deductions	30%	41%	57%			57%	53%	58%		
4	Net Patient Revenue	2,813,872	2,464,703	1,744,282	720,421	41.3%	20,787,346	23,131,348	21,481,849	1,649,499	7.7%
5	% Net to Gross	70%	59%	43%			43%	47%	42%		
6	Other Revenue	77,791	6,417	7,233	(816)	-11.3%	289,063	132,856	88,000	44,856	51.0%
			•								
7	Total Operating Revenue	2,891,663	2,471,120	1,751,515	719,605	41.1%	21,076,409	23,264,204	21,569,849	1,694,355	7.9%
8	Total Expenses	1,761,228	2,011,966	1,904,353	107,613	5.7%	20,860,956	22,377,591	22,913,832	(536,241)	-2.3%
9	% Expenses	44%	48%	47%			43%	45%	45%		
10	Surplus (Loss) from Operations	1,130,435	459,154	(152,838)	611,992	400.4%	215,453	886,613	(1,343,983)	2,230,596	166.0%
11	% Operating margin	28%	11%	-4%			0%	2%	-3%		
12	Total Non-operating	351,809	318,100	249,164	68,936	27.7%	2,771,934	2,725,930	2,989,869	(263,939)	-8.8%
	•										
13	Surplus/(Loss)	1,482,244	777,254	96,326	680,928	-706.9%	2,987,387	3,612,543	1,645,886	1,966,657	-119.5%
14	% Total margin	37%	19%	2%			6%	7%	3%		

BALANCE SHEET

		Α	В	С	D	E
		June	June	May		
		FY 15/16	FY 16/17	FY 16/17	VARIA	NCE
					Amount	%
15	Gross Accounts Receivables	10,230,714	10,741,560	11,783,203	(1,041,643)	-8.8%
16	Net Accounts Receivables	3,488,989	4,178,904	4,251,725	(72,821)	-1.7%
17	% Net AR to Gross AR	34%	39%	36%		
18	Days Gross AR	83	80	85	(4)	-5.2%
19	Cash Collections	1,883,722	1,744,521	1,906,431	(161,910)	-8.5%
21	Investments	5,770,859	10,870,876	10,852,271	18,605	0.2%
22	Cash on hand	5,185,560	2,886,705	2,946,791	(60,086)	-2.0%
23	Total Cash & Invest	10,956,419	13,757,581	13,799,062	(41,481)	-0.3%
24	Days Cash & Invest	201	230	233	(3)	-1.1%

Bear Valley Community Healthcare District Financial Statements June 30, 2017

Statement of Operations

		A	В	С	D	E	F	G	Н	I	J
				ent Month					ar-to-Date		
		FY 15/16	FY 16	/17	VARIA	NCE	FY 15/16	FY 16/	17	VARIAN	ICE
		Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
	Gross Patient Revenue										
1	Inpatient	246,386	124,271	177,483	(53,212)	-30.0%	2,440,412	2,636,882	2,387,879	249,003	10.4%
2	Outpatient	893,294	925,880	864,946	60,934	7.0%	10,539,516	10,708,930	10,699,918	9,012	0.1%
3	Clinic Revenue	199,756	360,215	274,985	85,230	31.0%	2,242,123	2,844,258	2,881,105	(36,847)	-1.3%
4	Emergency Room	2,465,969	2,517,298	2,573,253	(55,955)	-2.2%	30,581,689	30,261,926	32,457,862	(2,195,936)	-6.8%
5	Skilled Nursing Facility	217,531	251,629	188,325	63,304	33.6%	2,335,227	2,987,451	2,291,281	696,170	30.4%
6	Total patient revenue	4,022,936	4,179,293	4,078,992	100,301	2.5%	48,138,967	49,439,447	50,718,045	(1,278,598)	-2.5%
	Revenue Deductions										
7	Contractual Allow	2,110,270	1,072,830	1,987,410	(914,580)	-46.0%	24,076,504	21,645,969	24,887,143	(3,241,174)	-13.0%
8	Contractual Allow PY	(1,237,747)	6,762	1,567,410	6,762	#DIV/0!	(1,232,292)	(18,031)	-	(18,031)	#DIV/0!
9	Charity Care	(1,201,141)	19,562	6,446	13,116	203.5%	60,361	109,125	80,725	28,400	35.2%
10	Administrative	859	3,768	11,685	(7,917)	-67.8%	120,627	79,497	146,314	(66,817)	-45.7%
11	Policy Discount	5,088	20,687	6,044	14,643	242.3%	71,595	98,401	75,680	22,721	30.0%
12	Employee Discount	1,085	3,018	4,835	(1,817)	-37.6%	65,357	43,792	60,544	(16,752)	-27.7%
13	Bad Debts	193,493	365,390	318,290	47,100	14.8%	762,370	1,929,649	3,985,790	(2,056,141)	-51.6%
14	Denials	161,578	222,573	-	222,573	#DIV/0!	3,427,099	2,419,698	-	2,419,698	#DIV/0!
15	Total revenue deductions	1,209,064	1,714,590	2,334,710	(620,120)	-26.6%	27,351,621	26,308,099	29,236,196	(2,928,097)	-10.0%
16	Net Patient Revenue	2,813,872	2,464,703	1,744,282	720,421	41.3%	20,787,346	23,131,348	21,481,849	1,649,499	7.7%
10	Net I allent Nevenue	2,013,072	2,404,703	1,744,202	120,721	41.570	20,707,540	23,131,340	21,401,043	1,043,433	7.770
17	Other Revenue	77,791	6,417	7,233	(816)	-11.3%	289,063	132,856	88,000	44,856	51.0%
18	Total Operating Revenue	2,891,663	2,471,120	1,751,515	719,605	41.1%	21,076,409	23,264,204	21,569,849	1,694,355	7.9%
	Expenses										
19	Salaries	727,852	744,109	778,440	(34,331)	-4.4%	8,754,496	9,168,860	9,400,629	(231,769)	-2.5%
20	Employee Benefits	167,890	365,445	317,022	48,423	15.3%	3,119,456	3,504,827	3,696,992	(192,165)	-5.2%
21	Registry		14,585	-	14,585	#DIV/0!	-	50,825	-	50,825	#DIV/0!
22	Salaries and Benefits	895,742	1,124,139	1,095,462	28,677	2.6%	11,873,952	12,724,511	13,097,621	(373,110)	-2.8%
23 24	Professional fees	122,902 133,327	157,787 134,733	144,277	13,510 3,360	9.4% 2.6%	1,610,759 1,498,596	1,792,483 1,455,607	1,791,953	530 (174,212)	0.0% -10.7%
	Supplies Utilities	45,471	43,412	131,373 37,306	6,106	16.4%	532,448	533,430	1,629,819 513,988	19,442	3.8%
26	Repairs and Maintenance	11,469	31,775	19,956	11,819	59.2%	214,492	314,828	243,711	71,117	29.2%
	Purchased Services	321,600	341,075	285,314	55,761	19.5%	3,227,753	3,529,500	3,337,462	192,038	5.8%
28	Insurance	22,101	25,014	23,056	1,958	8.5%	266,905	300,354	276,606	23,748	8.6%
29	Depreciation	86,587	50,869	88,986	(38,117)	-42.8%	845,561	584,251	1,067,777	(483,526)	-45.3%
30	Rental and Leases	22,386	40,474	24,399	16,075	65.9%	241,127	277,463	292,876	(15,413)	-5.3%
31	Interest	13,869	7,775	6,058	1,717	28.3%	47,078	96,034	72,696	23,338	32.1%
	Dues and Subscriptions	4,884	7,220	4,398	2,822	64.2%	55,034	60,739	52,853	7,886	14.9%
	Other Expense.	80,890	47,693	43,768	3,925	9.0%	447,251	708,391	536,470	171,921	32.0%
34	Total Expenses	1,761,228	2,011,966	1,904,353	107,613	5.7%	20,860,956	22,377,591	22,913,832	(536,241)	-2.3%
35	Surplus (Loss) from Operations	1,130,435	459,154	(152,838)	611,992	400.4%	215,453	886,613	(1,343,983)	2,230,596	166.0%
36	Non-Operating Income										
37	Tax Revenue	145,552	189,917	189,917	-	0.0%	2,234,639	2,279,004	2,279,004	-	0.0%
38	Other non-operating	206,257	128,183	59,247	68,936	116.4%	537,295	446,926	710,865	(263,939)	-37.1%
39	Total Non-operating	351,809	318,100	249,164	68,936	27.7%	2,771,934	2,725,930	2,989,869	(263,939)	-8.8%
40	Surplus/(Loss)	1,482,244	777,254	96,326	680,928	-706.9%	2,987,387	3,612,543	1,645,886	1,966,657	-119.5%

2016-17 Actual BS

BALANCE SHEET													PY BS
(Reflects 6/30/16 y/e audit reclasses)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	June
ASSETS:													
Current Assets													
Cash and Cash Equivalents (Includes CD's)	1,022,806	1,713,908	1,450,901	780,383	1,423,623	1,644,932	1,318,907	1,572,427	1,906,999	2,055,415	2,946,791	2,886,705	1,762,127
Gross Patient Accounts Receivable	10,940,803	10,138,110	10,385,931	9,116,978	8,868,052	9,844,751	10,661,301	11,769,030	12,220,540	11,791,934	11,040,195	10,749,759	10,168,787
Less: Reserves for Allowances & Bad Debt Net Patient Accounts Receivable	6,971,161 3,969,642	6,501,489 3,636,621	6,911,742 3,474,189	5,814,191 3,302,787	5,754,053 3,113,999	6,362,393 3,482,358	6,650,380 4.010.921	7,354,610 4,414,420	7,781,808 4.438.732	7,355,664 4.436,270	6,788,469 4,251,726	6,570,855 4.178.904	6,719,910 3,448,877
Tax Revenue Receivable	2,279,000	2.279.000	2,279,000	2.279.000	2.003.423	1,124,534	967.871	928.821	4,438,732 889,883	121.713	83.363	34,602	53.966
Other Receivables	170.195	147.986	132,508	1.232.687	135.959	696.259	-833,022	-1.174.171	-1,172,008	-1,101,709	-1.353.921	-457.944	188.294
Inventories	184,409	185.394	185,929	186.076	188,616	193,583	195,600	200,743	205.447	204,246	208.911	212,805	178.366
Prepaid Expenses	303,372	280,465	278,311	280,124	284,930	273,672	189,227	233,021	240,883	259,145	266,934	194,913	224,292
Due From Third Party Payers	0		0	·		•	•	•			·		·
Due From Affiliates/Related Organizations	0		0										
Other Current Assets	0		0										
Total Current Assets	7,929,424	8,243,374	7,800,838	8,061,057	7,150,550	7,415,338	5,849,504	6,175,261	6,509,936	5,975,080	6,403,804	7,049,985	5,855,922
Assets Whose Use is Limited													
Investments	8,277,960	8,277,960	8,277,960	7,739,399	8,839,399	8,852,271	10,852,271	10,852,271	10,852,271	10,852,271	10,852,271	10,870,877	8,270,859
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	8,422,335	8,422,335	8,422,335	7,883,774	8,983,774	8,996,646	10,996,646	10,996,646	10,996,646	10,996,646	10,996,646	11,015,252	8,415,234
Property, Plant, and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Land and Land Improvements	532.272	532.272	532,272	532,272	532,272	532,272	532,272	532,272	532.272	532.272	532.272	547,472	532.272
Building and Building Improvements	9.583.080	9.583.080	9.583.080	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,620,988	9,576,893
Equipment	8.877.215	8.886.299	8.969.579	9.125.269	9.314.852	9.333.143	9,364,857	9.413.400	9.426.609	9.426.609	9.449.288	9.449.288	8.736.322
Construction In Progress	185,232	232,969	330,984	401,438	284,340	293,078	303,147	307,392	313,008	393,102	492,504	733,445	270,564
Capitalized Interest	0												
Gross Property, Plant, and Equipment	19,177,799	19,234,620	19,415,915	19,666,419	19,738,904	19,765,933	19,807,716	19,860,504	19,879,329	19,959,423	20,081,504	20,351,193	19,116,051
Less: Accumulated Depreciation	12,141,144	12,185,470	12,229,795	12,274,120	12,324,989	12,375,857	12,371,997	12,477,595	12,528,464	12,579,333	12,630,202	12,681,071	12,096,820
Net Property, Plant, and Equipment	7.036.655	7.049.150	7.186.120	7.392.299	7.413.915	7,390,076	7,435,719	7,382,909	7,350,865	7,380,090	7.451.302	7.670.122	7,019,231
1 7, = 1	,,	,,	,, ==	,,	, -,	,,	,,	, ,	,,-	,,-	, - ,	,,	,,
TOTAL UNRESTRICTED ASSETS	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	24,851,752	25,735,359	21,290,387
Restricted Assets	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL A005T0	00 000 444	00 744 050	00 400 000	00 007 400	00 540 000	00 000 000	04 004 000	04 554 040	04.057.447	04.054.040	04.054.750	05 705 050	04 000 007
TOTAL ASSETS	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	24,851,752	25,735,359	21,290,387

2016-17 Actual BS

BALANCE SHEET	_													PY BS
(Reflects 6/30/16 y/e audit reclasses)		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	June
LIABILITIES:														
Current Liabilities														
Accounts Payable		638,258	569,686	627,514	551,770	844,011	639,430	689,526	681,356	584,615	756,696	871,027	822,110	558,790
Notes and Loans Payable Accrued Pavroll		0 609.687	704.920	708.423	812,617	866,854	587,125	678,241	707.419	784.270	385.057	785.126	547.424	897.750
Patient Refunds Pavable		009,007	704,320	700,423	012,017	000,034	307,123	070,241	707,419	704,270	303,037	700,120	347,424	031,130
Due to Third Party Payers (Settlements)		481,076	567,524	568,465	568,465	566,408	565,088	562,741	650,872	875,966	907,943	907,943	1,529,535	575,016
Advances From Third Party Payers		0	0	0	0	0								
Current Portion of Def Rev - Txs,		2,073,573	1,875,851	1,678,382	1,480,660	1,283,190	1,131,689	934,151	736,471	538,774	341,236	189,913	0	0
Current Portion - LT Debt Current Portion of AB915		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Other Current Liabilities (Accrued Interest & Accrued	l Other)	15,510	23,315	30,867	38,672	46,225	7,809	15,430	23,193	30,973	38.594	46.328	7.621	7.705
,			·	,	·			,	.,	·	,	.,.	,	,
Total Current Liabilities		3,853,104	3,776,296	3,648,651	3,487,184	3,641,688	2,966,141	2,915,089	2,834,311	2,849,598	2,464,526	2,835,337	2,941,690	2,074,261
Long Term Debt														
USDA Loan		3.000.000	3.000.000	3.000.000	3.000.000	3.000.000	2.965.000	2.965.000	2.965.000	2.965.000	2.965.000	2.965.000	2.965.000	3,000,000
Leases Payable		0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Current Portion Of Long Term Debt		35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Long Term De	bt (Net of Current)	2,965,000	2,965,000	2,965,000	2,965,000	2,965,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,965,000
Other Long Term Liabilities														
Deferred Revenue Other		0	0	0	0	0	0	0	0	0	0	0	0	0
Total Other Lo	ng Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0
TC	OTAL LIABILITIES	6,818,104	6,741,296	6,613,651	6,452,184	6,606,688	5,896,141	5,845,089	5,764,311	5,779,598	5,394,526	5,765,337	5,871,690	5,039,261
Fund Balance														
Unrestricted Fund Balance		16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,127	13,263,739
Temporarily Restricted Fund Balance		0	0	0	0	0	0							
Equity Transfer from FRHG		0	0	0	0	0	0	0.405.054	0.500.050	0.000.700	0.700.404	0.005.000	0.010.510	
Net Revenue/(Expenses)		319,184	722,437	544,516	633,820	690,425	1,654,793	2,185,654	2,539,379	2,826,723	2,706,164	2,835,289	3,612,542	2,987,387
TOTAL	FUND BALANCE	16,570,310	16,973,563	16,795,642	16,884,946	16,941,551	17,905,919	18,436,780	18,790,505	19,077,849	18,957,290	19,086,415	19,863,669	16,251,126
TOTAL LIABILITIES & FUND BALANCE		23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	24,851,752	25,735,359	21,290,387

Units of Service

For the period ending: June 30, 2017

30												
			ent Month			Bear Valley Community Hospital				To-Date		
	1-17 Dudget	Jun-16	Actual -E		ActAct.		Jun		Jun-16	Actual -E		ActAct.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
24	31	48	(7)	-22.6%	-50.0%	Med Surg Patient Days	414	477	468	(63)	-13.2%	-11.5%
13	30	63	(17)	-56.7%	-79.4%	Swing Patient Days	447	430	412	17	4.0%	8.5%
563	418	396	145	34.7%	42.2%	SNF Patient Days	6,667	5,100	5,289	1,567	30.7%	26.1%
600	479	507	121	25.3%	18.3%	Total Patient Days	7,528	6,007	6,169	1,521	25.3%	22.0%
12	15	12	(3)	-20.0%	0.0%	Acute Admissions	160	180	171	(20)	-11.1%	-6.4%
9	15	11	(6)	-40.0%	-18.2%	Acute Discharges	164	180	168	(16)	-8.9%	-2.4%
2.7	-	4.4	2.7	#DIV/0!	-38.9%	Acute Average Length of Stay	2.5	-	2.8	2.5	#DIV/0!	-9.4%
0.8	1.0	1.6	(0.2)	-22.6%	-50.0%	Acute Average Daily Census	1.1	1	1.3	(0.2)	-13.2%	-11.5%
19.2	14.9	15.3	4.3	28.6%	25.5%	SNF/Swing Avg Daily Census	19.5	15	15.6	4.3	28.6%	24.8%
20.0	16.0	16.9	4.0	25.3%	18.3%	Total Avg. Daily Census	20.6	16	16.9	4.2	25.3%	22.0%
44%	35%	38%	0	25.3%	18.3%	% Occupancy	46%	37%	38%	0	25.3%	22.0%
11	15	17	(4)	-26.7%	-35.3%	Emergency Room Admitted	142	180	146	(38)	-21.1%	-2.7%
917	1,000	907	(83)	-8.3%	1.1%	Emergency Room Discharged	11,181	12,000	11,038	(819)	-6.8%	1.3%
928	905	924	23	2.5%	0.4%	Emergency Room Total	11,323	11,425	11,184	(102)	-0.9%	1.2%
31	30	31	1	2.5%	0.4%	ER visits per calendar day	31	31	31	(0)	-0.9%	1.2%
109%	100%	71%	75%	75.0%	54.5%	% Admits from ER	113%	100%	117%	53%	52.6%	-3.8%
-	1	-	(1)	0.0%	#DIV/0!	Surgical Procedures I/P	1	1	-	-	0.0%	#DIV/0!
15	9	4	6	66.7%	275.0%	Surgical Procedures O/P	100	125	105	(25)	-20.0%	-4.8%
15	10	4	11	110.0%	275.0%	TOTAL Procedures	101	126	105	(4)	-3.2%	-3.8%
1,151	165	-	986	0.0%	#DIV/0!	Surgical Minutes Total	6,705	2,000	4,254	4,705	235.3%	57.6%

Units of Service

For the period ending: June 30, 2017

	Current Month					Bear Valley Community Hospital						
	Jun-17	Jun-16	Actual -l	Budget	ActAct.		Jun	-17	Jun-16	Actual -B	udget	ActAct.
Actua	l Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
5,63	6,868	6,892	(1,232)	-17.9%	-18.2%	Lab Procedures	71,870	81,765	78,925	(9,895)	-12.1%	-8.9%
77	76 735	717	41	5.6%	8.2%	X-Ray Procedures	9,545	9,935	9,747	(390)	-3.9%	-2.1%
23	37 274	304	(37)	-13.5%	-22.0%	C.T. Scan Procedures	3,081	3,588	3,362	(507)	-14.1%	-8.4%
21	18 181	228	37	20.4%	-4.4%	Ultrasound Procedures	2,488	2,254	2,366	234	10.4%	5.2%
	- 50	54	(50)	-100.0%	-100.0%	Mammography Procedures	414	600	633	(186)	-31.0%	-34.6%
29	96 316	265	(20)	-6.3%	11.7%	EKG Procedures	3,344	3,506	3,655	(162)	-4.6%	-8.5%
9	90 118	118	(28)	-23.7%	-23.7%	Respiratory Procedures	1,501	1,700	1,684	(199)	-11.7%	-10.9%
1,17	70 1,125	1,444	45	4.0%	-19.0%	Physical Therapy Procedures	18,914	12,500	13,406	6,414	51.3%	41.1%
1,80	1,850	1,555	(49)	-2.6%	15.8%	Primary Care Clinic Visits	19,111	20,780	17,939	(1,669)	-8.0%	6.5%
24	19 200		49	0.0%	#DIV/0!	Specialty Clinic Visits	1,339	1,200		139	0.0%	#DIV/0!
2,05	2,050	1,555	-	0.0%	31.8%	Clinic	20,450	21,980	17,939	(1,530)	-7.0%	14.0%
	79 79	60	-	0.0%	31.8%	Clinic visits per work day	157	169	138	(12)	-7.0%	14.0%
19.8	3% 0.20	20.50%	-0.20%	-1.00%	-3.41%	% Medicare Revenue	20.15%	0.20	19.94%	0.15%	0.75%	1.04%
42.00	0.37	40.20%	5.00%	13.51%	4.48%	% Medi-Cal Revenue	39.21%	0.37	35.93%	2.21%	5.97%	9.11%
33.90	0.38	35.20%	-4.10%	-10.79%	-3.69%	% Insurance Revenue	36.17%	0.38	38.88%	-1.83%	-4.82%	-6.97%
4.30	0.05	4.10%	-0.70%	-14.00%	4.88%	% Self-Pay Revenue	4.48%	0.05	5.25%	-0.53%	-10.50%	-14.76%
143	.9 145.77	139.2	(1.8)	-1.3%	3.4%	Productive FTE's	143.65	147.85	139.3	(4.2)	-2.8%	3.2%
110	.0 162.00	160.8	(52.0)	-32.1%	-31.6%	Total FTE's	157.28	164.00	156.9	(6.7)	-4.1%	0.2%



CFO REPORT for

August 7, 2017, Finance Committee and August 9, 2017, Board meetings

Healthcare Reform – The Better Care Reconciliation Act of 2017, American Health Care Act, and the Affordable Care Act ()

With the failure of the US Senate to approve any action on repeal or repeal and replace, there will apparently be no change to the ACA (so called ObamaCare).

Attached is information from Covered California regarding 2018 rates and other issues specific to California.

AUGUST 1, 2017

Covered California Releases 2018 Rates: Continued Stability and Competition in the Face of National Uncertainty

- Covered California remains stable, with an average weighted rate change of 12.5 percent. The change is lower than last year and includes a one-time increase of 2.8 percent due to the end of the health insurance tax "holiday."
- The competitive market allows consumers to limit the rate change to 3.3 percent if they switch to the lowest-cost plan in the same metal tier.
- Health plans also submitted rates for a potential "cost-sharing reduction surcharge" that would be added only to the premium for Silver-tier consumers. The increase averages 12.4 percent, which is what is required to address continued uncertainty over the federal funding that lowers out-of-pocket costs for more than 650,000 enrollees in California.

All 11 health insurance companies will return to the market in 2018, and 82 percent of consumers
will be able to choose from three companies or more. However, Anthem will be leaving some
markets that comprise about half of its enrollment.

SACRAMENTO, Calif. — Covered California unveiled proposed rates for the 2018 individual market, announcing that all 11 of its participating health insurance companies will be returning for the upcoming year. Covered California continues to be a stable marketplace where consumers can find affordable coverage.

"Covered California remains robust and strong, and we are pleased to welcome back all 11 plans to compete in regions across the state," said Covered California Executive Director Peter V. Lee. "While there is ongoing uncertainty and a lack of clarity at the federal level, consumers who need affordable health insurance will continue to have good choices in Covered California next year."

Covered California Rate Change for 2018

Lee said the average statewide rate change for 2018 will be a 12.5 percent increase and noted that consumers can reduce that amount to less than a 3.3 percent increase if they shop for the best value and switch to the lowest-priced plan in the same metal tier.

"Covered California's competitive market means consumers have the power to shop and find the best value," Lee said. "We know our consumers look for the best deal and often end up paying less than the initial rates suggest."

In addition to shopping, most consumers enrolled through Covered California will not pay the entire rate change because the amount of financial help they receive from the federal government will also increase. The federal subsidy is tied to the price of the second-lowest-cost Silver plan and as rates rise or fall, so does the subsidy, which will help offset a significant portion of the rate changes for consumers.

The rate change varies by health plan and region, with some plans having decreases in their premiums and others having increases, which means shopping is more important than ever. Across all plans, one factor that is built into these rates is a one-time adjustment because of the end of the "holiday" on health plans' having to pay the Patient Protection and Affordable Care Act's health insurance tax (HIT). This factor alone was worth an average of 2.8 percent. Without the one-time increase for the HIT, the average

increase for the health plans Covered California contracts with would have been less than 10 percent.

Both the proposed rate change and the CSR surcharge are currently under review by state regulators, the Department of Managed Health Care and the California Department of Insurance.

Federal Uncertainty Continues to Challenge Health Insurance Companies and Consumers Across the Country

The announcement of 2018 rates and plans comes in the midst of ongoing uncertainty at the federal level surrounding key elements of the Affordable Care Act, particularly in regard to cost-sharing reduction (CSR) payments.

The law requires health insurance companies to offer cost-sharing reductions to lower-income consumers, in the form of lower copays and deductibles, which help reduce out-of-pocket costs when consumers access the care they need. For the past four years, the federal government has directly reimbursed the health insurance companies for those costs. While health plans are required to help these consumers lower their out-of-pocket costs, those payments are in jeopardy because the administration has stated it will only commit to making these payments on a month-to-month basis.

Covered California instructed health insurance companies to submit their rates assuming direct payment to fund the CSR subsidies would be continued, but to also submit a separate CSR surcharge to "load" any costs to fund this program onto Silver-tier plans for those who receive subsidies. As a result, Silver-tier consumers may see an additional "CSR surcharge" that averages 12.4 percent — ranging from 8 percent to 27 percent on the gross price of their premiums — if there is no commitment from the administration to fund these payments through 2018. However, while the gross or total premium for consumers receiving subsidies would reflect this CSR surcharge, in most cases, consumers would not see a "net" change in what they would pay since the premium tax credit would also increase.

"This action allows Covered California to keep the market stable and protect consumers from this uncertainty," Lee said. "While most Silver-tier consumers will not see the full impact of the 'CSR surcharge,' and every consumer could avoid paying any additional premium by shopping, we hope that we do not need to implement this work-around that would cause unnecessary confusion and ultimately cost the federal government more than it would to continue to make the payments directly.

"A decision by the federal government is needed in the next few weeks," Lee continued.

"Without clear confirmation from the administration that these payments are secured, we will be forced to

have health insurance companies in California add a CSR surcharge to the Silver-tier rates."

In releasing these rates, Covered California also communicated to Secretary of Health and Human Services Tom Price and the Centers for Medicare and Medicaid Services Administrator Seema Verma the need for clear guidance regarding the ongoing funding of the CSR subsidy program. (The letter is available at: http://www.coveredca.com/news/pdfs/CoveredCA CL 2018 Rates-HHSLetter.pdf)

Silver-tier consumers who receive no subsidies will be encouraged to explore purchasing a different metal-tier product in Covered California — none of which have prices that include the CSR surcharge — or consider buying a nearly identical Silver plan offered outside Covered California, which would not have the CSR surcharge.

"We'll be working diligently with health plans, insurance agents, community partners and others as we approach open enrollment to make sure consumers know how to shop smart this fall for 2018 coverage," said Lee.

Moving forward, Covered California will continue to look for ways to stabilize the market to reassure health insurance companies, provide robust competition and choice and protect consumers.

A Stable Market, Consumer Choice and the Reduction of Anthem's Coverage Footprint

Covered California has built a competitive market that continues to attract a good risk mix — the second best in the nation — by using robust marketing to attract consumers to the plans and benefits that address their needs. The stability of the individual market was confirmed by recent reports from the Centers for Medicare and Medicaid Services and the Kaiser Family Foundation, which respectively reported that the health status of consumers in the individual market nationally remains steady and health insurance companies are becoming profitable.

For 2018, all of the 11 health insurance companies offering plans in 2017 are returning to the market for a second straight year. The uncertainty at the federal level, however, is affecting some companies. In particular, Anthem Blue Cross of California is withdrawing from 16 of California's 19 pricing regions where it serves approximately 153,000 consumers, while remaining in three regions (regions 1, 7 and 10) where it covers more than 108,000 consumers (41 percent of its current enrollment).

While this change will mean about 10 percent of those enrolled in Covered California will need to pick a new plan, the individual market in California remains very competitive, with more than 82 percent of

consumers being able to choose from three or more health insurance companies. There will be no "bare" counties or areas where consumers have no plan options. In addition, 88 percent of hospitals in California will be available through at least one Covered California health insurance company in 2018. The fact sheet "Covered California's Individual Market in 2018: Competition and Choice" can be found here: http://www.coveredca.com/news/PDFs/CoveredCA Consumer Choice 2018.pdf.

"The enrollees who are affected by Anthem's decision to pull out of some regions should know that their existing coverage will remain intact throughout the remainder of 2017, and they will have good options when they switch plans for 2018," Lee said. "We will assist these consumers in shopping around for the right plan, which will be helped by the fact that 84 percent of doctors contracted by Anthem are also available through another health plan."

During the renewal process, all consumers will have an opportunity to shop for a new plan by working with a Certified Insurance Agent, the Covered California Service Center or another certified enroller. Those Anthem consumers who need to move to a new plan and choose not to actively shop will be renewed automatically into the lowest-cost plan in their same metal tier. They can change that plan during open enrollment if they choose.

Covered California will take robust steps in the months ahead to assist the affected Anthem consumers as they transition to another plan, including: regular communication with agents so they can communicate options to their consumers, a new provider directory that will allow consumers to see which doctors are available in which plans, regular marketing emails explaining to consumers their options, and updates to CoveredCA.com with the latest information.

Providing Consumers With the Right Care at the Right Time

In announcing the new rates, Covered California also reiterated its continued commitment to making sure consumers are getting the care they need and addressing the underlying problem of high health care costs. "We are about more than just getting people an insurance card," said Lee. "In 2018 we will build on the work of the past four years to make sure people with insurance through Covered California are getting the right care and the right time."

For example, 2017 marked the first year of a policy requiring all health plans to assign those who sign up with them to a primary care clinician within 60 days of enrolling. This new initiative aims to help consumers get the right care when they need it by connecting them to providers who can serve as the point of entry into an often complex and daunting health care system. The result was that 99 percent of

consumers were matched to a primary care physician or clinician.

In addition, Covered California is making additional improvements to its patient-centered benefit design. In 2018, consumers in Silver 94, Gold and Platinum plans will have lower out-of-pocket maximums. Platinum consumers will have a lower copay to see a specialist. Gold consumers will see lower copays for primary care and urgent care visits, and consumers in Silver and Silver 73 plans will see a lower pharmacy deductible.

These improvements build on features already in place that ensure most outpatient services in Silver, Gold and Platinum plans are not subject to a deductible, including primary care visits, specialist visits, lab tests, X-rays and imaging. In addition, some Enhanced Silver plans have little or no deductible and very low copays, such as \$5 for an office visit. Even consumers in Covered California's most affordable Bronze plans are allowed to see their doctor or a specialist three times before the visits are subject to the deductible.

"Covered California is a model that is working," Lee said. "I applaud the many health insurance companies, doctors, hospitals and other providers who are in it for the long haul of making sure Californians can count on them for affordable, quality health coverage and care."

Covered California's 2018 Rate Booklet can be found

here: http://www.coveredca.com/news/PDFs/CoveredCA 2018 Plans and Rates 8-1-2017.pdf.

About Covered California

Covered California is the state's health insurance marketplace, where Californians can find affordable, high-quality insurance from top insurance companies. Covered California is the only place where individuals who qualify can get financial assistance on a sliding scale to reduce premium costs. Consumers can then compare health insurance plans and choose the plan that works best for their health needs and budget. Depending on their income, some consumers may qualify for the low-cost or no-cost Medi-Cal program.

Covered California is an independent part of the state government whose job is to make the health insurance marketplace work for California's consumers. It is overseen by a five-member board appointed by the governor and the Legislature. For more information about Covered California, please visit www.CoveredCA.com.

Accounts Receivable / TruBridge

We have not seen the reduction in A/R Days that we want – Days at 65 or less. We have continued to meet in a weekly call with Trubridge and have worked to improve key measures –

- Unchecked days (target of 2 days) have averaged 1.3 for the past 16 weeks
- Uncoded days (target of 3 days) have average 0.9 for the past 16 weeks
- We have been slower than targeted in "average charge close day lag". This has been due to turnover in staff in PFS and working out processes for getting T-System charts "locked"

Our two most recent weeks show A/R days at 73.4 and 72.6. This is an improvement, but still not at our targeted level. I have talked with senior level management at TruBridge about what changes they need to make to improve to 65 days or less.



MEMO

Date: 1 August 2017

To: BVCHD Finance Committee

From: Garth M Hamblin, Interim CFO

Re: Physician Payment Reconciliation FY 2017

Recommended Action

Review and Approve Physician Payment Reconciliation for FY 2017 (July 1, 2016, through June 30, 2017).

Background

Attached is our reconciliation of Physician Payments for FY 2017. One of the QHR operating practices is to do this at least annually as outlined below



Creating a Sustainable Future for Healthcare Organizations. The

Physician payment reconciliation must be completed periodically (at a minimum, annually) and presented to the CEO and the Board for approval. The approval should be documented in Board minutes. The physician payment reconciliation process is as follows:

- Compile all contracts and compare to vendor summary report and payroll reports (for employed physicians) generated from accounting and human resources.
- Enter monthly actual payments and monthly contracted amounts in spreadsheet.
- Note any payments to physicians where there is not a corresponding written contract.
- Note that some referral sources have business names that might not be identified as a referral source on the vendor summary report.
- Investigate and calculate variances.
- Report to CEO and Board for Board approval (documented in minutes)

Company or Last Name	Contract Type	Contract \$ Finnancial Term	Effective	Expiration	Auto Renewal?	Written Contract?	Comments	Last FMV Analysis	Payments to physician on the AP, rent, AR or payroll report	to physician on AP report that do not have a contract?	Dept Allocation
Biscotti, Brian S., D.C.	Physician Services	65.00 per visit	10/10/16	06/30/18		Yes	Chiropractic	. ,	58,110.00		8760
Center For Oral Health	Physician Services	159.00 per visit	01/11/17	01/10/18		Yes	Dental Services		212,901.00		7181
Center For Oral Health	Physician Services	1,200.00 per year	03/01/17	02/28/18		Yes	SNF Dental Services		,		6582
D. Critel Nursing Anesth. Inc.	Nurse Anesthetist	1,123.28 per day	07/01/16	06/30/17	Auto renewal	Yes	5 days/wk		293,176.08		7420
High Desert Pathology Medical Group	Medical Director-Lab	2,000.00 per month	06/04/17	06/09/19		Yes	•		2,000.00		7500
Knapik, Steven D.O.	Physician Services	75.00 per visit	02/01/17	01/31/19		Yes	Family Practice		105,075.00		7181,8760
Knapik, Steven D.O.	Physician Services	500.00 per 24 call period worked	05/09/16	05/08/18		Yes	Hospitalist		64,550.00		6170
Knapik, Steven D.O.	Chief of Staff	1,000.00 per month	01/01/16	12/31/19		Yes	•		12,000.00		8710
Knapik, Steven D.O.	Medical Director-FHC	1,500.00 per month	10/01/16	09/30/17		Yes			13,500.00		8760
Lebby, Paula Nornes-, MD	Physician Services	75.00 per visit	04/01/16	03/31/18		Yes	OB-GYN		51,360.00		8760
Norman, Michael D.O.	Medical Director-RT	1,500.00 per month	02/01/16	01/31/18		Yes			27,000.00		7720
Orr, Jeffrey M.D.	Physician Services	185,000.00 per year	04/13/15	08/03/20		Yes	Family Practice		204,999.36		8760
Orr, Jeffrey M.D.	Physician Services	500.00 per 24 call period worked	10/08/15	09/30/17		Yes	Hospitalist		32,250.00		6170
Paja, Isaias M.D.	Physician Services	65.00 per visit	01/17/17	01/17/19		Yes	Family Practice		120,640.00		8760
Pautz, Matthew D.O.	Physician Services	65.00 per visit	11/10/16	11/09/17		Yes	Orthopaedic - Clinic		11,375.00		8760
Pautz, Matthew D.O.	Physician Services	1,000.00 per on-call shift	11/10/16	11/09/17		Yes	Orthopaedic - ER		59,160.00		7010
Pautz, Matthew D.O.	Director-OR/Anes	1,000.00 per month	06/15/17	06/14/19		Yes			500.00		7420
Pramann Chiropractic Center	Physician Services	65.00 per visit	07/10/16	07/10/18		Yes	Chiropractic		52,390.00		7181,8760
Premier Emergency Physicians of Calif	Physician Services	Addl hrly rate over 140/hr nte 20/hr	07/15/14	07/15/17		Yes	initial 90 days		-		7010
Premier Emergency Physicians of Calif	Physician Services	1,933.00 per day	12/01/14	07/15/17		Yes	Hospitalist/Telemedicine		376,403.00		6170
RIMA (Renaissance Imaging)	Director- Xray	 included in coverage 	12/01/16	11/30/18		Yes	Radiology		6,394.56		7630
Schaeffer, John (American Telepsychiatrists	Physician Services	200.00 per hour (8 min/wk)	10/10/15	08/31/16	renew 3 terms	Yes	Telepsychiatry Services		77,200.00		8760
Stewart, Cary M.D., Inc.	Physician Services	500.00 per 24 call period worked	10/08/15	09/30/17	not renewing	Yes	Hospitalist		21,315.00		6170
Stewart, Cary M.D., Inc.	Medical Director- SNF	2,000.00 per month	11/07/16	11/07/18		Yes			22,000.00		6582
Stewart, Cary M.D., Inc.	Physician Services	65.00 per visit	02/01/15	01/31/17		Yes	Family Practice		20,645.00		8760
Teleconnect Therapies	Mental Health Services	120.00 per 50 min.sessions	01/01/17	12/31/18		Yes	30.00 per pat no show		119,050.00		8760
Walmsley, Joan H	Mental Health Services	150.00 per hour	02/13/17	08/31/17	not renewing	Yes	Prime Project		8,550.00		8780
White, William, MD	Physician Services	65.00 per visit	11/10/16	11/09/17		Yes	OB-GYN		8,320.00		8760