



*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*  
*To be the premier provider of emergency medical and healthcare services in our BigBearValley.*

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**BOARD OF DIRECTORS BUSINESS MEETING AGENDA**  
**Wednesday, January 10, 2018 @ 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)

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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.

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**OPEN SESSION**

**1. CALL TO ORDER**

**Rob Robbins, 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. CHIEF OF STAFF REPORT/QUALITY IMPROVEMENT: \*Pursuant to Health & Safety Code Section 32155**

- (1) Chief of Staff Report

**2. CONFERENCE WITH LABOR NEGOTIATORS: \*Government Section Code: 54957.6: Negotiator(s): Mike Sarrao, Esq.**

- (1) Continuing Union Negotiations with: OPEIU

**3. HOSPITAL QUALITY/RISK/COMPLIANCE REPORTS: \*Pursuant to Health & Safety Code Section 32155**

- (1) Risk / Compliance Management Report  
(2) QI Management Report

**4. TRADE SECRETS: Pursuant to Health and Safety Code Section 32106, and Civil Code Section 3426.1**

- (1) Charles Ananian, DPM Podiatrist Clinic Service Agreement (Anticipated disclosure 1/10/18)

**OPEN SESSION**

**1. CALL TO ORDER**

**Rob Robbins, President**

**2. ROLL CALL**

**Shelly Egerer, Executive Assistant**

### **3. FLAG SALUTE**

### **4. ADOPTION OF AGENDA\***

### **5. RESULTS OF CLOSED SESSION**

**Rob Robbins, 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 be requested 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. INFORMATION REPORTS**

**A. Foundation Report**

**Holly Elmer, Foundation President**

**B. Auxiliary Report**

**Gail Dick, Auxiliary President**

### **9. 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. December 06, 2017 Special Board of Directors Meeting Minutes: Shelly Egerer, Executive Assistant**

**B. December 13, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Executive Assistant**

**C. January 02, 2018 Special Board of Directors Meeting Minutes: Shelly Egerer, Executive Assistant**

**D. December 2017 Planning & Facilities Report: Michael Mursick, Plant Director**

**E. December 2017 Human Resource Report: Erin Wilson, Human Resource Director**

**F. December 2017 Infection Control Report: Heather Loose, Infection Preventionist**

**G. Policies and Procedures:**

(1) Identity Theft

(2) Patient Registration

(3) Patient Transfer

(4) Policy Review and Approval Process

(5) Employee Injury & Blood/Body Fluid Exposure

**H. Board of Directors; Committee Meeting Minutes:**

(1) December 04, 2017 Finance Committee Meeting Minutes

### **10. OLD BUSINESS\***

- None

### **11. NEW BUSINESS\***

**A. Discussion and Potential Approval of the June 30, 2017 Fiscal Year End Audited Financial Statements: Presented by Jerrel Tucker w/JWT & Associates LLP**

- B. Discussion and Potential Approval of the Charles Ananian, DPM Podiatrist Clinic Service Agreement
- C. Discussion and Potential Approval of the Installation of a Marta Bench at Bear Valley Community Healthcare District Parking Area
- D. Discussion and Potential Approval to the Board of Directors QHR Critical Access Hospital and Life Safety Mock Survey: Travel Expenses Not to Exceed \$2,000.00 per Consultant
- E. Discussion and Potential Approval of Employees Performance Based Evaluations
- F. Discussion and Update on the 340B Pharmacy Program
- G. Discussion and Potential Approval of the Following Resolutions to Form Committees as Listed and Assign Committee Members:
  - (1) Resolution # 18-452 Information Technology Committee
  - (2) Resolution #18-453 Hospital Affiliation Committee

## 12. ACTION ITEMS\*

- A. **Acceptance of QHR Report**  
 Ron Vigus, Regional VP QHR
  - (1) January 2018 QHR Report
  - (2) IT Assessment
- B. **Acceptance of CNO Report**  
 Kerri Jex, Chief Nursing Officer
  - (1) December 2017 CNO Report
- C. **Acceptance of the CEO Report**  
 John Friel, Chief Executive Officer
  - (1) December 2017 CEO Report
  - (2) Strategic Plan Update
  - (3) Organizational Chart
- D. **Acceptance of the Finance Report & CFO Report**  
 Garth Hamblin, Chief Financial Officer
  - (1) November 2017 Financials
  - (2) December 2017 CFO Report

## 13. ADJOURNMENT\*

\* Denotes Possible Action Items

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
SPECIAL BUSINESS BOARD MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
December 06, 2017**

**PRESENT:** Donna Nicely, President  
Rob Robbins, 1<sup>st</sup> Vice President  
Jack Roberts, 2<sup>nd</sup> Vice President  
Gail McCarthy, Secretary

Barbara Willey, Treasurer  
John Friel, CEO  
Shelly Egerer, Exec. Assistant

**ABSENT:** None

**STAFF:** Kerri Jex Michael Mursick Garth Hamblin

**COMMUNITY  
MEMBERS:** None

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**OPEN SESSION**

**1. CALL TO ORDER:**

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

**2. ROLL CALL:**

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

**3. FLAG SALUTE:**

Board Member Robbins led the flag salute all present participated.

**4. ADOPTION OF AGENDA:**

**President Nicely motioned to adopt the agenda as presented. Second by Board Member Roberts 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
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

**CLOSED SESSION**

**5. PUBLIC FORUM FOR CLOSED SESSION:**

President Nicely opened the Hearing Section for Public Comment on Closed Session items at 12:00 p.m. Hearing no request to make public comment, President Nicely closed Public Forum for Closed Session at 12:01 p.m.

**6. ADJOURNED TO CLOSED SESSION:**

**President Nicely called for a motion to adjourn to Closed Session at 1:01 p.m. Motion by Board Member Roberts to adjourn to Closed Session. Second by Board Member McCarthy 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
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

### **RECONVENE TO OPEN SESSION**

**1. CALL TO ORDER:**

President Nicely opened the Hearing Section for Public Comment on Open Session items at 1:00 p.m. Hearing no request to make public comment, President Nicely closed Public Forum for Open Session at 1:01 p.m.

**2. RESULTS OF CLOSED SESSION:**

President Nicely reported no action was taken in Closed Session.

**3. PUBLIC FORUM FOR OPEN SESSION**

President Nicely opened the Hearing Section for Public Comment on Open Session items at 1:01 p.m. Hearing no request to make public comment, President Nicely closed Public Forum for Open Session at 1:01 p.m.

**4. DIRECTORS COMMENTS:**

- None

**5. OLD BUSINESS:**

- None

**6. NEW BUSINESS:**

- None

**7. ADJOURNMENT**

President Nicely **called for a motion to adjourn the meeting at 6:01 p.m. Motion by Board Member McCarthy to adjourn. Second by Board Member Roberts to adjourn. President Robbins called for the vote. A vote in favor of the motion was unanimously approved 5/0.**

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

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
BUSINESS BOARD MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
December 13, 2017**

**PRESENT:** Donna Nicely, President  
Rob Robbins, 1<sup>st</sup> Vice President  
Jack Roberts, 2<sup>nd</sup> Vice President  
Gail McCarthy, Secretary  
Barbara Willey, Treasurer  
John Friel, CEO  
Shelly Egerer, Ex. Assist.

**ABSENT:** None

**STAFF:** Garth Hamblin Mary Norman Kerri Jex  
Sheri Mursick Steven Knapik, DO Erin Wilson

**OTHER:** Holly Elmer, Foundation Ron Vigus, VP  
Gail Dick, Auxiliary

**COMMUNITY  
MEMBERS:** None

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**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 3:00 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, Executive 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 Roberts 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: The following reports were approved.

- Chief of Staff Report:
  - Request for Initial Appointment:
    - Robert Acquarelli, MD - Renaissance Radiology
    - Gregory Timm, MD - Renaissance Radiology
    - Gurmanjot Samra, MD - Tele-Psychiatry
    - Lauren Brown-Berchtold, MD - Internal Medicine
  - Request for Reappointment:
    - Mark Beller, MD - Renaissance Radiology
    - Dianna Chooljian, MD - Renaissance Radiology
    - Amanda Holden, MD - Emergency Medicine
    - Steven Groke, MD - Emergency Medicine
    - Christopher Fagan, MD - Emergency Medicine/Family Medicine
    - Sheila Thomas, NP - Family Medicine
- Risk Report
- QI Report
- CFO Evaluation

**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 3:08 p.m. Hearing no request to make Public Comment. President Nicely closed Public Forum for Open Session at 3:08 p.m.

**7. DIRECTORS COMMENTS**

- Board Member Willey attended the Annual Auxiliary Mall in the Hall and bought several items. Also attended the BVCHD Employee Christmas Party and had a good time.
- President Nicely stated that nursing did a great job on the CDPH Annual Survey and asked that Ms. Jex inform Kathleen Yerratt of the great job done. Also thanked the Auxiliary for the \$20,000 donation to the SNF.
- Board Member McCarthy stated that she also congratulates staff on the Annual Survey, and is very proud of our staff.

**8. INFORMATION REPORTS:**

**A. Foundation Report:**

- Ms. Elmer reported the following:
  - Christmas Party was wonderful.
  - Dec. 12 Foundation Meeting was conducted.
  - Foundation Bylaws are still being reviewed.
  - Supporting Health Fair for Petting Zoo \$800.00.
  - Raised \$6,100.000 from the end of the year letters that were sent.
  - Donor Recognition potentially scheduled for early March 2018.

**B. Auxiliary Report:**

- Ms. Dick reported the following:
  - Thanked the Board for their support in last year's fund raisers.
  - When the ski slopes open, they will be working the ER on weekends.

**9. CONSENT AGENDA:**

- A.** November 08, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Executive Assistant
- B.** November 2017 Planning & Facilities Report: Michael Mursick, Plant Manager
- C.** Quarter 3, Fire Life/Safety Report: Michael Mursick, Plant Manager
- D.** November 2017 Human Resource Report: Erin Wilson, Human Resource Director
- E.** November 2017 Infection Control Report: Heather Loose, Infection Preventionist
- F.** Policies and Procedures:
  - (1) SNF
  - (2) Acute
  - (3) Laboratory
- G.** Board of Directors; Committee Meeting Minutes:
  - (1) October 26, 2017 Planning & Facilities Committee Meeting Minutes
  - (2) November 06, 2017 Finance Committee Meeting Minutes

**President Nicely motioned to approve the Consent Calendar as presented. Second by Board Member Robbins to approve the Consent Calendar 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

## **10. OLD BUSINESS:**

### **A. Discussion and Potential Approval of Health Benefits for the Board of Director's:**

- Board Member Roberts stated that he asked that this item to be on the agenda at last month Board Meeting and the item was tabled. Board Member Roberts stated that there are special districts that provide health benefits and feels this is a good practice and a way to also get community members to run for the Board.
- Mr. Friel stated that ACHD was contacted and that the Board can choose to offer the health benefits.

**Board Member Roberts motioned to approve medical benefits for the Board of Directors at the same rate as the employees and the base plan. Second by Board Member Robbins to approve medical benefits for the Board of Directors at the same rate as the employees and the base plan. 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

## **11. NEW BUSINESS\***

### **A. Discussion and Potential Approval of the Following Contracts:**

- (1) Center for Oral Health: Skilled Nursing Facility Dental Services
- (2) Michael Norman, DO: Respiratory Therapy Director Service Agreement

**President Nicely motioned to approve the Center for Oral Health SNF Agreement and Michael Norman, DO Respiratory Therapy Director Service Agreement as presented. Second by Board Member McCarthy to approve the Center for Oral Health SNF Agreement and Michael Norman, DO Respiratory Therapy Director Service Agreement 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 2017 Cost Report:**

- Mr. Hamblin asked that the Board of Directors authorize John Friel, CEO to sign the Medicare Cost Report. WIPFLI completed the cost report and David Perry with QHR reviewed the report.

**President Nicely motioned to approve John Friel, CEO authorization to sign the 2017 Cost Report. Second by Board Member Willey to approve John Friel, CEO authorization to sign the 2017 Cost 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

**C. Discussion and Potential Recommendation to the Board of Directors QHR IT Assessment: Travel Expenses Not to Exceed \$2,000.00:**

- President Nicely asked for clarification on what is covered under "travel expenses".
- Mr. Hamblin stated that the travel expenses are to include air fare, food, rental cars and hotel expenses.

**President Nicely motioned to approve the QHR IT Assessment Travel Expenses not to exceed \$2,000.00. Second by Board Member Willey to approve the QHR IT Assessment Travel Expenses not to exceed \$2,000.00. 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

**Board Member Willey announced that this is her last Board Meeting with the Hospital; a formal letter of resignation will be provided to Administration. Board Member Willey stated that this last year has been a great year for the Hospital and has enjoyed being a part of the hospital.**

**D. Discussion and Potential Approval of Bear Valley Community Healthcare District Election of Officers:**

**(1) President:**

**President Nicely motioned to approve Rob Robbins as the Board President. Second by Board Member Willey to approve Rob Robbins as the Board President. 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
- Board Member Robbins thanked his colleagues for having trust in him to be the Board of Directors President and thanked Board Member Nicely for her three-year term.

**(2) 1<sup>st</sup> Vice President:**

**Board Member Robbins motioned to approve Board Member McCarthy as 1<sup>st</sup> Vice President. Second by Board Member Nicely to approve Board Member McCarthy as 1<sup>st</sup> Vice President. President Robbins called for the vote. A vote in favor of the motion was 5/0.**

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

**(3) 2<sup>nd</sup> Vice President:**

**President Robbins motioned to approve Board Member Roberts as 2<sup>nd</sup> Vice President. Second by Board Member Willey to approve Board Member Roberts as 2<sup>nd</sup> Vice President. President Robbins called for the vote. A vote in favor of the motion was 5/0.**

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

**(4) Secretary:**

- President Robbins stated that due to Board Member Willey's resignation the Board Secretary Position would be filled at a later date.

**Board Member McCarthy motioned to approve the Board Secretary position to be filled at a later date. Second by President Robbins to approve the Board Secretary position to be filled at a later date. President Robbins called for the vote. A vote in favor of the motion was 5/0.**

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

**(5) Treasurer**

**President Robbins motioned to approve Board Member Nicely as the Board Treasurer. Second by Board Member McCarthy to approve Board Member Nicely as the Board Treasurer. President Robbins called for the vote. A vote in favor of the motion was 5/0.**

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

**E. Discussion and Potential Approval of Bear Valley Community Healthcare District Committee Members:**

**(1) Planning & Facilities Committee Meeting**

- (2) Finance Committee Meeting (Treasurer and Committee Member):
  - Board Member Roberts asked that IT Assessment Committee be on the next Board Agenda.
  - President Robbins stated that he would like an Adhoc Committee for Hospital Affiliation and a QI/Safety Committee be placed on the January Board Meeting.
- (3) Human Resource Committee Meeting:

**Board Member Nicely motioned to approve Board Member McCarthy as Chair of Human Resource with the committee having one member to be assigned, Board Member Roberts is the chair of the Planning & Facilities Committee, President Robbins is the 2<sup>nd</sup> member of the Planning & Facilities Committee and Board Member Nicely is the chair of the Finance Committee with one member to be assigned at a later date. Second by President Robbins to approve Board Member McCarthy as Chair of Human Resource with the committee having one member to be assigned, Board Member Roberts is the chair of the Planning & Facilities Committee, President Robbins is the 2<sup>nd</sup> member of the Planning & Facilities Committee and Board Member Nicely is the chair of the Finance Committee with one member to be assigned at a later date. President Robbins called for the vote. A vote in favor of the motion was 4/1.**

- President Robbins - yes
- Board Member Willey- yes
- Board Member Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - no

## **12. ACTION ITEMS\***

### **A. Quorum Health Resource Report:**

- (1) December 2017 QHR Report:
  - Mr. Vigus reported the following
    - QHR Board minutes contained very valuable in-site.
    - Tomi Hagan has committed to continue to have support via email with Compliance.

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

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

### **B. CNO Report:**

- (1) November 2017 CNO Report:
  - Ms. Jex provided the following information:
    - Survey was successful; there are 696 pages in new regulations.
    - ER census is down due to lack of snow.
    - Staff is decreased according to the work-load.
    - Acute, travel RN was released of duties and are currently trying to fill that



position. Positions are posted on website, the District hiring board and word of mouth.

- \$250,000 is in Capital Budget to upgrade the ER; no OSHPD work to be done.
- SNF has 19 patients and there is a waiting list.
- Employee morale in the Dietary Department is down and will be working with the manager to bring morale up; the new manager is holding the staff accountable on workloads, staff feels there is a disparity in pay, and they are adjusting to new manager and they feel unappreciated.
- Case Manager is working with hospitals to provide follow up discharge and try to get patients in our hospital. Off site visits are scheduled for next year.

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

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

**C. Acceptance of the CEO Report:**

**(1) November 2017 CEO Report:**

- Mr. Friel reported the following information:
  - The Mammo unit is reinstated as of this morning. Scheduling patients beginning Monday.
  - Board Self-Assessment website/email address will be sent to the full Board. The District Bylaws state that the assessment will be completed no later than February 2018.
- Board Member Roberts stated that he was at the Rotary Meeting and Mr. Friel did a great job and a wonderful presentation.

**(2) Strategic Plan Update:**

- Mr. Friel stated that the Strategic Plan has been updated and provided to the Board and the Board of Directors would receive a quarterly report.
  - Studer Group is on hold until Union Negotiations are completed.
- Board Member Roberts requested follow up on visiting hospitals that the architects completed; this needs to be scheduled right away
- The full Board asked that target dates need to be included in the Strategic Plan and to please bring back to the Board at the January 2018 meeting.

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

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

**D. Acceptance of the Finance Report:**

**(1) October 2017 Financials:**

- Mr. Hamblin reported the following information:
  - Revenue is over budget.
  - Expenses are lower than budget.
  - Swing and Acute are less than what was budgeted.
  - ER over budget.
  - Expenses are 4% higher due to temporary staff, and training staff.
  - Purchased service up due to more patients at the Dental Clinic.
  - AR days are 67.

**(2) CFO Report:**

- Mr. Hamblin reported the following information:
  - Healthcare Reform is still unknown and is on the back burner.
  - Nationwide Saline Solution Shortage is related to the hurricanes in Puerto Rico. Had to purchase solution at \$99 per case when it was being purchased at \$30 per case. Cameron is diligently working towards obtaining the solution.
  - Trubridge weekly meetings continuing.

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

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

**13. ADJOURNMENT:**

**Board Member Nicely motioned to adjourn the meeting at 4:25 p.m. Second by Board Member Willey to adjourn. President Robbins called for the vote. A vote in favor of the motion was unanimously approved 5/0.**

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

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
SPECIAL BUSINESS BOARD MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
January 02, 2018**

**PRESENT:** Rob Robbins, President Donna Nicely, Treasurer  
Gail McCarthy, 1<sup>st</sup> Vice President John Friel, CEO  
Jack Roberts, 2<sup>nd</sup> Vice President Shelly Egerer, Exec. Assistant

**ABSENT:** None

**STAFF:** Kerri Jex Garth Hamblin Erin Wilson

**OTHER:** Mike Sarrao, Legal Counsel

**COMMUNITY  
MEMBERS:** None

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**OPEN SESSION**

**1. CALL TO ORDER:**

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

**2. ROLL CALL:**

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

**3. FLAG SALUTE:**

Board Member Roberts led the flag salute all present participated.

**4. ADOPTION OF AGENDA:**

President Robbins called for a motion to adopt the agenda as presented. Motion by Board Member Nicely to adopt the agenda as presented. Second by Board Member McCarthy to adopt the agenda as presented. President Robbins called for the vote. A vote in favor of the motion was 4/0.

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

**CLOSED SESSION**

**5. PUBLIC FORUM FOR CLOSED SESSION:**

President Robbins opened the Hearing Section for Public Comment on Closed Session items at 12:00 p.m. Hearing no request to make public comment, President Robbins closed Public Forum for Closed Session at 12:01 p.m.

**6. ADJOURNED TO CLOSED SESSION:**

**President Robbins called for a motion to adjourn to Closed Session at 12:01 p.m. Motion by Board Member Nicely to adjourn to Closed Session. Second by Board Member McCarthy to adjourn to Closed Session. President Robbins called for a vote. A vote in favor of the motion was 4/0.**

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

**RECONVENE TO OPEN SESSION**

**1. CALL TO ORDER:**

President Robbins opened the Hearing Section for Public Comment on Open Session items at 1:00 p.m. Hearing no request to make public comment, President Robbins closed Public Forum for Open Session at 1:01 p.m.

**2. RESULTS OF CLOSED SESSION:**

President Robbins reported the following action was taken in Closed Session: the UNAC Agreement was unanimously approved, a Leave of Absence Policy & Procedure is to be created and the Board of Directors received an update on the OPEIU negotiations.

**President Robbins called for a vote. A vote in favor of the motion was 4/0.**

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

**3. PUBLIC FORUM FOR OPEN SESSION**

President Robbins opened the Hearing Section for Public Comment on Open Session items at 1:01 p.m. Hearing no request to make public comment, President Robbins closed Public Forum for Open Session at 1:01 p.m.

**4. DIRECTORS COMMENTS:**

- President Robbins reported that the Board received Barbara Willey's resignation letter effective December 15, 2017 and received a thank you letter for the Christmas Party from the Mom & Dad Project staff.
- Board Member Roberts wanted to recognize and thank the negotiation team (several employees) for their time dedicated to negotiations and stated that staff did a great job; the team ensured that the negotiations was best for the District and employees.

**5. OLD BUSINESS:**

- None

**6. NEW BUSINESS:**

- None

**7. ADJOURNMENT**

**President Robbins called for a motion to adjourn the meeting at 1:00 p.m. Motion by Board Member Nicely to adjourn. Second by Board President Roberts to adjourn.**

**President Robbins called for the vote. A vote in favor of the motion was unanimously approved 5/0.**

- Board Member Nicely- yes
- President Robbins - 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
<b>Staff Restroom</b>	Renovated Bathroom	Facilities, Carpeteria	Complete	
<b>Room # 30</b>	Renovated room with funds from Rotary	Facilities, Warren Construction, Mike's Flooring	Complete	
<b>Fire Riser</b>	Installed new Fire Riser and Nitrogen Generator in Boiler room	SimplexGrinell	In Progress	
<b>Medgas Panel</b>	Installed new MedGas Panel to meet code requirements. Old Panel was failing and unsupported.	FS Medical	In Progress	
<b>Employee Door Replacement</b>	Door has failed.	Lyman Doors	New door will be replaced in December parts have been ordered.	
<b>Pyxis Replacement</b>	Pyxis equipment is in place and seismic anchors will be installed soon.	Facilities	In Progress	
<b>FHC- Telehealth system installation</b>	Vendor sent new equipment for second Doctor		Installed TV, DVD player & Camera. Also did electrical drops forequipment. Complete!	
<b>ASHRE 188 Risk Management Plan for Legionellosis</b>	New Mandate for Hospitals	Forensic Analytical Consulting Services Inc.	Evaluated Facilities with CNO, Infection Control & Facilities	

# Bear Valley Community Healthcare District Construction Projects 2017

Department / Project	Details	Vendor and all associated costs	Comments	Date
<b>Hospital- Medical Air Compressor</b>	Compressors is failing and no longer meets code requirments	FS Medical	Equipment purchased waiting on OSHPD.	
<b>Hospital- Fire Door Repairs</b>	During our latest inspection most of our doors were identified as having deficiencies	Facilities	Will have to evaluate major repairs and include in Capital Budget	

## Bear Valley Community Healthcare District Potential Equipment Requirements

Department / Project	Details	Vendor and all associated costs	Comments	Date
Facilities- New SnowPlow for truck	Facilities would like to purchase a new plow with modern controls	N/A	Will include in next years Capital Budget	



## Bear Valley Community Healthcare District Repairs Maintenance

Department / Project	Details	Vendor and all associated costs	Comments	Date
Hospital/FHC/RHC/PT	Filters Replaced	Facilities	Complete	
Hospital-Fire Door Repairs	Fire Door repairs	Facilities	In Progress	
ER- Lockbox placed on thermostat	Placed Lock Box in ER to prevent tampering with thermostat	Facilities	In progress	
Escutcheon Repairs	Designed a new larger expansion plate for wear around escutcheons	Facilities	In Progress	



**HR Monthly Report**  
**December 2017**

<b>STAFFING</b>	<b>Active:</b> 215 <b>New Hires:</b> 6 <b>Terms:</b> 2 <b>Open Positions:</b> 22
<b>EMPLOYEE PERFORMANCE EVALUATIONS</b>	<b>DELINQUENT:</b> 30 days: 8 60 days: 3 90 days: 2 (SNF and Dietary) 90+ days: 0  <b>MOVING FORWARD:</b> Enforce Delinquent Evaluation Policy and continue monitoring ongoing annual evaluations.
<b>WORK COMP</b>	<b>NEW CLAIMS:</b> 1 <b>OPEN:</b> 14 Indemnity (Wage Replacement, attempts to make the employee financially whole) - 4 Future Medical Care – 6 Medical Only - 4  <b>MOVING FORWARD:</b> Quarterly claims update.
<b>FILE AUDIT/ LICENSING</b>	<b>FIVE FILE AUDIT:</b> Three missing FEMA Certificate  One missing Meal and Rest Period  One missing Work Comp Fraud  All items returned from previous month  All licenses are current  <b>MOVING FORWARD:</b> Obtain required items, continue file audit.



## Infection Prevention Monthly Report

### November 2017

TOPIC	UPDATE	ACTION/FOLLOW UP
<b>1. Regulatory</b>	<ul style="list-style-type: none"> <li>▪ Continue to receive updates from APIC.</li> <li>▪ Continue NHSN surveillance reporting.               <ul style="list-style-type: none"> <li>• No Hospital acquired infections this month.</li> </ul> </li> <li>▪ Completion of CMR reports to Public Health per Title 17 and CDPH regulations.               <ul style="list-style-type: none"> <li>▪ 1case of viral meningitis reported</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Review ICP regulations.</li> <li>▪ Continue Monthly Reporting Plan submissions.</li> </ul>
<b>2. Construction</b>	<ul style="list-style-type: none"> <li>• ICRA issued for construction in Room 30.</li> <li>• Construction in Room 30 ongoing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work with Maintenance and contractors to ensure compliance.</li> </ul>
<b>3. QI</b>	<ul style="list-style-type: none"> <li>▪ Continue to work towards increased compliance with Hand Hygiene.               <ul style="list-style-type: none"> <li>○ Compliance at 75% for November</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue monitoring hand hygiene compliance.</li> </ul>
<b>4. Outbreaks/ Surveillance</b>	<ul style="list-style-type: none"> <li>▪ Community Health Report               <ul style="list-style-type: none"> <li>○ 1 case of MRSA in November through ER</li> <li>○ 1 C-difficile infection for October. The report is provided in the middle of the next month so</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>

	<p>reporting will be a month behind.</p> <ul style="list-style-type: none"> <li>Public Health Report <ul style="list-style-type: none"> <li>Multi-state cluster of Legionellosis associated with travel to Anaheim, CA <ul style="list-style-type: none"> <li>10 confirmed cases with illness onset dates ranging from September 17 to 30, 2017</li> <li>9 hospitalizations with one confirmed death</li> </ul> </li> </ul> </li> </ul>	
<b>5. Policy Updates</b>	<ul style="list-style-type: none"> <li>Will work with Kathleen Yerratt to develop C-difficile policy and algorithm</li> </ul>	<ul style="list-style-type: none"> <li>Proposed changes to be presented at next P&amp;T committee meeting.</li> </ul>
<b>6. Safety/Product</b>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor compliance with approved cleaning procedures.</li> </ul>
<b>7. Antibiotic Stewardship</b>	<ul style="list-style-type: none"> <li>Continue to monitor antibiotic usage hospital-wide.</li> </ul>	<ul style="list-style-type: none"> <li>Informational.</li> </ul>
<b>8. Education</b>	<ul style="list-style-type: none"> <li>ICP continues to attend the APIC meetings in Ontario.</li> </ul>	<ul style="list-style-type: none"> <li>ICP to share information at appropriate committees.</li> </ul>
<b>9. Informational</b>	<ul style="list-style-type: none"> <li>Legionella Water Plan <ul style="list-style-type: none"> <li>Will be working with Michael Mursick this month and meeting with a company to review plumbing and facilities structure. Water testing will be done and a water management plan will be formed.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> </ul>
Heather Loose, BSN, RN      Infection Preventionist      Date: January 2, 2018		

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
FINANCE COMMITTEE MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
December 04, 2017**

**MEMBERS** Barbara Willey, Treasurer  
**PRESENT:** Rob Robbins, 1<sup>st</sup> Vice President  
John Friel, CEO

Garth Hamblin, CFO  
Shelly Egerer, Exec.Asst.

**STAFF:** None

**COMMUNITY  
MEMBERS:** None

**ABSENT:** None

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**OPEN SESSION**

**1. CALL TO ORDER:**

Board Member Willey called the meeting to order at 1:00 p.m.

**2. ROLL CALL:**

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

**3. ADOPTION OF AGENDA:**

Board Member Robbins motioned to adopt the December 04, 2017 agenda as presented. Second by Board Member Willey to adopt the December 04, 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

**CLOSED SESSION**

**4. PUBLIC FORM FOR CLOSED SESSION:**

Board Member Willey opened the Hearing Section for Public Comment on Closed Session items at 1:00 p.m. Hearing no request to make Public Comment. Board Member Willey closed the Hearing Section at 1:01 p.m.

**5. ADJOURN TO CLOSED SESSION:**

Board Member Robbins motioned to adjourn to Closed Session. Second by Board Member Willey to adjourn to Closed Session. 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

**OPEN SESSION**

**1. CALL TO ORDER:**

Board Member Willey called the meeting to order at 2:00 p.m.

**2. RESULTS OF CLOSED SESSION:**

Board Member Willey reported no action was taken in closed session.

**3. PUBLIC FORUM FOR OPEN SESSION**

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 2:00 p.m. Hearing no request to make Public Comment. Board Member Willey closed the Hearing Section at 2:00 p.m.

**4. DIRECTORS COMMENTS:**

- None

**5. APPROVAL OF MINUTES:**

A. November 06, 2017

**Board Member Robbins motioned to approve the November 06, 2017 minutes as presented. Second by Board Member Willey to approve the November 06, 2017 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

**6. OLD BUSINESS:**

- None

**7. NEW BUSINESS\***

**A. Discussion and Potential Recommendation to the Board of Directors the 2017 Cost Report:**

- Mr. Hamblin reported the following information:
  - Would like Finance Committee to recommend to the Board and authorize the CEO to sign the document.
  - David Perry w/QHR has the report and is reviewing it.
  - WIPFLI completed last year's cost report.

**Board Member Willey motioned to recommend to the Board of Directors the 2017 Cost Report. Second by Board Member Robbins to recommend to the Board of Directors the 2017 Cost Report. 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

**B. Discussion and Potential Recommendation to the Board of Directors Travel Expenses for QHR IT Assessment: Travel Expenses Not to Exceed \$2,000.00:**

- Mr. Hamblin reported that the Board has requested that we complete an IT Assessment. In the QHR budget, there are funds available to complete the assessment.
  - Cost should be well under \$2,000.00

- Assessment will take approximately 2 to 3 days.

**Board Member Robbins approved a positive recommendation to the Board of Directors the travel expense for QHR not to exceed \$2,000.00. Second by Board Member Willey to approve a positive recommendation to the Board of Directors the travel expense for QHR not to exceed \$2,000.00. 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

## **8. Presentation and Review of Financial Statements:**

### **A. October 2017 Finances:**

- Mr. Hamblin reported the following:
  - Day's cash on hand are 211days.
  - Paid the CT Scanner & Mammo Project.
  - October has a decline as expected.
  - ER visits have decreased.
  - Swing days declined.
  - SNF patients increased.
  - Revenue over budget.
  - Inpatient under budget.
  - Clinic over budget- continue to see good patient volume.
  - Operating expenses were over budget.
  - Loss of the month \$95,854.
  - AR days are at 67.1. Continue working with TruBridge.

### **B. CFO Report:**

- Mr. Hamblin reported the following information:
  - Healthcare Reform still unknown. Will continue to monitor.
  - Shortage of IV Solution (Saline solution).
    - Puerto Rico makes the solution and due to the Hurricane has affected the distribution of this item.
    - Purchasing manager is doing a great job in obtaining the solution.
    - This is a nationwide shortage.

**Board Member Robbins motioned to approve the October 2017 Finance Report and the CFO Report as presented. Second by Board Member Willey to approve the October 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

## **9. ADJOURNMENT\***

**Board Member Robbins motioned to adjourn the meeting at 2:23 p.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey adjourned the meeting.**

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



## MEMO

Date: 3 January 2017  
To: BVCHD Board  
From: Garth M Hamblin, CFO  
Re: Audited Financial Statements – Fiscal Year Ended June 30, 2017

---

### Recommended Action

Accept and approve the Bear Valley Community Healthcare District Audited Financial Statements for the Fiscal Year ended June 30, 2017 (July 1, 2016, through June 30, 2017).

### Background

The Finance Committee has reviewed and recommended Board approval of our District Audited Financial Statements for the Fiscal Year ended June 30, 2017.

There was a question during the Finance Committee meeting about the calculation of ALOS (Average Length of Stay). I have removed that from the MD&A (Management Discussion and Analysis) section as I could not easily break out discharges for acute and swing bed patients to correctly calculate ALOS stay for each.

Concerning the inclusion "DRAFT" watermark in the attached statements, Mr Tucker has told me the following "we are required to leave the DRAFT watermark on the audit till approved by the board. After board approval I will promptly provide you with a final copy".

Mr. Tucker is scheduled to attend the January 10, 2018, Board meeting to present Statements to the full board.



Report of Independent Auditors  
And Financial Statements

BEAR VALLEY COMMUNITY  
HEALTHCARE DISTRICT

June 30, 2017 & 2016

DRAFT

JWT & Associates, LLP  
Advisory Assurance Tax

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Audited Financial Statements

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# **JWT & Associates, LLP**

## **Advisory Assurance Tax**

1111 East Herndon, Suite 211, Fresno, California 93720

Voice: (559) 431-7708 Fax: (559) 431-7685

### ***Report of Independent Auditors***

The Board of Directors  
Bear Valley Community Healthcare District  
Big Bear Lake, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Bear Valley Community Healthcare District (the District) as of June 30, 2017 and 2016, which comprise the statements of net position as of June 30, 2017 and 2016, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and in accordance with the State Controller's Minimum Audit Requirements for Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2017 and 2016, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 14 be presented to supplement the 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing 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 basic financial statements. We do 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.

***JWT & Associates, LLP***

Fresno, California  
January 10, 2018

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

The administration of the Bear Valley Community Healthcare District (the District) prepared the following Management Discussion and Analysis of the financial performance of the District for the fiscal year ended June 30, 2017 (FYE 2017) to accompany the financial statements prepared in accordance with the Governmental Accounting Standards Board Statement Numbers 34, 37 and 38. This discussion and the associated schedules are intended to provide an analysis, explanation, and historical basis of comparison for the reporting of financial results of the District for FYE 2017. The audited financial statements included herewith have been prepared and submitted with an unmodified opinion from the District's independent auditor.

### Overview of the Bear Valley Community Healthcare District and its Financial Statements

This annual financial report consists of the audited financial statements included herewith and the associated notes to those statements that describe the District's combined financial position and results of operations for the FYE 2017. The audited financial statements of the District include the statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows.

- The statement of net position includes all of the District's assets and liabilities, using the accrual basis of accounting, as well as any indication as to which assets are intended for use to fund future capital asset expenditures or otherwise designated as to use by board of director policy.
- The Statement of Revenues, Expenses, and Changes in Net Position present the results of operating and non-operating activities during the fiscal year and the associated incomes.
- The Statement of Cash Flows reports the net cash provided by operating activities, as well as other sources and uses of cash from investing, non-capital financing activities, and capital and related financing activities.

### Financial Highlights

	2017	2016	2015	Change	
				2017	2016
Current assets	\$ 7,427,624	\$ 5,855,921	\$ 6,563,584	\$ 1,571,703	\$ (707,663)
Current liabilities	2,506,983	2,074,260	1,984,561	432,723	89,699
Investments	11,038,559	8,415,234	1,180,639	2,623,325	7,234,595
Capital assets, net of depreciation	7,634,783	7,019,232	7,504,079	615,551	(484,847)
Long term debt	2,930,000	2,965,000	250,970	(35,000)	2,714,030
Total net position	20,663,983	13,263,740	11,450,948	7,400,243	1,812,792
Excess of revenues over expenses	\$ 4,412,856	\$ 1,812,792	\$ (1,152,293)	\$ 2,600,064	\$ 2,965,085

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

### CURRENT ASSETS

Current assets are cash or other assets that could reasonably be expected to be converted into cash in one year. Current assets increased by \$1,571,703 during the year. Most of the increase, \$1,096,278, was in Cash. We also saw an increase of \$475,705 in net patient receivables.

#### Current Assets

	2017	2016	2015	Change	
				2017	2016
<b>Current assets</b>	<b>\$ 7,427,624</b>	<b>\$ 5,855,921</b>	<b>\$ 6,563,584</b>	<b>\$ 1,571,703</b>	<b>\$ (707,663)</b>
Cash	2,858,405	1,762,127	1,048,163	1,096,278	713,964
Net patient receivables	3,924,581	3,448,876	5,091,546	475,705	(1,642,670)
Other Assets	239,655	242,260	102,396	(2,605)	139,864
Assets whose use is limited	-	-	-	-	-
Inventory	212,805	178,366	126,658	34,439	51,708
Prepaid expenses	192,178	224,292	194,821	(32,114)	29,471
<b>Investments</b>	<b>\$ 11,038,559</b>	<b>\$ 8,415,234</b>	<b>\$ 1,180,639</b>	<b>\$ 2,623,325</b>	<b>\$ 7,234,595</b>

### Cash and Investments

The District maintains sufficient cash balances to pay its short-term liabilities. Excess funds are invested with the Local Agency Investment Fund (LAIF) or in interest bearing fully guaranteed certificates of deposit distributed among various financial institutions to ensure FDIC protection of principal amounts invested. LAIF is a voluntary fund created by statute in 1977 as an investment alternative for California's local governments and special districts.

During the year, our investments grew by \$2,623,325 bringing the total to \$11,038,559.

For the year ending June 30, 2017, the District's cash and investments increased by \$3,723,113. Total days cash on hand increased by 44 to 231. See audited financial statements for additional information.

#### Cash and Investments

	2017	2016	2015	Change	
				2017	2016
Cash and cash equivalents	\$ 2,861,915	\$ 1,762,127	\$ 1,048,163	\$ 1,099,788	\$ 713,964
Assets whose use is limited	\$ -	\$ -	\$ -	-	-
Investments	11,038,559	8,415,234	1,180,639	2,623,325	7,234,595
<b>Total cash and investments</b>	<b>\$ 13,900,474</b>	<b>\$ 10,177,361</b>	<b>\$ 2,228,802</b>	<b>\$ 3,723,113</b>	<b>\$ 7,948,559</b>
Days cash on hand	231	187	43	44	144

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

### Net Patient Accounts Receivables

Net patient accounts receivables at June 30, 2017, as compared to June 30, 2016, were higher by \$475,705. Management and staff continue to work with our Accounts Receivable Management company (outsourced Patient Financial Services / Billing functions) to reduce Accounts Receivable and Accounts Receivable Days. During the year, we saw only a slight reduction - from 82 to 80 days.

				Change	
	2017	2016	2015	2017	2016
Net patient receivables	3,924,581	3,448,876	5,091,546	475,705	(1,642,670)

### Inventory

	2017	2016	2015	2017	2016
Inventory	\$ 212,805	\$ 178,366	\$ 126,658	\$ 34,439	\$ 51,708

The inventory at June 30, 2017 is higher than prior year by \$34,439. The increase is in Central Supply inventory.

### CAPITAL ASSETS

Capital assets are long term assets such as buildings, improvements and equipment with a purchase cost of \$5,000 or more and a useful life greater than one year. Items costing less than \$5,000 are expensed as minor equipment. Capital assets, net of accumulated depreciation, increased \$615,551 as of June 30, 2017, over the prior year balance.

Capital additions totaled \$1,235,141 during FYE 2017. We have continued to closely monitor capital expenditures. Notable expenditures in FY 2017 included – construction related to remodel of the area for our replacement CT scanner and Digital Mammography unit, adding DR (digital radiography) detectors in x-ray, new ultrasound unit, replacement of defibrillators, and installation of T-System (electronic health record for the emergency department).

### Capital Assets

				Change	
	2017	2016	2015	2017	2016
Property and equipment	\$ 20,351,193	\$ 19,116,052	\$ 18,755,338	\$ 1,235,141	\$ 360,714
Less: accumulated depreciation	(12,716,410)	(12,096,820)	(11,251,259)	(619,590)	(845,561)
	<u>\$ 7,634,783</u>	<u>\$ 7,019,232</u>	<u>\$ 7,504,079</u>	<u>\$ 615,551</u>	<u>\$ (484,847)</u>

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

### CURRENT LIABILITIES

Current liabilities are short-term debts due in less than one year. At June 30, 2017, current liabilities increased by \$432,723.

#### Current Liabilities

	2017	2016	2015	Change	
				2017	2016
Current Liabilities	\$ 2,506,983	\$ 2,074,260	\$ 1,984,561	\$ 432,723	\$ 89,699
Current portion of long term debt	35,000	35,000	-	-	35,000
Accounts payable	1,137,648	566,494	638,250	571,154	(71,756)
Unearned Income	-	-	126,667	-	(126,667)
Accrued compensation	684,799	897,750	948,145	(212,951)	(50,395)
Third-party payor settlements	649,537	575,016	271,499	74,521	303,517

#### Accounts Payable

Accounts payable decreased by \$571,154 from the FYE June 30, 2017 amount. Days in Accounts Payable increased to 44.8 from 25.6 at the end of the previous fiscal year.

#### Third party settlements

The estimated third party settlements are higher by \$74,521 at June 30, 2017, as compared to the prior year-end. The balance includes settlement estimates on prior year Cost Reports.

Both the Medicare and Medi-Cal program administrative procedures preclude final determination of amounts due to/from the District until the cost reports are audited and settled. Administration is of the opinion that no significant adverse adjustment to the recorded settlement amounts will be required upon final settlement.

### PATIENT REVENUE AND DEDUCTIONS FROM REVENUE

Under antitrust statutes, hospitals are required to charge all patients the same price for a given level of service. Accordingly, the District charges all patients uniformly based on its established charge description master (CDM) pricing structure for the services rendered. In addition, all California hospitals are required to annually file an electronic version of their CDM, also known as the "charge master", with the Office of Statewide Health Planning (OSHPD). The District complies with the OSHPD filing requirement; therefore, an electronic version of the CDM is available from the OSHPD website.



# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

Gross patient revenue for FYE 2017 increased over the previous fiscal year by \$1,300,483 or 2.7%. The largest increase is seen in Skilled Nursing Facility where we saw a 26.1% increase in days. Outpatient Revenue grew with a 1.2% increase in Emergency Department visits and a 17.6% increase in Clinic visits.

	2017	2016	2015	Change			
				2017		2016	
<b>Gross Patient Charges</b>							
Inpatient	\$ 2,636,880	\$ 2,440,411	\$ 1,901,093	\$ 196,469	8.1%	\$ 539,318	28.4%
Outpatient	43,815,116	43,363,326	38,976,345	438,790	1.0%	4,386,981	11.3%
Skilled Nursing Facility	2,987,451	2,335,227	2,271,140	652,224	27.9%	64,087	2.8%
Total gross revenue	\$ 49,439,447	\$ 48,138,964	\$ 43,148,578	\$ 1,300,483	2.7%	\$ 4,990,386	11.6%

### Acute Inpatient Census Statistics

Staffed beds 5							
Patient days	855	788	398	67	8.5%	390	98.0%
Days in the year	365	366	365	(1)	-0.3%	1	0.3%
Average Daily Census	2.3	2.2	1.1	0.2	8.8%	1.1	97.4%

### Skilled Nursing Facility Census Statistics

Staffed beds 21							
Patient days	6,667	5,289	5,620	1,378	26.1%	(331)	-5.9%
Average Daily Census	18.3	14.5	15.4	3.8	26.4%	(0.9)	-6.1%
Discharges	13	25	13	(12)	-48.0%	12	92.3%
Emergency Department Visits	11,315	11,184	10,593	131	1.2%	591	5.6%
Clinic Visits	21,093	17,939	18,551	3,154	17.6%	(612)	-3.3%

### Deductions from Revenue

A contractual adjustment is the difference between gross charges and a contractually agreed-upon payment rate with third-party payors. Typically, third-party payors are 1) government programs such as Medicare and Medi-Cal; 2) Independent Practice Associations (IPA) such as Heritage Victor Valley Medical Group, which are often referred to as "gatekeeper physicians", and 3) other third-party payors or Preferred Provider Organizations (PPO) networks, which generally include insurance carriers such as Blue Cross, Blue Shield, Health Net, Aetna, etc.

Contractual adjustments are accrual-based estimates derived from historical reimbursement experience using remittance advices by payor and by type of account (inpatient, outpatient, or clinic), adjusted for known exposures, such as payment denials, and are used to reduce the gross charges to the expected realizable value.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

Contractual adjustments as a percentage of gross patient charges, excluding prior year third-party settlement adjustments, were 49.9% for FYE 2017 compared to 57.1% for FYE 2016.

FY 2015 was our first year as a Critical Access Hospital (CAH). We continue to review CAH status and impacts each year.

Additionally, deductions from revenue include other uncompensated care categories such as Charity Care, Administrative Adjustments, Patient Discounts (principally discounts offered to uninsured or private pay patients who do not qualify for financial assistance) and Employee Discounts. Effective January 1, 2007, the California State Assembly passed AB 774, which requires all hospitals in California to follow a specific state-mandated means testing process to determine if a patient qualifies for financial assistance. The charity care can range from a full write-off to a partial write-off of the patient's outstanding balance. Furthermore, OSHPD requires every hospital to file an electronic copy of its financial assistance policy. As of June 30, 2017, the District is in compliance with the financial assistance policy reporting requirement.

Total deductions from revenue, including the provision for bad debts, as a percent of gross patient revenue, was 51.9% for FYE 2017 versus 56.8% for FYE 2016.

### Provision for Bad Debts

The provision for bad debts increased for FYE 2017, as compared to the previous fiscal year. As a percent of gross revenue, bad debts were 3.9% for the current fiscal in comparison to 1.6% for the prior year.

### Allowance for Doubtful Accounts

	2017	2016	2015	Change	
				2017	2016
Bad debt expense	\$ 1,929,651	\$ 762,369	\$ 3,432,376	\$ 1,167,282	\$(2,670,007)
Bad debt expense as a percent of gross revenue	3.9%	1.6%	8.0%	2.3%	-6.4%

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

	2017	2016	Change 2017
<b>Deductions from Revenue</b>			
Contractual adjustments	\$ 24,678,858	\$ 27,503,605	\$ (2,824,747)
Prior year contractual allowances	(1,270,633)	(1,232,292)	\$ (38,341)
Charity Care	109,125	60,361	\$ 48,764
Administrative	79,497	120,627	\$ (41,130)
Patient discount	98,401	71,594	\$ 26,807
Employee discount	43,792	65,357	\$ (21,565)
Bad Debts	1,929,651	762,369	\$ 1,167,282
	<b>\$ 25,668,691</b>	<b>\$ 27,351,621</b>	
<b>Deductions from Revenue as a percent of gross revenue</b>			
Contractual adjustments	49.9%	57.1%	-7.2%
Prior year contractual allowances	-2.6%	-2.6%	0.0%
Charity Care	0.2%	0.1%	0.1%
Administrative	0.2%	0.3%	-0.1%
Patient discount	0.2%	0.1%	0.1%
Employee discount	0.1%	0.1%	0.0%
Bad Debts	3.9%	1.6%	2.3%
<b>Total</b>	<b>51.9%</b>	<b>56.8%</b>	<b>-4.9%</b>

### Net Patient Service Revenue

Net patient service revenue is the difference between gross patient charges and revenue deductions. For FYE June 30, 2017, net patient services revenues increased \$2,838,473 or 13.4% higher than the previous fiscal year. Net patient revenue increased due to increases in volume in Skilled Nursing, ER and Clinic revenues along with the reduction that we experienced in Deductions from Revenue.

### Net Patient Revenue

	2017	2016	2015	Change	
				2017	2016
Net patient service revenue	\$ 23,963,785	\$ 21,125,312	\$ 18,129,478	\$ 2,838,473	\$ 2,995,834
				13.4%	16.5%

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

### OPERATING EXPENSES

Total operating expenses in FYE 2017 were \$22,625,387 as compared to \$20,813,878 for FYE 2016 – an increase of 8.7%. Salaries, Wages, and Benefits (which comprised just over 56% of Total Operating Expenses) increased by 7.3 %. During the year we cashed out PTO (Paid Time Off) balances in excess of 300 hours. We also saw increases in retirement cost and health insurance costs. We saw a decrease in Professional Fees, but in increase in Purchased Services with the addition of fees related to provision of Dental Services and having contract staff fill in interim management positions.

	2017		2016		2015		Change	
							2017	2016
Salaries and wages	\$ 9,168,859	40.5%	\$ 9,613,427	46.2%	\$ 9,229,276	46.4%	\$ (444,568)	\$ 384,151
Employee benefits	3,568,108	15.8%	2,260,524	10.9%	2,319,118	11.7%	1,307,584	(58,594)
Total salaries and benefits	12,736,967	56.3%	11,873,951	57.1%	11,548,394	58.1%	863,016	325,557
Professional fees	1,832,258	8.1%	2,530,215	12.2%	1,693,123	8.5%	(697,957)	837,092
Purchased services	3,531,964	15.6%	2,308,298	11.1%	2,170,482	10.9%	1,223,666	137,816
Supplies	1,469,773	6.5%	1,587,249	7.6%	1,730,884	8.7%	(117,476)	(143,635)
Repairs and maintenance	314,833	1.3%	214,492	0.9%	327,241	1.5%	100,341	(112,749)
Utilities	533,430	2.4%	573,178	2.8%	548,858	2.8%	(39,748)	24,320
Rentals and leases	277,463	1.2%	241,127	1.2%	243,070	1.2%	36,336	(1,943)
Depreciation and amortization	619,591	2.7%	845,561	4.1%	937,973	4.7%	(225,970)	(92,412)
Insurance	300,352	1.3%	266,904	1.3%	236,638	1.2%	33,448	30,266
Other operating expenses	1,008,756	4.5%	372,903	1.8%	435,628	2.2%	635,853	(62,725)
Total Operating Expenses	\$ 22,625,387	100%	\$ 20,813,878	100%	\$ 19,872,291	100%	\$ 1,811,509	\$ 941,587
							8.7%	4.7%

### Supply Costs

Supply costs as a percentage of gross revenue decreased from 3.3% in FYE 2016 to 3.0% in FYE 2017. Management continues to work with our group purchasing organization (GPO), Healthtrust Purchasing Group (HPG) to identify opportunities for supply cost reductions.

	2017		2016		2015		Change	
							2017	2016
Supply costs	\$ 1,469,773		\$ 1,587,249		\$ 1,730,884		\$ (117,476)	\$ (143,635)
Supply costs as a percent of gross revenue	3.0%		3.3%		4.0%		-0.3%	-0.7%

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

### FISCAL YEAR 2018 BUDGET AND ECONOMIC FACTORS

The District's Board of Directors approved the Budget for FYE June 30, 2018 (FY 2018) at a general board meeting. The financial plan for FYE 2018 includes a 5.7% increase in Gross Revenue and a 4.7% increase in Net Revenue. Operating Expense is budgeted to increase by 9.2%. The net result is a budgeted Surplus of \$2,939,870.

Capital expenditure plans include completion of the remodel for installation of a replacement CAT scanner and new Digital Mammography unit. We also have budgeted expenditures to CPSI, our electronic health record vendor, to meet the requirements of Meaningful Use 3. Also, replacement of laboratory equipment, some cosmetic work in the emergency department, and the number of smaller maintenance projects. Current and future favorable operations are helped by the continuation of a parcel tax assessed on property located in the Big Bear Valley area and an allocation of county tax revenue. During FYE 2017, the District received \$2,187,524 in such tax revenue. The projected tax revenue for FYE 2018 is \$2,232,569.

### BUSINESS STRATEGIES

In May 2014, the District converted to Critical Access Hospital (CAH) status. Our Analysis after filing FYE 2016 Cost Report showed a favorable impact of \$1,247,514 for the year from CAH status as compared to payments we would have received as a PPS (Prospective Payment System) Hospital.

#### Revenue cycle management and cost containment strategies

Administration is continuing its efforts to improve the revenue cycle process by monitoring provider contract administration, accounts receivable through our Accounts Receivable Management agreement, and working with Management Company consultants.

Also, administration will continue to work to monitor and lower operating expenses as possible to improve the net operating margin.

#### Status of Regulatory Requirements

- The District is in compliance with applicable state and federal regulations.
- The facility was reclassified as SPC-2 under HAZUS to comply with Senate Bill (SB) 1953.

Administration is working to meet the SB 1953 deadline under NPC-3 performance levels that requires healthcare institutions to be in compliance by the year 2030. Accordingly, the objective is to identify the full extent of equipment and non-structural items that must meet NPC-3 anchorage requirement. Once a plan is established develop a timetable to ensure compliance with NPC-3 performance level as quickly as possible.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

- On January 1, 2007, Assembly Bill (AB) 774 Charity Care and Discount Payment law was effective. The District implemented and updated its charity and discount payment policy to conform to the requirements of AB 774. Additionally, in 2008 all acute care hospitals were required to file electronically their Charity Care and Discount Payment Policy with OSHPD. The District is in compliance with OSHPD policy.
- Administration reviewed the charge description master (CDM), updated it as necessary, and as required filed the electronic CDM with OSHPD.
- The State of California had proposed a reduction in the Distinct Part Skilled Nursing Facility (DP/SNF) reimbursement rate to 90% of the 2008-2009 level in AB 97, with a caveat to apply this reduction retroactively with a "clawback" demand for repayment. The Department of Health Care Services (DHCS) did announce in August 2013 that rural DP/SNFs would be exempted from this rate reduction. The clawback provision was eliminated during FYE 2016.

### HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA)

Beginning in 2002, the District began an effort to comply with the Health Insurance Portability and Accountability Act (HIPAA) enacted by the federal government. Required steps to comply with provisions of the Act have been put into place within the periods specified therein. Upgrades to our patient information system have already been installed to meet the security requirements. The information system infrastructure will continue to be reviewed throughout the stages of HIPAA enforcement to ensure continued compliance. The employees of the District continue to be educated in the privacy requirements of the Act. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Moreover, the state of California passed a law requiring additional state requirements regarding patient confidentiality. The District complies with the HIPAA and the new California law.

### ELECTRONIC HEALTH RECORD (EHR)

In 2009, the American Recovery and Reinvestment Act (ARRA) was signed into law. The Health Information Technology Economic and Clinical Health (HITECH) Act is part of the ARRA. The HITECH Act created the Medicare and Medicaid (Medi-Cal in California) EHR incentive programs, which will provide incentive payments to eligible professionals and hospitals that adopt and demonstrate meaningful use (MU) of certified EHR technology. These incentives are considered to be of high strategic importance by virtually all healthcare organizations in the United States to further the federal government's goal of achieving health care reform and improvement of clinical outcomes for the population. The District implemented its electronic medical records system effective April 1, 2013 and attested that it has achieved MU as of October 2013. We continue to meet the requirements of MU.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Management's Discussion and Analysis

June 30, 2017

### ACCOUNTABLE CARE ACT (ACA)

The future of the ACA is uncertain. November national election results and claims to revise or even repeal come on the heels of uncertainty of what will happen with the Healthcare Exchanges in light of likely high increase in premium cost and some carriers no longer being willing to offer coverage in certain locations. Congressional efforts to repeal or repair or replace the ACA have not been successful. Major healthcare reform could have a huge impact on California and Bear Valley Community Healthcare District.

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# Bear Valley Community Healthcare District

## Statements of Net Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 13,002,589	\$ 9,282,986
Investments	750,000	750,000
Patient accounts receivable, net of allowances	3,924,581	3,448,876
Other receivables and physician advances	239,655	242,260
Assets whose use is limited	144,375	144,375
Supplies	212,805	178,366
Prepaid expenses and deposits	192,178	224,292
Total current assets	<u>18,466,183</u>	<u>14,271,155</u>
Capital assets, net of accumulated depreciation	7,634,783	7,019,232
Total assets	<u>\$ 26,100,966</u>	<u>\$ 21,290,387</u>
<b>Liabilities and Net Position</b>		
Current liabilities		
Current portion of long-term debt	\$ 35,000	\$ 35,000
Accounts payable and accrued expenses	1,137,647	566,494
Accrued payroll and related liabilities	684,799	897,750
Third-party payor settlements	649,537	575,016
Total current liabilities	<u>2,506,983</u>	<u>2,074,260</u>
Long-term debt, less current portion	<u>2,930,000</u>	<u>2,965,000</u>
Total liabilities	<u>5,436,983</u>	<u>5,039,260</u>
Net position		
Invested in capital assets, net of related debt	4,669,783	4,019,232
Unrestricted	15,994,200	12,231,895
Total net position	<u>20,663,983</u>	<u>16,251,127</u>
Total liabilities and net position	<u>\$ 26,100,966</u>	<u>\$ 21,290,387</u>

*See accompanying notes to the financial statements*



# Bear Valley Community Healthcare District

## Statements of Revenues, Expenses and Changes in Net position

For The Years Ended June 30, 2017 and 2016

	2017	2016
<b>Operating revenues</b>		
Net patient service revenue	\$ 23,963,785	\$ 21,125,312
Other operating revenue	2,034,802	680,717
Total operating revenues	<u>25,998,587</u>	<u>21,806,029</u>
<b>Operating expenses</b>		
Salaries & wages	9,168,859	9,613,427
Employee benefits	3,568,108	2,260,524
Professional Fees	1,832,258	2,530,215
Purchased services	3,531,964	2,308,298
Supplies	1,469,773	1,587,249
Repairs & maintenance	314,833	214,492
Utilities	533,430	573,178
Rentals and leases	277,463	241,127
Depreciation & amortization	619,591	845,561
Insurance	300,352	266,904
Other operating expenses	1,008,756	372,903
Total operating expenses	<u>22,625,387</u>	<u>20,813,878</u>
Operating income (loss)	3,373,200	992,151
<b>Nonoperating revenues (expenses)</b>		
District tax revenues	2,301,190	2,234,639
Capital grants and donations	64,441	133,050
Investment income	88,397	12,591
Interest expense	(96,343)	(47,078)
Total nonoperating revenues (expenses)	<u>2,357,685</u>	<u>2,333,202</u>
Excess of revenues (expenses)	<u>5,730,885</u>	<u>3,325,353</u>
Inter-governmental transfers	(1,318,029)	(337,966)
Increase in net position	<u>4,412,856</u>	<u>2,987,387</u>
Net position, beginning of the year	<u>16,251,127</u>	<u>13,263,740</u>
Net position, end of year	<u><u>\$ 20,663,983</u></u>	<u><u>\$ 16,251,127</u></u>

*See accompanying notes to the financial statements*

# Bear Valley Community Healthcare District

## Statements of Cash Flows

For The Years Ended June 30, 2017 and 2016

	2017	2016
<b>Cash flows from operating activities</b>		
Cash received from patients and third-party payers	\$ 23,562,601	\$ 23,071,499
Other receipts	2,037,407	563,755
Cash payments to suppliers and contractors	(8,700,001)	(8,270,204)
Cash payments to employees and benefit programs	(12,949,918)	(11,924,346)
Net cash provided by (used in) operating activities	3,950,089	3,440,704
<b>Cash flows from non-capital and related financing activities</b>		
District tax revenue	2,301,190	2,234,639
Net change in unearned income	-	(126,667)
Net cash provided by non-capital and related financing activities	2,301,190	2,107,972
<b>Cash flows from capital and related financing activities</b>		
Purchase of property, plant & equipment	(1,235,142)	(360,714)
Capital grants and contributions	64,441	133,050
Proceeds from new debt borrowings	-	3,000,000
Change in assets whose use is limited	-	(144,375)
Payments of long-term debt	(35,000)	-
Interest paid on capital debt	(96,343)	(47,078)
Net cash provided by (used in) capital and related financing activities	(1,302,044)	2,580,883
<b>Cash flows from investing activities</b>		
Net sale of investments	-	412,585
Inter-governmental transfers	(1,318,029)	(337,966)
Investment income	88,397	12,591
Net cash provided by investing activities	(1,229,632)	87,210
Increase (decrease) in cash and cash equivalents	3,719,603	8,216,769
Cash and cash equivalents at beginning of year	1,066,217	1,066,217
Cash and cash equivalents at end of year	<u>\$ 4,785,820</u>	<u>\$ 9,282,986</u>

*See accompanying notes to the financial statements*

**Bear Valley Community Healthcare District**

**Statements of Cash Flows (continued)**

For The Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ 3,373,200	\$ 992,151
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	619,591	845,561
Changes in operating assets and liabilities		
Patient accounts receivable	(475,705)	1,642,670
Other receivables	2,605	(116,962)
Supplies	(34,439)	(51,708)
Prepaid expenses	32,114	(52,374)
Accounts payable and accrued expenses	571,153	(71,756)
Accrued payroll and related expenses	(212,951)	(50,395)
Third-party payor settlements	74,521	303,517
Net cash provided by (used in) operating activities	<u>\$ 3,950,089</u>	<u>\$ 3,440,704</u>

*See accompanying notes to the financial statements*

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES

**Reporting Entity:** Bear Valley Community Health Care District (the District) is a public entity organized under Local Hospital District Law as set forth in the Health and Safety Code of the State of California. The District operates a hospital, Bear Valley Community Hospital (the Hospital), for the community of Big Bear Lake and the surrounding area. The Hospital is a 30-bed facility that provides general acute and skilled nursing care. As a political subdivision of the State of California, the District is generally not subject to federal or state income taxes.

**Basis of Preparation:** The accounting policies and financial statements of the District generally conform with the recommendations of the audit and accounting guide, *Health Care Organizations*, published by the American Institute of Certified Public Accountants. The financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). For purposes of presentation, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operational revenues and expenses.

The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus. Based on GASB Statement Number 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended, the District has elected to apply the provisions of all relevant pronouncements as the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Financial Statement Presentation:** The District applies the provisions of GASB 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (Statement 34), as amended by GASB 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Omnibus*, and Statement 38, *Certain Financial Statement Note Disclosures*. Statement 34 established financial reporting standards for all state and local governments and related entities. Statement 34 primarily relates to presentation and disclosure requirements. The impact of this change was related to the format of the financial statements; the inclusion of management's discussion and analysis; and the preparation of the statement of cash flows on the direct method. The application of these accounting standards had no impact on the total net position.

**Management's Discussion and Analysis:** Statement 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the District's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to the analysis provided in the annual reports of organizations in the private sector.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

**Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents and Investments:** The District considers cash and cash equivalents to include certain investments in highly liquid debt instruments, when present, with an original maturity of a short-term nature or subject to withdrawal upon request. Exceptions are for those investments which are intended to be continuously invested. Investments in debt securities are reported at market value. Interest, dividends and both unrealized and realized gains and losses on investments are included as investment income in non-operating revenues when earned.

**Patient Accounts Receivable:** Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and private patients. The District manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectability and providing for allowances on their accounting records for estimated contractual adjustments and uncollectible accounts. Significant concentrations of patient accounts receivable are discussed further in the footnotes.

**Supplies:** Inventories are consistently reported from year to year at cost determined by average costs and replacement values which are not in excess of market. The District does not maintain levels of inventory values such as those under a first-in, first out or last-in, first out method.

**Assets Limited as to Use:** Assets limited as to use include amounts designated by the Board of Directors for replacement or purchases of capital assets and other specific purposes. Assets limited as to use consist primarily of government agency funds, money market accounts and certificates of deposits on hand with banking and investment institutions.

**Capital Assets:** Capital assets consist of property and equipment and are reported on the basis of cost, or in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures which increase values, change capacities, or extend useful lives are capitalized. Depreciation of property and equipment and amortization of property under capital leases are computed by the straight-line method for both financial reporting and cost reimbursement purposes over the estimated useful lives of the assets, which range from 10 to 30 years for buildings and improvements, and 3 to 10 years for equipment. The District periodically reviews its capital assets for value impairment. As of June 30, 2017, and 2016, the District has determined that no capital assets are impaired.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

**Compensated Absences:** The employees of the District earn paid time off ("PTO") benefits at varying rates. The rate is determined based on their years of service. This PTO benefit can accumulate up to specified maximum levels. Employees may use their accumulated PTO for vacation, holidays and sick leave. Accumulated PTO benefits are paid to an employee upon either termination or retirement. Accrued PTO liabilities as of June 30, 2017, and 2016 are \$489,455 and \$468,546, respectively.

**Risk Management:** The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and medical malpractice. Commercial insurance coverage is purchased for claims arising from such matters.

**Net Position:** Net position (formally net assets) is presented in three categories. The first category is net position "invested in capital assets, net of related debt". This category of net position consists of capital assets (both restricted and unrestricted), net of accumulated depreciation and reduced by the outstanding principal balances of any debt borrowings that were attributable to the acquisition, construction, or improvement of those capital assets.

The second category is "restricted" net position. This category consists of externally designated constraints placed on assets by creditors (such as through debt covenants), grantors, contributors, law or regulations of other governments or government agencies, or law or constitutional provisions or enabling legislation.

The third category is "unrestricted" net position. This category consists of net assets that do not meet the definition or criteria of the previous two categories.

**Net Patient Service Revenues:** Net patient service revenues are reported in the period at the estimated net realized amounts from patients, third-party payors and others including estimated retroactive adjustments under reimbursement agreements with third-party programs. Normal estimation differences between final reimbursement and amounts accrued in previous years are reported as adjustments of current year's net patient service revenues.

**Charity Care:** The District accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies of the District. Essentially, these policies define charity services as those services for which no payment is anticipated. Because the District does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenues. Services provided are recorded as gross patient service revenues and then written off entirely as an adjustment to net patient service revenues.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 1 - ORGANIZATION AND ACCOUNTING POLICIES (continued)

**District Tax Revenues:** The District receives financial support from property taxes. These funds are used to support operations. They are classified as non-operating revenue as the revenue is not directly linked to patient care. Property taxes are levied by the County on the Hospital's behalf during the year, and are intended to help finance the District's activities during the same year. Amounts are levied on the basis of the most current property values on record with the County. The County has established certain dates to levy, lien, mail bills, and receive payments from property owners during the year. Property taxes are considered delinquent on the day following each payment due date.

**Grants and Contributions:** From time to time, the District receives grants from various governmental agencies and private organizations. The District also receives contributions from related foundation and auxiliary organizations, as well as from individuals and other private organizations. Revenues from grants and contributions are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or capital acquisitions. These amounts, when recognized upon meeting all requirements, are reported as components of the statement of revenues, expenses and changes in net assets.

**Operating Revenues and Expenses:** The District's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, which is the District's principal activity. Operating expenses are all expenses incurred to provide health care services, other than financing costs. Non-operating revenues and expenses are those transactions not considered directly linked to providing health care services.

**Subsequent events:** Subsequent events have been evaluated through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

**Reclassifications:** Certain financial statement amounts as presented in the prior year financial statements have been reclassified in these, the current year financial statements, in order to conform to the current year financial statement presentation.

### NOTE 2 - CASH AND CASH EQUIVALENTS

As of June 30, 2017 and 2016, the District had deposits invested in various financial institutions in the form of cash and cash equivalents amounting to \$9,424,211 and \$1,063,067. All of these funds were held in deposits, which are collateralized in accordance with the California Government Code (CGC), except for \$250,000 per account that is federally insured.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 2 – CASH AND CASH EQUIVALENTS (continued)

Under the provisions of the CGC, California banks and savings and loan associations are required to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure Hospital deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. The pledged securities are held by the pledging financial institution's trust department in the name of the District.

Investments consist of U.S. Government securities and state and local agency funds invested in U. S. Government securities and are stated at quoted market values. Changes in market value between years are reflected as a component of investment income in the accompanying statement of revenues, expenses and changes in net assets.

### NOTE 3 - NET PATIENT SERVICE REVENUES AND REIMBURSEMENT PROGRAMS

The District renders services to patients under contractual arrangements with the Medicare and Medi-Cal programs, health maintenance organizations (HMOs) and preferred provider organizations (PPOs). Patient service revenues from these programs approximate 95% of gross patient service revenues.

The Medicare Program reimburses the District on a prospective payment system for inpatient hospital services. The prospective rates are predetermined amounts based on the Medicare inpatient discharge diagnosis including capital. Skilled nursing services are reimbursed on a program similar in nature to the inpatient services.

The District contracts to provide services to Medi-Cal, HMO and PPO inpatients on negotiated rates. Certain outpatient reimbursement is subject to a schedule of maximum allowable charges for Medi-Cal and to a percentage discount for HMOs and PPOs. The skilled nursing facility (SNF) is reimbursed by the Medi-Cal program on a prospective per diem basis subject to audit by the state. The results of the state audits are incorporated prospectively and are subject to appeal by the provider.

Both the Medicare and Medi-Cal program's administrative procedures preclude final determination of amounts due to the District for services to program patients until after patients' medical records are reviewed and cost reports are audited or otherwise reviewed by and settled with the respective administrative agencies. The Medicare and Medi-Cal cost reports are subject to audit and possible adjustment. Management is of the opinion that no significant adverse adjustment to the recorded settlement amounts will be required upon final settlement.



# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 3 - NET PATIENT SERVICE REVENUES AND REIMBURSEMENT PROGRAMS (continued)

Medicare and Medi-Cal revenue accounts for approximately 59% and 56% of the District's net patient revenues for the years ended June 30, 2017 and 2016, respectively. Laws and regulations governing the Medicare and Medi-Cal programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

### NOTE 4 - INVESTMENTS

The District's investment balances and average maturities were as follows at June 30, 2017 and 2016:

2017				
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 10,144,184	\$ 10,144,184	\$ -	\$ -
Money market accounts	144,375	144,375	-	-
Certificates of deposit	750,000	-	750,000	-
Total investments	<u>\$ 11,038,559</u>	<u>\$ 10,288,559</u>	<u>\$ 750,000</u>	<u>\$ -</u>
2016				
	Fair Value	Investment Maturities in Years		
		Less than 1	1 to 5	Over 5
Government investment funds	\$ 7,520,859	\$ 7,520,859	\$ -	\$ -
Money market accounts	144,375	144,375	-	-
Certificates of deposit	750,000	-	750,000	-
Total investments	<u>\$ 8,415,234</u>	<u>\$ 7,665,234</u>	<u>\$ 750,000</u>	<u>\$ -</u>

The District's investments are reported at fair value as previously discussed. The District's investment policy allows for various forms of investments generally set to mature within a few months to others over 15 years. The policy identifies certain provisions which address interest rate risk, credit risk and concentration of credit risk.

Interest income, dividends, and both realized and unrealized gains and losses on investments are recorded as investment income. These amounts were \$88,397 and \$12,591 for the years ended June 30, 2017 and 2016, respectively. Total investment income includes both income from operating cash and cash equivalents and cash and cash equivalents related to assets limited as to use. Debt securities, when present, are recorded at market price or the fair market value as of the date of each balance sheet.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 4 – INVESTMENTS (continued)

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's exposure to interest rate risk is minimal as 93% of their investments have a maturity of less than one year and the remaining 7% have a maturity of less than 5 years. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the preceding schedules that shows the distribution of the District's investments by maturity.

**Credit Risk:** Credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization, such as Moody's Investor Service, Inc. The District's investments in such obligations are in government investment funds. The District believes that there is minimal credit risk with these obligations at this time.

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer), the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investments are generally held by banks or government agencies. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investments are held as follows: governmental agencies 89% and banks 11%. The District believes that there is minimal custodial credit risk with their investments at this time. District management monitors the entities which hold the various investments to ensure they remain in good standing.

### NOTE 5 - ASSETS LIMITED AS TO USE

Assets limited as to use as of June 30, 2017 were comprised of cash held in a Debt Service Reserve Fund as required by the terms of a sale and leaseback agreement entered into by the District in January 2017. Under the agreement the District is required to make annual payments into the Debt Service Reserve Fund equal to 1/10<sup>th</sup> of the current annual lease payment. The District established this fund accordingly and at June 30, 2017 the balance totaled \$144,375. See Note 9.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 6 - CONCENTRATION OF CREDIT RISK

The District grants credit without collateral to its patients and third-party payors. Patient accounts receivable from government agencies represent the only concentrated group of credit risk for the District and management does not believe that there is any credit risk associated with these governmental agencies. Contracted and other patient accounts receivable consist of various payors including individuals involved in diverse activities, subject to differing economic conditions and do not represent any concentrated credit risks to the District. Concentration of patient accounts receivable at June 30, 2017 and 2016 were as follows:

	2017	2016
Medicare	\$ 1,046,991	\$ 970,569
Medi-Cal and Medi-Cal pending	3,802,028	3,543,604
Other third party payors	3,667,786	3,818,727
Self pay and other	2,232,719	1,835,887
Gross patient accounts receivable	10,749,524	10,168,787
Less allowances for contractual adjustments and bad debts	(6,824,943)	(6,718,823)
Net patient accounts receivable	<u>\$ 3,924,581</u>	<u>\$ 3,449,964</u>

### NOTE 7 - OTHER RECEIVABLES

Other receivables as of June 30, 2017 and 2016 were comprised of the following:

	2017	2016
Grants	\$ 58,006	\$ 64,179
Workers Compensation refund	26,512	25,520
Physician advance	98,312	98,595
District tax revenue	56,788	53,966
Other	37	-
	<u>\$ 239,655</u>	<u>\$ 242,260</u>

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 8 - CAPITAL ASSETS

Capital assets as of June 30, 2017 and 2016 were comprised of the following:

	Balance at June 30, 2016	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2017
Land and land improvements	\$ 532,272	\$ 15,200	\$ -	\$ 547,472
Buildings and improvements	9,583,080	74,007	-	9,657,087
Equipment	8,877,216	737,260	-	9,614,476
Construction-in-progress	123,484	408,675	-	532,159
Totals at historical cost	19,116,052	\$ 1,235,142	\$ -	20,351,194
Less accumulated depreciation	(12,096,820)	\$ (619,591)	\$ -	(12,716,411)
Capital assets, net	<u>\$ 7,019,232</u>			<u>\$ 7,634,783</u>

	Balance at June 30, 2015	Transfers & Additions	Transfers & Retirements	Balance at June 30, 2016
Land and land improvements	\$ 515,832	\$ 16,440	\$ -	\$ 532,272
Buildings and improvements	9,576,893	6,187	-	9,583,080
Equipment	8,662,613	214,603	-	8,877,216
Construction-in-progress	-	123,484	-	123,484
Totals at historical cost	18,755,338	\$ 360,714	\$ -	19,116,052
Less accumulated depreciation	(11,251,259)	\$ (845,561)	\$ -	(12,096,820)
Capital assets, net	<u>\$ 7,504,079</u>			<u>\$ 7,019,232</u>

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 9 - DEBT BORROWINGS

Long-term debt at June 30, 2017 and 2016 consists of the following:

	2017	2016
Note payable to the Public Property Financing Corporation of California, original amount of \$3,000,000, bearing interest at 3.125%, principal payable annually and interest payable biannually per schedule, maturing in December 2055, secured by property, building and improvements.	\$ 2,965,000	\$ 3,000,000
Total debt borrowings	2,965,000	3,000,000
Less current maturities	(35,000)	(35,000)
Debt borrowings, net of current maturities	<u>\$ 2,930,000</u>	<u>\$ 2,965,000</u>

Effective January 1, 2016, the District entered into a sale and leaseback agreement with the United States Department of Agriculture, acting through the Rural Housing Service and the Public Property Financing Corporation of California, for the Brenda Boss Family Resource Center. The Brenda Boss Family Resource Center is a building recently constructed by the District on the District's main hospital campus and was put into service during the fiscal year ended June 30, 2014. In accordance with GAAP, the sale and leaseback agreement will be treated as a financing transaction. The principal amount borrowed totaled \$3,000,000, with an annual interest rate of 3.125%. Principal is payable annually on December 1<sup>st</sup> starting in 2017 and continuing through 2055 per a schedule with payments ranging in amounts from \$35,000 to \$140,000. Interest is payable biannually on June 1<sup>st</sup> and December 1<sup>st</sup> in an amount equal to the current outstanding principal balance multiplied by the annual interest rate of 3.125% and divided by two, for a six-month interest amount. There is no provision for a pre-payment penalty. The District must establish and maintain a Debt Service Reserve Fund throughout the term of the sale and leaseback agreement. The District is required to make annual payments into the Debt Service Reserve Fund equal to 1/10<sup>th</sup> of the current annual lease payment. The District established this fund and at June 30, 2017 the balance totaled \$144,375. Upon completion of the sale and leaseback agreement, ownership and title of the Brenda Boss Building will revert to the District with no encumbrances.

Future principal maturities for debt borrowings for the next five years are: \$35,000 in 2018; \$35,000 in 2019; \$40,000 in 2020; \$40,000 in 2021; \$40,000 in 2022; and \$2,775,000 thereafter.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 10 - RETIREMENT PLANS

The District has a defined contribution retirement plan covering substantially all of the District's employees. In a defined contribution retirement plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The District contributes to the plan at a rate of two to four percent of eligible compensation, based on the length of the employee's service as defined by the plan. The District's contributions become fully vested after three years of continuous service. The District's pension expense for the plan was \$183,803 and \$171,739 during the years ended June 30, 2017 and 2016, respectively.

### NOTE 11 - INCOME TAXES

The District is a political subdivision of the state of California organized under the Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The Hospital has been determined to be exempt from income taxes under Local Health Care District Law. Accordingly, no provision for income taxes is included in the accompanying financial statements. The District is no longer subject to examination by federal or state authorities for years prior to June 30, 2014, nor has it been notified of any impending examination and no examinations are currently in process.

### NOTE 12 - COMMITMENTS AND CONTINGENCIES

**Construction-in-Progress:** As of June 30, 2017, the District has \$532,158 recorded as construction-in-progress which represents cost capitalized for various remodeling, major repair, and expansion projects on the District's premises. No interest was capitalized under FAS 62 during the years ended June 30, 2017 and 2016. Estimated costs to complete current obligated construction-in-progress projects as of June 30, 2017 are approximately \$125,000. Costs are to be financed with District reserves and continued District operations.

**Operating Leases:** The District has operating leases for office space and various medical and office equipment. Rental expense under operating leases was \$241,127 and \$241,127 for the years ended June 30, 2017 and 2016, respectively. Future minimum lease payments for the succeeding years under operating leases with a remaining term in excess of one year as of June 30, 2017, are as follows: \$159,006 in 2017; \$102,798 in 2018; and \$94,998 in 2019.

**Litigation:** The District may from time-to-time be involved in litigation and regulatory investigations which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of June 30, 2017, will be resolved without material adverse effect on the District's future financial position, results from operations or cash flows.

# BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

## Notes to Financial Statements

June 30, 2017 and 2016

### NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

**Workers Compensation Program:** The District is a participant in the Association of California Hospital District's ALPHA Fund which administers a self-insured worker's compensation plan for participating hospital employees of its member hospitals. The District pays premiums to the ALPHA Fund which is adjusted annually. If participation in the ALPHA Fund is terminated by the District, the District would be liable for its share of any additional premiums necessary for final disposition of all claims and losses covered by the ALPHA Fund.

**Health Insurance Portability and Accountability Act:** The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to ensure health insurance portability, reduce health care fraud and abuse, guarantee security and privacy of health information, and enforce standards for health information. Organizations are subject to significant fines and penalties if found not to be compliant with the provisions outlined in the regulations. Management continues to evaluate the impact of this legislation on its operations including future financial commitments that will be required.

**Health Care Reform:** The health care industry is subject to numerous laws and regulations of federal, state and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements and reimbursement for patient services, antitrust, anti-kickback and anti-referral by physicians, false claims prohibitions and, in the case of tax-exempt organizations, the requirement of tax exemption. In recent years, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of reimbursement, false claims, anti-kickback and anti-referral statutes and regulations, quality of care provided to patients, and handling of controlled substances. Violations of these laws and regulations could result in expulsion from government health care programs with the imposition of significant fines and penalties as well as significant repayments for patient services previously billed.

Laws and regulations concerning government programs, including Medicare, Medicaid and various other programs, are complex and subject to varying interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. As a result of nationwide investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements.

Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines and penalties and exclusion from related programs. The District expects that the level of review and audit to which it and other health care providers are subject will increase. There can be no assurance that regulatory authorities will not challenge the District's compliance with these regulations, and it is not possible to determine the effect (if any) such claims or penalties would have upon the District.



## MEMO

Date: December 20, 2017  
To: Planning & Facilities Committee  
From: Michael Mursick, Plant Manager  
Re: Marta Bus Bench

---

### **Recommendation:**

I believe this may benefit our patients who wait for the bus in front of our hospital once the front lobby has been closed for business. I only have very little information about the bench that the Patient Family Advisory Council Committee

### **Background:**

I was approached by a member of the Patient Family Advisory Council Committee last week regarding the potential for a new bench to be installed in front of our hospital. I let the person know that we would have to have specific information about the bench before it was considered and that we have a process for that kind of decision. The person did give me some minor details about the bench and where they thought it should be placed at our facility.





## MEMO

Date: December 28, 2017  
To: Finance Committee and Board of Directors  
From: Kerri Jex, CNO  
Re: QHR Travel Expenses for Critical Access Hospital (CAH) and Life Safety Mock Survey

---

### **Recommended Action:**

Approval of travel and related expenses not to exceed \$2,000.00 per person. Two QHR Consultants to conduct a CAH and Life Safety Mock Survey.

### **Background:**

In order for the district to prepare for the Critical Access Hospital and Life Safety Survey we are asking the Board to approve travel expenses for two QHR consultants to be on site and assist the district with a mock survey.

We anticipate the State will be on site in 2018 to complete the CAH Survey. We would like to have QHR consultants provide a mock survey to ensure we are prepared for the State.

**Bear Valley Community  
Healthcare District**

# Memo

**To:** BVCHD Board of Directors  
**From:** Erin Wilson, HR Director  
**Date:** 12/22/2017  
**Re:** Annual Performance Evaluations

---

The annual evaluation process needs to be revised. The reasons for revisions include:

1. Inconsistent layout/design
2. Labor intensive
3. Insufficient use of resources
4. Room for error in reporting dates

Plan to improve the current process:

1. Review/revise current job descriptions
2. Revise evaluation process to be more streamlined and digital within current HR system (ADP)
3. Train managers on proper use

THOMSON REUTERS

**WESTLAW California Code of Regulations**[Home Table of Contents](#)**§ 70719. Personnel Policies.**

22 CA ADC § 70719

**BARCLAYS OFFICIAL CALIFORNIA CODE OF REGULATIONS**Barclays Official California Code of Regulations Currentness

Title 22, Social Security

Division 5, Licensing and Certification of Health Facilities, Home Health Agencies, Clinics, and Referral Agencies

Chapter 1, General Acute Care Hospitals

Article 7, Administration (Refs &amp; Annos)

22 CCR § 70719

**§ 70719. Personnel Policies.**

(a) Each hospital shall adopt written personnel policies concerning qualifications, responsibilities and conditions of employment for each type of personnel, which shall be available to all personnel. Such policies shall include but not be limited to:

- (1) Wage scales, hours of work and all employee benefits.
- (2) A plan for orientation of all personnel to policies and objectives of the hospital and for on-the-job training where necessary.
- (3) A plan for at least an annual evaluation of employee performance.

(b) Personnel policies shall require that employees and other persons working in or for the hospital familiarize themselves with these and such other regulations as are applicable to their duties.

(c) Hospitals shall furnish written evidence of a plan for growth and development of the hospital staff through:

- (1) Designation of a staff member qualified by training and experience who shall be responsible for staff education.
- (2) Reference material relevant to the services provided by the hospital which shall be readily accessible to the staff.

This database is current through 12/15/17 Register 2017, No. 50

22 CCR § 70719, 22 CA ADC § 70719

END OF DOCUMENT

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# 340B Drug Discount Program

340B is such a poorly understood and non-descript program.

The formal definition is:

The 340B Drug Discount Program is a US federal government program created in 1992 that requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices.

If I would have named the program, I would have called it "Government priced drug program".

Government entities, like the military, have always purchased medications from manufactures at substantially reduced government contractual prices. In 1992, the federal government persuaded manufacturers to extend the government prices to certain quasi government/rural/unsustainable entities. Bear Valley is such an entity, called a covered entity, by virtue of the fact we are a critical access hospital.

Example: Bicillin LA, a penicillin antibiotic we use in the ER and FHC, costs **19 cents (340B price)** but **\$13842.21 (on our GPO)**.

So, the manufactures give the drug away on 340B and have to make up their losses/profits on non-340B qualified entities. Obviously this creates a false economy that is open to abuse/fraud.

Drug manufacturers are unhappy with the government because they lose money in 2 ways:

- They are forced to sell medications below cost on government contracts and 340B
- They are forced to pay rebates to the government for each unit of medication the government pays for. Manufactures compete to get their drugs on government tenders/formularies because it increases the scale of production but then have to take a loss.

## The bottom line:

- Drug manufactures dislike the 340B program because it erodes their profits
- Drug manufacturers have built into the legislation that, if they are forced to partake in the program, violators will be severely punished and the program may be suspended
- Because manufacturers have to give rebates to government payors for drugs they purchase, **NO 340B DISCOUNTED MEDICATIONS MAY BE BILLED TO MEDICARE OR MEDICAID PATIENTS**. This is referred to as "double dipping"

because manufactures lose money twice, once with deep discounts and another with rebates.

**Shelly Egerer**

---

**From:** John Friel  
**Sent:** Friday, December 29, 2017 6:31 PM  
**To:** Shelly Egerer  
**Subject:** Fwd: Hospital Groups to Continue to Pursue Lawsuit To Reverse Cuts for 340B Hospitals

I'd like this to be part of the board pkg on this topic in Jan

Sent from my iPhone

Begin forwarded message:

**From:** AHA Advocacy Alliance for 340B <[340Balliance@aha.org](mailto:340Balliance@aha.org)>  
**Date:** December 29, 2017 at 2:01:42 PM PST  
**To:** <[john.friel@bvchd.com](mailto:john.friel@bvchd.com)>  
**Subject:** Hospital Groups to Continue to Pursue Lawsuit To Reverse Cuts for 340B Hospitals

View our [online version](#) or [mobile version](#).



## **Hospital Groups to Continue to Pursue Lawsuit To Reverse Cuts for 340B Hospitals**

Today, the American Hospital Association (AHA), the Association of American Medical Colleges (AAMC) and America's Essential Hospitals said they will continue to pursue the lawsuit following a district court decision granting the government's motion to dismiss it. The lawsuit sought to prevent Medicare payment cuts starting next month for many hospitals in the 340B Drug Pricing Program. The court's ruling was that the lawsuit was premature, but did not rule on the merits of the claim.

Last month, the three hospital groups sued the U.S. Department of Health and Human Services (HHS) in the U.S. District Court for the District of Columbia to prevent these cuts from starting on January 1, 2018. The three hospital associations were joined in the suit by hospital plaintiffs: Eastern Maine Healthcare Systems, in Brewer, Maine; Henry Ford Health System, in Detroit; and Park Ridge Health, in Hendersonville, North Carolina, part of Adventist Health System.

The lawsuit argues that the 340B provisions of the Centers for Medicare & Medicaid Services' (CMS) outpatient prospective payment system (OPPS) final rule violate the law and, therefore, should be set aside under the Administrative Procedure Act as unlawful and in excess of the HHS Secretary's statutory authority. The court's decision gives the groups an opportunity to refile the lawsuit once the cuts go into effect. CMS in the final rule reduces by nearly 30 percent, or \$1.6 billion, Medicare payments to certain hospitals for outpatient drugs purchased under the 340B program.



For 25 years, the 340B program has enabled hospitals and other organizations that care for communities with low-income and uninsured patients to purchase certain outpatient drugs from pharmaceutical manufacturers at discounted prices. The program allows participating hospitals to use the savings to provide an expanded range of comprehensive health services to their local communities, such as increased access to care, clinical pharmacy services, community outreach programs, free vaccines and transportation to follow-up appointments. The 340B program constitutes less than 2.8 percent of the \$457 billion in annual U.S. drug purchases.

"For 25 years, the 340B Drug Savings Program has played a vital role in helping hospitals stretch scarce federal resources to expand and enhance patient services and access to care without any cost to the government," said Rick Pollack, AHA's president and CEO. "Making cuts to the program, like those CMS has put forward, will dramatically threaten access to health care for many communities with vulnerable patients. We are disappointed in this decision from the court and will continue our efforts in the Courts and the Congress to reverse these significant cuts to the 340B program."

For additional information, a copy of the complaint can be found by visiting [HERE](#).

Click [here](#) to unsubscribe.

155 N. Wacker, Chicago, IL 60606



**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT**  
**41870 Garstin Drive, PO Box 1649**  
**Big Bear Lake, CA 92315**

**Resolution No. 18/453**

**RESOLUTION OF THE BOARD OF DIRECTORS OF BEAR VALLEY  
COMMUNITY HEALTHCARE DISTRICT TO CREATE A HOSPITAL  
AFFILIATION COMMITTEE; A SPECIAL/AD HOC COMMITTEE FOR THE  
PURPOSE OF REVIEWING AND ASSESSING A HOSPITAL AFFILIATION**

**BE IT RESOLVED THAT** the Board of Directors of Bear Valley Community Healthcare District have voted to create a Hospital Affiliation Committee as a Special Ad Hoc Committee of the Board of Directors. The purpose of the committee shall be to review and assess the possibility of a Hospital Affiliation. The Committee Members will consist of two Board Members, the CEO, the CFO, and the Executive Administrative Assistant. The Committee will be subject to the Brown Act.

Be it further resolved the Hospital Affiliation Committee will report its review and assessment of a Hospital Affiliation on or before the September 2018 Regular Business Board Meeting. The Board may request, at that time further reporting by the committee.

AYES \_\_\_\_\_

NOES \_\_\_\_\_

ABSTAIN \_\_\_\_\_

ABSENT \_\_\_\_\_

ADOPTED, SIGNED, AND APPROVED THIS 10<sup>th</sup> DAY OF JANUARY, 2018.

\_\_\_\_\_  
Rob Robbins, President  
BVCHD Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gail McCarthy, 1<sup>st</sup> Vice President  
BVCHD Board of Directors

\_\_\_\_\_  
Date

(seal)



**BEAR VALLEY COMMUNITY HEALTH DISTRICT**

**CERTIFICATE OF SECRETARY**

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Bear Valley Community Healthcare District ("District").
2. That the directors of the above District held a scheduled meeting on January 10, 2018, that a quorum of the Directors were present, and a majority of the quorum duly adopted Resolution No. 18-453.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of 1<sup>st</sup> Vice President this 10<sup>th</sup> day of January, 2018.

Bear Valley Community Healthcare District

By: \_\_\_\_\_  
Gail McCarthy, 1<sup>st</sup> Vice President



**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
41870 Garstin Drive, PO Box 1649  
Big Bear Lake, CA 92315**

**Resolution No. 18/452**

**RESOLUTION OF THE BOARD OF DIRECTORS OF BEAR VALLEY  
COMMUNITY HEALTHCARE DISTRICT TO CREATE AN INFORMATION  
TECHNOLOGY COMMITTEE (IT); A SPECIAL/AD HOC COMMITTEE FOR  
THE PURPOSE OF REVIEWING AND ASSESSING THE INFORMATION  
TECHNOLOGY DEPARTMENT**

**BE IT RESOLVED THAT** the Board of Directors of Bear Valley Community Healthcare District have voted to create an Information Technology Committee as a Special Ad Hoc Committee of the Board of Directors. The purpose of the committee shall be to review and assess the IT Department. The Committee Members will consist of two Board Members, the CEO, the CFO, the Executive Administrative Assistant, and the Manager of the IT Department. The Committee will be subject to the Brown Act.

Be it further resolved the Information Technology Committee will report its review and assessment of the IT Department on or before the September 2018 Regular Business Board Meeting. The Board may request, at that time further reporting by the committee.

AYES \_\_\_\_\_

NOES \_\_\_\_\_

ABSTAIN \_\_\_\_\_

ABSENT \_\_\_\_\_

ADOPTED, SIGNED, AND APPROVED THIS 10<sup>th</sup> DAY OF JANUARY 2018.

\_\_\_\_\_  
Rob Robbins, President  
BVCHD Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Gail McCarthy, 1<sup>st</sup> Vice President  
BVCHD Board of Directors

\_\_\_\_\_  
Date

(seal)

**BEAR VALLEY COMMUNITY HEALTH DISTRICT**

**CERTIFICATE OF SECRETARY**

I, the undersigned, do hereby certify:

1. That I am the duly elected and acting Secretary of Bear Valley Community Healthcare District ("District").
2. That the directors of the above District held a scheduled meeting on January 10, 2018, that a quorum of the Directors were present, and a majority of the quorum duly adopted Resolution No. 18-452.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Secretary this 10<sup>th</sup> day of January, 2018.

Bear Valley Community Healthcare District

By: \_\_\_\_\_  
Gail McCarthy, 1<sup>st</sup> Vice President



## **Board Report**

January 2018

### **Revenue Cycle Implementation**

Garth and consultants are planning on this beginning in first quarter of 2018.

### **IT Assessment**

Sharon Stewart, QHR IT consultant, will be onsite January 8 – 11. She will make a brief educational presentation to the Board.

### **Upcoming Education Events – January**

#### **01/15/18 Incorporating Project Management Methods Into Your Culture**

January 15, 2018 2:00 - 3:00 pm CST

#### **1/23/18 Board Leadership Series Topic #1**

January 23, 2018 12:00 - 1:00 pm CST

#### **01/26/18 Value Based Purchasing**

January 26, 2018 10:30 - 11:30 am CST

#### **01/29/18 HIPAA Risk Assessment Requirements**

January 29, 2018 2:00 - 3:00 pm CST

### **Other**

- Ron Vigus is planning to attend the January Board meeting.

### **Upcoming Projects**

- CAH Mock Survey – March 2018
- Cost Report Review – following preparation of Cost Report
- Contractual Analysis and Bad Debt Review – to be scheduled
- GPO Assessment – to be scheduled

### **Completed Projects**

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



# IT Assessment 2018



*January 2018*

*Sharon Stewart, MSHCAD, FACHE*

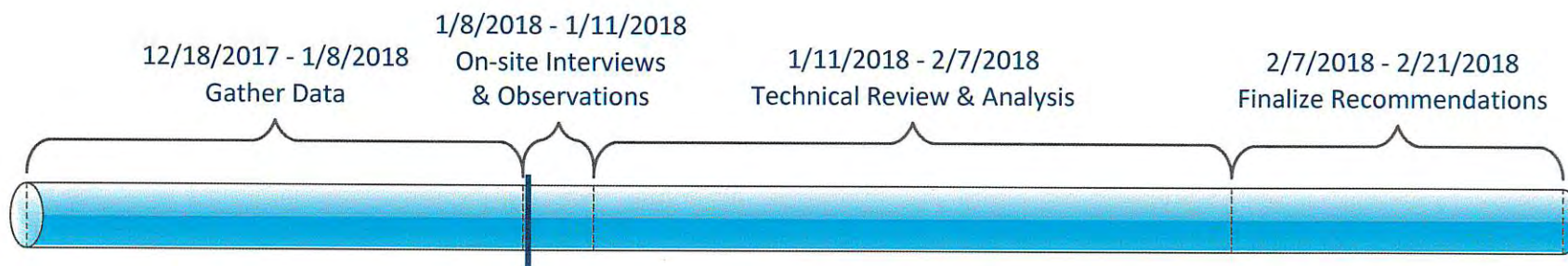


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Creating a Sustainable Future for Healthcare Organizations

# TIMELINE

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## ASSESSMENT STEPS

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- Gather data
  - Physical infrastructure and equipment
  - Most recent security risk assessment
  - Staffing structure and skill mix
  - Budgets, plans, and results
  - Satisfaction survey
- Interviews and observations
- Technical review and analysis
- Deliver recommendations







## CONTACT US

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**Sharon Stewart**

**Vice President**  
**Technology Consulting**  
SStewart@qhr.com  
817-657-8164

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[www.QHR.com](http://www.QHR.com) | (615) 371-7979



# THANK YOU

## Creating a Sustainable Future for Healthcare Organizations

*This document contains forward-looking statements that involve assumptions, uncertainties and risks. If such assumptions prove incorrect, or such uncertainties or risks materialize, the results of this organization could differ materially from those expressed or implied by such forward-looking statements and assumptions. In no event should the content of this document be construed as an express or implied promise, guarantee or implication by or from the products or services of Quorum or its affiliates or other agents that your organization will profit or that losses can or will be limited in any manner whatsoever. Quorum and its affiliates assume no obligation and do not intend to update these forward-looking statements, and Quorum and its affiliates are not responsible for direct, indirect, incidental or consequential damages resulting from any defect, error or failure to perform.*



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## CNO Monthly Report

TOPIC	UPDATE	ACTION/FOLLOW UP
<b>1. Regulatory Updates</b>	<ul style="list-style-type: none"> <li>▪ SNF annual survey completed- POC will be submitted on 12/29/17- involved correction in Pharmacy (monthly medication reviews), Infection control (handwashing), &amp; Dietary (labeling of opened food)</li> <li>▪ Expecting Life Safety Survey to follow SNF survey within the next few weeks.</li> <li>▪ QHR will be onsite in March to complete a mock CAH Survey &amp; Life Safety Survey</li> <li>▪ Consultant was onsite to start the process developing a water treatment plan (new requirement).</li> <li>▪ Expecting a report from CDPH regarding complaint visit- exit phone call completed 12/15/17.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>
<b>2. Budget/Staffing</b>	<ul style="list-style-type: none"> <li>▪ ED volumes increasing with expected seasonal influx of patients- orthopedic and seasonal influenza.</li> <li>▪ 2 FT RN positions open (1 ED, 1 Acute- expected to be filled by seasonal hires).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> </ul>
<b>3. Departmental Reports</b>		
<ul style="list-style-type: none"> <li>▪ Emergency Department</li> </ul>	<ul style="list-style-type: none"> <li>▪ ED Manager is working with Plant Maintenance on "ED remodel" project scheduled for spring 2018.</li> <li>▪ New "hush curtains" have been ordered- waiting for delivery (8-12 week from time of purchase)</li> <li>▪ Will be meeting with BBFD and Mercy Air (1/8/17) to review marketing plan for Preferred Provider Agreement &amp; go-live for local helicopter to be stationed at Big Bear City Airport.</li> <li>▪ In-service was held for EMTs to review splinting procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Informational</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Grizzly "Letter to the Editor" submitted 12/20/17 thanking "competent staff at BVCH.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Acute</li> </ul>	<ul style="list-style-type: none"> <li>▪ Swing bed current census=0</li> <li>▪ Informatics working on roll out of "Thrive" –Evident upgrade &amp; roll out of Meaningful Use 3.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> </ul>
<ul style="list-style-type: none"> <li>▪ Skilled Nursing</li> </ul>	<ul style="list-style-type: none"> <li>▪ SNF remains at 5-star rating.</li> <li>▪ Census is currently at 19 residents.</li> <li>▪ SNF policies are currently being revised &amp; new policies developed to ensure compliance with updated regulations.</li> <li>▪ Pharmacy is working with DON and Medical Director to ensure resident medications and MARs are reviewed and POC in place.</li> <li>▪ Candlelight Christmas dinner was held, many residents and families attended.</li> <li>▪ Residents attended Senior luncheon at Pine Summit Christian camp</li> <li>▪ New bathtub options are being reviewed for replacement tub.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> <li>▪ Informational</li> </ul>
<ul style="list-style-type: none"> <li>▪ Surgical Services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Surgical stats are attached.</li> <li>▪ Orthopedic procedures are being done by Dr. Pautz one day per week.</li> <li>▪ Dr. Pautz and surgery staff will be on call weekends through the winter season for emergency orthopedic cases.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> <li>▪ Monitor surgical services costs and FTEs</li> </ul>
<ul style="list-style-type: none"> <li>▪ Case Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ DON and Eligibility Worker are working on referrals for SNF residents and SWING patients.</li> <li>▪ Case Management is making contact with hospitals in surrounding communities to promote swing beds.</li> <li>▪ Case Management and Eligibility Services are working on alternative placement for a resident who needs a higher level of service.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> </ul>
<ul style="list-style-type: none"> <li>▪ Respiratory Therapy</li> </ul>	<ul style="list-style-type: none"> <li>▪ Working with Department Lead to revise job description.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>

<ul style="list-style-type: none"> <li>Physical Therapy</li> </ul>	<ul style="list-style-type: none"> <li>Researching options for purchasing a new recumbent bike for patient use.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor</li> </ul>
<ul style="list-style-type: none"> <li>Food and Nutritional Services</li> </ul>	<ul style="list-style-type: none"> <li>Dietary provided Holiday meal for employees working on Christmas.</li> <li>Dietary hosted candlelight dinner for SNF residents and families.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> </ul>
<b>4. Infection Prevention</b>	<ul style="list-style-type: none"> <li>Hand Hygiene monitoring continues.</li> <li>Infection preventionist is working with plant maintenance regarding new regulations for the hospital water system and risk of legionella contamination.</li> <li>POC being implemented with SNF DON to educate staff on handwashing technique and consistency.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> </ul>
<b>5. QAPI</b>	<ul style="list-style-type: none"> <li>Working on Just Culture training and roll out for all staff and management. Meeting with "Train the Trainer" team scheduled for 1/9/18.</li> <li>BVCHD has officially enrolled in the Beta HEART program. <ul style="list-style-type: none"> <li>HEART readiness assessment was completed and returned to BETA</li> <li>Documents being gathered and prepared for submission to BETA (policies, Med Staff bylaws, culture survey results)</li> <li>Tentative date for 1/5/18 for HEART gap analysis</li> </ul> </li> <li>Next meeting with PFAC scheduled for 1/29/18.</li> <li>Working with staff to implement "Smoke Free Big Bear" program (smoking cessation course) with CARE grant funding.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> <li>Continue process for Just Culture/ BETA Heart implementation</li> <li>Continue quarterly PFAC meetings</li> </ul>
<b>6. Policy Updates</b>	<ul style="list-style-type: none"> <li>SNF, Lab and Emergency Preparedness policies are being reviewed.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed through P&amp;P Committee</li> </ul>
<b>7. Safety/Product</b>	<ul style="list-style-type: none"> <li>Workplace Violence training is being provided to all BVCHD staff.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor new regulation and compliance dates</li> </ul>



<b>8. Education</b>	<ul style="list-style-type: none"> <li>▪ BLS Classes scheduled monthly, ACLS &amp; PALS scheduled quarterly</li> <li>▪ Splinting in-service completed in the ED</li> <li>▪ Smoking Cessation classes being held weekly</li> <li>▪ Quarterly nursing skills orientation scheduled for 2018</li> <li>▪ Relias (online courses) training assigned through HR and department managers.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to monitor</li> </ul>
<b>9. Information Items/Concerns</b>	<ul style="list-style-type: none"> <li>▪ UNAC negotiations completed- Tentative Agreement reached between BVCHD management &amp; UNAC 12/19/17. RNs voted on the agreement 12/21/17- Tentative agreement will be presented to BVCHD Board of Directors 1/2/18.</li> <li>▪ Nurse Leader Rounding program implemented- each weekday a nurse leader has been assigned to round throughout the Departments- Risk Management, Quality Improvement, Informatics, Infection Prevention, &amp; CNO are participating.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>
<div> <div> Respectfully Submitted By:  <i>Kerri Jex, CNO</i> </div> <div> <i>Date: December 27<sup>th</sup>, 2017</i> </div> </div>		

## 2017 Surgery Report

<b>Nov-17</b>		
Physician	# of Cases	Procedures
Pautz - DO	2	ORIF Forearm
Pautz - DO	3	Repair Malunion/ORIF Finger
Pautz - DO	1	Excision of Ganglion Cyst
Pautz - DO	1	ORIF Wrist
Pautz - DO	1	AC Reconstruction
Pautz - DO	1	Acromioplasty, Rotator Cuff Repair
Critel - CRNA	3	Hip Injections
Critel - CRNA	1	Shoulder Injection
Critel - CRNA	1	Elbow Injection
Critel - CRNA	1	Thumb Injection
Critel - CRNA	2	Trigger Points
Critel - CRNA	4	LESI
Tayani	7	Cataracts
Total	28	
<b>Dec-17</b>		
Physician	# of Cases	Procedures
Pautz - DO	4	ORIF Wrist
Pautz - DO	3	ORIF Ankle
Pautz - DO	2	ORIF Scaphoid
Pautz - DO	1	ORIF Forearm
Critel - CRNA	1	LESI
Critel - CRNA	1	Trigger Point
Critel - CRNA	1	Wrist Injection
Critel - CRNA	1	Knee Injection
Tayani	5	Cataracts
Total	19	

Annual Total

238



## **CHIEF EXECUTIVE OFFICER REPORT DECEMBER 2017**

### **CEO Information:**

On December 04, 2017, the California Department of Public Health (CDPH) completed the Annual SNF Survey. We have completed the Plan of Corrections and submitted it to CDPH and the POC has been accepted. (Attachment)

We have posted the Board Vacancy according to Government Section Code 1780. At this time, we have not received any questionnaires from interested community members. The closing date to receive the questionnaires is January 29, 2018 at 5:00 p.m.

Pamela Hargrove-Thomas, Laboratory Manager began her duties on December 18 and is adjusting well. Pamela will be a great asset to the BVCHD Team.

The HIM Manager position is continuing to be posted. We are continuing the search to fill this position. Patricia Tondorf continues to be the Interim HIM Manager; Patricia is going a great job.

The Annual Board Evaluation link has been sent to the Board of Directors. At this time, we have one Board Member who completed the evaluation. A second reminder with the link was sent to you via email. The Bylaws state that the Board Evaluation should be completed no later than February of each year.

The Foundation is continuing to review the Foundation Bylaws and are striving to present them to the Board of Directors.

Two of the three new bathrooms have been out of order due to old pipes. Maintenance is diligently working to fix the pipes and get the bathrooms operational. It appears that our main four-inch drain for the hospital that everything runs into is approximately 50% plugged with 40+ years of buildup. The other line underground that the new bathrooms are connected to, has a large crack down the center of it.

The Organizational Chart has been updated with current staff. The District Bylaws state that the Board of Directors should review and approve the Organizational Chart. We have added this item to the CEO Report (s).

According to the District Bylaws at the scheduled December or the latest January Board Meeting, the regular monthly meetings of the Board for the upcoming calendar year shall be established. Due to the Board vacancy, the Human Resource Committee, Finance Committee and the potential of the IT Committee and Hospital Affiliation Committee, we have not been able to complete the calendar. We will submit the Board/Committee Meeting Calendar for 2018 as soon as the committees are established.

I have been in contact with CA Architects and Moon & Mayors to schedule tours of facilities that the two firms have completed. I will provide dates and times to the Board of Directors once we have finalized the visits.

**Marketing:**

We are continuing to advertise the Smoking Cessation Class and we are receiving positive feedback.

We are continuing to promote Chiropractic Services; making new RAC cards, ads in the Grizzly and KBHR radio.



DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 01/03/2018  
FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  555468	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED  12/07/2017
NAME OF PROVIDER OR SUPPLIER  BEAR VALLEY COMMUNITY HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 41870 GARSTIN RD BIG BEAR LAKE, CA 92315		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
E000	Initial Comments  The following reflects the findings of the California Department of Public Health during a recertification survey from December 4, 2017 through December 7, 2017  Representing the California Department of Public Health:  37363 37553  Resident Census: 19	E000			
F756 SS=F	Drug Regimen Review, Report Irregular, Act On CFR(s): 483.45(c)(1)(2)(4)(5)  483.45(c) Drug Regimen Review. 483.45(c)(1) The drug regimen of each resident must be reviewed at least once a month by a licensed pharmacist.  483.45(c)(2) This review must include a review of the resident's medical chart.  483.45(c)(4) The pharmacist must report any irregularities to the attending physician and the facility's medical director and director of nursing, and these reports must be acted upon. (i) Irregularities include, but are not limited to, any drug that meets the criteria set forth in paragraph (d) of this section for an unnecessary drug. (ii) Any irregularities noted by the pharmacist during this review must be documented on a separate, written report that is sent to the attending physician and the facility's medical director and director of nursing and lists, at a minimum, the resident's name, the relevant	F756	All residents in the facility will receive a timely Medication Regimen Review (MRR) conducted by the Pharmacy Consultant (PC), noting and directly reporting irregularities promptly to the physician. This was initiated and completed on 12/26/2017 by the PC and implemented by the Director of Nursing. The PC will work in conjunction with the Director of Nursing to review all resident clinical records and shall comprehensively review the efficacy of all medications used. The Monthly Pharmacist Review Form will be presented to the physician with subsequent orders and recommendations noted by the licensed staff. The PC review form will be retained in the clinical record. Full compliance will be maintained as of 1/7/2018  Residents 1,3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19 clinical records contain a comprehensive MRR conducted by the PC and implemented as applicable by the licensed staff and validated by the	1/7/18 12:	

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

Electronically Signed

(X6) DATE

12/29/2017

Any Deficiency statement ending with an asterisk (\*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of the survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

This form is a printed electronic version of the CMS 2567L. It contains all the information found on the standard document in much the same form. This electronic form once printed and signed by the facility administrator and appropriately posted will satisfy the CMS requirement to post survey information found on the CMS 2567L.

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F756	<p>Continued From page 1 drug, and the irregularity the pharmacist identified.</p> <p>(iii) The attending physician must document in the resident's medical record that the identified irregularity has been reviewed and what, if any, action has been taken to address it. If there is to be no change in the medication, the attending physician should document his or her rationale in the resident's medical record.</p> <p>483.45(c)(5) The facility must develop and maintain policies and procedures for the monthly drug regimen review that include, but are not limited to, time frames for the different steps in the process and steps the pharmacist must take when he or she identifies an irregularity that requires urgent action to protect the resident.</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on interview and record review, the facility failed to ensure a monthly Medication Regimen Review (MRR) for 18 of 19 residents (Residents 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19 and 70) were done.</p> <p>These failures had the potential to cause unsafe medication doses and adverse medication reactions that can jeopardize medically-compromised residents affecting a universe of 19.</p> <p>Findings:</p> <p>During a record review of the August MRR with the Pharmacy Consultant (PC) on December 7, 2017 at 2:25 PM, the PC was unable to find the MRR for Resident 70.</p> <p>During a concurrent record review of the</p>	F756	<p>Director of Nursing. No irregularities were noted that required immediate notification to the physician.</p> <p>All residents in the facility have the potential to be affected by the PC not conducting a monthly Medication Regimen Review with prompt notification to the physician of any irregularities that has the potential for adverse reactions. The Pharmacy policy regarding Monthly Regimen Review has been updated to include policies and procedures that reflect the need for monthly review. The PC and the Director of Nursing meet on a weekly basis to review medication regimes, with completion of all resident MRRs by the third week of each month. The Director of Nursing will assure that all MRRs are reviewed and documented by the physician with applicable licensed staff implementation. A monthly audit of all charts will be conducted to validate regulatory compliance and reported to QI meeting, Medical Executive Committee and Board of Directors.</p> <p>To enhance our current compliant practice, the Director of Nursing will in-service all licensed staff in the SNF on the MRR process beginning 12/21/2017, completed by 1/4/2018. In addition, a Performance Improvement Project (PIP) will be initiated 1/2/2018 within our QAPI program to further validate ongoing compliance. The results of this project will be reported to our monthly facility Quality Assurance (QA) meeting. The Chief Nursing Officer will provide oversight to the project to further validate compliance.</p>		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

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F756	<p>Continued From page 2-- September MRR with the PC, he was unable to find the MRR for Residents 1, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19 and 70.</p> <p>During a concurrent record review of the October MRR with the PC, he was unable to find the MRR for Residents 3, 9, 13, 14, 16, 18 and 19.</p> <p>During a concurrent interview with the PC, he confirmed one resident (Resident 70) did not have an MRR for the month of August. He further stated 16 residents (Residents 1, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19 and 70) did not have an MRR for the month of September and seven residents (Residents 3, 9, 13, 14, 16, 18 and 19) did not have an MRR for the month of October.</p> <p>During a concurrent interview with the Director of Nursing (DON), she stated she expected the PC to complete the MRR every month. She further stated the previous PC failed to do the MRR on certain months for the residents.</p> <p>An undated facility policy and procedure titled, "Medication Regimen Review" indicated, "Bear Valley Community Healthcare District (BVCHD) SNF will evaluate the medication regimen of each resident to promote positive outcomes and minimize adverse consequences and potential risks associated with medications... Procedures: 1. The pharmacist will conduct a monthly medication regimen review monthly... 1.1 The monthly Pharmacist Medication Review Form is initiated for each resident and when completed, presented to the Director of Nursing... 1.2 This review includes a review of the resident's medical chart monthly."</p>	F756	Responsible party: Director of Nursing		
LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE					

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F812 F812 SS=F	<p>Continued From page 3</p> <p>Food Procurement, Store/Prepare/Serve- Sanitary CFR(s): 483.60(i)(1)(2)</p> <p>483.60(i) Food safety requirements. The facility must -</p> <p>483.60(i)(1) - Procure food from sources approved or considered satisfactory by federal, state or local authorities. (i) This may include food items obtained directly from local producers, subject to applicable State and local laws or regulations. (ii) This provision does not prohibit or prevent facilities from using produce grown in facility gardens, subject to compliance with applicable safe growing and food-handling practices. (iii) This provision does not preclude residents from consuming foods not procured by the facility.</p> <p>483.60(i)(2) - Store, prepare, distribute and serve food in accordance with professional standards for food service safety.</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on observation, interview and record review, the facility failed to indicate the date opened on the container of the spices, fruits and vegetables in the kitchen.</p> <p>These failures had the potential for the growth of microorganisms or contaminate the food served to 19 residents.</p> <p>Findings:</p> <p>During an initial kitchen tour with the kitchen staff (Cook 1) on December 4, 2017 at 9:40 AM,</p>	F812 F812	<p>Dietary services will store, prepare and distribute food in accordance with professional standards for food safety.</p> <p>All spices, fruits and vegetables in the kitchen have a current label of date the item was received and the date subsequently opened. All expired items shall be discarded on or before expiration date. The walk-in refrigerator does not contain any improperly stored or labeled items.</p> <p>All residents in the facility have the potential to be adversely affected by Dietary services. A daily check list of the walk-in refrigerator has been initiated to assure all food items received are appropriately stored and labeled. The Registered Dietician will conduct weekly audits beginning 12/21/2017 for a minimum of six months of the walk-in refrigerator to validate that all food items are properly stored and labeled. In addition, the Registered Dietician conducted an audit 12/21/2017 and will conduct monthly audits for a minimum of six months of all spices to assure that they are appropriately labeled to indicate date received, date opened, and not past their expiration date. All Dietary staff will be in-serviced 01/02/2018 on food safety related to dating and labeling items received, notation of open dates, observing expiration dates, and proper storage of dry and perishable food items.</p> <p>To enhance our current compliant practice, Performance Improvement Projects have been initiated for spice expiration dates, and storage and labeling of perishable foods within the walk-in refrigerator. These</p>	1/7/18 12:	
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F812	<p>Continued From page 4</p> <p>the following were observed to be opened, without any date to show when the items were opened:</p> <ol style="list-style-type: none"> <li>1. Kitchen: <ol style="list-style-type: none"> <li>a. One used Montreal steaks spice</li> <li>b. One used imperial chicken seasoning</li> <li>c. One used ground white pepper</li> <li>d. One used thyme leaves container</li> <li>e. One used mustard flour regular</li> <li>f. One used whole dill weed</li> <li>g. One used all ground spice</li> <li>h. One used paprika spice</li> </ol> </li> <li>2. Walk-In Refrigerator: <ol style="list-style-type: none"> <li>a. One whole cabbage sliced into half and placed inside an opened clear plastic bag</li> <li>b. One opened bag with cluster of grapes inside</li> </ol> </li> </ol> <p>During an interview with the Cook 1 on December 4, 2017 at 10:00 AM, she stated the opened spices and vegetables are still used or served. She further stated any food in the kitchen must be dated after it is opened.</p> <p>A facility policy and procedure titled, "Food Safety, Storage and Labeling", dated, April 27, 2015, indicated, " .... II. Storage Containers 1. Any food removed from original container will be properly labeled as follows: a. The name of the food item being stored, and the date the food was removed from its original container and stored."</p>	F812	<p>projects will be incorporated into the SNF QAPI program and presented to the facility QA committee utilizing individual dashboards.</p> <p>Responsible party: Registered Dietician</p>		
F880 SS=F	<p>Infection Prevention &amp; Control CFR(s): 483.80(a)(1)(2)(4)(e)(f)</p> <p>483.80 Infection Control The facility must establish and maintain an infection prevention and control program designed to provide a safe, sanitary and</p>	F880	<p>The facility will maintain a consistent Infection Control Program to assure that all residents live in a comfortable environment with prevention of the development and transmission of communicable diseases and infections. The facility will also maintain a consistent policy and procedure</p>	1/7/18 12:	

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F880	<p>Continued From page 5</p> <p>comfortable environment and to help prevent the development and transmission of communicable diseases and infections.</p> <p>483.80(a) Infection prevention and control program. The facility must establish an infection prevention and control program (IPCP) that must include, at a minimum, the following elements:</p> <p>483.80(a)(1) A system for preventing, identifying, reporting, investigating, and controlling infections and communicable diseases for all residents, staff, volunteers, visitors, and other individuals providing services under a contractual arrangement based upon the facility assessment conducted according to 483.70(e) and following accepted national standards;</p> <p>483.80(a)(2) Written standards, policies, and procedures for the program, which must include, but are not limited to:</p> <ul style="list-style-type: none"> <li>(i) A system of surveillance designed to identify possible communicable diseases or infections before they can spread to other persons in the facility;</li> <li>(ii) When and to whom possible incidents of communicable disease or infections should be reported;</li> <li>(iii) Standard and transmission-based precautions to be followed to prevent spread of infections;</li> <li>(iv) When and how isolation should be used for a resident; including but not limited to: <ul style="list-style-type: none"> <li>(A) The type and duration of the isolation, depending upon the infectious agent or organism involved, and</li> <li>(B) A requirement that the isolation should be the least restrictive possible for the resident under the circumstances.</li> </ul> </li> </ul>	F880	<p>for hand hygiene for licensed staff in relation to the medication pass.</p> <p>Ophthalmic medication administration has been standardized upon exit of the CDPH survey team [12/11/2017] and completed by 01/04/2018 to assure that evidenced based nursing practice standards are followed.</p> <p>Inconsistent Infection Control policies and procedures have the potential to affect all residents adversely. The procedure for hand hygiene practices has been updated upon exit of the CDPH Survey team [12/11/2017] and completed as of 01/04/2018 to reflect current evidence based practice. In addition, the procedure for the administration of ophthalmic medications has been updated as well. All licensed staff in the SNF will be in serviced 1/4/2018 on these updated infection control practices. In addition, the written procedure will be readily available to licensed staff. The Staff Development Director will conduct ongoing Infection Control in-services to staff to reinforce consistency with these practices.</p> <p>To promote compliance and validation of our ongoing compliance, two Performance Improvement Projects have been implemented as of 1/2/2018 related to hand hygiene compliance and consistency in medication pass as well as ophthalmic medication administration. These projects will be incorporated in the SNF QAPI program for ongoing validation of compliance and reported to the facility QA committee. Dashboards are utilized to monitor and validate compliance.</p>		
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F880	<p>Continued From page 6</p> <p>(v) The circumstances under which the facility must prohibit employees with a communicable disease or infected skin lesions from direct contact with residents or their food, if direct contact will transmit the disease; and</p> <p>(vi) The hand hygiene procedures to be followed by staff involved in direct resident contact.</p> <p>483.80(a)(4) A system for recording incidents identified under the facility's IPCP and the corrective actions taken by the facility.</p> <p>483.80(e) Linens. Personnel must handle, store, process, and transport linens so as to prevent the spread of infection.</p> <p>483.80(f) Annual review. The facility will conduct an annual review of its IPCP and update their program, as necessary.</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on observation, interview and record review, the facility failed to observe proper infection control techniques when the Licensed Vocational Nurse (LVN 1) administered medications to Residents 7, 10 and 15 without performing proper hand hygiene.</p> <p>These failures had the potential for the spread of infection or contamination affecting 19 medically compromised residents.</p> <p>Findings:</p> <p>During the medication pass observation on December 5, 2017 at 6:20 AM, LVN 1 administered medications to Resident 7 and Resident 15 by mouth without sanitizing her</p>	F880	Responsible party: Director of Nursing		

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F880	<p>Continued From page 7 hands before and after giving medications.</p> <p>During the medication pass observation on December 5, 2017 at 6:25 AM, LVN 1 instilled an eye drop medication to both eyes of Resident 10. LVN 1 did not sanitize her hands before and after instilling the eye drop.</p> <p>During an interview with LVN 1 on December 5, 2017 at 7:20 AM, LVN 1 confirmed she must sanitize her hands before and after giving medications.</p> <p>A facility policy and procedure titled, "Infection Control", dated, August 23, 2016, indicated, "... Procedure ... 1.3 Decontaminate hands before having direct contact with patients ... 1.7 Decontaminate hands after contact with body fluids or excretions, mucous membranes, non-intact skin, and wound dressings if hands are not visibly soiled."</p> <p>Another facility policy and procedure titled "Lippincott Procedure Manual" dated September 18, 2017, indicated, "It is [name of facility] intent to use the 'Lippincott Manual of Nursing Practice' as the standard for all procedures in the nursing areas of the facility ... Instillation of Eye Medications ... 6. Wash hands before instilling medication."</p>	F880			
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**BEAR VALLEY COMMUNITY HOSPITAL** (CCN: 555468)  
41870 GARSTIN RD, BIG BEAR LAKE, CA 92315**Survey List**Search: 

Showing 1 to 3 of 3 entries

Event Id	SOD Sent	Exit Date	Type	Status	Category	# Def	Submitted	Approved/ Unapproved	POC Due Date	Letters	Reports
<b>WDUT11</b>	12/21/2017	12/07/2017	Health	Closed	I	3	0	3/0	12/31/2017	1	
<b>9MM221</b>	01/19/2017	01/17/2017	Life Safety Code	Closed	HI	3	0	3/0	01/29/2017	1	
<b>9MM211</b>	01/03/2017	12/21/2016	Health	Closed	I	2	0	2/0	01/13/2017	1	

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
1.0	Invest in emergency services to be the focal point for positive community opinion, improve operations	Business Concentration	High	Title of Responsible person and name of current individual in position	7/1/2017			Attended community meeting. BETA Tier 2 Award. Appreciation Ad placed in Grizzly.
1.1	Develop internal evidence-based system and standards to improve emergency services which include patient satisfaction as well as clinical components	Business Concentration	High	Heidi Marcus/ED Director	7/1/2017	Ongoing		Measuring & submitting data MBQIP. Implement TeamSTEPPS project. Continue to work with resorts and Fire Department to develop peak season plan.
1.2	Benchmark emergency service performance to evaluate performance and measure improvement, use CMS benchmarks, unless otherwise defined	Business Concentration	Medium	Heidi Marcus/ED Director	7/1/2017	Ongoing		Continue abstraction. Measuring & submitting data MBQIP, CALHIIN, QHR, eCQM.
1.3	Determine and provide any training and education needed to enable emergency service improvement	Business Concentration	Medium	Heidi Marcus/ED Director	1/1/2016	Ongoing		BETA Quest for Zero High Risk Chest Pain, Skills Fair, Staff meeting education. High risk chest pain training completed; 100% compliance
1.4	Publicize Emergency Service performance, compared to benchmarks on a periodic basis so as to gain public confidence in achieving improvements	Business Concentration	Medium	Heidi Marcus/ED Director	1/1/2017	Ongoing		Press release PFAC, press release for BETA Quest for Zero, ED Newspaper Acknowledgement. New competency assigned through Relias
2.0	Develop a business plan to establish BVCHD as the regional dominant provider of organized post-acute care services	Business Concentration	Medium	Kerri Jex/Kathleen Yerratt	1/1/2018	Ongoing		Develop rack cards for SNF and Swing services. CNO, DON and Case Manager to visit local facilities.
2.1	Establish and implement a plan for improving BVCHD skilled nursing service	Business Concentration	High	Kerri Jex/Kathleen Yerratt	3/1/2017	1/7/2017 and Ongoing		Star rating, implement QAPI plan and updated regulations. 5 Star rating achieved. CDPH Annual SNF Survey, compliance with POC.



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2.2	Evaluate the need for external assistance to enable BVCHD skilled nursing to achieve and maintain a 5-star rating	Business Concentration	Medium	Kerri Jex/Kathleen Yerratt	3/1/2017	Ongoing		5- star rating achieved March 2017.
2.3	Develop and implement a formal process to organize and systematize the post-discharge process, giving consideration to adopting the "Re-Engineered Discharge (RED) Toolkit" of the Agency for Healthcare Research and Quality	Business Concentration	Low	Kerri Jex/Kathleen Yerratt				Re-evaluating - track and report readmission
2.4	Develop a post-acute clinical pathway for DRG 194, Simple Pneumonia and Pleurisy, while documenting clinical performance and communicating outcomes to referring acute care hospitals	Business Concentration	Low	Kerri Jex/Kathleen Yerratt				Re-evaluating
2.5	Develop a post-acute clinical pathway for DRG 470, Major Joint without Major Complications or Comorbidity, while documenting clinical performance and communicating outcomes to referring acute care hospitals	Business Concentration	Low	Kerri Jex/Kathleen Yerratt				Re-evaluating
2.6	Develop a business plan for expanding post-acute services to Big Bear residents obtaining acute care down the hill and recovering from DRG 194 & 470; and, determine how to expand service to other post-acute care services conditions	Business Concentration	Low	Kerri Jex/Kathleen Yerratt/Fran Montoya	1/1/2018	Ongoing		Work with case management to advertise swing bed program to surrounding hospitals
2.7	Complete a feasibility study for determining if BVCHD should re-establishing home health care services	Business Concentration	Low	Sheri Mursick	7/11/1905			Re-evaluate the value of this project to BVCHD
3.0	Expand Family Health Center, and other outpatient services, and Chronic Care Management service	Business Concentration	High	Sheri Mursick	10/1/2016	1/2017 and ongoing		Re-opened RHC Jan 2017. Added Orthopedics, OB-GYN, Chiropractor, PRIME Project, Acupuncture, potential Podiatry, Dermatology

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3.1	Identify specific problems, determine what improvements are needed, and implement actions designed to reduce the 1 in 5 clinic users reporting an unresolved service or billing problem	Business Concentration	High	Sheri Mursick/Mary Norman/Garth Hamblin	7/1/2016	4/1/2017 and ongoing		Updated charge master. QHR Compliance and billing audit conducted 12/2016 findings being implemented
3.2	Implement the recommendations of the Quorum Rural Health Clinic review project	Business Concentration	High	Sheri Mursick	8/1/2015	5/1/2016		Completed
3.3	Establish a treatment follow up process for clinic patients to assure the patient understood treatment, followed recommendations and have recommendations for service improvement	Business Concentration	Low	Sheri Mursick	4/1/2017	4/2017-ongoing		Implemented Qualitick
3.4	Determine what referring physicians and patients would perceive as "value" (i.e. prompt result reporting, price guarantee, tec.) associated with BVCHD lab, CT and diagnostic radiology services sufficient to generate resident desire to use such services; redesign BVCHD services accordingly, and, develop a business plan for growing Medicare business to achieve at least 1.8% of services delivered within the County	Business Concentration	Low					
3.5	Establish a Chronic Care service, evaluating the services of various vendors (i.e. Progressive Healthcare or Care 24/7) to provide the "back office" support functions required by Medicare for this service	Business Concentration	Low					Re-evaluate the value of this project to BVCHD.



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<b>4.0</b>	<b>Acute care service maintenance</b>	Business Concentration	Low					
4.1	Maintain an evaluation of all emergency service transfers to acute care facilities to determine what needed to occur at BVCHD in order to have retained the patient; and, based on the evaluation consider what actions are appropriate for patient retention	Business Concentration	Low	Case Management/ Heidi Marcus/ UR Committee	1/1/2017	Ongoing		Transfer data reviewed at UR Meetings. Admission criteria revised. Nursing competency in progress. Evaluate RPG/Hospitalist program further
4.2	Identify any acuity based training needed by clinicians for providing adequate patient care and determine the feasibility for using the Loma Linda affiliation agreement to obtain such training	Business Concentration	Low	Kerri Jex	1/1/2016	Ongoing		Evaluating staff competencies. Implemented Relias Learning modules. Allocated 0.3 FTE for in-house education. Incorporating clinical orientation quarterly to general hospital orientation.
4.3	Incorporate the service performance expectations the training is designed to achieve into the BVCHD workforce evaluation program	Business Concentration	Low	Admin, HR	9/1/2017	9/1/2018		Studer principles, revise evaluation process, train managers
<b>5.0</b>	<b>Develop a customer service attitude and a service recovery response</b>	Infrastructure Progress	High	Admin	7/1/2017	1/2019 and ongoing		Studer group
5.1	Evaluate and select a program for providing customer service workforce training, considering programs from the Studer Group and Value Coach.com (Joe Tye)	Infrastructure Progress	High	Admin, Board of Directors	1/1/2017	1/2019 and ongoing	\$240,000 over a 3 year period	Nursing Leadership attended Studer Conference Nov 2016. Two board members attended Studer conference 2017. Studer presentation to full board in July 2017. Lynn Cunningham (Studer) completed workshops with managers and staff.

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5.2	Evaluate and select a service recovery program, considering the Stanford Healthcare PEARL (Process for Early Assessment, Resolution and Learning) program to serve as a model to guide interactions, communications, and resolving patient problems	Infrastructure Progress	High	Admin, CNO	1/1/2017	1/2019 and ongoing		Patient Advisory Committee established early 2017. Beta Heart program to be implemented. Beta performing gap analysis 1/5/18
5.3	Incorporate the service performance expectations the training is designed to achieve into the BVCHD workforce evaluation program	Infrastructure Progress	Medium	HR	9/1/2017	9/1/2018		Compiled list of values resulting from workshops with Lynn Cunningham. Incorporated values into Code of Conduct policy. In process of updating and revising current evaluation process to include organization's values.
5.4	Establish a performance tracking system to identify customer service improvement achievements from implementing customer service and service recovery training	Infrastructure Progress	Medium	Admin	1/1/2016	Ongoing		Using Qualatrick for patient feedback in the ER and Clinic. NRC Picker is used for patient satisfaction survey for the Acute. BVCHD uses Variance tracking and the grievance process for patient complaints/concerns. Beta HEART program addresses service recovery.
6.0	<b>Optimize the Loma Linda affiliation and identify beneficial relationships with others</b>	Infrastructure Progress	Medium	CEO/Board	1/1/2016			August 17; discussions suspended. December 17 revisit options.
6.1	Establish governance expectations and administrative protocols for implementing specific events the agreement is to achieve	Infrastructure Progress	Medium	CEO/Board				
6.2	Establish protocols with the medical staff to evaluate if the affiliation agreement is achieving expectations and how to achieve additional benefits	Infrastructure Progress	Medium					Keeping medical staff apprised through frequent reports to MEC



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6.3	Identify what value would be achieved through development of affiliation understandings with other area tertiary acute care providers and protocols so any subsequent relationship would not conflict with the intent of the Loma Linda agreement	Infrastructure Progress	Low					Preliminary discussion with RMC
7.0	<b>Develop and implement a new Master Facility/Campus Plan</b>	Infrastructure Progress	Low	Board Planning and Facilities Committee	9/1/2017	12/1/2019		RFP developed and posted. Presentation from design firms to BOD 12/2017.
7.1	Complete a space plan to document facility needs in order to implement the service plans of BVCHD	Infrastructure Progress	Low	Board Planning and Facilities Committee				
7.2	Complete an audit of current operating systems to identify needs for replacement and adequacy for supporting BVCHD clinical programs	Infrastructure Progress	Low					
7.3	Develop a master facility and campus plan to guide physical plant capital expenditures and input the capital requirements into BVCHD's financial planning	Infrastructure Progress	Low					
8.0	<b>Recruit two primary care physicians while developing a geriatric emphasis</b>	Infrastructure Progress	High	Admin	1/1/2016	Ongoing		Contract with Fidelous and Inline Group. Recruited Dr. Anvekar (part time hospitalist/clinic) using grassroots efforts.
8.1	Identify office space and other practice opportunity logistics associated with establishing a desirable practice opportunity for two new clinicians	Infrastructure Progress	High	Admin	10/1/2016	Ongoing		Re-opened RHC Jan 2017. Currently have capacity for additional providers at RHC/FHC. Continue evaluation of local practice acquisition.
8.2	Undertake efforts to successfully recruit two primary care clinicians, one having interest in geriatric care	Infrastructure Progress	High	Admin	1/1/2016	Ongoing		See 8.0
9.0	<b>Document and publicize clinical and satisfaction outcomes</b>	Infrastructure Progress	Medium					

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9.1	Identify what measures would be statistically valid with current BVCHD service level volumes	Infrastructure Progress	Medium	Admin	2/1/2017	Ongoing		Participate in QHR comparative dashboard, MBQIP, Qualitick, NRC Picker, and CalHIIN reporting. Due to low volume, the challenge is identifying measures that are significant.
9.2	Track and publicize the CMS Hospital Compare Emergency Service "Timely and Effective Care" metrics	Infrastructure Progress	Medium	Admin, Heidi Marcus, April Early	2/1/2017	Ongoing		Participate in QHR comparative dashboard, MBQIP and CalHIIN reporting. Continue to compare BVCHD outcomes to national benchmarks.
9.3	Identify efforts needed to have BVCHD metrics achieve and surpass CMS Hospital Compare "Effective Pneumonia Care", "Preventive Care" and "Blood Clot Prevention and Treatment" state and national performance averages	Infrastructure Progress	Low	Kerri Jex, April Early	1/1/2016	Ongoing		Participate in QHR comparative dashboard, MBQIP and CalHIIN reporting. Continue to compare BVCHD outcomes to national benchmarks.
9.4	Evaluate volume adequacy for documenting and presenting data depicting Pneumonia patients payment and value metrics as displayed on the CMS Hospital Compare web site	Infrastructure Progress	Low					
9.5	Identify metrics to track and present on BVCHD web site indicating BVCHD performance on the data presented in the Consumer Assessment of Healthcare Providers and Systems	Infrastructure Progress	Low	Admin	7/1/2018			Need to re-evaluate the benefit to the organization. Due to low service volumes/return rate on NRC Picker surveys, CAHPS scores tend to be inconsistent.
9.6	Identify metrics to track and present on BVCHD web site indicating BVCHD performance on the data presented in the Medicare Beneficiary Quality Improvement Project	Infrastructure Progress	Low	Admin	7/1/2018			Reporting to MBQIP in place. Need to evaluate if we want to post on website.
10.0	Develop financial policy guidance for achieving the objectives outlined in this strategic plan	Infrastructure Progress	Medium	Garth Hamblin	1/1/2017	Ongoing		In conjunction with facilities master plan. Develop a 5 year capital plan and evaluate sources



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10.1	Develop a 5 year financial plan based on the implementation of the goals and objectives of the plan	Infrastructure Progress	Medium	Garth Hamblin				
10.2	Establish and guide operations from a set of staffing and productive standards consistent with California regulations, in concert with local Union opinions, and that meet the needs of the new business plan for growth	Infrastructure Progress	Medium	Admin	1/1/2016	Ongoing		BVCHD follows Title 22 staffing guidelines. An evaluation of productivity and FTEs is performed during budget preparation every fiscal year and as needed throughout the year. Union negotiations began March 2017. UNAC contract was ratified Jan 2018. OPEIU contract pending negotiations.
10.3	Complete a debt capacity study to identify the capability of BVCHD to support development of a replacement of the hospital with a facility sized to meet the service needs of the District and comply with CA seismic standards	Infrastructure Progress	Low	Board Planning and Facilities Committee	9/1/2017			FY 18/19 1st quarter.
10.4	Monitor managed care plan development and the need to develop program attributes desirable to attain and maintain participation in the plans readily available to area residents, and/or, supportive of services developed in relationship with Loma Linda	Infrastructure Progress	Low	Administration				Ongoing relationships with IEHP, Heritage, Kaiser
11.0	Improve the health of district residents by supporting public health initiatives and the implementation strategy response to identified needs	Community Development	Low	Admin	1/1/2016	Ongoing		BVCHD has offered community flu shot clinic, immunization clinic/health fair and smoking cessation classes. The Family Health Center has engaged alternative therapy providers to provide weekly education/services to patients and community members.

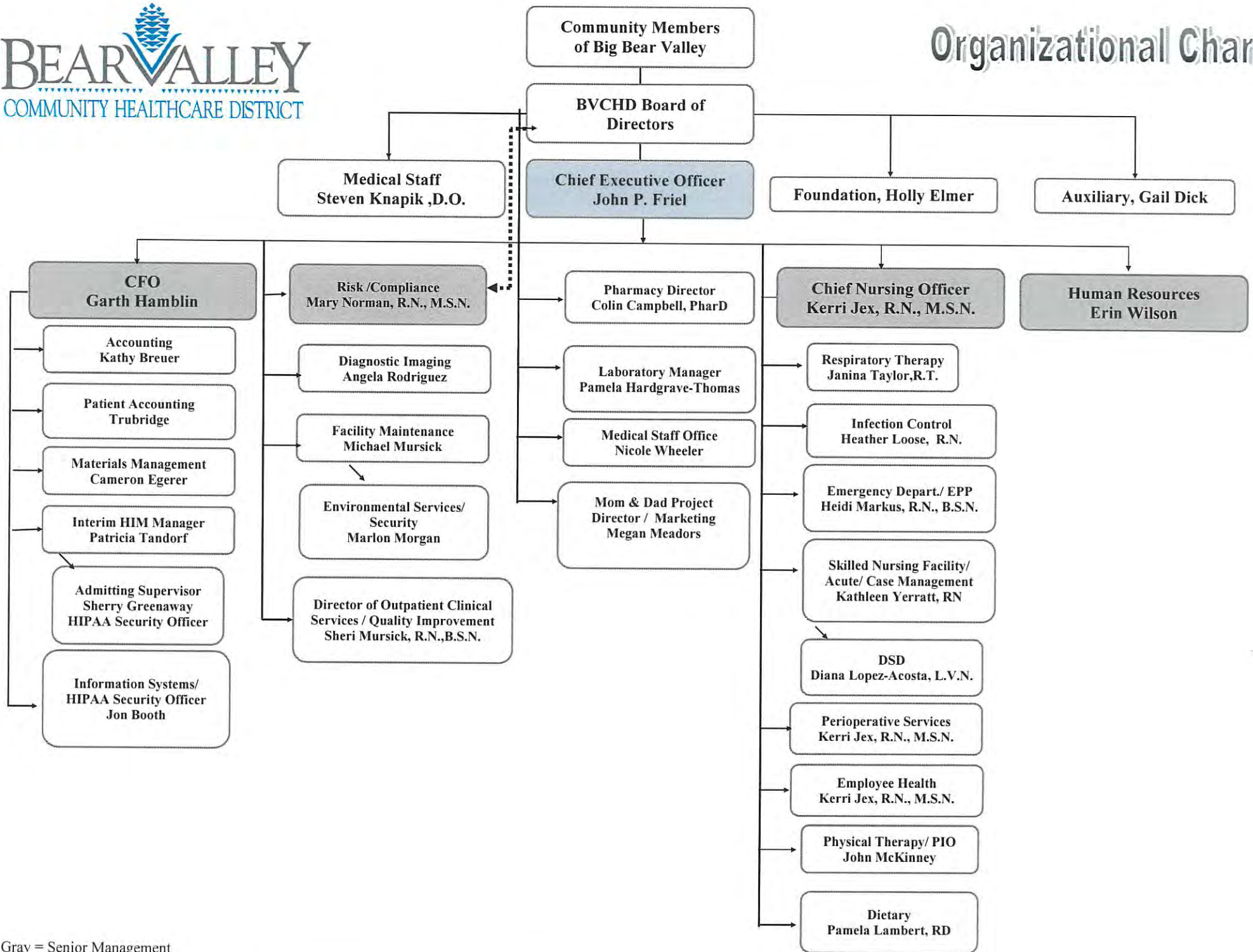
Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
11.1	Initiate discussions with the County to identify areas BVCHD could be of service	Community Development	Low	Admin	1/1/2016	Ongoing		BVCHD leadership is engaged in several County programs/services such as DBH Innovation Grant, HELPP, Hospital Collaborative, HPP, Mountain Mutual Aid, Community Collaborative, County Supervisor Advisory Council.
11.2	Complete a Community Health Needs Assessment and develop an Implementation Strategy designed to provide an amount of Community Benefit at least equal to the amount provided on average among CA not-for-profit hospitals	Community Development	Low	Admin	1/1/2016	Ongoing		Improving access - meet with managed care plans and physician recruitment. Pain Management-PRIME Project. Evaluate feasibility for substance abuse medical stabilization program. Mental Health - added mental health providers, attend mental health alliance and hospital behavioral health collaborative, innovations project.
12.0	Aid efforts to improve health of district residents by supporting Big Bear Fire if it elects to develop a "Post Hospital Discharge Follow Up" program	Community Development	Low	Heidi Marcus/ED Director				Re-evaluate the value of this project to BVCHD
12.1	Initiate discussions with Big Bear Fire about its interest in developing a Post Discharge Follow Up program and what role might BVCHD play in such a program	Community Development	Low	Heidi Marcus/ED Director				Re-evaluate the value of this project to BVCHD
12.2	Determine what resources BVCHD could provide to aid Big Bear Fire achieve its intent	Community Development	Low	Heidi Marcus/ED Director				Re-evaluate the value of this project to BVCHD
13.0	Develop a marketing program to enhance resident awareness of services and inform residents of service delivery improvements	Community Development	Medium	Megan Meadors	10/1/2016	Ongoing		Marketing plan approved by the Board 2/2017



Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
13.1	Identify BVCHD service attributes it will promote to increase awareness and preference for BVCHD services	Community Development	Medium	Megan Meadors	10/1/2016	Ongoing		
13.2	Develop a marketing plan and budget allocation to implement the plan	Community Development	Low	Megan Meadors/Garth Hamblin	4/1/2017	Ongoing		Funds were allocated to marketing in the FY17 budget.
13.3	Conduct a post-public campaign survey to determine what, if any, change has occurred in BVCHD service awareness and preference	Community Development	Low	Megan Meadors	4/1/2018	6/30/2018		Conduct status survey second quarter of FY 2018

NOTE: High, Medium and Low priority suggestions generally track with start of initiative in plan year 1, 2 or 3 and are specifically "back loaded" (more initiatives to start in later

Number of initiative	Priority	Percent of Initiatives
12	High	20%
16	Medium	27%
32	Low	53%
60	Total initia	100%



Gray = Senior Management

Updated 12/20/2017

Signature \_\_\_\_\_

Date \_\_\_\_\_

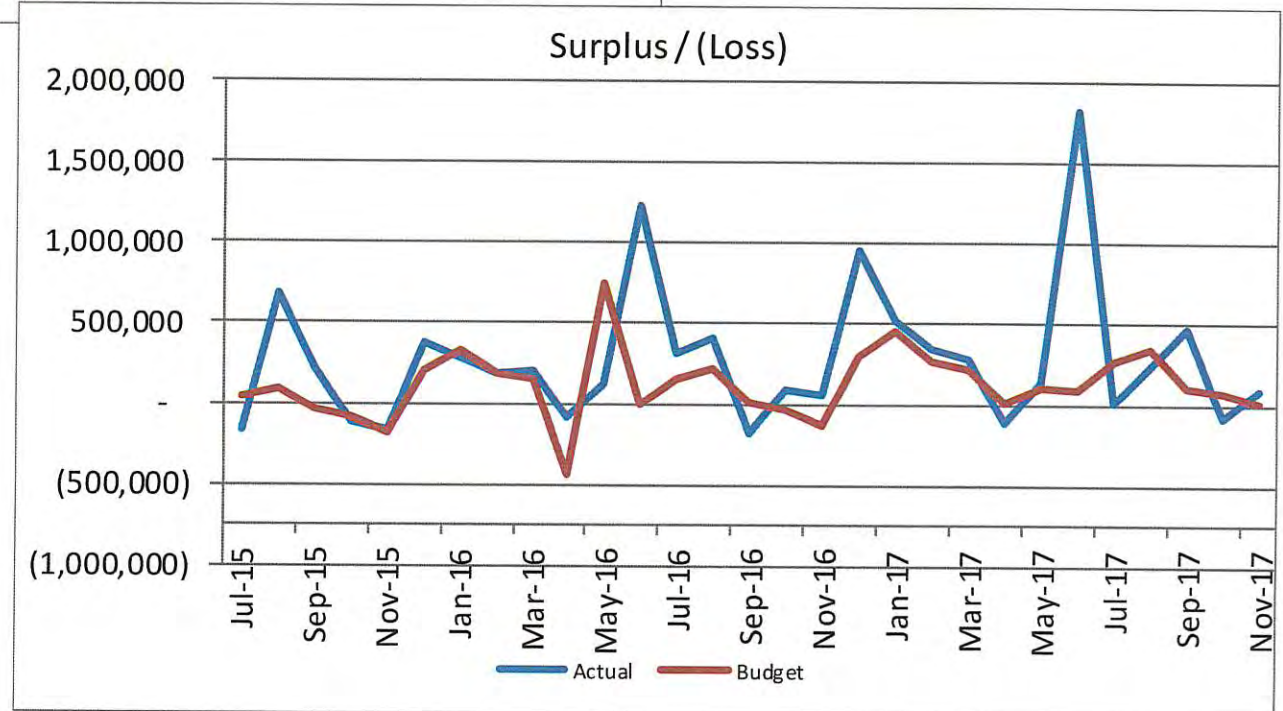
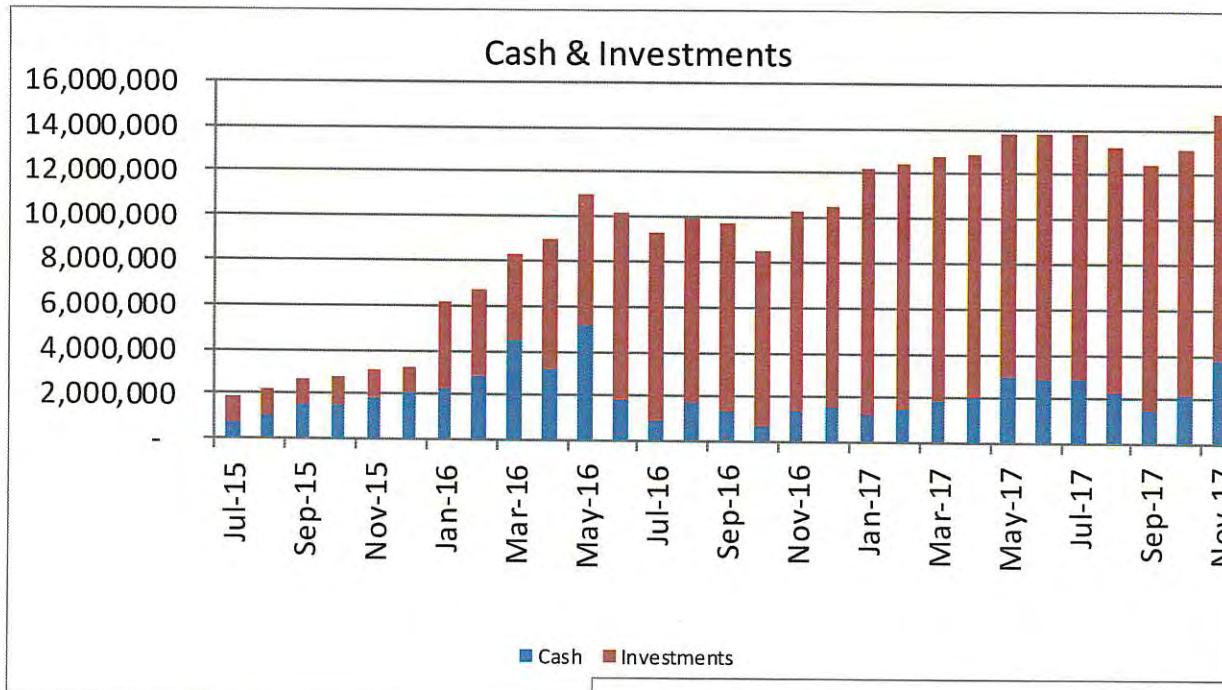


Finance Report  
November 2017 Results

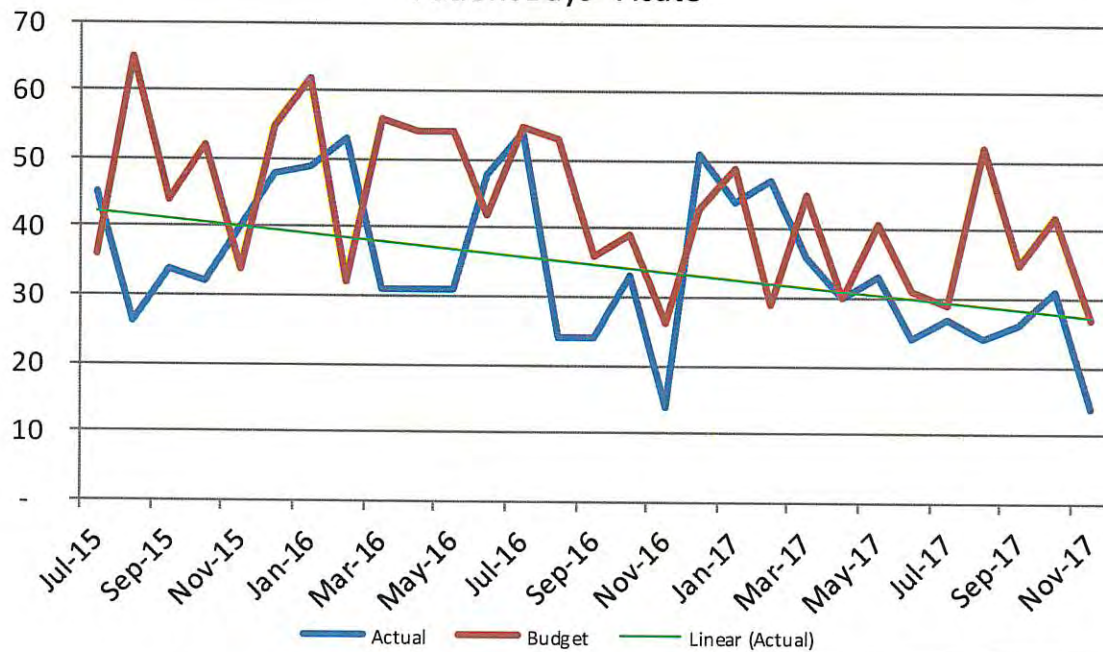


## Summary for November 2017

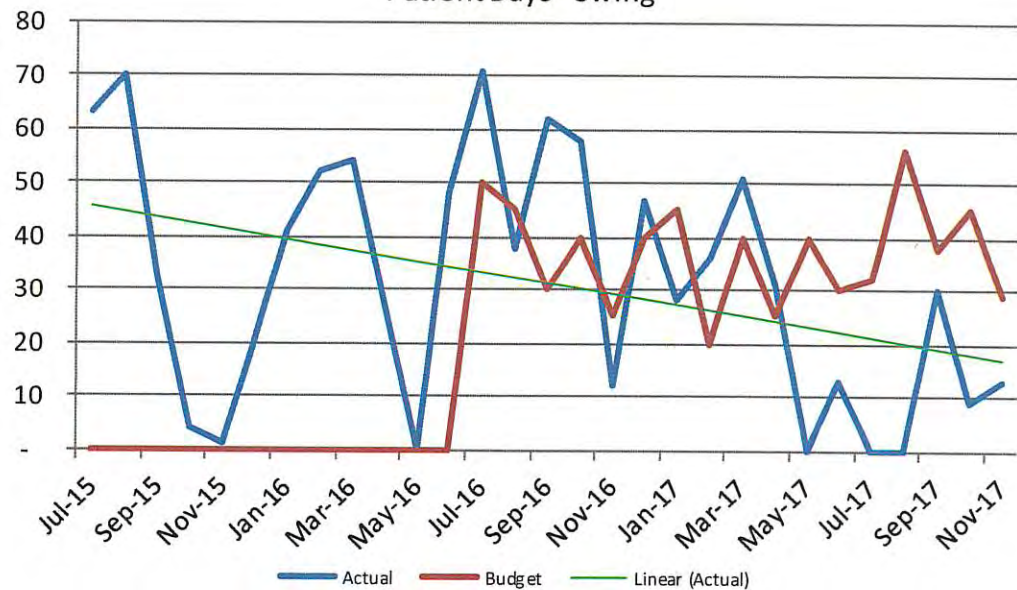
- Cash on Hand - \$3,733,239  
Investments - \$10,921,640
- Days Cash on hand, including investments with LAIF – 236
- Surplus of \$86,036 for the month compared to budgeted surplus of \$2,824.
- Total Patient Revenue over Budget by 7.6% for the month
- Net Revenue was 7.0% higher than budget.
- Total Expenses 1.7% higher than budget



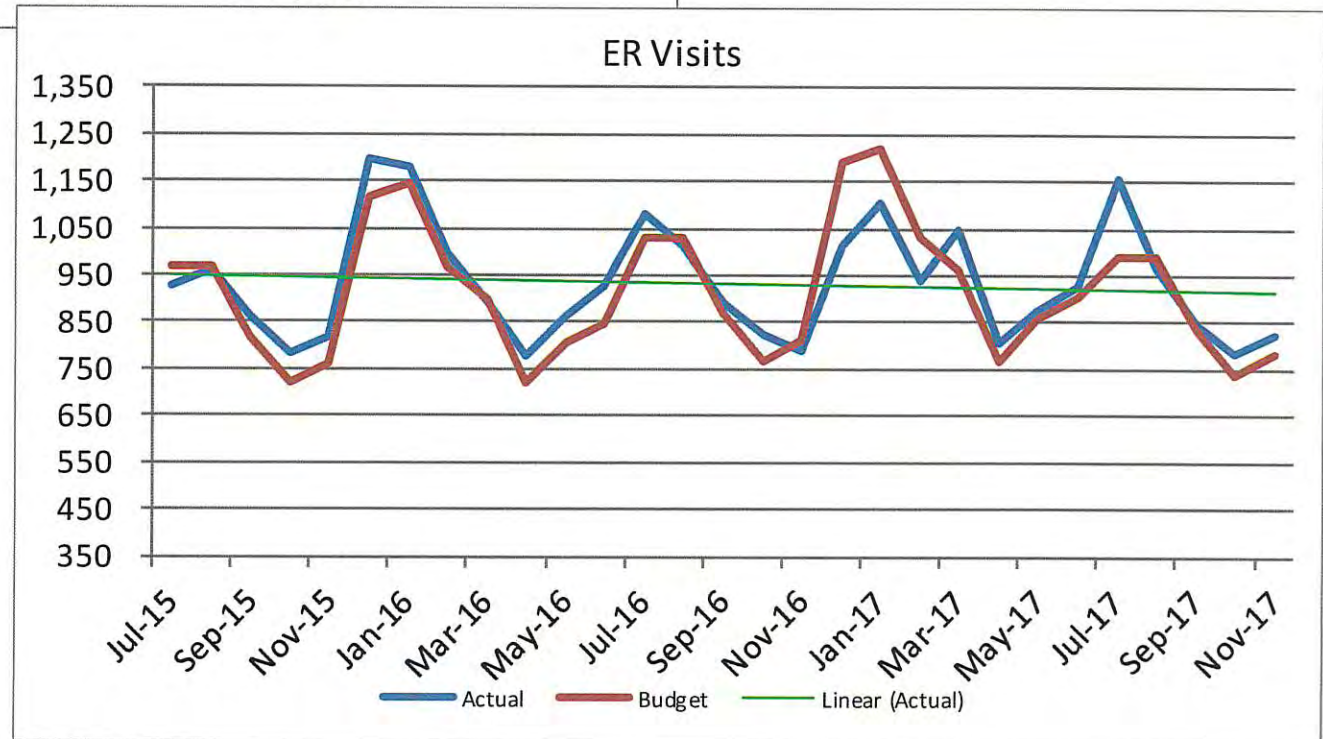
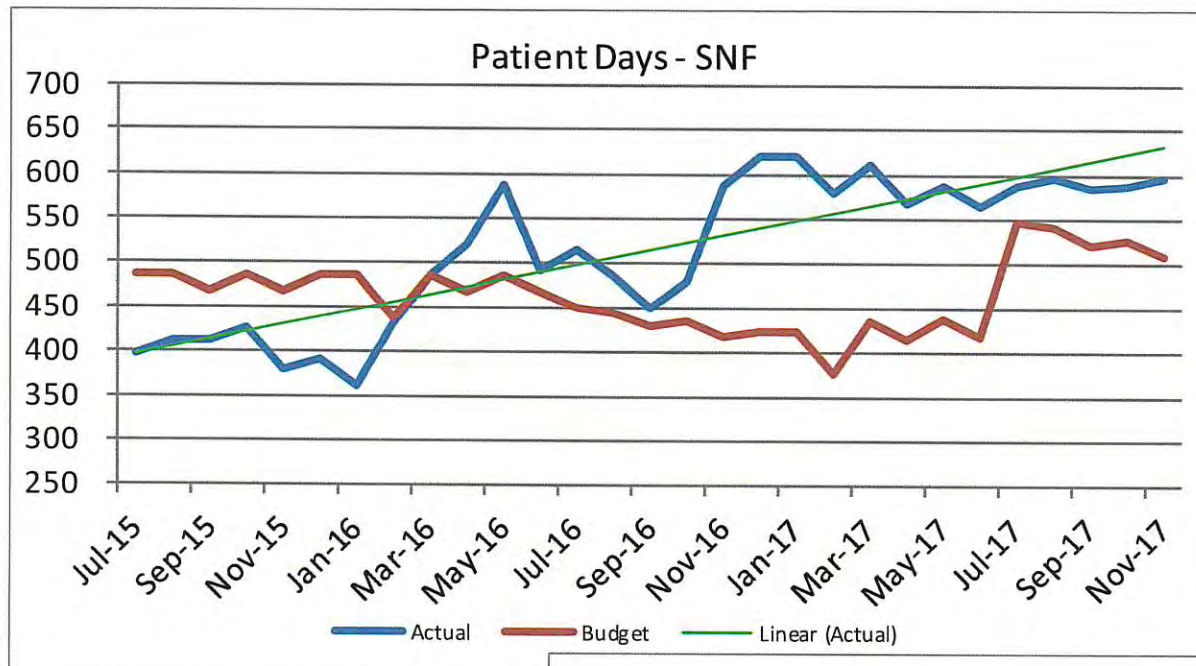
Patient Days - Acute

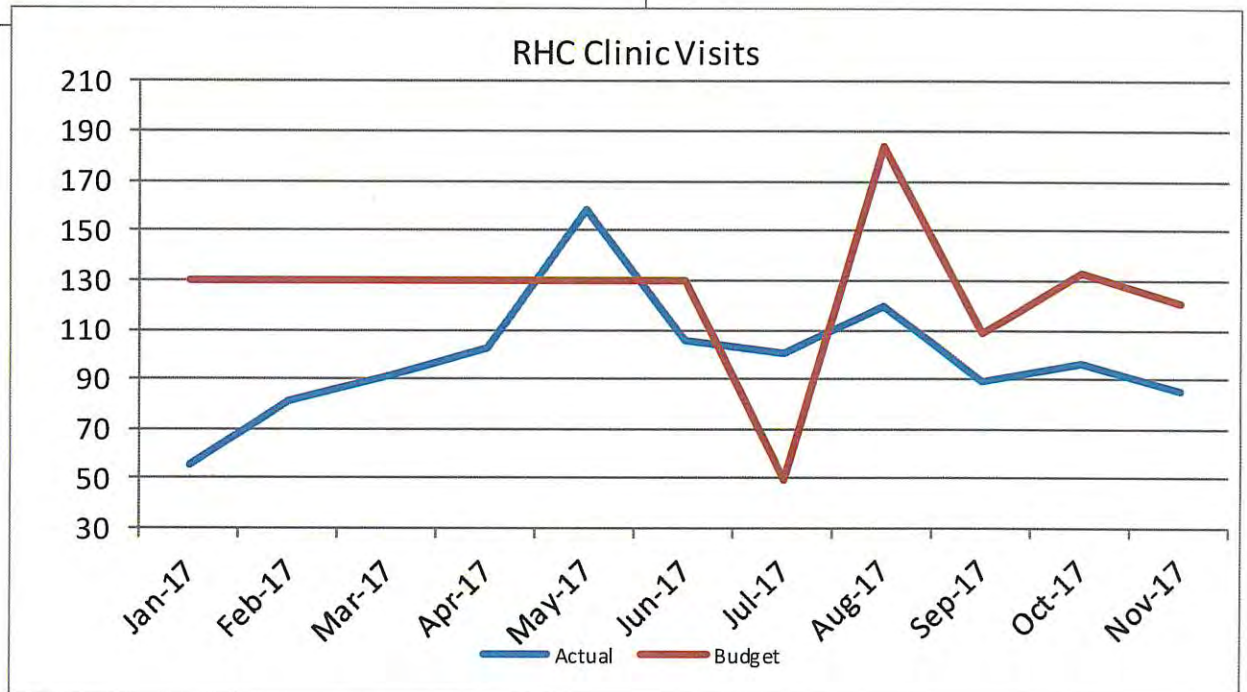
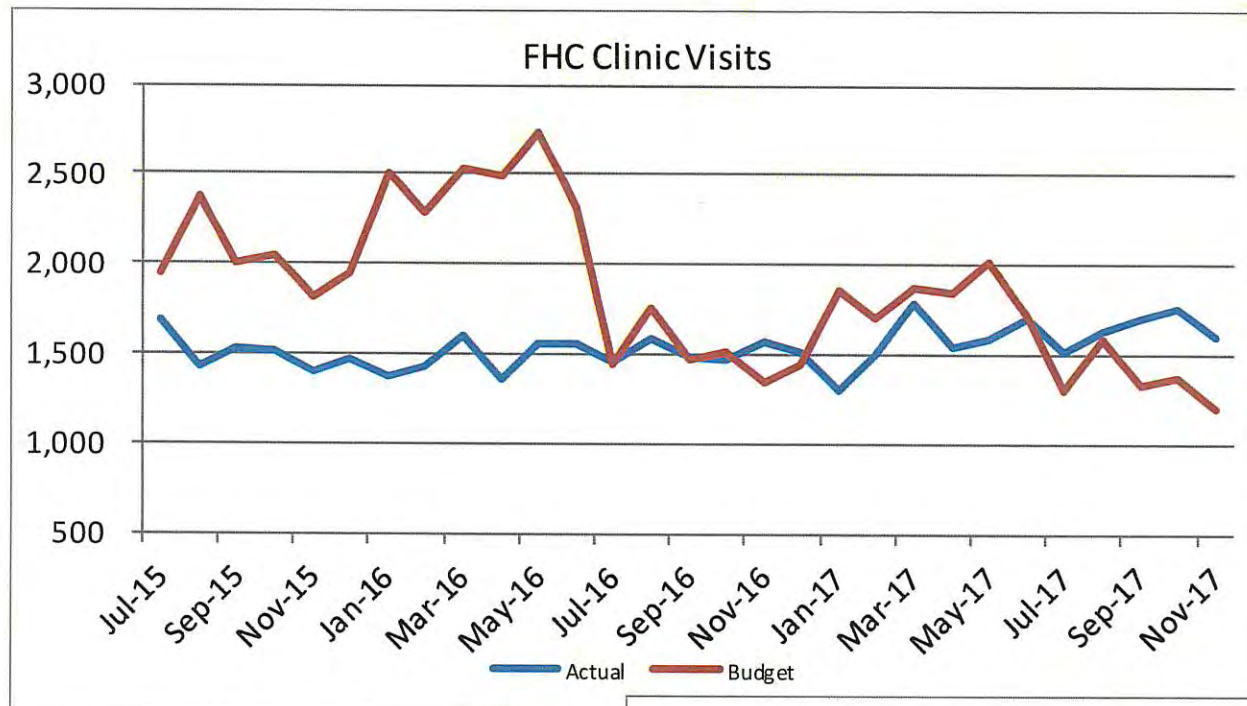


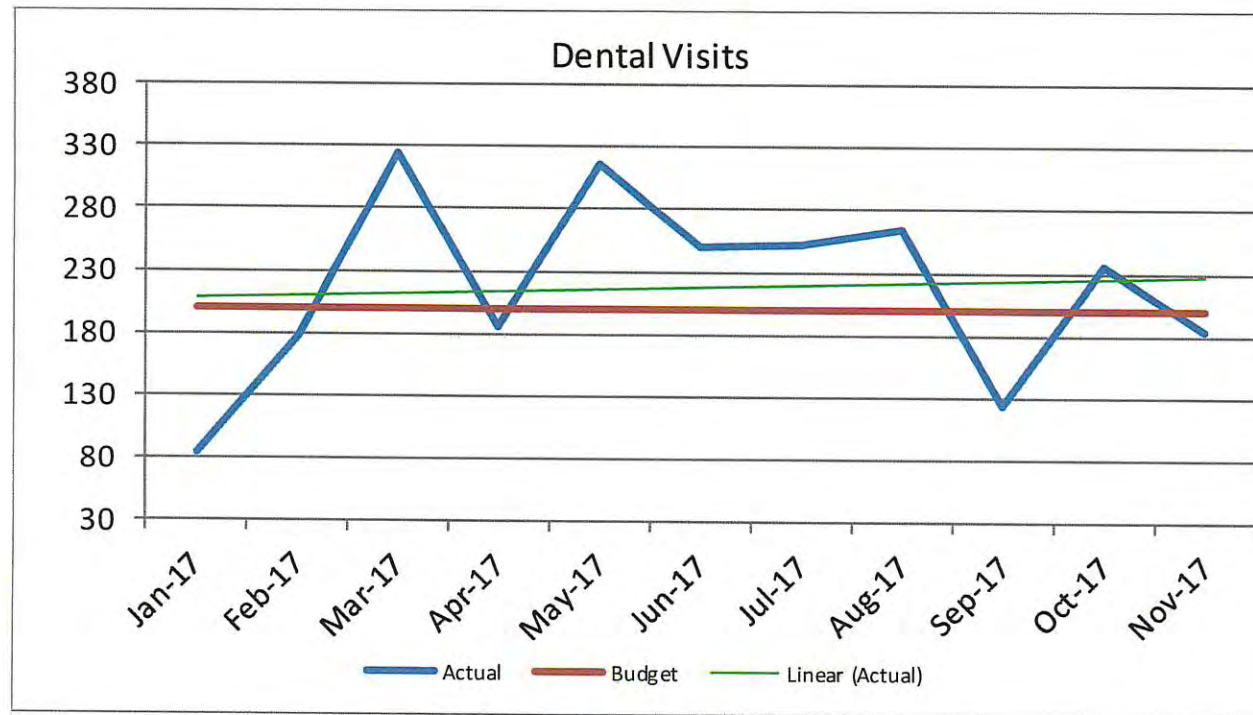
Patient Days - Swing



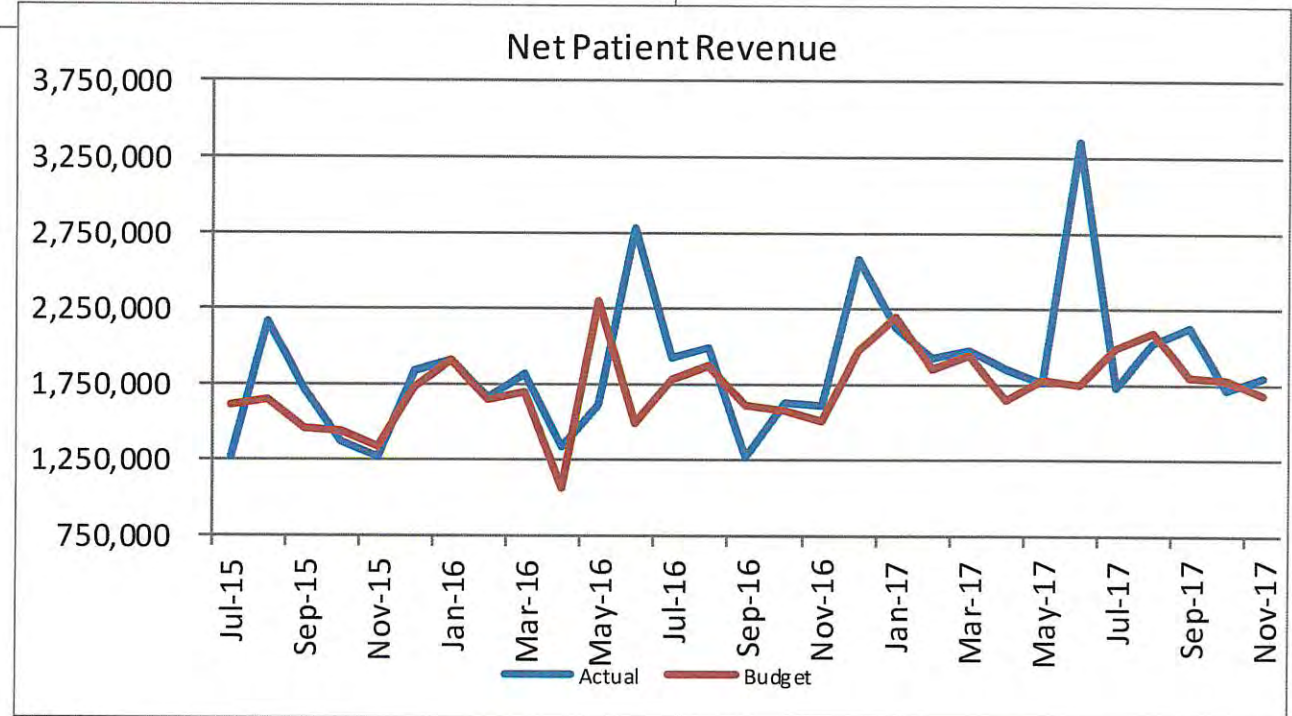
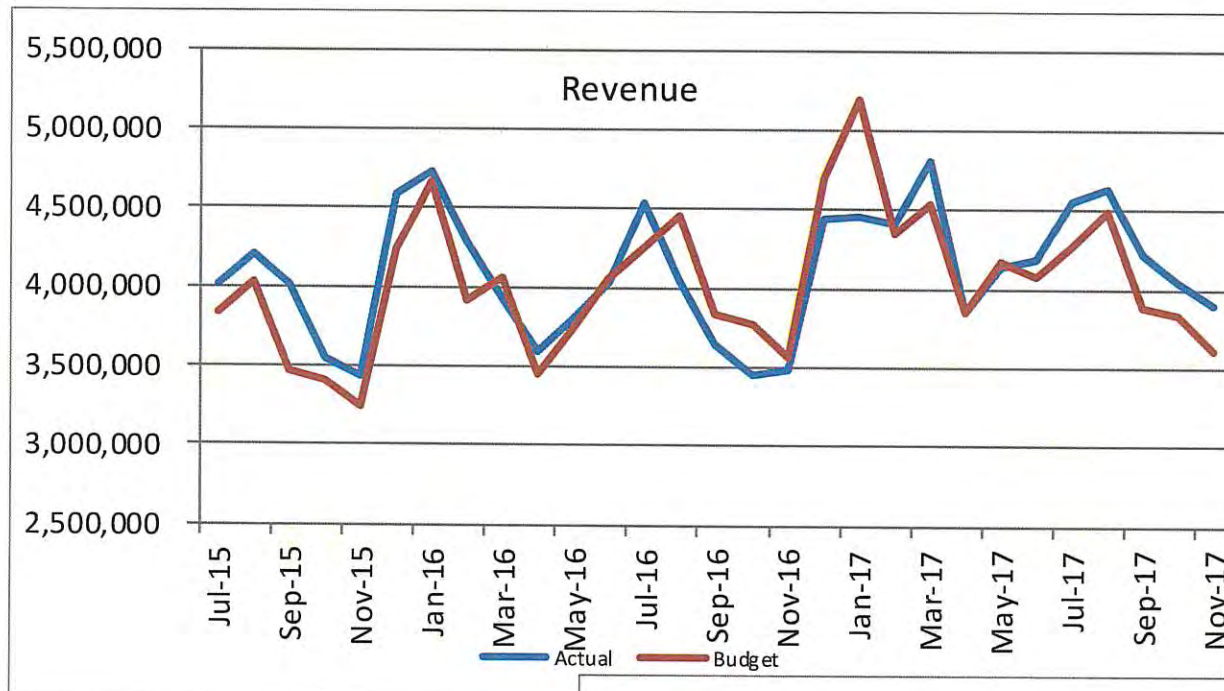


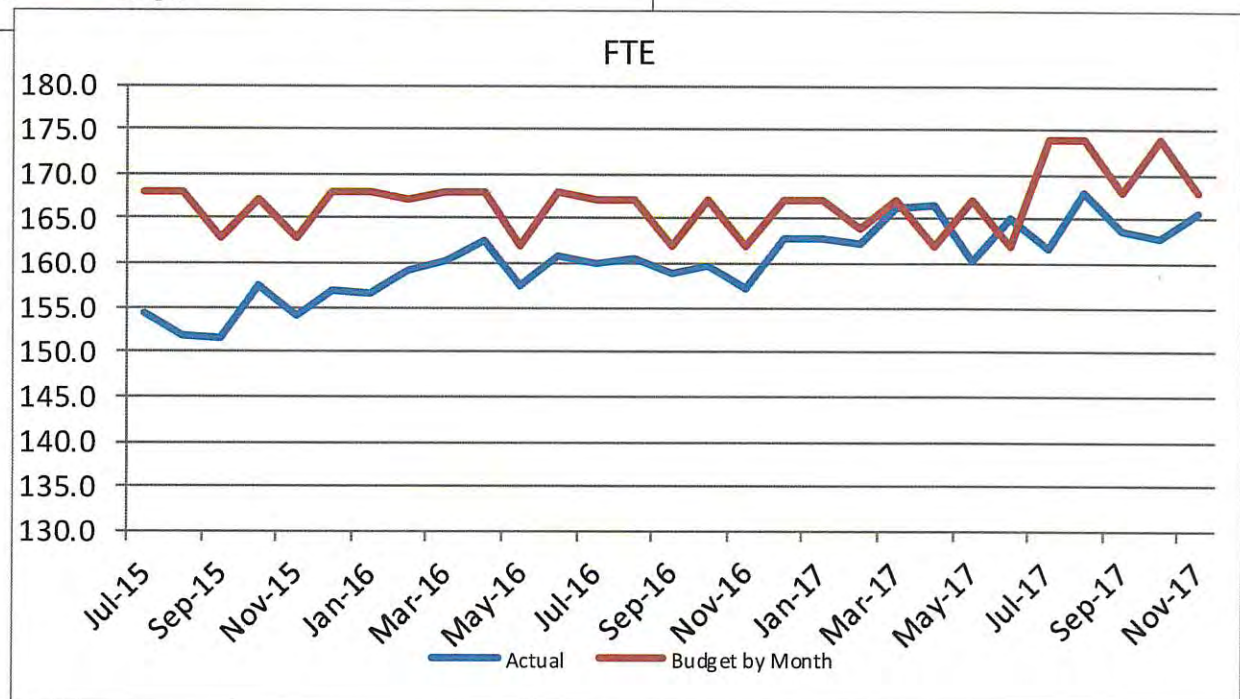
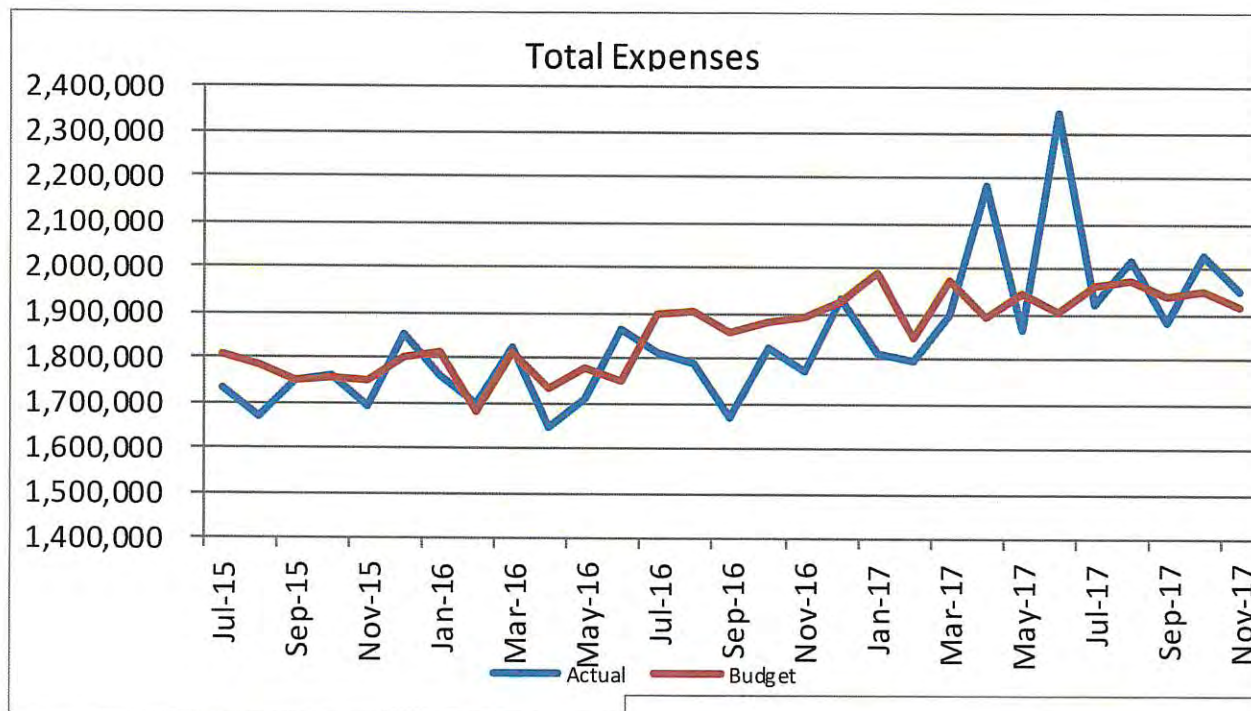




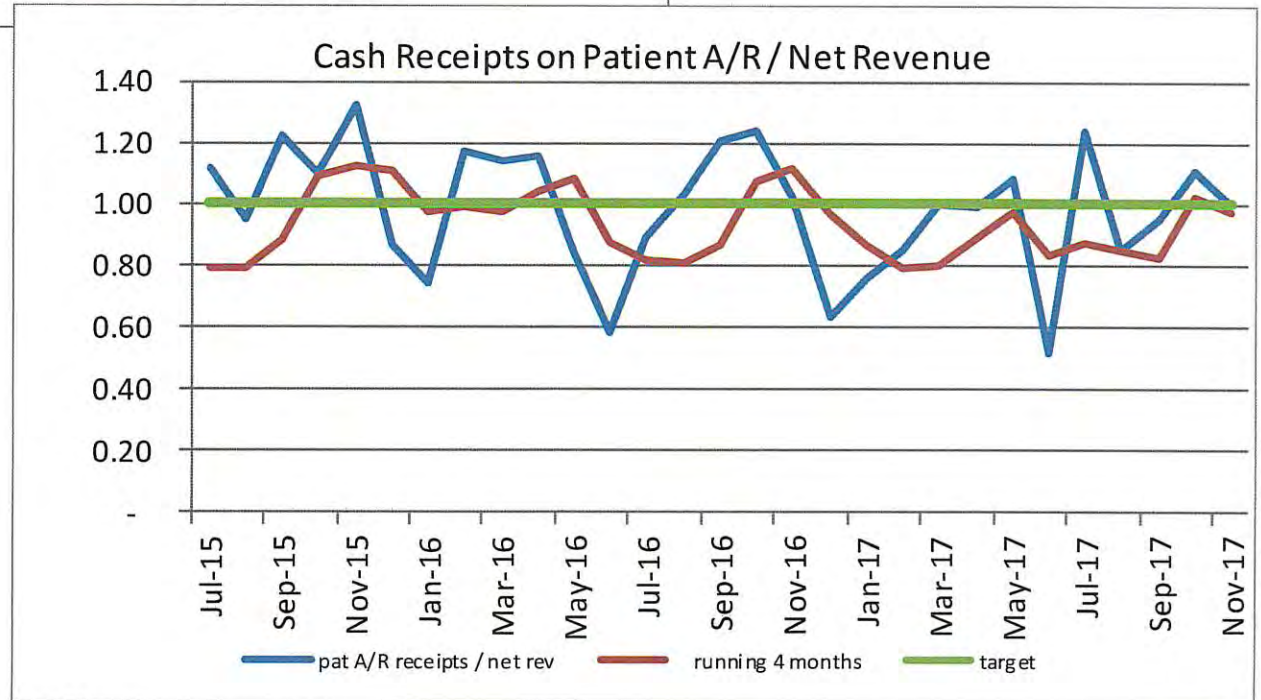
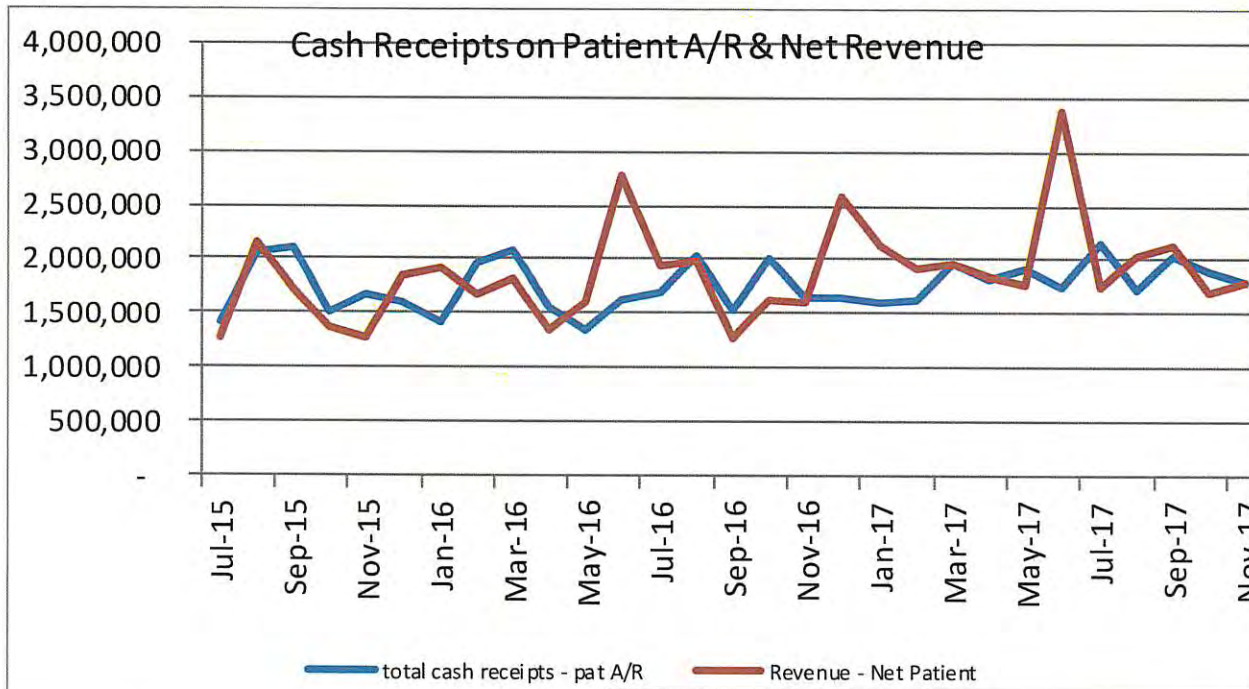


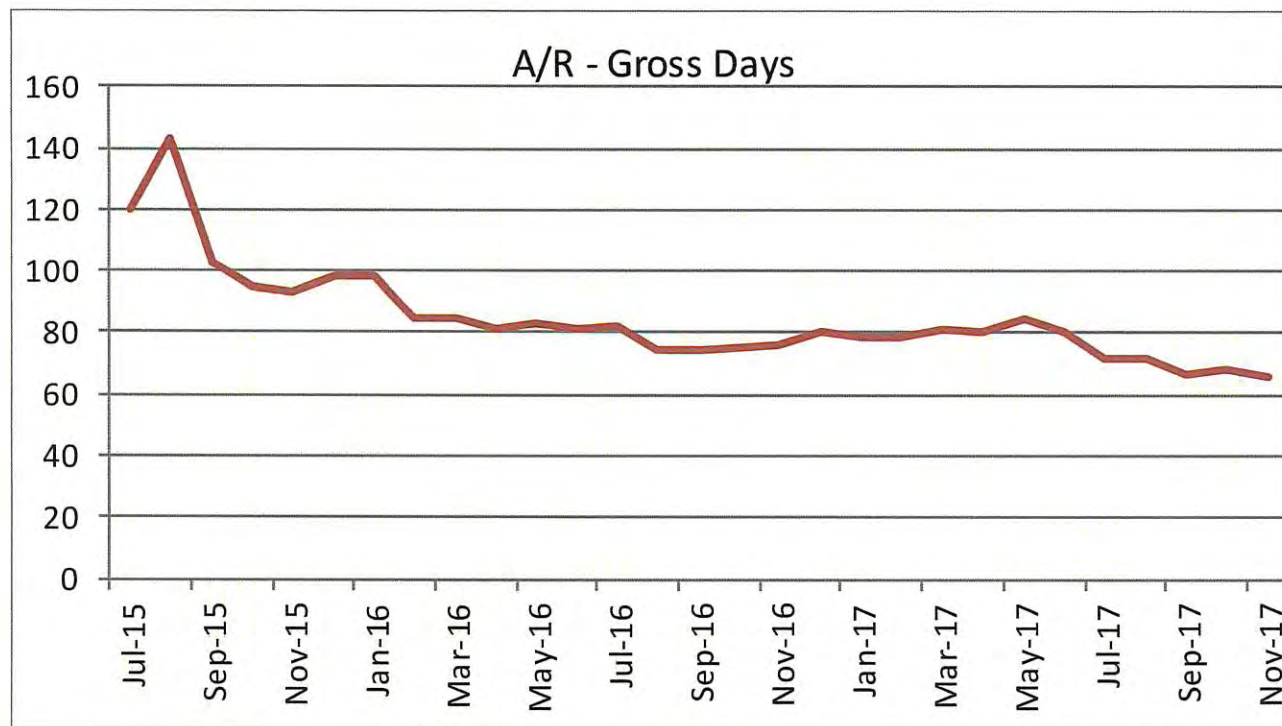














## **November 2017 Financial Results**

### **For the month . . .**

Total Patient Revenue of \$3,892,534 was over budget by 7.6%. Inpatient revenue continues under budget with Acute and Swing Days less than half of budget. Outpatient revenue was 22.7% over budget. A number of departments saw revenue over budget including surgery and anesthesia, laboratory, x-ray, ultrasound, and CT. Physical therapy revenue was under budget for the month. Clinic revenue was 67.5% over budget. Emergency Room revenue was 1.7% more than budget with visits over budget. Skilled nursing Census continues to run ahead of budget. Skilled nursing revenue was 10.0% over budget for the month.

Deductions from Revenue of \$2,092,624 were 8.0% higher than budget.

Total operating Revenue of \$1,835,807 was 5.9% higher than budget.

Total Operating Expenses of \$1,949,020 were higher than budget by 1.7%. Expenses were over budget in the following categories: professional fees with physician fees at the FHC over budget for the month, supplies laboratory supplies were over budget for the month, and purchase services with payments for interim managers in laboratory and pharmacy.

Our Surplus for the month of November 2017 was \$86,036. This compares favorably to our budgeted surplus of \$2,824 for the month.

Our Operating Cash and Investments total \$14,654,879. Total Days Cash on hand are 236.

### **Key Statistics**

Both Inpatient and Swing Patient days continued under budget for the month.

SNF days totaled 597, an Average Daily Census of 19.9. Budget for the month was an ADC of 17.0

Emergency Room visits totaled 824 for the month – 5.5% higher than budget.

### **Through the first five months of our Fiscal Year . . .**

Patient revenue is 6.2% over budget, total revenue deductions are 11.0% more than budget, total expenses are just 0.6% higher than budget, and our surplus of \$700,704 is \$87,437 lower than budget.

Acute and Swing patient days are less than half the number budgeted. SNF days are 10% over budget. ER Visits are 5.8% over budget. FTE continue to be under budget.



**Bear Valley Community Healthcare District**  
Financial Statements November 30, 2017

**Financial Highlights—Hospital**  
**STATEMENT OF OPERATIONS**

		A	B	C	D	E	F	G	H	I	J
		Current Month					Year-to-Date				
		FY 16/17	FY 17/18		VARIANCE		FY 16/17	FY 17/18		VARIANCE	
		Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1	Total patient revenue	3,491,058	3,892,534	3,619,017	273,517	7.6%	19,167,785	21,349,682	20,103,227	1,246,455	6.2%
2	Total revenue deductions	1,879,731	2,092,624	1,937,502	155,122	8.0%	10,730,712	11,945,482	10,762,603	1,182,879	11.0%
3	% Deductions	54%	54%	54%			56%	56%	54%		
4	Net Patient Revenue	1,611,327	1,799,911	1,681,515	118,396	7.0%	8,437,073	9,404,199	9,340,624	63,575	0.7%
5	% Net to Gross	46%	46%	46%			44%	44%	46%		
6	Other Revenue	9,104	35,896	51,584	(15,688)	-30.4%	72,928	143,658	259,111	(115,453)	-44.6%
7	Total Operating Revenue	1,620,431	1,835,807	1,733,099	102,708	5.9%	8,510,001	9,547,857	9,599,735	(51,878)	-0.5%
8	Total Expenses	1,766,548	1,949,020	1,916,022	32,998	1.7%	8,833,293	9,803,065	9,740,329	62,736	0.6%
9	% Expenses	51%	50%	53%			46%	46%	48%		
10	Surplus (Loss) from Operations	(146,117)	(113,213)	(182,923)	69,710	38.1%	(323,292)	(255,208)	(140,594)	(114,614)	-81.5%
11	% Operating margin	-4%	-3%	-5%			-2%	-1%	-1%		
12	Total Non-operating	202,721	199,249	185,747	13,502	7.3%	1,013,717	955,912	928,735	27,177	2.9%
13	Surplus/(Loss)	56,604	86,036	2,824	83,212	-2946.6%	690,425	700,704	788,141	(87,437)	11.1%
14	% Total margin	2%	2%	0%			4%	3%	4%		

**BALANCE SHEET**

	A	B	C	D	E
	November	November	October	VARIANCE	
	FY 16/17	FY 17/18	FY 17/18	Amount	%
15 Gross Accounts Receivables	8,874,712	8,881,521	9,514,165	(632,647)	-6.6%
16 Net Accounts Receivables	3,113,999	3,293,255	3,562,374	(269,119)	-7.6%
17 % Net AR to Gross AR	35%	37%	37%		
18 Days Gross AR	76	66	66	(2)	-2.2%
19 Cash Collections	1,644,343	1,802,798	1,897,526	(94,728)	-5.0%
21 Investments	8,839,399	10,921,640	10,921,640	-	0.0%
22 Cash on hand	1,423,623	3,733,239	2,187,881	1,545,358	70.6%
23 Total Cash & Invest	10,263,022	14,654,879	13,109,521	1,545,358	11.8%
24 Days Cash & Invest	182	236	211	25	11.8%
Total Cash and Investments	10,263,022	14,654,879			
Increase Current Year vs. Prior Year		4,391,857			



**Bear Valley Community Healthcare District**  
Financial Statements November 30, 2017

**Statement of Operations**

	Current Month					Year-to-Date				
	A	B	C	D	E	F	G	H	I	J
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
<b>Gross Patient Revenue</b>										
1 Inpatient	77,203	77,702	182,008	(104,306)	-57.3%	1,052,231	565,565	1,165,100	(599,535)	-51.5%
2 Outpatient	811,598	997,359	812,692	184,667	22.7%	4,381,655	5,184,193	4,390,174	794,019	18.1%
3 Clinic Revenue	182,787	329,577	196,745	132,832	67.5%	923,831	1,778,106	1,081,057	697,049	68.5%
4 Emergency Room	2,157,031	2,221,976	2,185,845	36,131	1.7%	11,688,198	12,504,392	12,233,289	271,103	2.2%
5 Skilled Nursing Facility	262,439	265,920	241,727	24,193	10.0%	1,121,870	1,317,426	1,233,607	83,819	6.8%
6 <b>Total patient revenue</b>	<b>3,491,058</b>	<b>3,892,534</b>	<b>3,619,017</b>	<b>273,517</b>	<b>7.6%</b>	<b>19,167,785</b>	<b>21,349,682</b>	<b>20,103,227</b>	<b>1,246,455</b>	<b>6.2%</b>
<b>Revenue Deductions</b>										
7 Contractual Allow	1,510,171	1,696,412	1,773,552	(77,140)	-4.3%	8,759,265	10,341,222	9,851,882	489,340	5.0%
8 Contractual Allow PY	(33,320)	-	-	-	#DIV/0!	(46,366)	(27)	-	(27)	#DIV/0!
9 Charity Care	(125)	9,999	7,750	2,249	29.0%	45,900	30,516	43,052	(12,536)	-29.1%
10 Administrative	34,834	2,860	6,791	(3,931)	-57.9%	49,417	296,655	37,724	258,931	686.4%
11 Policy Discount	5,861	10,915	5,532	5,383	97.3%	28,926	52,268	30,729	21,539	70.1%
12 Employee Discount	2,151	4,131	3,010	1,121	37.3%	12,798	25,963	16,718	9,245	55.3%
13 Bad Debts	121,154	205,433	140,867	64,566	45.8%	778,443	497,111	782,498	(285,387)	-36.5%
14 Denials	266,959	162,874	-	162,874	#DIV/0!	1,102,329	701,774	-	701,774	#DIV/0!
15 <b>Total revenue deductions</b>	<b>1,879,731</b>	<b>2,092,624</b>	<b>1,937,502</b>	<b>155,122</b>	<b>8.0%</b>	<b>10,730,712</b>	<b>11,945,482</b>	<b>10,762,603</b>	<b>1,182,879</b>	<b>11.0%</b>
16 <b>Net Patient Revenue</b>	<b>1,611,327</b>	<b>1,799,911</b>	<b>1,681,515</b>	<b>118,396</b>	<b>7.0%</b>	<b>8,437,073</b>	<b>9,404,199</b>	<b>9,340,624</b>	<b>63,575</b>	<b>0.7%</b>
gross revenue including Prior Year Contractual Allowances as a percent to gross revenue WO PY and Other CA	40.2%	40.2%		40.2%		40.2%	447.4%	447.4%	0.0%	
	39.2%	39.2%		39.2%		39.2%	437.2%	437.2%	0.0%	
17 <b>Other Revenue</b>	<b>9,104</b>	<b>35,896</b>	<b>51,584</b>	<b>(15,688)</b>	<b>-30.4%</b>	<b>72,928</b>	<b>143,658</b>	<b>259,111</b>	<b>(115,453)</b>	<b>-44.6%</b>
18 <b>Total Operating Revenue</b>	<b>1,620,431</b>	<b>1,835,807</b>	<b>1,733,099</b>	<b>102,708</b>	<b>5.9%</b>	<b>8,510,001</b>	<b>9,547,857</b>	<b>9,599,735</b>	<b>(51,878)</b>	<b>-0.5%</b>
<b>Expenses</b>										
19 Salaries	719,946	721,536	798,448	(76,912)	-9.6%	3,742,580	3,963,999	4,074,245	(110,246)	-2.7%
20 Employee Benefits	270,593	296,309	310,013	(13,704)	-4.4%	1,415,304	1,494,978	1,596,432	(101,454)	-6.4%
21 Registry	-	-	-	-	#DIV/0!	33,285	12,718	-	12,718	#DIV/0!
22 Salaries and Benefits	<b>990,539</b>	<b>1,017,845</b>	<b>1,108,461</b>	<b>(90,616)</b>	<b>-8.2%</b>	<b>5,191,169</b>	<b>5,471,695</b>	<b>5,670,677</b>	<b>(198,982)</b>	<b>-3.5%</b>
23 Professional fees	167,921	168,319	154,007	14,312	9.3%	692,272	832,374	777,190	55,184	7.1%
24 Supplies	98,561	134,939	110,940	23,999	21.6%	595,010	642,141	607,195	34,946	5.8%
25 Utilities	47,214	40,990	45,783	(4,793)	-10.5%	222,957	209,239	227,748	(18,509)	-8.1%
26 Repairs and Maintenance	26,689	38,216	22,565	15,651	69.4%	107,303	145,748	113,134	32,614	28.8%
27 Purchased Services	291,125	381,162	299,546	81,616	27.2%	1,337,447	1,684,212	1,470,114	214,098	14.6%
28 Insurance	25,014	25,762	25,917	(155)	-0.6%	125,070	128,882	129,585	(703)	-0.5%
29 Depreciation	50,869	82,456	75,000	7,456	9.9%	228,169	300,488	375,000	(74,512)	-19.9%
30 Rental and Leases	19,126	15,317	16,297	(980)	-6.0%	91,621	160,555	81,485	79,070	97.0%
32 Dues and Subscriptions	4,403	4,523	5,046	(523)	-10.4%	22,019	26,374	25,228	1,146	4.5%
33 Other Expense	47,087	39,491	52,460	(12,969)	-24.7%	220,256	201,356	262,973	(61,617)	-23.4%
34 <b>Total Expenses</b>	<b>1,766,548</b>	<b>1,949,020</b>	<b>1,916,022</b>	<b>32,998</b>	<b>1.7%</b>	<b>8,833,293</b>	<b>9,803,065</b>	<b>9,740,329</b>	<b>62,736</b>	<b>0.6%</b>
35 <b>Surplus (Loss) from Operations</b>	<b>(146,117)</b>	<b>(113,213)</b>	<b>(182,923)</b>	<b>69,710</b>	<b>38.1%</b>	<b>(323,292)</b>	<b>(255,208)</b>	<b>(140,594)</b>	<b>(114,614)</b>	<b>-81.5%</b>
<b>Non-Operating Income</b>										
36 Tax Revenue	189,917	186,047	186,047	-	0.0%	949,585	930,235	930,235	-	0.0%
37 Other non-operating	18,052	20,000	3,283	16,717	509.2%	74,502	30,247	16,415	13,832	84.3%
Interest Income	2,430	965	4,167	(3,202)	-76.8%	28,607	34,565	20,835	13,730	65.9%
Interest Expense	(7,678)	(7,763)	(7,750)	(13)	0.2%	(38,977)	(39,135)	(38,750)	(385)	1.0%
39 <b>Total Non-operating</b>	<b>202,721</b>	<b>199,249</b>	<b>185,747</b>	<b>13,502</b>	<b>7.3%</b>	<b>1,013,717</b>	<b>955,912</b>	<b>928,735</b>	<b>27,177</b>	<b>2.9%</b>
<b>Net Operating Income</b>	<b>(43,396)</b>	<b>86,036</b>	<b>2,824</b>	<b>83,212</b>	<b>-2946.6%</b>	<b>690,425</b>	<b>700,704</b>	<b>788,141</b>	<b>(87,437)</b>	<b>11.1%</b>



2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/17 Y/E audit adjustments)

	PY BS					
	July	Aug	Sept	Oct	Nov	June
ASSETS:						
Current Assets						
Cash and Cash Equivalents (Includes CD's)	2,926,360	2,290,992	1,483,027	2,187,881	3,733,239	2,858,405
Gross Patient Accounts Receivable	10,084,033	10,529,969	9,819,853	9,516,577	8,883,930	10,749,524
Less: Reserves for Allowances & Bad Debt	6,481,129	6,632,089	5,818,066	5,954,203	5,590,675	6,824,943
Net Patient Accounts Receivable	3,602,904	3,897,880	4,001,787	3,562,374	3,293,255	3,924,581
Tax Revenue Receivable	2,232,569	2,232,569	2,232,569	2,232,569	1,944,288	56,787
Other Receivables	88,537	55,474	750,144	324,224	-1,218,923	107,830
Inventories	217,948	220,580	221,025	226,011	222,712	212,805
Prepaid Expenses	330,877	339,259	336,340	352,943	342,699	192,216
Due From Third Party Payers	0					
Due From Affiliates/Related Organizations	0					
Other Current Assets	0					
Total Current Assets	9,399,195	9,036,754	9,024,893	8,886,002	8,317,270	7,352,624
Assets Whose Use is Limited						
Investments	10,894,184	10,894,184	10,921,640	10,921,640	10,921,640	10,894,184
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	11,038,559	11,038,559	11,066,015	11,066,015	11,066,015	11,038,559
Property, Plant, and Equipment						
Land and Land Improvements	547,472	570,615	570,615	570,615	570,615	547,472
Building and Building Improvements	9,657,088	9,659,388	9,686,383	9,696,603	9,699,157	9,657,088
Equipment	9,625,066	9,694,652	10,189,492	10,232,207	11,486,278	9,614,476
Construction In Progress	1,058,659	1,101,848	753,103	1,356,225	146,485	532,158
Capitalized Interest	0					
Gross Property, Plant, and Equipment	20,888,285	21,026,502	21,199,592	21,855,650	21,902,534	20,351,194
Less: Accumulated Depreciation	12,764,979	12,814,141	12,872,956	12,934,442	13,016,899	12,716,411
Net Property, Plant, and Equipment	8,123,306	8,212,362	8,326,636	8,921,208	8,885,636	7,634,783
TOTAL UNRESTRICTED ASSETS	28,561,060	28,287,674	28,417,544	28,873,224	28,268,920	26,025,966
Restricted Assets	0	0	0	0	0	0
TOTAL ASSETS	28,561,060	28,287,674	28,417,544	28,873,224	28,268,920	26,025,966

2017-18 Actual BS

BALANCE SHEET

(Reflects 6/30/17 Y/E audit adjustments)

LIABILITIES:

Current Liabilities

	July	Aug	Sept	Oct	Nov	PY BS June
Accounts Payable	1,382,046	985,885	792,559	1,431,694	876,176	1,055,031
Notes and Loans Payable						
Accrued Payroll	775,117	846,351	884,291	975,116	996,448	684,799
Patient Refunds Payable						
Due to Third Party Payers (Settlements)	709,007	709,470	695,980	695,980	718,109	649,537
Advances From Third Party Payers						
Current Portion of Def Rev - Txs,	2,046,518	1,860,471	1,674,424	1,488,377	1,302,330	-4
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000	35,000
Current Portion of AB915						
Other Current Liabilities (Accrued Interest & Accrued Other)	15,243	23,005	30,785	38,407	46,169	7,621
Total Current Liabilities	4,962,931	4,460,183	4,113,039	4,664,574	3,974,233	2,431,984

Long Term Debt

USDA Loan	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,965,000
Leases Payable	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
Total Long Term Debt (Net of Current)	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000

Other Long Term Liabilities

Deferred Revenue	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total Other Long Term Liabilities	0	0	0	0	0	0

TOTAL LIABILITIES 7,892,931 7,390,183 7,043,039 7,594,574 6,904,233 5,361,984

Fund Balance

Unrestricted Fund Balance	20,663,982	20,663,983	20,663,982	20,663,982	20,663,982	16,251,126
Temporarily Restricted Fund Balance	0	0				
Equity Transfer from FRHG	0	0				
Net Revenue/(Expenses)	4,147	233,510	710,523	614,668	700,705	4,412,856

TOTAL FUND BALANCE 20,668,129 20,897,491 21,374,505 21,278,650 21,364,687 20,663,982

TOTAL LIABILITIES & FUND BALANCE 28,561,060 28,287,674 28,417,544 28,873,224 28,268,920 26,025,966



**Bear Valley Community Healthcare District  
Financial Statements**

**Current Year Trending Statement of Operations**

**A Statement of Operations—CURRENT YEAR 2018**

	1	2	3	4	5	6	7	8	9	10	11	12	
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
<b>Gross Patient Revenue</b>													
1 Inpatient	95,787	98,514	150,843	142,719	77,702								565,565
2 Outpatient	868,939	1,205,964	1,063,953	1,047,978	997,359								5,184,193
3 Clinic	347,893	369,602	339,870	391,164	329,577								1,778,106
4 Emergency Room	2,985,253	2,686,283	2,407,574	2,203,306	2,221,976								12,504,392
5 Skilled Nursing Facility	261,793	265,487	262,653	261,572	265,920								1,317,426
6 <b>Total patient revenue</b>	<b>4,559,665</b>	<b>4,625,850</b>	<b>4,224,893</b>	<b>4,046,739</b>	<b>3,892,534</b>	-	-	-	-	-	-	-	<b>21,349,682</b>
<b>Revenue Deductions</b>	C/A 0.56	0.47	0.47	0.47	0.44	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.48
7 Contractual Allow	2,548,409	2,192,333	1,994,911	1,909,156	1,696,412								10,341,222
8 Contractual Allow PY	-	463	1,249	(1,739)	-								(27)
9 Charity Care	7,675	12,842	-	-	9,999								30,516
10 Administrative	(746)	114,668	169,442	10,431	2,860								296,655
11 Policy Discount	11,532	11,940	7,202	10,680	10,915								52,268
12 Employee Discount	4,711	9,099	3,938	4,084	4,131								25,963
13 Bad Debts	(59,348)	69,295	45,428	236,304	205,433								497,111
14 Denials	307,852	190,797	(129,516)	169,768	162,874								701,774
15 <b>Total revenue deductions</b>	<b>2,820,085</b>	<b>2,601,437</b>	<b>2,092,654</b>	<b>2,338,683</b>	<b>2,092,624</b>	-	-	-	-	-	-	-	<b>11,945,482</b>
16 <b>Net Patient Revenue</b>	<b>1,739,580</b>	<b>2,024,413</b>	<b>2,132,239</b>	<b>1,708,056</b>	<b>1,799,911</b>	-	-	-	-	-	-	-	<b>9,404,199</b>
	38.2%	43.8%	50.5%	42.2%	46.2%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	44.0%
17 <b>Other Revenue</b>	7,162	35,245	20,043	45,312	35,896								143,658
18 <b>Total Operating Revenue</b>	<b>1,746,742</b>	<b>2,059,658</b>	<b>2,152,282</b>	<b>1,753,369</b>	<b>1,835,807</b>	-	-	-	-	-	-	-	<b>9,547,857</b>
<b>Expenses</b>													
19 Salaries	800,028	842,003	802,366	798,066	721,536								3,963,999
20 Employee Benefits	286,721	318,469	300,954	292,526	296,309								1,494,978
21 Registry	12,718	-	-	-	-								12,718
22 Salaries and Benefits	<b>1,099,467</b>	<b>1,160,472</b>	<b>1,103,320</b>	<b>1,090,592</b>	<b>1,017,845</b>	-	-	-	-	-	-	-	<b>5,471,695</b>
23 Professional fees	163,392	159,614	149,941	191,107	168,319								832,374
24 Supplies	130,715	136,046	101,350	139,091	134,939								642,141
25 Utilities	42,342	42,209	43,009	40,689	40,990								209,239
26 Repairs and Maintenance	22,461	19,239	35,825	30,007	38,216								145,748
27 Purchased Services	302,014	346,148	281,012	373,876	381,162								1,684,212
28 Insurance	25,762	25,762	25,762	25,835	25,762								128,882
29 Depreciation	48,568	49,162	58,815	61,486	82,456								300,488
30 Rental and Leases	46,445	39,979	35,360	23,454	15,317								160,555
32 Dues and Subscriptions	5,518	5,427	5,725	5,181	4,523								26,374
33 Other Expense	36,147	35,255	43,441	47,022	39,491								201,356
34 <b>Total Expenses</b>	<b>1,922,831</b>	<b>2,019,314</b>	<b>1,883,559</b>	<b>2,028,341</b>	<b>1,949,020</b>	-	-	-	-	-	-	-	<b>9,803,065</b>
<b>Surplus (Loss) from Operations</b>	<b>(176,089)</b>	<b>40,344</b>	<b>268,723</b>	<b>(274,973)</b>	<b>(113,213)</b>	-	-	-	-	-	-	-	<b>(255,208)</b>
36 <b>Non-Operating Income</b>													
37 Tax Revenue	186,047	186,047	186,047	186,047	186,047								930,235
38 Other non-operating	10,247	(130)	130	20,000									30,247
Interest Income	1,906	626	30,375	693	965								34,565
Interest Expense	(7,717)	(7,902)	(8,002)	(7,752)	(7,763)								(39,135)
39 <b>Total Non-operating</b>	<b>180,236</b>	<b>189,018</b>	<b>208,290</b>	<b>179,118</b>	<b>199,249</b>	-	-	-	-	-	-	-	<b>955,912</b>
40 <b>Surplus/(Loss)</b>	<b>4,147</b>	<b>229,362</b>	<b>477,013</b>	<b>(95,854)</b>	<b>86,036</b>	-	-	-	-	-	-	-	<b>700,704</b>

# Units of Service

For the period ending: November 30, 2017

30						153					
Current Month						Year-To-Date					
Bear Valley Community Hospital											
Nov-17		Nov-16		Actual -Budget		Nov-17		Nov-16		Actual -Budget	
Actual	Budget	Actual	Variance	Var %	Act.-Act. Var %	Actual	Budget	Actual	Variance	Var %	Act.-Act. Var %
14	27	14	(13)	-47.9%	0.0%	Med Surg Patient Days	122	185	149	(63)	-33.9%
13	29	12	(16)	-55.4%	8.3%	Swing Patient Days	52	200	241	(148)	-74.1%
597	509	588	88	17.3%	1.5%	SNF Patient Days	2,958	2,643	2,518	315	11.9%
624	565	614	59	10.4%	1.6%	Total Patient Days	3,132	3,028	2,908	104	3.4%
6	15	5	(9)	-60.0%	20.0%	Acute Admissions	57	75	61	(18)	-24.0%
9	15	6	(6)	-40.0%	50.0%	Acute Discharges	59	75	66	(16)	-21.3%
1.6	-	2.3	1.6	#DIV/0!	-33.3%	Acute Average Length of Stay	2.1	-	2.3	2.1	#DIV/0!
0.5	0.9	0.5	(0.4)	-47.9%	0.0%	Acute Average Daily Census	0.8	1	1.0	(0.4)	-33.9%
20.3	17.9	20.0	2.4	13.4%	1.7%	SNF/Swing Avg Daily Census	19.7	19	18.0	1.1	5.9%
20.8	18.8	20.5	2.0	10.4%	1.6%	Total Avg. Daily Census	20.5	20	19.0	0.7	3.4%
46%	42%	45%	4%	10.4%	1.6%	% Occupancy	45%	44%	42%	2%	3.4%
6	15	4	(9)	-60.0%	50.0%	Emergency Room Admitted	48	75	51	(27)	-36.0%
818	1,000	785	(182)	-18.2%	4.2%	Emergency Room Discharged	4,535	5,000	4,551	(465)	-9.3%
824	781	789	43	5.5%	4.4%	Emergency Room Total	4,583	4,334	4,602	249	5.7%
27	26	26	1	5.5%	4.4%	ER visits per calendar day	30	28	30	2	5.7%
100%	100%	80%	100%	100.0%	25.0%	% Admits from ER	84%	100%	84%	67%	66.7%
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	-	-	-	-	0.0%
16	17	6	(1)	-5.9%	166.7%	Surgical Procedures O/P	69	105	25	(36)	-34.3%
16	17	6	(1)	-5.9%	166.7%	TOTAL Procedures	69	105	25	(36)	-34.3%
997	286	172	711	248.6%	479.7%	Surgical Minutes Total	4,669	1,457	584	3,212	220.5%



## Units of Service

For the period ending: November 30, 2017

Bear Valley Community Hospital												
Current Month						Year-To-Date						
Nov-17 Actual	Budget	Nov-16 Actual	Actual -Budget Variance	Var %	Act.-Act. Var %		Nov-17 Actual	Budget	Nov-16 Actual	Actual -Budget Variance	Var %	Act.-Act. Var %
5,359	5,043	5,429	316	6.3%	-1.3%	Lab Procedures	31,243	28,436	30,346	2,807	9.9%	3.0%
683	632	625	51	8.1%	9.3%	X-Ray Procedures	3,239	3,331	3,567	(92)	-2.8%	-9.2%
218	200	241	18	9.0%	-9.5%	C.T. Scan Procedures	1,262	1,164	1,239	98	8.4%	1.9%
233	183	188	50	27.3%	23.9%	Ultrasound Procedures	1,166	992	1,085	174	17.5%	7.5%
71	50	30	21	42.0%	136.7%	Mammography Procedures	379	250	261	129	51.6%	45.2%
229	222	232	7	3.2%	-1.3%	EKG Procedures	1,449	1,249	1,239	200	16.0%	16.9%
111	74	68	37	50.0%	63.2%	Respiratory Procedures	525	425	447	100	23.5%	17.4%
1,304	1,805	2,356	(501)	-27.8%	-44.7%	Physical Therapy Procedures	6,860	8,180	9,136	(1,320)	-16.1%	-24.9%
1,683	1,327	1,581	356	26.8%	6.5%	Primary Care Clinic Visits	8,699	7,382	7,589	1,317	17.8%	14.6%
183	200	-	(17)	0.0%	#DIV/0!	Specialty Clinic Visits	1,059	1,000	-	59	0.0%	#DIV/0!
1,866	1,527	1,581	339	22.2%	18.0%	Clinic	9,758	8,382	7,589	1,376	16.4%	28.6%
72	59	61	13	22.2%	18.0%	Clinic visits per work day	75	64	58	11	16.4%	28.6%
19.1%	20.00%	19.30%	-0.90%	-4.50%	-1.04%	% Medicare Revenue	20.04%	20.00%	21.76%	0.04%	0.20%	-7.90%
40.40%	37.00%	41.80%	3.40%	9.19%	-3.35%	% Medi-Cal Revenue	40.52%	37.00%	39.38%	3.52%	9.51%	2.89%
36.10%	38.00%	34.40%	-1.90%	-5.00%	4.94%	% Insurance Revenue	35.24%	38.00%	35.20%	-2.76%	-7.26%	0.11%
4.40%	5.00%	4.50%	-0.60%	-12.00%	-2.22%	% Self-Pay Revenue	4.20%	5.00%	3.66%	-0.80%	-16.00%	14.75%
138.9	150.00	139.9	(11.2)	-7.4%	-0.8%	Productive FTE's	143.47	153.00	141.0	(9.5)	-6.2%	1.8%
165.8	168.00	157.2	(2.2)	-1.3%	5.5%	Total FTE's	164.48	171.60	159.3	(7.1)	-4.2%	3.3%



## **CFO REPORT for**

### **January 2018 Finance Committee and Board meetings**

#### **Healthcare Reform**

Major Tax Reform has passed both houses of Congress and has been signed into law. One of the major impacts for Healthcare is the repeal of the penalty related to individual mandate (the requirement that everyone have health insurance). The tax deduction for medical expensed was changed but remains.

#### **Accounts Receivable / TruBridge**

The most recent weekly report shows AR days at 67.2. Other key indicators are as follows

Uncoded days 0.3, target 3

Unchecked days 0.9, target 3.

Average charge close day lag 5, target 3.

#### **IT Assessment by QHR**

Sharon Stewart of QHR will be on site and BVCHD during the week of January 8 to conduct IT Assessment.