



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.

BOARD OF DIRECTORS BUSINESS MEETING AGENDA
Wednesday, June 12, 2019 @ 1:00 p.m. – Hospital Conference Room
41870 Garstin Drive, Big Bear Lake, CA 92315

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

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

OPEN SESSION

1. CALL TO ORDER

Peter Boss, 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. HOSPITAL QUALITY/RISK/COMPLIANCE REPORTS: *Pursuant to Health & Safety Code Section 32155

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

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

- | | |
|--|----------------------------|
| (1) Aligned Telehealth Service Agreement | (Disclosure June 12, 2019) |
| (2) Agiliti Service Agreement | (Disclosure June 12, 2019) |
| (3) JWT & Associates Service Agreement | (Disclosure June 12, 2019) |
| (4) David Horner, M.D. Hospitalist Service Agreement | (Disclosure June 12, 2019) |

OPEN SESSION

1. CALL TO ORDER

Peter Boss, President

2. ROLL CALL

Shelly Egerer, Executive Assistant

3. FLAG SALUTE

4. ADOPTION OF AGENDA*

5. RESULTS OF CLOSED SESSION

Peter Boss, 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. May 15, 2019 Special Business Board Meeting Minutes: Shelly Egerer, Executive Assistant

B. May 2019 Planning & Facilities Report: Michael Mursick, Plant Director

C. May 2019 Human Resource Report: Erin Wilson, Human Resource Director

D. May 2019 Infection Prevention Report: Heather Loose, Infection Preventionist

E. Policies and Procedures: Summary Attached

(1) Risk Management

(2) FHC/RHC

(3) SNF

F. Board of Directors; Committee Meeting Minutes:

(1) April 03, 2019 Planning & Facilities Committee Meeting

(2) April 26, 2019 Special Finance Committee Meeting Minutes

(3) May 24, 2019 Special Finance Committee Meeting Minutes

10. OLD BUSINESS*

- None

11. NEW BUSINESS*

A. Discussion and Potential Approval of the Following Agreements:

(1) Aligned Telehealth Service Agreement

(2) Agiliti Service Agreement

(3) JWT & Associates Service Agreement

(4) David Horner, M.D. Hospitalist Service Agreement

B. Discussion and Potential Approval of Fiscal Year 2019/2020 Operating & Capital Budget

- C. Discussion and Potential Approval of Resolution No. 19-457: Determining, Certifying and Directing Special Tax Levies Within the District
- D. Discussion and Potential Approval of the Following Reports:
 - (1) Fiscal Year 2018 Critical Access Hospital Impact Report
 - (2) QHR Review of Allowances for Unpaid Accounts and Bad Debt Allowance Analysis

12. ACTION ITEMS*

- A. **Acceptance of QHR Report**
Ron Vigus, QHR
 - (1) June 2019 QHR Report
- B. **Acceptance of CNO Report**
Kerri Jex, Chief Nursing Officer
 - (1) May 2019 CNO Report
- C. **Acceptance of the CEO Report**
John Friel, Chief Executive Officer
 - (1) May 2019 CEO Report
 - (2) Pending Grant Applications Under Review
 - (3) Organizational Chart
- D. **Acceptance of the Finance Report & CFO Report**
Garth Hamblin, Chief Financial Officer
 - (1) April 2019 Financials
 - (2) June 2019 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
May 15, 2019**

PRESENT: Peter Boss, MD, President Donna Nicely, Treasurer
Gail McCarthy, 1st Vice President John Friel, CEO
Steven Baker, 2nd Vice President Shelly Egerer, Exec. Assistant
Rob Robbins, Secretary

ABSENT:

STAFF: Garth Hamblin Steven Knapik, DO Mary Norman, via phone
Kerri Jex Sheri Mursick Kathy Gardner
Sherry Greenaway Erin Wilson

OTHER: Ron Vigus, QHR Holly Elmer, Foundation Gail Dick, Auxiliary

**COMMUNITY
MEMBERS:** None

OPEN SESSION

1. CALL TO ORDER:

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

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION:

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

2. ADJOURNED TO CLOSED SESSION:

President Boss called for a motion to adjourn to Closed Session at 1:01 p.m. Motion by Board Member Baker to adjourn to Closed Session. Second by Board Member McCarthy to adjourn to Closed Session. President Boss called for a vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

RECONVENE TO OPEN SESSION

1. CALL TO ORDER:

President Boss called the meeting to Open Session at 3:00 p.m.

2. ROLL CALL:

Peter Boss, MD, Gail McCarthy, Steven Baker, Donna Nicely and Rob Robbins were present. Also, present was John Friel, CEO and Shelly Egerer, Executive Assistant.

3. FLAG SALUTE:

Board Member Nicely led the flag salute and all present participated.

4. ADOPTION OF AGENDA:

President Boss called for a motion to adopt the May 15, 2019 agenda as presented. Motion by Board Member Nicely to adopt the May 15, 2019 agenda as presented. Second by Board Member Robbins to adopt the May 15, 2019 agenda as presented. President Boss called for a vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

5. RESULTS OF CLOSED SESSION:

President Boss reported that the following action was taken in Closed Session:
The following reports were approved:

- Chief of Staff Report:
 - Request for Initial Appointment
 - Michelle Saidel, MD – Tele-Psychiatry
 - Request for Reappointment:
 - Michelle Rossell, RDH
 - Deborah Herzik, NP
 - Bradley Register, PA
- Risk Report
- QI Report

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

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

6. PUBLIC FORUM FOR OPEN SESSION:

President Boss opened the Hearing Section for Public Comment on Open Session items at 3:02 p.m.

- Evelyn Livingston, Big Bear City, California, stated that she was an employee of the district for over eleven years, was out on leave for medical reasons received a letter that she abandoned her job and was no longer employed with the district.

Evelyn provided some information to the Board of Directors, asked the Board to help her get her job back into the HIM Department. Evelyn and thanked the Board of Directors for their time.

President Boss closed the Hearing Section for Public Comment at 3:06 p.m.

7. DIRECTORS COMMENTS

- Board Member Robbins reported he was in Texas and ran into a great opportunity in regards to self-insured city employees, would like to continue to research on how district staff can use our facility and clinics. There are opportunities to make some changes for our district.
- Board Member Nicely stated that the Board of Directors has requested staff on several occasions to review our insurance opportunities so that we can have employees use the services we offer.

8. INFORMATION REPORTS:

A. Foundation Report:

- Ms. Elmer reported the following information:
 - SNF Van unveiling is scheduled for June 5 at 3:00 pm
 - 3rd Annual Humanitarian Award Event is being planned
 - Concert for Pasquale Esposito is scheduled for October 19 at the PAC
 - Tree of Lights ceremony is scheduled for November 9
 - Will be in attendance at several local events throughout the year
 - Mercy Air presentation June 11

B. Auxiliary Report:

- Ms. Dick reported the following:
 - June 3 will be giving a \$1,000 scholarship to three eligible graduating students
 - August 23 is the Annual Golf Tournament and tickets will be \$85.00 per person
 - September 21 the Auxiliary will be at the district Health Fair
 - Oct 4 planning another Scrub Sale
 - November will be the Annual Mall in the Hall
 - BINGO was conducted on May 4th and seems to be a success

9. CONSENT AGENDA:

- A.** April 10, 2019 Business Board Meeting Minutes: Shelly Egerer, Executive Assistant
- B.** April 2019 Planning & Facilities Report: Michael Mursick, Plant Director
- C.** April 2019 Human Resource Report: Erin Wilson, Human Resource Director
- D.** Infection Preventions Report: Heather Loose, Infection Preventionist
- E.** Policies and Procedures:
 - (1) General Accounting
- I.** Board of Directors; Committee Meeting Minutes:
 - (1) April 02, 2019 Finance Committee Meeting Minutes

President Boss called for a motion to approve the Consent Agenda as presented. Motion by Board Member McCarthy to approve the Consent Agenda as presented. Second by Board Member Robbins to approve the Consent Agenda as presented. President Boss called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

10. OLD BUSINESS:

- None

11. NEW BUSINESS*

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

- (1) Angelica Linen & Laundry Service Agreement
 - (2) Matthew Pautz, D.O. Medical Director of Surgery Department Service Agreement
 - (3) Bryan Daniel Katz, D.P.M. Podiatric Service Agreement for the Rural Health Clinics
 - (4) Bryan Daniel Katz, D.P.M. Podiatric Service Agreement for the Skilled Nursing Facility
- Mr. Friel reported that Dr. Katz had requested to pull his agreements as he has accepted a position with the VA; these agreements are no longer required.

President Boss called for a motion to approve the Angelica Service Agreement, Dr. Katz withdrew his agreements and the Board is not approving Dr. Pautz agreement. Motion by Board Member Nicely to approve the Angelica Service Agreement, Dr. Katz withdrew his agreements and the Board is not approving Dr. Pautz agreement. Second by Board Member Robbins to approve the Angelica Service Agreement, Dr. Katz withdrew his agreements and the Board is not approving Dr. Pautz agreement. President Boss called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

B. Discussion and Approval of the Fiscal Year 2019/2020 Capital Budget:

- Mr. Hamblin reported the Capital Budget was reviewed by Finance Committee.
- Board Member Nicely stated that the Capital Budget needs to be presented at the same time as the Operating Budget.

President Boss called for a motion to table the FY 2019/2020 Capital Budget until the Operating Budget is presented to the Board of Directors. Motion by Board Member Robbins to table the FY 2019/2020 Capital Budget until the Operating Budget is presented to the Board of Directors. Second by Board Member Nicely to table the FY 2019/2020 Capital Budget until the Operating Budget is presented to the Board of Directors. President Boss called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes

- Board Member McCarthy - yes
- Board Member Baker - yes

12. ACTION ITEMS*

A. QHR Report:

(1) May 2019 QHR Report:

- Mr. Vigus reported the following information:
 - Thanked Kerri Jex for the fantastic presentation at QHR Regional Meeting

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

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

B. CNO Report:

(1) April 2019 CNO Report:

- Ms. Jex reported the following:
 - BETA conference
 - 2 staff members will also participate
 - 3 staff members received their Master Degrees
 - SNF star rating will change, there is a potential to lose 2-3 stars
 - Grizzly had a great article in the paper regarding April Early, ER Director
 - SNF still has a waiting list

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

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

C. Acceptance of the CEO Report:

(1) April 2019 CEO Report:

- Mr. Friel reported the following information:
 - Beginning phase of Community Health Needs Assessment has begun
 - 25 community members are being contacted
 - SNF van unveiling June 5 at the Library parking lot
 - 45th Birthday Celebration for the Hospital; August 17 we will be having a celebration.

President Boss called for a motion to approve the CEO Report as presented. Motion by Board Member McCarthy to approve the CEO Report as presented. Second by Board Member Nicely to approve the CEO Report as presented. President Boss called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

D. Acceptance of the Finance Report:

(1) March 2019 Financials:

- Mr. Hamblin reported the following information:
 - Cash continues strong
 - Surplus over budget
 - 363 days cash on hand

(2) CFO Report:

- The Board of Directors had no questions regarding the CFO Report.

President Boss called for a motion to approve the March 2019 Finance Report and the CFO Report as presented. Motion by Board Member Nicely to approve the March 2019 Finance Report and the CFO Report as presented. Second by Board Member Robbins to approve the March 2019 Finance Report and the CFO Report as presented. President Boss called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

13. ADJOURNMENT:

Motion by Board Member Nicely to adjourn the meeting at 3:48 p.m. Second by Board Member Robbins to adjourn. President Boss called for the vote. A vote in favor of the motion was unanimously approved 5/0.

- Board Member Robbins - yes
- Board Member Nicely- yes
- President Boss - yes
- Board Member McCarthy - yes
- Board Member Baker - yes

Bear Valley Community Healthcare District Construction Projects 2019

Department / Project	Details	Vendor and all associated costs	Comments	Date Complete
Public Restroom/Acute Kitchen Plumbing Repair	Remove the concrete in areas to access damaged plumbing.	Pride Plumbing/Facilities	Plumbing is not repairable.	
Pyxis Replacement	Pyxis equipment is in place and seismic anchors will be installed soon.	Facilities	Nearly complete, waiting for Pyxis to send last mount that was not recieved during original delivery.	
SNF TV Project	Facilities is installing the necessary cabiling	Facilities	In Progress	
Hospital- Medical Air Compressor	Compressors is failing and no longer meets code requirments	FS Medical	OSHDPD approved planning instalation, in progress, also waiting on bids.	
OR- Remodel & Electrical Repairs	Replace flooring, repair walls & replace LIM's	N/A	In Progress	
SNF Shower Tile Replacement	Replace the old shower tile	N/A	Sent bids for review to managers	

Bear Valley Community Healthcare District Potential Equipment Requirements

Department / Project	Details	Vendor and all associated costs	Comments	Date Complete
Facilities- New Work Truck	Purchase a new truck for the department. Our current truck has numerous issues and it is time for a replacement	Victorville Motors, Mark Christopher Chevrolet, Redlands Ford	This will be included in our capital budget	
Facilities- New utility trailer	Order new trailer that was budgeted for.	Big Tex	Will be receiving trailer in June	

Bear Valley Community Healthcare District Repairs Maintenance

Department / Project	Details	Vendor and all associated costs	Comments	Date Completed
Dietary Plumbing	Drain line under hospital completely plugged in all directions.	Facilities & Pride Plumbing	Completed	

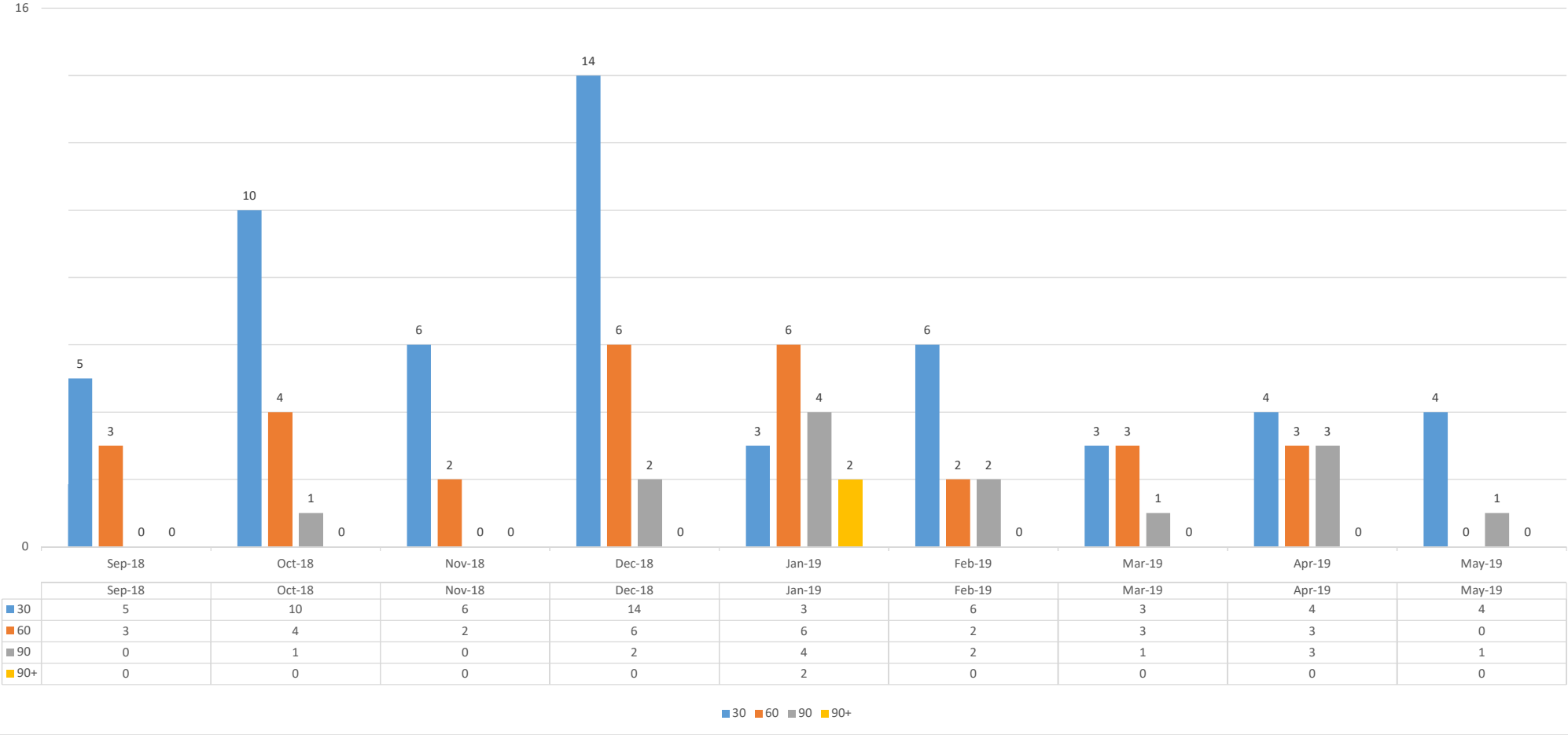


HR Board Report

May 2019

Staffing	Active: 211 – FT: 144 PT: 13 PD: 54 New Hires: 6 Terms: 6 (4 Voluntary 2 Involuntary) Open Positions: 9
Employee Performance Evaluations	DELINQUENT: See attachment 30 days: 4 60 days: 0 90 days: 1 90+ days: 0 See Attachment
Work Comp	NEW CLAIMS: 0 OPEN: 8 Indemnity (Wage Replacement, attempts to make the employee financially whole) - 2 Future Medical Care – 4 Medical Only – 2 Quarterly claims review
Employee Five File Audit	FILE AUDIT: Files are complete All licenses are active
Job Descriptions/ Evaluation	Job Descriptions: In process Evaluations: In process
Policies for Review	All HR policies have been reviewed/updated HR Committee to review policies and updated employee handbook
Employee Events	Years of Service awards - July 45 th Anniversary - August
Training	Annual Orientation – All staff due 5/31/19 Eva Pierce conducted Mandatory HIPAA training for all staff

Past Due Evaluations





Infection Prevention Monthly Report

May 2019

TOPIC	UPDATE	ACTION/FOLLOW UP
1. Regulatory	<ul style="list-style-type: none"> Continue to receive updates from APIC. AFL (All Facility Letters) from CDPH have been reviewed. <ul style="list-style-type: none"> AFL19-17 was received regarding the Measles outbreak in the US. Recommendations on testing, treatment and precautions were given. This information was reviewed in the P&T Committee, and to be passed on to clinical and medical staff. Continue NHSN surveillance reporting. Completion of CMR reports to Public Health per Title 17 and CDPH regulations. <ul style="list-style-type: none"> 1 case of Chlamydia /Gonorrhea reported 	<ul style="list-style-type: none"> Review ICP regulations. AFL to be reviewed at Infection Control Committee and Regulatory committee. Continue Monthly Reporting Plan submissions.
2. Construction	<ul style="list-style-type: none"> Two ICRA Permits were issued in May. One for installing/ changing out security cameras and one for plumbing repair in the Acute Care kitchen. One ICRA from April is still active and that is for installing Tv mounts in the SNF rooms. 	<ul style="list-style-type: none"> Work with Maintenance and contractors to ensure compliance.

3. QI	<ul style="list-style-type: none"> Continue to work towards increased compliance with Hand Hygiene <ul style="list-style-type: none"> 76% for April IP has sent hand hygiene monitoring sheets to all the department managers asking them to each complete at least 10 observations per month. 	<ul style="list-style-type: none"> Continue monitoring hand hygiene compliance.
4. Outbreaks/ Surveillance	<p>Public Health Report</p> <ul style="list-style-type: none"> There have been several reported cases of Mumps and an increase in chickenpox among ICE detainees in San Bernardino County. If any suspected cases of Measles, Mumps, or any questionable disease, the county must be called for guidance. The IP must also be notified. There are now "Quick Sheets" from CDPH listed on the Infection Prevention intranet site. They provide guidance regarding different infectious diseases in a concise manner and are good for a quick reference. Candida Auris, the drug resistant yeast, has now been found in California. It usually affects those on ventilators with several co-morbidities. The situation will continue to be monitored. Community Health Report <ul style="list-style-type: none"> 0 cases of MRSA in April 0 cases of c-diff 	<ul style="list-style-type: none"> Informational
5. Policy Updates	<ul style="list-style-type: none"> None this month. 	<ul style="list-style-type: none"> Clinical Policy and Procedure Committee to review and update Infection Prevention policies.
6. Safety/Product	<ul style="list-style-type: none"> Nothing new this month. 	<ul style="list-style-type: none"> Continue to monitor

		compliance with approved cleaning procedures.
7. Antibiotic Stewardship	<ul style="list-style-type: none"> Pharmacist continues to monitor antibiotic usage. 	<ul style="list-style-type: none"> Informational.
8. Education	<ul style="list-style-type: none"> ICP continues to attend the APIC meetings in Ontario when possible. 	<ul style="list-style-type: none"> ICP to share information at appropriate committees.
9. Informational	<p>Statistics on Immediate Use Steam Sterilization will now be included with the monthly surgery stats and reported to P&T Committee monthly.</p> <ul style="list-style-type: none"> Number of times IUSS utilized in April = 0 Number of surgical cases in December =13 <p>Culture Follow-Up</p> <ul style="list-style-type: none"> IP oversees culture follow-up process carried out by clinical managers. Statistics are presented at P&T monthly. For April, the average was 1.4 days to resolution. 	<ul style="list-style-type: none"> Informational

<i>Heather Loose, BSN, RN</i>	<i>Infection Preventionist</i>	<i>Date: June 3, 2019</i>

Department	Policy Title	Date Reviewed	Action
Risk Management	Adverse Event Response and Investigation	4/26/2019	New policy.
Risk Management	Root Cause Analysis (RCA)	4/26/2019	New policy.
Risk Management	Serious Reportable Adverse Events	4/26/2019	Annual review. Changed policy name from "Serious Reportable Events". Revised to reflect BETA HEART guidelines.
Risk Management	Variance Report	4/26/2019	Annual review. Revised to reflect BETA HEART guidelines.
FHC/RHC	Appointment Scheduling	4/26/2019	Annual review. Removed Discharge Guidelines from title and body of policy. There is a Patient Discharge Policy in the system.
FHC/RHC	Appointment Notification	4/26/2019	Annual update. Revised verbiage to reflect current process.
FHC/RHC	Clinic Intake	4/26/2019	Annual review. Updated to reflect current practice.
FHC/RHC	Scope of Service-Family Health Center	4/26/2019	Annual review. Updated to reflect current services/practice.
FHC/RHC	Scope of Service-Rural Health Center	4/26/2019	New policy.
FHC/RHC	Termination of Professional Relationships with Patients	4/26/2019	Annual review. No changes.
FHC/RHC	Walk-in and Same Day Appointments	4/26/2019	Annual review. Updated verbiage to reflect current process.
SNF	SNF Van	4/19/2019	New policy.

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
PLANNING & FACILITIES COMMITTEE
MEETING MINUTES
APRIL 03, 2019**

MEMBERS	Rob Robbins, Secretary	Shelly Egerer, Exec. Assistant
PRESENT:	Peter Boss, President	Michael Mursick, Plant Manager
	John Friel, CEO	
STAFF:	Garth Hamblin	
ABSENT:	None	
COMMUNITY MEMBERS:	None	

OPEN SESSION

1. CALL TO ORDER

Board Member Robbins called the meeting to order at 12:00 p.m.

2. ROLL CALL

Rob Robbins and Peter Boss, MD were present. Also present were John Friel, CEO, Michael Mursick, Plant Manager and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA*

Board Member Robbins motioned to adopt the April 03, 2019 Planning & Facilities Committee Meeting Agenda as presented. Second by President Boss to adopt the April 03, 2019 Planning & Facilities Committee Meeting Agenda as presented. Board Member Robbins called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Boss - yes

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION

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

2. ADJOURN TO CLOSED SESSION*

Board Member Robbins motioned to adjourn to Closed Session at 12:01 p.m. Second by President Boss to adjourn to Closed Session. Board Member Robbins called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Boss- yes

OPEN SESSION

1. CALL TO ORDER:

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

2. RESULTS OF CLOSED SESSION:

Board Member Robbins stated there was no reportable action taken in Closed Session.

3. PUBLIC FORUM FOR OPEN SESSION:

Board Member Robbins opened the Hearing Section for Public Comment on Open Session items at 1:00 p.m. Hearing no request to address the Planning & Facilities Committee, Board Member Robbins closed the Hearing Section at 1:00 p.m.

4. DIRECTOR'S COMMENTS:

- Mr. Friel wanted to inform the committee that the process for the Community Health Needs Assessment will be beginning and we will be using the same format as previously used and hopeful to have the assessment completed by the end of May. The work on the SNF tub/bath will begin, and we are looking to LED lights.

5. APPROVAL OF MINUTES:

A. January 24, 2019

Board Member Robbins motioned to approve the January 24, 2019 Planning & Facilities Committee Meeting Minutes as presented. Second by President Boss to approve the January 24, 2019 Planning & Facilities Committee Meeting Minutes as presented. Board Member Robbins called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Boss - yes

6. OLD BUSINESS*

- None

7. NEW BUSINESS*

- None

8. ADJOURNMENT*

President Boss motioned to adjourn the meeting at 1:22 p.m. Second by Board Member Robbins to adjourn the meeting. Board Member Robbins called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Robbins- yes
- President Boss - yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, CA 92315
April 26, 2019**

MEMBERS Donna Nicely, Treasurer
PRESENT: Rob Robbins, Secretary
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: Kathy Breuer Kerri Jex Sheri Mursick

**COMMUNITY
MEMBERS:** None

ABSENT: Peter Boss, MD, President

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 9:00 a.m.

2. ROLL CALL:

Donna Nicely and Rob Robbins were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant. Absent was Peter Boss, M.D.

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the April 26, 2019 Special Finance Committee Meeting Agenda as presented. Second by Board Member Robbins to adopt the April 26, 2019 Special Finance Committee Meeting Agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Robbins- yes

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Closed Session items at 9:00 a.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 9:00 a.m.

2. ADJOURN TO CLOSED SESSION:

Board Member Nicely motioned to adjourn to Closed Session at 9:01 a.m. Second by Board Member Robbins to adjourn to Closed Session at 9:01 a.m. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Robbins- yes

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 9:07 a.m.

2. RESULTS OF CLOSED SESSION:

Board Member Nicely stated there was no reportable action from Closed Session.

3. PUBLIC FORUM FOR OPEN SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Open Session items at 9:07 a.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 9:08 a.m.

4. DIRECTOR'S COMMENTS:

- None

5. APPROVAL OF MINUTES:

A. April 02, 2019

Board Member Robbins motioned to approve the April 02, 2019 Finance Committee Meeting Minutes as presented. Second by Board Member Nicely to approve the April 02, 2019 Finance Committee Meeting Minutes as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Robbins- yes

6. OLD BUSINESS:

A. Discussion and Review of the Fiscal Year 2019/2020 Capital Budget:

- Mr. Hamblin reported the budget was revised as discussed at the previous Finance Committee Meeting. The following items were reviewed:
 - Reduced significant amount of cost from the budget.
 - Avreo provides onsite PAC images and we did eliminate from the budget.
 - Updated the budget for surgery equipment.
 - Blood analyzer for laboratory cost is approximately \$18,000; significant reduction.
 - Med Surge-SNF was on prior budget.
 - Reduced over-head paging system to \$10,000: original cost was \$40,000 and after research cost was significantly reduced.
 - HIPAA Risk Assessment was completed and we are continuing to receive invoices, \$14,000 remaining in budget.
 - Hazmat equipment is still being budgeted for, the current equipment is expired. ICEMA has informed the District to hold off on purchases at this time. We are not the only hospital on hold at this time due to ICEMA's request and process.
 - Two back up disaster vents are for nursing use, the ventilators will be purchased by the end of this fiscal year and will decrease the budget.
 - Nanex is to replace one server per year.
 - T-System w/cloud will remain on the budget.
 - Dining room renovations are to update the cafeteria and has cost of \$17,000; will continue to be evaluated through the next fiscal year.

- Board Member Nicely stated that the cost of the purchase of the truck is back in the budget and at the last Finance Committee the request was to pull this out of the budget. Board Member Nicely would like to see all service orders and mechanical work orders that have been completed on the truck.
- Mr. Friel reported the Planning & Facilities Committee approved the cost for the vehicle in the budget and it was added back in. The current truck has approximately 45,000 miles on it and is supportive of purchasing the vehicle due to the wear and tear of the current vehicle.
- Board Member Robbins wanted to ensure that each manager is aware of how the process works on obtaining the best prices; are managers looking at all costs and then reviewing with senior management and confirming that HPG pricing is being used and would like to see the decrease in the cost of budget.
- Mr. Hamblin stated that some items were removed from Capital Budget and moved to operating expenses, all managers are aware that they are to continue to look at HPG pricing.
- Board Member Nicely reported that the Capital Budget will be taken to the May Board Meeting.

Board Member Nicely reported no action was taken/required.

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors of the Following Policies & Procedures:

(1) General Accounting

- Mr. Hamblin reported the following information:
 - Several departments are in the process of reviewing/revising policies.
 - Policies have been reviewed by the Accounting Department, the Policy Committee, and the Administration Team.
 - Payroll policy should be reviewed to determine if the Board of Directors Compensation should be included into this policy.

Board Member Nicely motioned to recommend the General Accounting Policies & Procedures to the Board of Directors. Second by Board Member Robbins to recommend the General Accounting Policies & Procedures to the Board of Directors. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Robbins- yes

8. Presentation and Review of Financial Statements:

A. March 2019 Finances:

- Mr. Hamblin reported the following:
 - Total expenses under budget
 - Revenue under budget
 - Expenses under budget
 - Swing days under budget
 - Acute days under budget
 - Dental visits doubled in the RHC
 - FHC under budget but feel this is due to moving medical professional to RHC

B. CFO Report:

- Mr. Hamblin reported the following information:
 - TruBridge:
 - AR days are 57.7
 - Will follow up on collecting copay at the time of service
 - Interest Earnings on Investments:
 - Received statement earning 2.55% with LAIF
 - Cashed out CD and we received a good return
 - SHIP Grants:
 - \$12,000 in grant per year
 - Moving to a four year cycle on applications
 - Will use the grant for HCAP survey, coding, chart review or Revenue Cycle education.
- Board Member Nicely requested information how the grant process is proceeding, if having a grant writer is profitable and how many grants we have received or are working on.
- Mr. Friel reported that we are eight months in the grant process, there have been two grants submitted that Mrs. Mursick wrote and submitted to the grant writer to finalize and at this time we have no additional grant funding. Mr. Friel will provide information to the Board of Directors at the June Board meeting.

Board Member Nicely motioned to approve the March 2019 Finances and the CFO Report as presented. Second by Board Member Robbins to approve March 2019 Finances and the CFO Report as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Robbins- yes

9. ADJOURNMENT*

Board Member Nicely motioned to adjourn the meeting at 10:03 a.m. Second by Board Member Robbins to adjourn the meeting. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- Board Member Robbins- yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, CA 92315
May 24, 2019**

MEMBERS Donna Nicely, Treasurer
PRESENT: Peter Boss, M.D., President
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: Kathy Breuer Kerri Jex

COMMUNITY

MEMBERS: Steven Baker

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 10:00 a.m.

2. ROLL CALL:

Donna Nicely and Peter Boss, M.D. were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Executive Assistant.

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the May 24, 2019 Special Finance Committee Meeting Agenda as presented. Second by President Boss to adopt the May 24, 2019 Special Finance Committee Meeting Agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Boss- yes

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Closed Session items at 10:00 a.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 10:00 a.m.

2. ADJOURN TO CLOSED SESSION:

Board Member Nicely motioned to adjourn to Closed Session at 10:01 a.m. Second by President Boss to adjourn to Closed Session at 10:01 a.m. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Boss- yes

OPEN SESSION

1. CALL TO ORDER:

Board Member Nicely called the meeting to order at 10:46 a.m.

2. RESULTS OF CLOSED SESSION:

Board Member Nicely stated there was no reportable action from Closed Session.

3. PUBLIC FORUM FOR OPEN SESSION:

Board Member Nicely opened the Hearing Section for Public Comment on Open Session items at 10:46 a.m. Hearing no request to address the Finance Committee, Board Member Nicely closed the Hearing Section at 10:46 a.m.

4. DIRECTOR'S COMMENTS:

- None

5. APPROVAL OF MINUTES:

- None

6. OLD BUSINESS:

- None

7. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors the Fiscal Year 2019/2020 Operating Budget:

- Mr. Hamblin reported the following information:
 - Total margin of 6.6%
 - Operating budget 1.2%
 - Total margin will be consistent with what we have seen in the past
 - Statistics by department
 - Not budgeting for increase due to qualifications of being admitted
 - 1 ½ % increase in ER
 - EKG did not increase; have some reduction in patient volume
 - Adding telespych
 - Part time physician
 - Continuing to see some shift in the RHC including dental
 - Total patient revenue is based on budgeted statistic
 - No budgeted charge or rate increase
 - Revenue deductions are budgeted at 53.5%
 - Salaries, Wages and Benefits
 - Increase only by .5%
 - 3% merit increase to employees
 - Mom & Dad are grant funded
 - District contributes \$50,000
 - Summary of requested capital additions
 - 3 year capital plan is also included
 - BETA cost will increase for insurance
 - Professional / physician fees are budgeted to increase with additional physician (s)
 - Purchased services decrease with a projected decrease in contract services

- The Finance Committee requested that Mr. Hamblin please bring information on projects completed and remaining balance of projects, update on per diem by department and asked Mr. Friel to research MADDY EMS Funds; this is a program that will help our bad debit and potential to increase funds for the District.

Board Member Nicely motioned to have the Operating Budget brought back to the June Finance Committee Meeting. Second by President Boss to have the Operating Budget brought back to the June Finance Committee Meeting. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Boss- yes

8. ADJOURNMENT*

Board Member Nicely motioned to adjourn the meeting at 10:46 a.m. Second by President Boss to adjourn the meeting. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Boss- yes



Contract Cover Sheet

Contract Name: Agiliti Clinical Engineering
Purpose of Contract: maintenance schedule/service
Contract # / Effective Date / Term: 1 3 year agreement
Originating Dept. Name / Number: Plant & Maintenance

Department Manager Signature: _____ Date: _____

BAA: ☐ Yes ☐ No

W-9: ☒ Yes ☐ No

<u>Administrative Officer</u>	Signature: <u>ND</u>	Date: <u>ND</u>
<u>HIPAA/Privacy Officer</u> (as appropriate)	Signature: <u>ND</u>	Date: <u>ND</u>
<u>Legal Counsel</u>	Signature: <u>via email</u>	Date: <u>6/3/19</u>
<u>Compliance Officer</u>	Signature: <u>Mary Norman</u>	Date: <u>29 May 2019</u>
<u>Chief Financial Officer</u>	Signature: <u>[Signature]</u>	Date: <u>23 May 2017</u>
<u>Chief Executive Officer</u>	Signature: <u>[Signature]</u>	Date: <u>6/3/19</u>
<u>Board of Directors</u> When Applicable	Signature: _____	Date: _____

Accurate
Equipment
List?

1. Final Signatures on Contract, BAA & W-9: Date: _____
2. Copy of Contract/BAA/W-9 forwarded to Department Manager: Date: _____
3. Copy of Contract/BAA/W-9 forwarded to Contractor (if applicable): Date: _____
4. Copy of Contract/BAA/W-9 scanned/mailed to Controller and Legal:
(if applicable) Date: _____

Contract Cover Sheet

CONFIDENTIAL NOTICE:

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

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

BIOMED360 AGREEMENT

This Services Agreement ("Agreement") between Agiliti Health, Inc. ("Agiliti") and Bear Valley Community Hospital ("Customer") is effective as of the date of last signature below ("Effective Date"). This Agreement has no force and effect, unless it is signed by Customer on or before July 17, 2019 and thereafter signed by Agiliti.

Services. Customer engages Agiliti to perform the services described in the Exhibit(s) ("Services") on the equipment listed ("Equipment") and for the fees ("Fees") set forth in the Equipment and Fees Exhibit.

Term. This Agreement begins on the Effective Date and continues in effect for three year(s), unless it is terminated sooner pursuant to the Terms and Conditions Exhibit.

Incorporation of Exhibits. The following Exhibits are incorporated into this Agreement:

- BioMed360 Exhibit
- Vendor Management Exhibit and General Agency Appointment
- Equipment and Fees Exhibit
- Terms and Conditions Exhibit

ACCEPTED AND AGREED TO:

Bear Valley Community Hospital
41870 Garstin Drive *PO Box 1649*
Big Bear Lake, California 92315

Agiliti Health, Inc.
6625 West 78th St, Suite 300
Minneapolis, Minnesota 55439

Signature _____

Signature _____

(print name)

(print name)

Title _____

Title _____

Date _____

Date _____

BIOMED360 EXHIBIT

Agility will provide Customer the on-site biomedical maintenance services described in this Exhibit (which collectively comprise the program known as "BioMed360") on the Customer-owned Equipment identified in the Equipment and Fees Exhibit. Agility will provide Services Monday through Friday, 8:00 am – 5:00 pm, excluding Agility standard holidays ("Normal Working Hours"). Agility will provide Services outside of Normal Working Hours as needed for additional Fees as set forth in the Non-Contracted Hourly Rates Section of the Equipment and Fees Exhibit.

1. EQUIPMENT SERVICES

Agility will perform the following electrical safety and preventative maintenance on Equipment covered for such services as shown in the Equipment and Fees Exhibit. Agility will perform services in compliance with the applicable standards of The Joint Commission and the National Fire Protection Association ("NFPA 99"). To the extent there is a change in The Joint Commission and/or the NFPA 99 standards, or any other applicable standards, that results in a material change to the scope of Agility's Services not contemplated by this Agreement, the parties will mutually agree upon a corresponding adjustment in Agility's Fees.

1.1. **Electrical Safety.** For the Equipment indicated as covered for electrical safety, Agility will provide electrical safety services, which include Equipment inspection and Equipment testing for electrical safety defects. Agility will report identified defects to Customer. Repairs to correct defects are the sole responsibility of Customer, unless Customer purchased repair services for the Equipment.

1.2. **Preventative Maintenance.** For the Equipment indicated as covered for preventative maintenance, Agility will provide preventative maintenance services. Preventative maintenance services include inspection for mechanical defects, performance verification of operator controls and adjustments, calibration verification, inspection for ground integrity and current leakage and documentation of results. Manufacturer's specifications and guidelines, when available, will be used as source documents for preventative maintenance services. Agility will report identified defects to Customer. Repairs to correct defects are the sole responsibility of Customer, unless Customer purchased repair services for the Equipment. Preventative maintenance does not include periodic Equipment overhauls, which involve equipment refurbishment or renovation, as recommended by a manufacturer.

Excluding disposables and consumables (as defined by the original equipment manufacturer) and other excluded parts, all parts and materials that Agility installs in providing Services will be provided at Agility's expense, subject to the terms of this Exhibit.

2. MANAGEMENT SERVICES

As part of BioMed360, Agility will develop and manage a Medical Equipment Management Plan ("MEMP") to assist Customer with the management of its equipment maintenance program. The

MEMP will address Equipment administration and management, data, quality improvement and consulting services as described below.

2.1 BioMed360 Administration. Agiliti will work collaboratively with Customer to:

- 2.1.1 Set objectives regarding Equipment management;
- 2.1.2 Evaluate Agiliti's performance against such objectives;
- 2.1.3 Develop and maintain standardized practices relating to Equipment maintenance through the MEMP; and
- 2.1.4 Centralize Equipment service contracts, reports, warranty information and other data associated with the Equipment.

2.2 Data Services. Agiliti will maintain the following data:

- 2.2.1 Equipment Service History. Agiliti will maintain preventative maintenance and repair service histories for each unit of Equipment, as applicable.
- 2.2.2 Department Service History. Agiliti will maintain, by department, preventative maintenance and repair service histories for each unit of Equipment assigned to the department, as applicable.
- 2.2.3 Equipment Log. Agiliti will maintain an Equipment log that is a listing of Equipment and includes the make, model and serial number of each unit of Equipment and the department to which it is assigned, as applicable.
- 2.2.4 Preventative Maintenance/Safety Test Records. Agiliti will complete and maintain an electronic record of safety test or preventative maintenance procedures for all Equipment.
- 2.2.5 Additional Service and Data Reports. Additional data reports and reports about Services performed by Agiliti or services performed by a vendor that Agiliti manages on behalf of Customer, may be provided as mutually agreed upon by the parties.

2.3 Quality Improvement Services. Agiliti will track Equipment recalls, withdrawals, alerts, failures and other safety issues, as they become known to Agiliti. On a quarterly basis or more often as the parties agree, Agiliti will report such information to Customer. Quality improvement services may also include the performance of incoming Equipment inspections, the provision of Equipment instruction and the review of service-related documentation.

3 **EXCLUSIONS**

The following are not covered Services or Equipment and are excluded under this Exhibit:

3.1 Service required by causes outside of Agiliti's control, including:

- 3.1.1 Customer's instructions (such as requests to perform services outside of manufacturer's specifications or guidelines or services necessitated by an earlier Customer directive to not perform certain services such as preventative services);
- 3.1.2 The failure of others to follow Agility or manufacturer's instructions;
- 3.1.3 Improper use, maintenance, handling or storage of Equipment by anyone other than Agility;
- 3.1.4 Use of accessories or parts with the Equipment that are not provided by Agility or the original equipment manufacturer;
- 3.1.5 Customer's failure to install upgrades;
- 3.1.6 Extraordinary events such as fires, floods, windstorms, explosions, strikes, walk outs, riots, natural disasters, mechanical breakdowns, power outages, interruptions in telecommunications, material shortages, acts of terrorism and wars; and
- 3.1.7 Customer's infrastructure, such as electrical surges, moisture in air lines, inadequate ventilation, improper operating temperature, improper storage and improper installation by persons other than Agility.
- 3.2 Refurbishments, restorations, overhauls and enhancements to Equipment, including without limitation, sharpening, welding, upgrades, modifications, crystal regeneration and software, software media and software installation and other service work that is beyond the scope of preventative maintenance and is not necessary to restore the Equipment to operation in accordance with manufacturer's specifications or guidelines.
- 3.3 Service required because of installation, relocation or certification surveys.
- 3.4 Service required under a manufacturer's warranty.
- 3.5 Service required due to physical damage. Physical damage is defined as damage to Equipment caused by incorrect handling or misuse, including but not limited to drops, collisions, punctures, and improper cleaning, by non-Agility personnel (including without limitation Customer personnel and/or patients).
- 3.6 Parts are included except as outlined by Agility's Parts Exclusion Policy.
- 3.7 Replacement of special devices and individually serialized components/sub-assemblies such as nuclear medicine and CT detectors, accelerators, tetrodes, high tension transformers, ion chambers, generators, tables, table tops, power units, flat panel digital detectors, monitors, collimators, hard disk systems, recorders, readers, scanners, printers, spot film units, cassettes, cassette holders/magazines or trays and other similar devices. Individually serialized components will be repaired and maintained in accordance with the assigned coverage code. Replacement of the entire unit(s) is excluded.

4 CUSTOMER RESPONSIBILITIES

Customer will perform the following:

- 4.1. **Training.** When training is available to Customer from a manufacturer as part of an Equipment purchase or a service contract, Customer will invite Agility personnel to participate as Customer's representatives. If the manufacturer charges a fee for the training, Customer will notify Agility of the fee amount, in advance of the training, and if Agility participates, Agility will reimburse Customer for fees incurred as a result of Agility personnel participation in the training.
- 4.2. **Service Manuals.** Providing a library of information regarding inspection, testing, and maintenance for customer-owned medical equipment is the responsibility of the customer. Customer will provide Agility with access to manuals, procedures, technical bulletins and other information provided by the equipment manufacturer. In the event the customer does not have a required document, they will assist Agility in the procurement of manufacturer's documentation for all Equipment required. The manuals will remain the property of Customer.
- 4.3. **Manufacturer Repair.** Before requesting or obtaining service for Equipment, Customer will secure a cost estimate and will obtain Agility's prior approval if (i) the service will be performed by a manufacturer or other third party vendor or (ii) the cost estimate for the service equals or exceeds \$3,000. Customer is solely responsible for any third party vendors that it hires to perform services without Agility's prior written approval.
- 4.4. **Equipment Preparation.** Customer will have Equipment in proper operating condition when Agility begins to provide Services for such Equipment. Within 90 days of the Effective Date, Agility will conduct an inspection of Customer's Equipment to confirm that all Equipment is in such proper operating condition. Equipment that does not meet manufacturer's specifications and guidelines will be deemed to be "not in proper operating condition." Within 30 days from the completion of Agility's inspection, Customer may bring the Equipment up to proper operating condition or may contract with Agility to do so. If Customer does not bring the Equipment up to proper operating condition, Agility may remove such Equipment from the program.
- 4.5. **Reasonable Assistance.** Customer will provide Agility with access to the Equipment and a suitable work area on Customer's premises and will provide Agility with reasonable cooperation in its performance of Services. Customer will provide a final inventory, in Agility's requested format prior to commencement of the service date as outlined on page 1 of this document. Customer will notify Agility of the failure of any Equipment to perform in accordance with manufacturer's specifications or guidelines, regardless of whether patient injury results. Customer will give the notice within 24 hours of discovering the failure and will include sufficient details to permit the parties to collaborate on developing an investigation plan. Customer will provide Agility with signed service contracts, payment information and contact information with their suppliers for all Equipment listed in the Equipment and Fees Exhibit.
- 4.6. **Equipment Decontamination.** Customer will notify Agility of any Equipment exposed or suspected to be exposed to contamination. Customer must decontaminate all such Equipment and dispose of all contaminated accessories prior to handing the Equipment over to Agility and

will provide proof or documentation of such decontamination or disposal. Customer is responsible for all expenses associated with decontaminating or disposing the Equipment.

VENDOR MANAGEMENT EXHIBIT & GENERAL AGENCY APPOINTMENT

Agiliti will manage vendors that provide certain services to Customer, and such services are referred to in this Exhibit as "Vendor Management Services."

1 GENERAL AGENCY AUTHORIZATION

Notwithstanding anything in this Agreement to the contrary, Customer appoints Agiliti as its duly authorized general agent to act on Customer's behalf in conducting the following Vendor Management Services:

- 1.1 Consulting with any and all persons or entities to service or advise on the servicing of medical equipment ("Service Vendors").
- 1.2 Monitoring the Service Vendors' performance of services to Customer, regardless of whether the services are performed under a service agreement with Customer or Agiliti, or on a time and materials basis.
- 1.3 Obtaining service support, service agreements, parts, parts pricing, service agreement pricing, technical information, service histories and time and materials service support costs for medical equipment.
- 1.4 Upon written approval by Customer, paying Service Vendors that are engaged to service medical equipment pursuant to the terms of this Exhibit.
- 1.5 Consulting and negotiating with any Service Vendor with respect to any medical equipment maintenance and/or repair service that the Service Vendor will perform on medical equipment.

2 SERVICE VENDOR INFORMATION

Customer will give Agiliti copies of all service agreements it has in effect with Service Vendors that will be subject to Vendor Management Services; however, if the terms of these agreements prohibit such disclosure, Customer will not disclose the service agreements to Agiliti, unless and until it obtains any necessary Service Vendor approvals, which Customer will use its best efforts to secure. Customer will also provide any recent payment information, including payment records and invoices, regarding such Service Vendors within 30 days from the Effective Date.

Agiliti will limit its use of non-public product and service information that Service Vendors identify as proprietary and that Customer or Agiliti have agreed to hold in confidence ("Vendor Proprietary Information") for the sole purpose of fulfilling the Vendor Management obligations. Agiliti will limit access to any knowledge of such Vendor Proprietary Information to its vendor management team and to those Agiliti representatives who have a need to know for purpose of evaluating the Vendor Proprietary Information and the performance of any services.

3 ACCEPTANCE BY CUSTOMER

This General Agency Appointment is effective immediately and continues in force until the earlier of the date that it is revoked in writing by an authorized representative of Customer or the date that

the Vendor Management Services end. Upon expiration or termination of Vendor Management Services, Customer will be fully responsible for managing its rights and obligations under the service agreements it holds directly with vendors and will cooperate with Agiliti in providing such vendors with notice of the cessation of Vendor Management Services by Agiliti. Agiliti will provide such notice to vendors that entered into service agreements directly with Agiliti to provide services to Customer. Customer will reimburse Agiliti for any prepayments that Agiliti made to Customer's vendors for services to be performed after the cessation of Vendor Management Services.

Bear Valley Community Hospital

41870 Garstin Drive
Big Bear Lake, California 92315

Signature _____

(print name)

Title _____

Date _____

EQUIPMENT AND FEES EXHIBIT

1. **Equipment Adjustment.** The Equipment listed below will be updated and reflected on the monthly invoice, with an adjustment in Fees, as appropriate.
2. **Taxes and Consumer Pricing Index.** Fees are exclusive of taxes and incremental third party costs incurred based on Customer direction. All sales, use, excise or similar taxes and incremental third party costs relating to the Services are Customer's sole responsibility. Agility may increase Fees once every 12 months for increases in the Medical Care Services index of the Consumer Price Index - all urban consumers not seasonally adjusted, as set forth by the U.S. Department of Labor, Bureau of Labor Statistics ("CPI"). The increase will not exceed the most recently issued Unadjusted 12 months ended CPI. Agility will give Customer at least 30 days prior notice of a change in Fees.
3. **Annualized Base Fee.** The Annualized Base Fee is \$56,850.00 per contract year for Services provided during Normal Working Hours. Agility will provide Services outside of Normal Working Hours as needed for additional Fees as set forth in the Non-Contracted Hourly Rates Section below. The Annualized Base Fee will be paid in equal monthly installments.
4. **Non-Contracted Hourly Rates.** At Customer's request, Agility may agree to perform services excluded from or not described in the BioMed360 and Vendor Management Services Exhibit. To the extent Agility agrees to perform such services, they will be deemed "Services" and the additional Fees for such Services will be as follows:

General Biomedical/Computer, PM, Repair and Travel	\$135.00 per hour
Respiratory/Sterilizers/Laser, PM and Repair	\$180.00 per hour
Laboratory/Anesthesia PM and Repair	\$195.00 per hour
Radiology, Low End (Ultrasound, C-Arm, Portable, R&F)	
PM and Repair	\$220.00 per hour
Radiology, High End (Cath Lab/CT/MRI)	\$360/per hour
Professional Consulting Services	\$220/per hour
After-Hour Services	one and one-half (1½) times the hourly rates above with a minimum two hour charge.

After-hour Services are performed on an urgent basis at Customer's request. Non-Contracted Services will be invoiced on a per service event basis.

For depot repair services, a minimum one hour fee will be charged (including estimates provided that Customer declines) per event/order. Depot repair services are Services provided by Agility at a designated Agility Center of Excellence. Parts will be charged at standard Agility rates.

5. Customer Equipment

"ES" means Agility will provide Electrical Safety Services on Equipment.

"Full Service" or "FS" means Agility will provide Electrical Safety and Preventative Maintenance Services and Repair Services on Equipment.

"Pass Through" means Agility will provide Vendor Management Services, managing the delivery of Services for Equipment and invoicing Customer for such Services.

“PM” means Agiliti will provide Electrical Safety and Preventative Maintenance Services on Equipment.

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
GE	10 Lead ECG Monitor	170	PM	1	Semi Annual	
GE	12 Lead ECG	MAC 5500	PM	1	Annual	
Hewlett-Packard	12 Lead ECG Monitor	Pagewriter XLI 1700A	PM	1	Semi Annual	
Creative Biomedics	3 Liter Calibration Syringe	5530	PM	1	Semi Annual	
MicroDirect	3L Calibration Syringe	(blank)	PM	1	Semi Annual	
Siemens	Advantus Analyzer	(blank)	PM	1	Annual	
Phillips	AED	HS1 Heart Stop	PM	1	Annual	
Philips	AED Power Pack	HeartRate MX2	PM	1	Annual	
Clay Adams	Agglutination Viewer	Non Listed	PM	1	Annual	
Air Technologies	Air Compressor	AS30	PM	1	Annual	
Hepa Care	Air Filter System	HC800F	PM	1	Annual	
Omnitec	Air Filter System	OMNIA1RE200C	PM	2	Annual	
Medline	Air Mattress Pump	AirPro Plus	PM	1	Annual	
Medline	Air Mattress Pump	AirPro Elite	PM	1	Annual	
Medline	Air Mattress Pump	Airone App 9P-047040	PM	6	Annual	
Medline	Air Mattress Pump	9P-047040	PM	2	Annual	
Direct Supply	Air Mattress Pump	(blank)	PM	1	Annual	
Blue Chip	Air Mattress Pump	Air Pro Elite 4400	PM	1	Annual	
Blue Chip	Air Mattress Pump	4400	PM	1	Annual	
Blue Chip	Air Mattress Pump	4200	PM	1	Annual	
Airpro	Air Mattress Pump	(blank)	PM	1	Annual	
Unknown	Air Oxygen Blender	(blank)	PM	1	Annual	
RX Air	Air Purifier	3000	PM	1	Annual	
Hudson RCI	Airway Heater	ConchaTherm III	PM	2	Annual	
Henry Schein	Amalgamator	S-1A	PM	2	Annual	
Henry Schein	Amalgator	S-1A	PM	1	Annual	
Dade	Analyzer	MIRCOSCAN 4	PM	1	Annual	
Ohmeda	Anesthesia Machine	Modulus SE	PM	1	Quarterly	
GE	Anesthesia Machine	Aespire 7900	PM	1	Annual	
Precision Medical	Aspirator	PM3300	PM	3	Annual	
Ohmeda	Aspirator	(blank)	PM	2	Annual	
Ohmeda	Aspirator	Non Listed	PM	3	Annual	
Ohmeda	Aspirator	Suction Unit	PM	2	Annual	
SSCOR	Aspirator	4001A	PM	1	Annual	
Berkeley	Aspirator	SV 10	PM	1	Annual	
Puritan Bennett	Aspirator	(blank)	PM	1	Annual	
Ohio	Aspirator	PM3300	PM	1	Annual	
Precision Medical	Aspirator Suction	PM3300	PM	1	Annual	
Ohmeda	Aspirator Suction	CONTINUOUS	PM	2	Annual	
Puritan Bennett	Aspirator Wall	Non Listed	PM	1	Annual	
Medline	Aspirator, Suction unit	HCS 7000	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Maico	Audio Meter	MA27	PM	1	Annual	
Maico	Audio Tester	(blank)	PM	1	Annual	
Philips	Automatic External Defibrillator	M3539A	PM	1	Annual	
Philips	Automatic External Defibrillator	HeartStart MRX	PM	3	Annual	
Philips	Automatic External Defibrillator	HeartStart II	PM	3	Annual	
Philips	Automatic External Defibrillator	HeartStart	PM	1	Annual	
(blank)	Bacteria Culture Incubator Cabinet	(blank)	PM	1	Annual	
BD Bacter	Bacteria Incubator	FX40	PM	1	Annual	
(blank)	Balance Machine	(blank)	PM	1	Annual	
Invacare	Bath Tub	(blank)	PM	1	Annual	
Conmed	Battery Charger	Pro 3600	PM	1	Annual	
Conmed	Battery Charger	L3000	PM	1	Annual	
Welch Allyn	Battery Charger	739	PM	1	Annual	
Zoll	Battery Charger	E Series	PM	1	Annual	
Tru-Trac	Bed	Tru-Eze	PM	1	Annual	
Joerns	Bed	UltraCare U795	PM	9	Annual	
Joerns	Bed	ECS BED	PM	1	Annual	
Joerns	Bed	U795AL	PM	1	Annual	
Joerns	Bed	U795AC	PM	1	Annual	
Chattanooga	Bed	Triton DTS	PM	1	Semi Annual	
Hill-Rom	Bed	Centra	PM	1	Annual	
Hill-Rom	Bed	HROM105A	PM	1	Annual	
Hill-Rom	Bed	MU5UP11	PM	1	Semi Annual	
Hill-Rom	Bed	TMU5UP11	PM	1	Semi Annual	
Hill-Rom	Bed	M050P1170E0000425K288A0289	PM	1	Semi Annual	
Hill-Rom	Bed	M050P1170E0000425	PM	1	Semi Annual	
LINAK	Bed	(blank)	PM	2	Annual	
LINAK	Bed	Non Listed	PM	1	Annual	
LONEINTRU	Bed	587200	PM	1	Annual	
Ritter	Bed, Exam Table	305	PM	1	Semi Annual	
3M	Biological Monitor Incubator	Attest 490	PM	1	Annual	
Respironics	BiPAP	BIPAP VISION 582059	PM	1	Annual	
Aspect Medical Systems	Bispectral Index Monitor EEG	(blank)	PM	1	Semi Annual	
Verathon	Bladder Scanner	BVI-9400	PM	1	Annual	
Jewett	Blood Bank Refrigerator	TI00-1/BBR55	PM	1	Quarterly	
Shandon	Blood Centrifuge	Cytospin 3	PM	1	Semi Annual	
Welch Allyn	Blood Pressure Monitor	420 Series	PM	6	Annual	
Level 1	Blood Warmer	90-A	PM	1	Annual	
Smith & Nephew	Bone Healing System	Exogen 4000+	PM	1	Semi Annual	
Pentax	Camera	EPK-i	PM	1	Annual	
GlideScope	Camera, Fiberoptic	Portable GVL model 0231-0003	PM	1	Annual	
J Morita	Canal Measurement Module	DP-ZX-VL	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
De Soutter	Cast Cutter	(blank)	PM	1	Annual	
Clearcast	Cast Cutter	CC6	PM	1	Annual	
DeSoutor	Cast Cutter	Cleancast	PM	1	Annual	
OakHarbor	Cast Cutter	4135	PM	1	Annual	
Unknown	Cast Cutter Charger	(blank)	PM	1	Annual	
De Soutter	Cast Cutter Power Supply	(blank)	PM	1	Annual	
BSN Med	Cast Saw	73481-04 14153	PM	1	Annual	
Clay Adams	Centrifuge	SERO FUGE	PM	1	Semi Annual	
Fisher Scientific	Centrifuge	MARATHON 3200	PM	1	Semi Annual	
Drucker	Centrifuge	611T	PM	1	Semi Annual	
Thermo Scientific	Centrifuge	CW20451	PM	1	Semi Annual	
Quest	Centrifuge	VanGuard 500	PM	1	Semi Annual	
Lab Corp	Centrifuge	642E	PM	1	Semi Annual	
Welch Allyn	Charger	739 Series	PM	1	Annual	
Welch Allyn	Charger	Series 739	PM	1	Annual	
Aribex	Charger	AP-0160	PM	1	Annual	
Coltene	Charger	CL2	PM	1	Annual	
Welch Allyn	Charger Base	71110	PM	1	Annual	
Biosite	Chemistry Analyzer	Triage Meter Plus	PM	1	Annual	
Oridion	CO2 / SAO2 Monitor	Capnostream End Tidal	PM	1	Annual	
Nonin	CO2/ SAO2 monitor	Life Sense End Tidal	PM	1	Annual	
Hewlett-Packard	Color Printer	Deskjet 5650	PM	1	Annual	
Sony	Color Video Printer	Mavigraph	PM	1	Annual	
Seiler Instrument	Coloscope	CP-M955	PM	1	Annual	
Donjay	Compression Device	ICEMAN	PM	1	Annual	
Welch Allyn	Cordless Charger Illumination System(Vaginal Speculum)	Kleen Spec 790 Series	PM	4	Annual	
Monitex	Curing Light	LD-105	PM	1	Annual	
Hewlett-Packard	Defibrillator	43100A	PM	2	Annual	
Zoll	Defibrillator	R SERIES ALS	PM	5	Annual	
ADEC	Dental Cart	3420	PM	1	Annual	
Marcus Dental	Dental Chair	DC1650	PM	2	Annual	
Marcus Dental	Dental Light	(blank)	PM	2	Annual	
A-Dec	Dental Unit	Pac-1	PM	1	Annual	
Nomad	Dental X-Ray	Pro 2	PM	1	Annual	
Linvatec	Digital Camera Controller	IM330	PM	1	Annual	
Linvatec	Digital Camera Controller	IM3300	PM	1	Annual	
Sony	Digital Color Printer	UP-55MD	PM	2	Annual	
Rice Lake	Digital Scale	H150-10-5	PM	1	Annual	
Medline	Digital Scale	MDRSOOPHY	PM	1	Annual	
(blank)	Doppler	(blank)	PM	1	Annual	
Huntleigh	Doppler - Fetal	Dopplex II	PM	2	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifies
Mistogen	Dryer	TAD-25	PM	1	Annual	
Medline	Ear Thermometer	Riester	PM	1	Annual	
Datascope	ECG Telemetry Device	Telepack 608	PM	1	Semi Annual	
Datascope	ECG Telemetry Device (Portable)	Telepack 608	PM	7	Semi Annual	
GE	ECG Unit	MAC5500	PM	1	Annual	
(blank)	Electrical Outlet Testing	(blank)	PM	1		
Ellman	Electro Surgical Device	SURGITRON	PM	1	Semi Annual	
Conmed	Electrosurgical Unit	2450	PM	1	Semi Annual	
NordicTrack	Elliptical Machine	831.29894	PM	1	Annual	
Steris	Endoscope Sterilizer	System 1E	PM	1	Annual	
Steris	Endoscope Sterilizer	System V 90A2	PM	1	Annual	
Nestle	Enternal Pump	220	PM	1	Annual	
Novamatrix	ETCO2/SpO2 Monitor	715	PM	1	Annual	
Elan Pharma	Eteral Feeding Pump	EP-85	PM	1	Annual	
Steris	Exam Bed	Hausted APC	PM	1	Annual	
Midmark	Exam Bed	RITTER 305	PM	1	Annual	
Hausman	Exam Bed	(blank)	PM	1	Annual	
Midmark-Ritter	Exam Bed	204	PM	1	Annual	
Chirotech	Exam Bed	726-02	PM	1	Annual	
Steris	Exam Gurney	Hausted Converge	PM	1	Annual	
(blank)	Exam Lamp	(blank)	PM	2	Annual	
N/A	Exam Lamp	Non Listed	PM	1	Annual	
Skytron	Exam Light	Non Listed	PM	1	Annual	
Castle	Exam Light	304A	PM	1	Annual	
Burton	Exam Light	(blank)	PM	1	Annual	
Burton	Exam Light	990020	PM	3	Annual	
Grafco	Exam Light	1697-2	PM	1	Annual	
DAZOR	Exam Light	6004-A	PM	3	Annual	
Steris	Exam Stretcher	Hausted APC	PM	1	Annual	
Steris	Exam Stretchers	Non Listed	PM	1	Annual	
Ritter	Exam Table	305	PM	2	Annual	
Midmark	Exam Table	204	PM	5	Annual	
Midmark	Exam Table	222-016	PM	1	Annual	
Triton	Exam Table	TRE-24	PM	1	Annual	
Oakworks	Exam Table	Prolure-AB	PM	1	Annual	
Metson	Exam Table	Elite Aster	PM	2	Annual	
Cateye	Exercise Bicycle	EC-UB200	PM	1	Annual	
Cateye	Exercise Bicycle	EC-3600	PM	1	Annual	
NordicTrack	Exercise Bicycle	83129894	PM	1	Annual	
Diamondback	Exercise Bike	910	PM	1	Annual	
Comfort Zone	Fan	CZHV18B	PM	1	Annual	
Huntleigh	Fetal Doppler	RD2	PM	1	Annual	
Huntleigh	Fetal Doppler	FD2	PM	1	Annual	
LifeDop	Fetal Doppler	Summit Doppler	PM	1	Annual	
GE	Fetal Monitor	170	PM	1	Semi Annual	
GE	Fetal Monitor	Corometrics 170	PM	1	Semi Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Pilling Weck	Fiberoptic Head Lamp	521311	PM	1	Annual	
Kodak	Film Developer	MIN-R	PM	1	Annual	
American Medical	Fluid Warmer	(blank)	PM	1	Annual	
Avanti	Freezer	300VFW	PM	1	Annual	
Fisher Scientific	Freezer Laboratory	ISOT E M P	PM	1	Annual	
Labconco	Fume Hood	PURIFIER CLASS I	PM	1	Annual	
Thermasonic	Gel Warmer	(blank)	PM	1	Annual	
Thermasonic	Gel Warmer	8204	PM	2	Annual	
Thermasonic	Gel Warmer	8203	PM	1	Annual	
Parker	Gel Warmer	Thermasonic 8204	PM	1	Annual	
Parker	Gel Warmer	THERMOSONI C 6204	PM	1	Annual	
Ideal Products	Gel Warmer	EBW4	PM	1	Annual	
Ideal Products	Gel Warmer	EBW3	PM	1	Annual	
Ideal Products	Gel Warmer	EBW2	PM	2	Annual	
Ideal Products	Gel Warmer	GW208	PM	1	Annual	
Ideal Products	Gel Warmer	GW308	PM	1	Annual	
Stanbid	Glucose Monitor	3003-00033-6801	PM	1	Annual	
Ethicon	Harmonic Scapel Generator	GENERATOR 300	PM	1	Semi Annual	
Steris	Heat Block Incubator	(blank)	PM	1	Annual	
Rodco	Heat Block Incubator	1A	PM	1	Annual	
DeLonghi	Heater	SafeHeat	PM	1	Annual	
Hemocue	Hemoglobin Monitor	Hemocue	PM	1	Annual	
Fisher & Parker	High flow nebulizer	AirVo2	PM	1	Annual	
Medline	Hot Pack Warmer	MSC WARMER 30E	PM	1	Annual	
VapoTherm	Humidifier Nebulizer	Non Listed	PM	1	Annual	
Conmed	Hydrocollator	7900115	PM	1	Annual	
Chattanooga	Hydrocollator	(blank)	PM	1	Annual	
Chattanooga	Hydrocollator	2402	PM	1	Annual	
Chattanooga	Hydrocollator Cold Pack	Cold Pack	PM	1	Annual	
American Medical	Hyperthermia	K-20	PM	1	Annual	
American Medical	Hyperthermia Unit	K-20	PM	1	Annual	
Sanyo	Ice Maker	SR-1730W	PM	1	Annual	
DonJoy	IceMaker	ICEMAN	PM	1	Annual	
Lab-Line	Incubator	315	PM	1	Annual	
American Scientific PR	Incubator	IC-A 2	PM	1	Annual	
SPS Medical	Incubator	NBD055	PM	1	Annual	
Hu-Friedy	Incubator, Heat Block 60degC	IMS-1374	PM	1	Annual	
Seca	Infant Scale	725-1121139	PM	1	Annual	
Seca	Infant Scale	374	PM	1	Annual	
Seca	Infant Scale	3341321004	PM	1	Annual	
Health o Meter	Infant Scale	(blank)	PM	1	Annual	
Health o Meter	Infant Scale	Non Listed	PM	1	Annual	
Airshields	Infant Warmer	7860	PM	1	Semi Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
McGaw	Infusion Pump	Horizon IV	PM	1	Annual	
Braun	Infusion Pump	Horizon 600	PM	1	Annual	
Braun	Infusion Pump	Outlook 100	PM	17	Annual	
Curlin Medical	Infusion Pump	6000 CMS	PM	3	Annual	
Byrned	Infusion Pump	TGP100	PM	1	Annual	
Fresenius Kabi	Infusion Pump	Volumat MC	PM	12	Annual	
Lintratec	Insufflator	GS 1000/35L	PM	1	Semi Annual	
Interspect-IF	Interferential	(blank)	PM	1	Semi Annual	
Chattanooga	Interferential Therapy Unit	2761	PM	3	Semi Annual	
Lintratec	Irrigation Console	C7100	PM	1	Semi Annual	
Lintratec	Irrigation System	C9800	PM	1	Semi Annual	
Luxo	Lab Exam Light	3D	PM	1	Annual	
Summit	Lab Refrigerator	Non Listed	PM	1	Annual	
Kenmore	Lab Refrigerator	106-8672610	PM	1	Annual	
ALCO	Lab Refrigerator	ST4048	PM	1	Annual	
N/A	Lamp	Non Listed	PM	1	Annual	
Heitch	Lamp	(blank)	PM	1	Annual	
Biomedical Equipment	Lamp General Device	(blank)	PM	1	Annual	
Sony	LCD Monitor	LMD.2140MD	PM	1	Annual	
LIKO	Lift Scale	GOLVO7000ES	PM	1	Annual	
Skytron	Light Source	(blank)	PM	1	Annual	
Unknown	Light Source	(blank)	PM	1	Annual	
Karl Storz	Light Source	510	PM	1	Annual	
Karl Storz	Light Source	484-C	PM	1	Annual	
Pentax	Light Source	LH-150P	PM	1	Annual	
Sunrise	LT Compressor	36500	PM	1	Annual	
Detecto	Mechanical Scale	Non Listed	PM	1	Annual	
Detecto	Mechanical Scale	3P7044	PM	1	Annual	
Unknown	Med Refrigerator	(blank)	PM	1	Annual	
Precision Medical	Medical Air Compressor	AM50	PM	1	Annual	
Frostman	Medical Refrigerator	F117EX	PM	1	Annual	
U-Line	Medical Refrigerator	ULN-29RWH-13	PM	2	Annual	
Fisher Scientific	Medical Refrigerator	(blank)	PM	1	Semi Annual	
Kenmore	Medical Refrigerator	10676392412	PM	1	Annual	
Kenmore	Medical Refrigerator	25306412413	PM	1	Annual	
Kenmoore	Medical Refrigerator	255.9974211	PM	1	Annual	
Kenmore	Medication Fridge	(blank)	PM	1	Annual	
ABS	Medication Fridge	(blank)	PM	1	Annual	
Fisher Scientific	Med's Fridge	97-920-1	PM	1	Annual	
Traceable	Meds Refrigerator Thermometer	06-664-270 11759745	PM	1	Annual	
Nikon	Microscope	Y52-T	PM	1	Annual	
Nikon	Microscope Lab	E400	PM	1	Annual	
Kenmore	Microwave	72169079901	PM	1	Annual	
Radiance	Monitor	SC-SX-19-A-1511	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
SunTech	Monitor, Physiologic multiparameter	247B	PM	2	Annual	
BCI	Monitor, Pulse Oximeter	3301	PM	1	Annual	
Red Wing	Motor - Grinder	26A	PM	1	Annual	
Welch Allyn	Multiparameter Monitor	52000 Series	PM	2	Annual	
Critikon	Multiparameter Monitor	Dinamap 1146SXP	PM	1	Annual	
Datex-Ohmeda	Multiparameter Monitor	Cardiicap 5	PM	1	Annual	
SunTech	Multiparameter Monitor	247	PM	6	Annual	
Datascope	Multiparameter Monitor	Passport XG	PM	1	Annual	
Datascope	Multiparameter Monitor	Accutor Plus	PM	3	Annual	
Datascope	Multiparameter Monitor	Passport 2	PM	13	Annual	
Datascope	Multiparameter Monitor	Passport 5	PM	3	Annual	
Mindray	Multiparameter Monitor	Passport 12m	PM	2	Annual	
Mindray	Multi-Parameter Monitor	Passport V	PM	1	Annual	
Med Lab	Muscle Stimulator	EMS-2C	PM	1	Semi Annual	
Activatek	Muscle Stimulator	Activadose 2	PM	1	Semi Annual	
Hill-Rom	Nebulizer	MetaNeb	PM	1	Semi Annual	
DeVilbiss	Nebulizer	Pulmonaid LT	PM	1	Annual	
VIOS	Nebulizer	310B0003	PM	1	Annual	
Fisher Paykel	Nebulizer	MR850JHU	PM	1	Annual	
Vios Pari	Nebulizer	(blank)	PM	1	Annual	
Thermamist	Nebulizer Heater	P20000	PM	1	Annual	
Chattanooga	Nerve Stimulator	2761	PM	1	Annual	
Kenmore	Nutrition Fridge	(blank)	PM	1	Annual	
Invacare	O2 Concentrator	Perfecto 2	PM	1	Annual	
Visionaire	O2 Concentrator	Air Jep	PM	1	Annual	
Medline	Ophthalmoscope	(blank)	PM	1	Annual	
Medline	Ophthalmoscope	Ri-Former	PM	8	Annual	
Riester	Ophthalmoscope	(blank)	PM	1	Annual	
Riester	Ophthalmoscope/Wall Transformer	Ri-charger	PM	1	Annual	
Orbital Shakers	Orbital Shaker	(blank)	PM	1	Annual	
Welch Allyn	Oto/Ophthalmoscope	(blank)	PM	1	Annual	
Welch Allyn	Oto/Ophthalmoscope	74710	PM	14	Annual	
Welch Allyn	Oto/Ophthalmoscope	767	PM	1	Annual	
Welch Allyn	oto/ophthalmoscope	(blank)	PM	1	Annual	
Welch Allyn	Otoscope	(blank)	PM	2	Annual	
Respironics	Oxygen Concentrator	EverFlo	PM	3	Annual	
AirSep Corporation	Oxygen Concentrator	Vision Aire	PM	1	Annual	
Vision Aire	Oxygen Concentrator	Non Listed	PM	1	Annual	
Dickson	Paraffin Bath	PB-107	PM	1	Annual	
Joerns	Patient Bed	UCXTBED	PM	1	Annual	
Joerns	Patient Bed	UltraCare U795	PM	2	Annual	
Joerns	Patient Bed	U795AL	PM	1	Annual	
Midmark	Patient Bed	204	PM	1	Annual	
Hill-Rom	Patient Bed	MU5UP11	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Hill-Rom	Patient Bed	CareAssist ES	PM	7	Annual	
Medical Products	Patient Lift	Ultra Lift 2500X	PM	1	Annual	
The Medical Products	Patient Lift	OHRALift 1510	PM	1	Annual	
LINAK	Patient Lift	MiniLift125 340442-00	PM	1	Annual	
Tollos	Patient Lift	Ultralift	PM	1	Annual	
Direct Supply	Patient Monitor	Attendent	PM	1	Annual	
Direct Supply	Patient Monitor	AVM-1	PM	1	Annual	
SunTech	Patient Monitor	247B	PM	1	Annual	
Detecto	Patient Scale	758C	PM	2	Annual	
Detecto	Patient Scale	590	PM	1	Annual	
Seabrook	Patient Warmer	TROPIC AIR	PM	1	Annual	
Seabrook	Patient Warmer	SMS5000	PM	1	Annual	
Mallinckrodt	Patient Warmer	5200	PM	1	Annual	
Mallinckrodt	Patient Warmer	WarmTouch 5200	PM	1	Annual	
Richmar	Patient Warmer	Heat Pack	PM	1	Annual	
Baxter	PCA Syringe Pump	PCA II	PM	2	Annual	
Ohmeda	Pediatric Tent	380EN	PM	2	Annual	
Power Tower	Physical Therapy Unit	Encompass	PM	1	Annual	
Revco	Plasma Freezer	ULT 3535AUA	PM	1	Quarterly	
Pneumatic Percussor	Pneumatic Percussor	2500	PM	1	Semi Annual	
Welch Allyn	Portable Lamp Charger	739 Series	PM	1	Annual	
Welch Allyn	Portable Lamp/ Charger	739 Series	PM	1	Annual	
Welch Allyn	Portable Lamp/Charger	Series 739	PM	1	Annual	
Hewlett-Packard	Printer	D7560	PM	1	Annual	
Lexmark	Printer	CV546dtn	PM	1	Annual	
Masimo	Pulse Oximeter	Radical	PM	1	Annual	
Radical	Pulse Oximeter	(blank)	PM	1	Annual	
Novamatrix	Pulse Oximeter	515A	PM	1	Annual	
Nonin	Pulse Oximeter	8500	PM	3	Annual	
Nonin	Pulse Oximeter	2500	PM	2	Annual	
BCI	Pulse Oximeter	3301	PM	4	Annual	
ADC	Pulse Oxumeter	2150	PM	1	Annual	
Braun	Pump, Infusion	Outlook 100	PM	1	Annual	
RCA	Refrigerator	(blank)	PM	1	Annual	
SPS Caritron Tech Densply	Reservoir Pump	(blank)	PM	1	Annual	
Cabatron	Reservoir Pump	Select	PM	1	Annual	
Bird	Respirator - Pneumatic Ventilator	Mark 10	PM	1	Semi Annual	
PortaCount	Respiratory Fit Tester	Pro8038	PM	1		
Masimo	SaO2 Portable Monitor	Set Rainbow	PM	1	Annual	
(blank)	Scale	(blank)	PM	1	Annual	
Detecto	Scale	(blank)	PM	1	Annual	
Rice Lake	Scale	RL-MPS	PM	1	Annual	
Seca	Scale	(blank)	PM	2	Annual	
Huntleigh	Sequential Compression Device	AC500	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Aircast	Sequential Compression Device	Venaflow 30A	PM	2	Annual	
Datascope	Server -Telemetry (3)	Panorama	PM	1	Annual	
Barnstead	Shaker / Rotisserie	LABQUAKE 400110	PM	1	Annual	
Ellman	Smoke Evacuation System	VAPOR VAC II	PM	1	Semi Annual	
Unknown	Smoke Evacuator	Non Listed	PM	1	Semi Annual	
Tyco	Sphygmomanometer	Non Listed	PM	2	Annual	
Micro Direct	Spirometer	MicroLab	PM	1	Annual	
Nellcor	SpO2 Monitor	N-85	PM	1	Annual	
Nellcor	SpO2 Monitor	NBP-40	PM	1	Annual	
Mabis	Spygmomanometer, Manual	Legacy	PM	2	Annual	
Midmark	Steam Sterilizer	M11-020	PM	1	Annual	
AMSCO	Sterilizer	RENAISSANCE 3013	PM	1	Annual	
AMSCO	Sterilizer - Wall	STAGE 3	PM	1	Annual	
Medtronic	Stimulator	3128	PM	1	Semi Annual	
Zynex	Stimulator	Next Wave	PM	1	Annual	
Williams	Stimulator Therapy	5400	PM	1	Annual	
GE	Stress Unit	MAC 55D0	PM	1	Annual	
Ohmeda	Suction Regulator	INTERMITTENT	PM	1	Annual	
Ohmeda	Suction Unit	(blank)	PM	3	Annual	
SSCOR	Suction Unit	9002413	PM	1	Annual	
AMSCO	Surgical Bed	304 SSP	PM	1	Semi Annual	
Medline	Surgical Clippers	DYND70840	PM	2	Annual	
AMSCO	Surgical Lights	POLARIS SENTRA 360	PM	1	Annual	
Zeiss	Surgical Microscope	P3DAO59I2	PM	1	Annual	
DCI	Surgical-Dental Chair	Edge	PM	1	Semi Annual	
Baxter	Syringe Infusion Pump	InfusOR	PM	1	Annual	
Oakworks	Table	Proluse	PM	1	Annual	
(blank)	Telephonic Stethoscope	(blank)	PM	1	Annual	
AOC	Television	(blank)	PM	1	Annual	
AOC	Television	108UP	PM	1	Annual	
Hitachi	Television	(blank)	PM	4	Annual	
Hitachi	Television	Non Listed	PM	1	Annual	
GE	Television	(blank)	PM	1	Annual	
Viewsonic	Television	(blank)	PM	1	Annual	
Viewsonic	Television	VSI2413	PM	6	Annual	
Sylvania	Television	(blank)	PM	2	Annual	
RCA	Television	(blank)	PM	3	Annual	
Magnavox	Television	(blank)	PM	2	Annual	
Toshiba	Television	(blank)	PM	1	Annual	
Vizio	Television	(blank)	PM	3	Annual	
LG	Television	(blank)	PM	9	Annual	
LG	Television	286-X50781A	PM	1	Annual	
LG	Television	286-X5781A	PM	1	Annual	
Samsung	Television	(blank)	PM	2	Annual	
APEX	Television	(blank)	PM	1	Annual	
Toshiba	Television	(blank)	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Welch Allyn	Temperature Monitor	679	PM	1	Annual	
Welch Allyn	Temperature Monitor	SureTemp Plus	PM	1	Annual	
Welch Allyn	Temperature Monitor	690	PM	3	Annual	
Exergen	Temporal Thermometer	TAT 5000	PM	1	Annual	
Chattanooga	Tension Device	Triton	PM	1	Semi Annual	
Scientific Industries	Test Tube Mixer	G560 VORTEX	PM	1	Annual	
Welch Allyn	Thermometer	SureTemp	PM	6	Annual	
Welch Allyn	Thermometer	SureTemp 679	PM	1	Annual	
Welch Allyn	Thermometer	SureTemp Plus	PM	4	Annual	
Welch Allyn	Thermometer	N/a	PM	2	Annual	
Welch Allyn	Thermometer	690	PM	3	Annual	
Welch Allyn	Thermometer	SureTemp Plus 690	PM	2	Annual	
Welch Allyn	Thermometer	SureTemp Plus 692	PM	1	Annual	
Welch Allyn	Thermometer	Braun	PM	1	Annual	
Welch Allyn	Thermometer	SureTemp 690	PM	1	Annual	
Welch Allyn	Thermometer	Pro6000	PM	1	Annual	
Welch Allyn	Thermometer	01690-000	PM	1	Annual	
Braun	Thermometer	(blank)	PM	1	Annual	
Braun	Thermometer	6021	PM	1	Annual	
Braun	Thermometer	ThermoScan Pro 4000	PM	6	Annual	
Braun	Thermometer	Thermo Scan	PM	1	Annual	
IVAC	Thermometer	TEMP PLUS 2 2080D	PM	1	Annual	
Exergen	Thermometer - Temporal	TAT5000	PM	13	Annual	
Exergen	Thermometer - Temporal	Temporal	PM	1	Annual	
CRA LAB	Timer	171	PM	1	Annual	
Zimmer	Tourniquet	ATS 1500	PM	1	Semi Annual	
Triton	Traction Device	T-700	PM	1	Semi Annual	
Triton	Traction Unit	Traction Unit	PM	1	Semi Annual	
Marquette	Treadmill	2000	PM	1	Annual	
Chattanooga	Treatment Table	Triton TRT-600	PM	1	Semi Annual	
Mindray	Trolley Patient Monitor	115 Transfer	PM	2	Annual	
Sony	Ultrasound Printer	(blank)	PM	1	Annual	
Sony	Ultrasound Printer	UP-895MD	PM	1	Annual	
Mettler	Ultrasound Therapy	Sonicator Plus 930	PM	1	Semi Annual	
Burton	Ultraviolet Lamp	31603	PM	1	Annual	
Philips Burton	Ultraviolet Light	Unknown	PM	1	Annual	
Eaton	UPS - Emergency Generator	9130	PM	1	Semi Annual	
APC	UPS - Emergency Generator	450	PM	1	Semi Annual	
Oneac	UPS - Emergency Generator	CP1107	PM	1	Semi Annual	
Tech West	UPS Display Panel	Display	PM	1	Annual	
Square D	UPS Display Panel	UPS Display	PM	1	Annual	
Phillips Burton	UV Light	UV503	PM	1	Annual	
Cleveland Burton	UV Lights	(blank)	PM	1	Annual	

Manufacturer	Description	Model Number	Agiliti Coverage	Quantity	PM Frequency	Contract Specifics
Tech West	Vacuum Pump	VPD4S2	PM	1	Annual	
GE	Vaporizer - Isoflurane	Tec 7	PM	1	Quarterly	Component of Priced Device
GE	Vaporizer - Sevoflurane	Tec 7	PM	1	Quarterly	Component of Priced Device
Huntleigh	Vascular Obstetric	Dopplex FD2	PM	1	Annual	
Huntleigh	Vascular Obstetric Doppler	Dopplex FD2	PM	3	Annual	
Seimens	Ventilator	300A	PM	1	Semi Annual	
Puritan Bennett	Ventilator	840	PM	1	Semi Annual	Excludes 10K Hour PM and 9.4 GUI
Puritan Bennett	Ventilator Compressor	806	PM	1	Annual	
Puritan Bennett	Ventilator Monitor	840	PM	1	Semi Annual	Excludes 10K Hour PM and 9.4 GUI
Sony	Video Graphic Printer	(blank)	PM	1	Annual	
Sony	Video Monitor	PVN-20L2M3	PM	1	Annual	
Sony	Video Recorder	SVO-3500MG	PM	1	Annual	
Mindray	Vital Signs Monitor	Accutor 7	PM	1	Annual	
Mindray	Vital Signs Monitor	Accutorr 7	PM	3	Annual	
Edan Instruments	Vital Signs Monitor	M3A	PM	1	Annual	
Ohmeda	Wall Aspirator	(blank)	PM	1	Annual	
Ohmeda	Wall Aspirator	INTERMITTENT	PM	1	Annual	
Ohmeda	Wall Suction Unit	Non Listed	PM	1	Annual	
AMSCO	Warming Cabinet	M70WC-E	PM	1	Annual	
Blackman Built	Warming Cabinet	7924TG	PM	1	Annual	
Seabrook	Warming Unit	SMS-5000	PM	1	Annual	
Fisher Scientific	Water Bath	2233	PM	1	Annual	
Gorman Rupp	Water Heater/Cooler	RK 250	PM	1	Annual	
WR Medical	Wax Warmer	Therabath	PM	1	Annual	
Lintratec	Xenon Light Source	LS7500	PM	1	Annual	

TERMS AND CONDITIONS EXHIBIT

- 1 **Payment Terms.** Invoices are typically rendered monthly and payment in full is due within 30 days of the date of invoice. Agiliti may charge an additional fee of 1.5% per month (18% per annum) or the maximum rate allowed by law, whichever is less, to late payments. On five days' notice to Customer, Agiliti may suspend performance of Services for non-payment until a reasonable time after the non-payment is cured. There is no right of off set, and Customer will take no deductions, unless authorized to do so by Agiliti through issuance of a credit memorandum. Customer will give Agiliti written notice of any incorrect charges within 90 days of the Agiliti invoice to which the claim relates. After 90 days, the originally invoiced amount will be deemed to be correct.
- 2 **Confidentiality.** In connection with this Agreement, each party may disclose to the other certain confidential and proprietary information that is marked as confidential or that logically would be considered to be confidential (collectively, the "Confidential Information"). For the avoidance of doubt, Agiliti Confidential Information includes without limitation any and all technical information, techniques, know-how, processes, software programs, software source documents, insurance and pricing information that Agiliti or its subcontractor provides to Customer. Each recipient agrees that the Confidential Information provided to it, regardless of form, will be received and maintained by it in confidence for five years after this Agreement ends.

The obligation of confidentiality will not apply with respect to any Confidential Information that: (a) is in the public domain at the time of discloser's communication to recipient; (b) was or becomes generally available to the public other than as a result of a disclosure by recipient in breach of this Agreement; (c) was in recipient's possession, free of any obligation of confidentiality, at the time of discloser's communication to recipient; (d) is communicated to recipient by a third party, which the recipient reasonably believed was free to make such disclosure without breach of any legal obligation to discloser; or (e) recipient is compelled to disclose by law (including in response to a valid public records request), deposition, subpoena or other court or governmental action, as evidenced by advice of legal counsel, provided that recipient gives the discloser advance written notice of the Confidential Information to be disclosed as far in advance of its disclosure as is reasonably possible, practicable and legally permissible, and recipient cooperates with discloser, if discloser seeks to obtain a protective order concerning such Confidential Information.

- 3 **Termination and Effect of Termination.** At any time while this Agreement is in effect, either party may terminate the Agreement for cause, including insolvency and material breach, provided the non-defaulting party gives the other party written notice detailing the nature of its material breach of the Agreement. If the material breach remains uncured 30 days after notice to the breaching party, or if the breach is of a nature that cannot reasonably be cured in such 30-day period and the breaching party has failed to diligently commence and pursue actions necessary to cure the breach, then the non-defaulting party may terminate this Agreement at any time by providing written notice of the date of termination to the other party.

The terms of this Agreement that, by their nature must survive the termination of this Agreement to protect the party in whose favor they run, survive the termination of this Agreement.

- 4 **Compliance.** Each party will comply with applicable laws, rules and regulations in connection with this Agreement. Agiliti has not been debarred, suspended or declared ineligible to market or sell items or services for which reimbursement may be made by Federal health care programs and

is not included on the General Service Administration or HHS/OIG Exclusion List. To the extent required by law, Agiliti will make available to the Secretary of the U.S. Department of Health and Human Services, the Comptroller General or any of their duly authorized representatives this Agreement and Agiliti's books, documents and records that are necessary to verify the nature and extent of the cost of Services performed pursuant to this Agreement for a period of up to four years after such Services are furnished.

- 5 **Insurance.** While this Agreement is in effect, each party will maintain workers' compensation insurance in amounts required by law and will maintain commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence. Agiliti will provide Customer with online access to Agiliti Evidence of Insurance on Customer's request.
- 6 **Disclaimer of Warranties and Liability Limitation.** Agiliti is not a manufacturer of Equipment and disclaims all warranties. Customer's sole remedy for breach of a manufacturer's warranty is against the manufacturer.

AGILITI MAKES ABSOLUTELY NO WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY, CONDITION OR PERFORMANCE OF EQUIPMENT OR PATENT INFRINGEMENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM A COURSE OF DEALING, LAW, USAGE OR TRADE PRACTICE. UNDER NO CIRCUMSTANCES SHALL AGILITI BE SUBJECT TO ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONTINGENT DAMAGES WHATSOEVER WITH RESPECT TO CLAIMS MADE UNDER THIS AGREEMENT OR BY ANY CONSUMER OR OTHER USER OF EQUIPMENT OR SUPPLIES. EQUIPMENT AND SUPPLIES, INCLUDING WITHOUT LIMITATION ANY PROGRAMMED SOFTWARE, ARE RENTED OR SOLD "AS IS." AGILITI'S LIABILITY, AT AGILITI'S OPTION, IS LIMITED TO REPERFORMANCE OF THE SERVICES OR A REFUND OF THE SERVICE FEE PAID BY CUSTOMER TO AGILITI. THIS DISCLAIMER OF LIABILITY FOR ALL DAMAGES WILL NOT BE AFFECTED IF ANY REMEDY PROVIDED HEREIN SHALL FAIL OF ITS ESSENTIAL PURPOSE.

- 7 **Excusable Delays/Non-Performance.** Any delay or failure in performance other than non-payment will be excused to the extent caused by an extraordinary event or occurrence beyond the reasonable control of the non-performing party, including without limitation, fires, floods, windstorms, explosions, strikes, walk outs, riots, natural disasters, mechanical breakdowns, power outages, interruptions in telecommunications, material shortages, acts of terrorism, wars and changes in law, policy or inflationary pressure that render performance of Services by Agiliti commercially impracticable. The affected party will give the other party prompt notice of the delay or failure and the reason thereof and will exert commercially reasonable efforts to remove the causes or circumstances of non-performance with reasonable dispatch.
- 8 **Assignment.** Neither party may assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other party, except that Agiliti may assign this Agreement to an affiliate or to a successor in interest to which the business relates.
- 9 **Independent Contractor; Benefit.** The relationship between the parties is solely that of independent contractors. This Agreement is for the benefit of the parties. There are no intended third party beneficiaries to this Agreement.

- 10 Governing Law; Jurisdiction.** This Agreement is governed by the laws of the State of California, notwithstanding its conflict of laws rule. Venue for any legal proceedings will be solely in San Bernardino County, California.
- 11 Waiver; Severability; Entire Agreement; Amendment.** Waiver by either party of any breach of this Agreement will not be deemed nor constitute a continuing waiver or waiver of any other breach of this Agreement. A finding by a court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable under law will not affect the validity or enforceability of any other provision of this Agreement, unless a party's rights or obligations are materially and adversely affected by such ruling. This Agreement contains all agreements and understandings between the parties relating to its subject matter. Except as described in the Equipment and Fees Exhibit, any amendment to this Agreement must be in writing and will not be effective until it is executed and approved by an authorized representative of each party.
- 12 Notices.** All required notices will be in writing and will be deemed to have been given as indicated:
 - 12.1 If delivered in person or by Federal Express or similar nationally recognized express mail or courier service, which provides evidence of delivery, on the date of delivery;
 - 12.2 If sent by facsimile transmission, on the date the transmission is received by an employee of the recipient in legible form;
 - 12.3 If sent by certified or registered mail or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
 - 12.4 If sent by electronic messaging system, on the date the electronic message is received, unless the date of delivery (or attempted delivery) or receipt, as applicable, is not a business day or is after the close of business on a business day, in which case the communication will be deemed given and effective on the first following day that is a business day and provided that in each case the notice is properly addressed to the address provided in the appropriate signature block above or such other address as has been given by proper notice and directed to the attention of the Contracts Department in the case of Agiliti and to the attention of the title of the person signing this Agreement in the case of Customer.
- 13 Relationship with Agiliti Staff.** If Customer were to hire a member of the Agiliti team, Agiliti would incur significant expense in hiring and training a replacement. Accordingly, while this Agreement is in effect and for one year after it ends, Customer will not, with respect to any Agiliti employee or contractor providing Services on behalf of Agiliti in connection with this Agreement, employ, solicit or entice, directly or indirectly, such person to become employed or retained by Customer or any affiliate of Customer or any competitor of Agiliti, without the express written consent of Agiliti. If Customer breaches this Section, Customer shall, on demand, pay Agiliti a sum equal to one year's compensation or the annual fee that was payable by Agiliti to that employee, worker or contractor plus the recruitment costs incurred by Agiliti in replacing such person.
- 14 Equal Opportunity Employer.** Agiliti is an Equal Opportunity Employer and complies with Executive Order 11246 and hereby provides notice of its compliance with FAR 52-222-26, 41 C.F.R. 60-1.4, 41 C.F.R. 60-250.5 and 41 C.F.R. 60-741.5, which are hereby incorporated by reference.



Recommendation for Action

Date: 4 June 2019
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: JWT & Associates, FY 2019 & 2020 Independent Auditor

Recommended Action

Approve JWT & Associates, to conduct FY 2019 & 2020 Audits

Background

Jerrel Tucker, CPA, of JWT & Associates, has conducted our independent audit for a number of years. Our recommendation is that his firm conduct our audits for fiscal years ending June 30, 2019 (July 1, 2018 through June 30, 2019) and the year ending June 30, 2020 (July 1, 2019 through June 30, 2020)

He has agreed to hold audit fee costs at \$25,000 (the same as last year) per year for both years. We would continue to reimburse for out-of-pocket expenses.

JWT & Associates, LLP

Advisory Assurance Tax

1111 E. Herndon Avenue, Suite 211, Fresno, CA 93720

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

May 21, 2019

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

We are pleased to confirm our understanding of the services we are to provide for Bear Valley Community Healthcare District (the District) for the years ended June 30, 2019 and 2020. We will audit the financial statements of the District, which comprise the statement of net position as of June 30, 2019 and 2020, 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. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Audit Objective

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

Audit Procedures—General

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

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

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

Audit Procedures—Internal Control

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

Audit Procedures—Compliance

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

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

Other Services

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

Management Responsibilities

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

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

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

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

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

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

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

HIPAA Business Associate Agreement

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

Engagement Administration, Fees, and Other

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

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

Our fee for the financial audit for the years ended June 30, 2019 and 2020 will be \$25,000 per year. Fees do not include any travel or out-of-pocket expenses advanced for you, such as mileage, administrative charges, telephone calls, postage, etc. These will be billed to you separately. Our invoices for these fees will be rendered periodically as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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

Very truly yours,

JW7 & Associates, LLP

RESPONSE:

This letter correctly sets forth the understanding of Bear Valley Community Healthcare District.

Signature: _____

Name: _____

Title: _____

Date: _____



**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
PHYSICIAN AGREEMENT FOR HOSPITALIST SERVICES
WITH
DAVID HORNER, M.D.**

THIS PHYSICIAN AGREEMENT FOR HOSPITALIST SERVICES ("Agreement") is made and entered into as of the 1st day of August, 2019 by and between Bear Valley Community Healthcare District (a public entity), ("Hospital") and David Horner, M.D., ("Physician").

RECITALS

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

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

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

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

AGREEMENTS

SECTION I. RESPONSIBILITIES OF PHYSICIAN.

A. SERVICES. During the term of this Agreement, Physician agrees to the following:

1. Physician shall render such Hospitalist Services as may be required for the care and treatment of Hospital's inpatients requiring said services in accordance with the prevailing standard of care in the community, including 24 hour on-call coverage as scheduled by mutual agreement between Hospital Administration and Physician.
2. Physician shall complete and maintain adequate and proper medical records with respect to all patients examined and treated in accordance with standard industry practices and shall provide such other record keeping and administrative services as may be reasonably requested by Hospital. All medical records remain the property of the Hospital.
3. Physician shall cooperate with any quality management and utilization management programs instituted by Hospital.

B. ACCESS TO BOOKS AND RECORDS. If the value or cost of Services rendered to Hospital pursuant to this Agreement is Ten Thousand Dollars (\$10,000.00) or more over a twelve- month period, Physician agrees as follows:

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

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

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

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

H. COORDINATION OF SERVICES. Physician shall cooperate with Hospital, through its Chief Executive Officer, in connection with providing the Services.

SECTION II. REPRESENTATIONS AND WARRANTIES

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

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

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

SECTION III. INDEMNIFICATION OF LIABILITY.

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

SECTION IV. INDEPENDENT CONTRACTOR.

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

SECTION V. COMPENSATION AND BILLING FOR PHYSICIAN SERVICES.

- A. On a monthly basis, Hospital shall pay Physician, as sole compensation hereunder, a fee of \$1,400.00 per each 24 shift. Monthly payments to Physician shall be made on or before the 10th (tenth) day of the month, following the month in which services are rendered.
- B. Physician shall be solely responsible for billing and submitting claims to third party payors, including all government sponsored programs, for Professional Services rendered pursuant to this Agreement. Physician shall also be solely responsible for collecting payment from any such third party payors. Physician agrees to follow all applicable rules, regulations, laws and policies pertaining to billing practices.

SECTION VI. COMPLIANCE.

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

At a minimum, Physician is expected to:

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

SECTION VII. TERM.

This Agreement is effective from August 01, 2019 to July 31, 2021; however this Agreement is subject to early termination as provided in Section. VIII. below.

SECTION VIII. EARLY TERMINATION.

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

14. Physician commits any act of fraud as determined by reasonable discretion of the Board whether related to the Physician's provision of professional services or otherwise; or
15. A mutual written agreement terminating this Agreement is entered into between the Hospital and Physician.

B. Either party may terminate this Agreement for material breach provided that the non-defaulting party shall give written notice of the claimed default, and the other party shall have 30 days to cure such performance, failing which, this Agreement may thereafter be immediately terminated by the non-defaulting party.

C. Either party may terminate this Agreement, without cause, by providing the other party ninety (90) days prior written notice.

D. This Agreement may be terminated automatically upon mutual written agreement terminating This Agreement entered into by Hospital and Physician.

E. **EFFECT OF TERMINATION.** In the event that this Agreement is terminated for any reason, Physician shall be entitled to receive only the amount of compensation earned prior to the date of termination.

F. **TERMINATION WITHIN FIRST TWELVE (12) MONTHS.** If this Agreement is terminated, with or without cause, during the first twelve (12) months of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such twelve (12) month period for similar services.

SECTION IX. CONFIDENTIALITY.

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

SECTION X. INSURANCE.

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

term Physician shall, if it changes insurers for any reason, take the necessary actions required in order to provide continuous coverage by either obtaining "tail" insurance from the preceding carriers, or "nose" insurance from the subsequent carriers. In order to satisfy the requirements of this Section, the "tail" insurance must be of either an unlimited type or of the type which would extend the discovery period beyond the last effective day of the last contract between the parties for a period of three (3) years. In order to satisfy the requirements of this Section for "nose" insurance, the retroactive effective date for such insurance must be at least the first date of the relevant term noted above. Physician shall provide proof of current insurance and, in the event of modification, termination, expiration, non-renewal or cancellation of any of the aforesaid policies of insurance, Physician shall give Hospital written notice thereof within thirty (30) business days of Physician's receipt of such notification from any of his/her insurers.

SECTION XI. ASSIGNMENT.

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

SECTION XII. NOTICES.

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

Hospital: John Friel, Chief Executive Officer
Bear Valley Community Healthcare District
P. O. Box 1649
Big Bear Lake, CA 92315

Physician: David Horner, M.D.
32652 Safflower St.
Winchester, CA 92596

SECTION XIII. PRE EXISTING AGREEMENT.

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

SECTION XIV. HOSPITAL NOT PRACTICING MEDICINE.

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

SECTION XV. ENTIRE AGREEMENT.

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

SECTION XVI. SEVERABILITY.

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

SECTION XVII. GOVERNING LAW.

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

SECTION XIX. ANTI-HARASSMENT/DISCRIMINATION/RETALIATION

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

SECTION XX. HIPAA BUSINESS ASSOCIATE AGREEMENT.

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

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

Dated: _____ **By:** _____
Peter Boss, M.D., Board President
Bear Valley Community Healthcare District
P. O. Box 1649
Big Bear Lake, CA 92315

Dated: _____ **By:** _____
David Horner, M.D.
32652 Safflower St.
Winchester, CA 92596

EXHIBIT A

HIPAA Business Associate Agreement

This HIPAA Business Associate Agreement, effective as of August 1, 2019, is made by and between Bear Valley Community Healthcare District (BVCHD) and David Horner, M.D. for the purpose of compliance with the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, and regulations issued pursuant thereto ("**HIPAA**"). This Agreement amends and is incorporated into any underlying agreement between BVCHD and David Horner, M.D. In consideration of the foregoing and the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree to the following:

SECTION I. DEFINITIONS.

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

Specific definitions:

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

SECTION II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE.

Business Associate agrees to:

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

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

SECTION III. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE.

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

SECTION IV. TERM AND TERMINATION.

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

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

BVCHD:

Date: _____

Name: _____

Title: _____

Business Associate:

Date: _____

Name: _____

Title: _____



FY 2020 Budget (July 1, 2019 through June 30, 2020)

Overview of Process - Heads of each Department received budget worksheets containing historical information - statistics, staffing, revenue, and expenses. The worksheets also included information for the first 7 months of the current fiscal year with a projection through the end of the current fiscal year. Managers reviewed these and updated for FY 2020 budget request which was submitted to the Accounting staff. After input into the budget model, the member of the Administrative Team that the Manager reports to, the CFO, and the Controller met with each department head to review and discuss their budget proposal. This included a review of Capital requests, Statistics (including discussion of any changes seen or projected - which drives revenue projections), detailed review of FTE (Full Time Equivalent employees) by individual and position, and review of Expenses by account code.

Overall Summary -

Margins –

Operating Margin is Income from Operations over Total Patient Revenue.

Total Margin is "Surplus" (Net Income) over Total Patient Revenue

The budget presented here shows an Operating Margin of 1.2% and a 6.6% Total Margin (surplus of \$3,661,653 over Total Patient Revenue of \$55,480,473).

Margin Comparisons –

	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Estimate * FY 2019	Budget FY 2020
Operating Margin	-1.80%	0.40%	4.00%	2.80%	0.9%	1.2%
Total Margin	4.20%	6.20%	8.90%	8.00%	6.0%	6.6%

(* Margin Estimate FY 2019 - Margin Estimates for fiscal year 2019 are running under budget, but already ahead of last year's experience. With recording of Medicare, Medi-Cal, and IGT receipts closer to the end of the fiscal year we anticipate that Operating Margin and Total Margin for FY 2019 will meet and even exceed budget estimates and even come close to experience in the prior two fiscal years.)

Overall budget P & L for the budget year with Prior and Current year comparisons follow on the next page –

	ACTUAL FY 6/30/18	ESTIMATE FY 6/30/19	BUDGET FY 6/30/20	VARIANCE FROM CURR EST	PERCENT CHANGE
GROSS PATIENT REVENUE					
INPATIENT REVENUE	1,883,203	1,677,565	1,527,928	(149,638)	-8.9%
OUTPATIENT REVENUE	47,838,406	50,210,547	51,279,520	1,068,973	2.1%
LONG TERM CARE	3,015,810	2,572,904	2,673,025	100,121	3.9%
TOTAL PATIENT REVENUE	52,737,419	54,461,016	55,480,473	1,019,457	1.9%
REVENUE DEDUCTIONS					
CONTR. ADJ.-CURR.	24,876,773	26,675,195	26,908,029	232,833	0.9%
PROV.FOR BAD DEBTS	1,958,381	2,922,817	2,774,024	(148,793)	-5.1%
TOTAL REVENUE DEDUCTIONS	26,835,154	29,598,012	29,682,053	84,040	0.3%
NET PATIENT REVENUE	25,902,264	24,863,004	25,798,421	935,416	3.8%
OTHER OPERATING INCOME	121,034	412,864	487,658	74,794	18.1%
NET OPERATING REVENUE	26,023,298	25,275,868	26,286,078	1,010,210	4.0%
OPERATING EXPENSES					
SALARY & WAGES	9,777,302	10,409,984	10,456,878	46,894	0.5%
EMPLOYEE BENEFITS	3,683,114	3,347,977	3,899,064	551,086	16.5%
PROFESSIONAL FEES	2,014,551	2,073,648	2,349,560	275,912	13.3%
SUPPLIES	1,649,147	1,634,780	1,727,738	92,958	5.7%
UTILITIES	501,421	527,733	529,018	1,285	0.2%
REPAIR	342,890	346,207	570,959	224,752	64.9%
PURCHASED SERVICES	4,286,052	4,286,284	3,907,097	(379,187)	-8.8%
INSURANCE	311,702	340,916	371,000	30,084	8.8%
DEPRECIATION & AMORT	892,298	946,599	944,694	(1,905)	-0.2%
RENTAL EXPENSE	270,708	137,674	148,455	10,781	7.8%
INTEREST	93,113	91,523	90,845	(678)	-0.7%
DUES & SUBSC	68,572	75,942	77,844	1,902	2.5%
OTHER EXPENSE	631,111	569,133	544,473	(24,660)	-4.3%
TOTAL OPERATING EXPENSE	24,521,979	24,788,402	25,617,625	829,223	3.3%
INCOME (LOSS) FROM OPERATIONS	1,501,319	487,466	668,453	180,987	-37.1%
NON-OPERATING INCOME					
TAX REVENUE	2,343,776	2,210,928	2,423,000	212,072	9.6%
OTHER NON-OPERATING	362,350	587,337	570,200	(17,137)	-2.9%
NET NON-OPERATING	2,706,125	2,798,265	2,993,200	194,935	7.0%
NET INCOME (LOSS)	4,207,444	3,285,731	3,661,653	375,922	-11.4%
=====					
Check	0		0		
operating margin	2.8%	0.9%	1.2%		
total margin	8.0%	6.0%	6.6%		
revenue deduction %	50.9%	54.3%	53.5%		
sw&b % operating exp	54.9%	55.5%	56.0%		
s&w % operating exp	39.9%	42.0%	40.8%		

Statistics

The following is a comparison of key statistics used in the budget along with some historical information. We have not budgeted big increases in any of these statistics for the budget year with the exception of Clinics. We are seeing an increase in Medical visits and significant growth in Dental visits.

Statistics for FY 2020 Budget

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Projected	FY 2020 Budget
Inpatient	459	444	652	880	861	547	513	513
Acute Days	459	444	398	468	414	347		
Swing Days			254	412	447	200		
SNF Days	7,074	6,600	5,620	5,289	6,667	6,797	5,816	6,022
Emergency Room	9,672	9,373	10,593	11,184	11,315	11,485	12,174	12,356
OR	290	270	233	105	101	137	146	146
Lab	59,512	61,188	73,339	78,916	71,870	74,732	76,555	76,555
EKG	2,558	2,701	3,473	3,655	3,344	3,721	3,389	3,389
Radiology	10,195	9,947	10,334	10,380	9,959	9,645		
Mammography			771	633	414	743		
Radiology incl Mammo			11,105	11,013	10,373	10,388	11,332	11,632
Ultrasound	1,734	1,883	1,967	2,366	2,488	2,823	2,567	2,600
CT	2,894	3,045	3,362	3,575	3,081	3,137	3,402	3,400
Pharmacy	41,816	39,320	47,850	60,181	58,802	45,960	42,569	46,000
RT	1,542	2,037	2,084	1,684	1,501	1,645	1,216	1,316
PT	8,016	12,086	14,245	13,406	18,914	16,487	16,826	17,381
FHC	8,699	12,730	17,420	17,939	18,518	19,937	20,883	24,500
RHC Medical	5,200	3,501	667	-	593	1,272		
RHC Dental	806	962	464	-	1,339	2,611		
RHC (incl Dental)	6,006	4,463	1,131	-	1,932	3,883	3,934	5,250
combined clinics	14,705	17,193	18,551	17,939	20,450	23,820	20,883	29,750
adc snf	19.38	18.08	15.40	14.49	18.27	18.62	15.93	16.50

Inpatient Census (Acute and Swing patient days) has continued to decrease over the past several years.

After we saw an increase in average daily census on the Skilled Nursing Facility in FYs 2017 and 2018, we have had a decrease in FY 2019. We have budgeted a slight increase for the FY 2020 Budget.

We have seen slow but steady growth in ER Visits since FY 2014.

FTE / Salaries and Wages

Salaries, Wages, and Benefits make up 56.0 % of Budgeted Total Operating Expenses. The current fiscal year salaries wages and benefits are 55.5% of total operating expenses. For fiscal year 2018 salaries wages and benefits were 54.9% of total operating expenses.

For the FY 2020 Budget FTE of 165.3 are 4.0 FTE lower than the FY 2019 Budgeted FTE. The table below summarizes FTE by Department for several previous years and the FY 2020 budget.

	Dept	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 YTD	FY 2019 Budget	FY 2020 Budget	FY 2019 vs FY 2020 Budget
Acute	006170	5.6	6.1	6.0	5.2	4.7	7.1	6.6	(0.5)
SNF	006582	22.0	21.0	21.9	22.6	22.6	22.4	22.3	(0.1)
ER	007010	18.0	20.0	19.7	20.1	20.0	21.3	19.4	(1.9)
Risk / Compl	008754			0.4	1.0	1.0	1.0	1.0	0.0
RHC	007181	1.2	-	0.7	1.7	1.9	2.3	2.6	0.3
OR	007420	1.4	1.2	1.3	1.8	2.0	2.1	2.1	(0.0)
DISASTER	008490	0.4	0.5	0.4	0.2	0.3	0.2	0.2	0.0
LAB	007500	8.3	8.6	8.2	9.0	10.2	8.9	9.9	0.9
XRAY	007630	8.2	7.2	6.6	6.9	6.9	6.6	6.6	(0.0)
US	007670	-	1.2	1.2	1.3	1.4	1.3	1.3	0.0
PHARM	007710	1.0	1.2	1.3	1.2	1.2	1.2	1.1	(0.1)
RT	007720	2.7	3.1	2.7	2.6	2.7	2.3	2.3	0.0
PT	007770	4.6	4.8	5.5	5.3	4.6	6.0	6.0	0.0
DIETARY	008340	8.6	8.6	8.9	9.2	9.5	8.7	8.1	(0.6)
PURCH	008400	1.0	1.5	1.6	1.1	1.0	1.4	1.4	0.0
HSKPG	008440	8.3	8.3	9.6	9.9	9.6	9.5	9.3	(0.2)
PLANT	008460	2.7	2.8	3.2	3.3	3.2	3.0	3.1	0.1
IS	008480	3.2	2.5	3.4	4.1	4.2	4.0	4.3	0.3
ACCTG	008510	3.2	2.8	3.0	2.9	3.1	3.0	3.0	0.0
PT.ACCTG	008530	4.9	2.8	3.2	4.0	4.2	4.0	4.0	0.0
ADMTG	008560	9.5	10.2	10.6	10.2	10.5	9.8	10.1	0.3
ADMIN	008610	2.2	1.4	1.5	1.7	1.8	1.7	1.7	0.0
DISTRICT	008620		-						0.0
HR	008650	1.9	1.9	2.1	2.4	3.1	3.1	3.0	(0.1)
HIM	008700	5.6	6.1	6.7	5.9	6.3	6.3	5.8	(0.5)
MD.STAFF	008710	1.0	0.8	1.0	0.9	0.8	0.8	0.8	0.0
N.ADMN	008720	3.5	3.2	3.4	3.2	3.3	3.4	3.0	(0.4)
FHC	008760	20.5	24.9	22.4	19.8	17.8	19.4	18.3	(1.1)
MOMS	008770	4.9	4.1	4.2	5.0	4.5	5.3	5.1	(0.2)
PRIME				1.2	1.9	1.4	3.2	3.2	(0.1)
		154.4	156.9	160.7	164.4	163.8	169.3	165.3	(4.0)

Comments on changes in P & L

Total Patient Revenue budget reflects budgeted statistics and NO budgeted charge or rate increase. The budget “performs” without a rate increase. Depending on how the year progresses, we may need to consider an increase at mid-year, if needed

Total Revenue Deductions as a % of Total Patient Revenue are budgeted at 53.5%. During the current year we are seeing a revenue deduction percentage of 54.3%, but this percentage will be lower by year end with recording of IGT money and some prior year settlements from Medicare and Medi-Cal. For FY 2018, Revenue Deductions were 50.9%.

Total Operating Expense increases by 3.3% or \$829, 223 over the current year Estimate. Many of the increases are normal inflationary increases. Below is more detail about some of the changes in the year’s budget –

- **Salaries, Wages, and Benefits**

Salaries & Wages increase by over only 0.5% or \$46,894 with the budgeted number of FTEs of 165.3 being 4 FTE less than the FY 2019 budget. The budget does include an across the board pay increase.

The Benefits budget increases significantly from our FY 2019 Estimate but only by \$215,949 over FY 2018 actual. What we are experiencing in FY 2019 is significantly lower than \$4,200,000 budget for the year. This reduction is a result of lower Worker’s Comp. Expense during the year. We are seeing increases PTO due to accrual rates changing for individual employees, FICA and retirement expense.

- **Professional / Physician Fees** are budgeted to increase with additional physicians (child and adolescent psychiatrist & family practice) for Clinics.
- **Purchased Services** decrease with projected decrease in contract services / labor and some Repair and Maintenance has been being charged here instead of Repair & Maintenance expense. We have corrected this coding in the FY 2020 budget.
- **Repair and Maintenance** budget increases with service contracts for CT and Digital Mammo.
- **Depreciation and Amortization** increases slightly with lower Capital Budget that previous years.
- **“Other Expense” (decreases from FY 2019 Estimate) includes the following:**
 - Minor Equipment of \$123, 976 (a slight decrease from FY 2019 budget)
 - Taxes and Licenses of \$69,696 (a decrease from FY 2019 budget)
 - Outside Training of \$59,566 (a large decrease FY 2019 budget)
 - Travel of 90,570 (increase from FY 2019 budget)
 - Marketing of \$106,000 (just \$1,000 more than FY 2019 budget)
 - Postage of \$14,088 (increase over FY 2019 budget)
 - Telephone of \$35,516 (a decrease from FY 2019 budget)

As in the past, we have included funds for employee appreciation (Christmas party, Hospital Week, Thanksgiving gift certificates and the like), employee health, and employee wellness.

Tax Revenue is budgeted showing an increase over the current year projections.

Mom & Dad's – as part of our commitment with First 5, BVCHD funds \$50,000 each year. \$50,000 is 13% of the total budget for Mom & Dad's.

Capital Budget

In recent years we have spent the following on Capital Expenditures / Additions as follows :

FY 2016	\$812,000
FY 2017	\$2,063,800
FY 2018	\$1,625,342

These include expenditures for replacement CT scanner, new Digital Mammography system, Telemetry System and Bedside Monitors, ER Remodel, Information Technology upgrades & expansion (including new phone system), and Facilities projects.

The following pages include Capital Budget for FY 2020 and then updated three year Capital Improvement plan.

Capital Budget Additions FY 2020

Dept No.	Department	CER	Request Description	FY 2020
001/6170	Acute/SNF	4 WOW x3-4 Computers		6,400.00
005/6582			Total Acute/SNF	6,400.00
015/8760	FHC	Chiropractic Bed (add to 7,000 from 2018, total 16,000)		9,000.00
			Total FHC	9,000.00
025/7420	Surgery	Update Equipment		9,000.00
		Pneumatic Tourniquet (from 2019)		3,500.00
		2 Gurneys		30,000.00
		Steam Sterilizers - Autoclaves		90,000.00
		GI Scopes and processor, 2 colonoscopes and 2 EGD Scopes and processor		60,000.00
		New baseboards, flooring & walls		30,000.00
			Total OR	222,500.00
040/7500	LAB	Plasma Thawing Bath		5,570.50
		Point-of-Care Testing hand held i-STAT meters		17,073.50
		Point-of-Care Testing hand held i-STAT interface		15,000.00
			Total Lab	37,644.00
070/7720	RT	Transport Ventilator		18,044.14
		Infant Warmer		22,738.84
		PAPRs program - Replaces fit testing and N95 masks for general use		28,867.92
			Total RT	69,650.90
075/7770	PT	Leander Variable Height Flexion/Distrction Table		5,731.60
			Total PT	5,731.60
080/8340	Dietary	Renovation of Dining Room for Residents		17,000.00
			Total Dietary	17,000.00
115/8460	Plant	new Dodge Truck		55,000.00
		Asphalt adjacent to RHC for parking		28,000.00
			Total Plant	83,000.00
125/8480	IT	20 Lenovo Tiny in One Computers		20,148.93
		Overhead Paging System		10,000.00
		Upgrade licenses-Microsoft		50,976.42
		Server refresh to the Nutanix farm		17,250.00
		Environment monitoring and alerting system servers and network storage closets		9,000.00
			Total IT	107,375.35
		Total for FY 2020		558,301.85

Dept No.	Department	Request Description	FY 2018	FY 2019	FY 2020	Total Budget	Donations	Total Paid Prior	Total Paid FY 2020	Budget Remaining
001	Med-Surg	Medication Scanning System	10,200.00			10,200.00				10,200.00
		Total Med-Surg	10,200.00	-	-	10,200.00	-	-	-	10,200.00
001/005	Med-Surg/SNF	4 WOW x3-4 Computers			6,400.00	6,400.00				6,400.00
		Total Med-Surg/SNF	-	-	6,400.00	6,400.00		-	-	6,400.00
005	SNF	TV for each Resident 19 @1600 plus install incl Pillow Speakers		35,000.00		35,000.00	15,000.00	2,770.55		17,229.45
005	SNF	Patio Furniture and outdoor equipment		10,000.00		10,000.00		5,183.44		4,816.56
005	SNF	Paint, flooring, furniture, décor-activity room		20,000.00		20,000.00				20,000.00
		Total SNF	-	65,000.00	-	65,000.00	15,000.00	7,953.99	-	42,046.01
010	Emergency Room	Heat curtain for waiting room	10,000.00			10,000.00				10,000.00
		Total Emergency Room	10,000.00	-	-	10,000.00	-	-	-	10,000.00
015	FHC	Chiropractic Bed		7,000.00	9,000.00	16,000.00				16,000.00
		Total FHC	-	7,000.00	9,000.00	16,000.00	-	-	-	16,000.00
025	Surgery	Upgrade equipment	40,000.00		9,000.00	49,000.00				49,000.00
025	Surgery	Knee Scope (Arthrex)	15,000.00			15,000.00				15,000.00
025	Surgery	Pneumatic Tourniquet		11,500.00	3,500.00	15,000.00				15,000.00
025	Surgery	OR LIM Removal		5,200.00		5,200.00				5,200.00
025	Surgery	OR Lim Replacement		18,000.00		18,000.00				18,000.00
025	Surgery	New baseboards, flooring, wall repairs		50,000.00	30,000.00	80,000.00				80,000.00
025	Surgery	2 Gurneys			30,000.00	30,000.00				30,000.00
025	Surgery	Steam Sterilizers - Autoclaves			90,000.00	90,000.00				90,000.00
025	Surgery	GI Scopes and processor, 2 colonoscopes and 2 EGD Scopes and processor			60,000.00	60,000.00				60,000.00
		Total Surgery	55,000.00	84,700.00	222,500.00	362,200.00	-	-	-	362,200.00
040	Laboratory	Plasma Thawing Bath			5,570.50	5,570.50				5,570.50
040	Laboratory	Point-of-Care Testing hand held i-STAT meters for T-System			17,073.50	17,073.50				17,073.50
040	Laboratory	Point-of-Care Testing hand held i-STAT interface for T-System			15,000.00	15,000.00				15,000.00
		Total Laboratory	-	-	37,644.00	37,644.00	-	-	-	37,644.00
070	Respiratory Therapy	Replace Cabinets	6,000.00			6,000.00				6,000.00
070	Respiratory Therapy	Transport Ventilator replacement			18,044.14	18,044.14				18,044.14
070	Respiratory Therapy	Infant Warmer			22,738.84	22,738.84				22,738.84
070	Respiratory Therapy	PAPRs program - Replaces fit testing and N95 masks for general use			28,867.92	28,867.92				28,867.92
		Total Respiratory Therapy	6,000.00	-	69,650.90	75,650.90	-	-	-	75,650.90
075	Physical Therapy	Leander Variable Height Flexion/Distractor Table			5,731.60	5,731.60				5,731.60
		Total Physical Therapy	-	-	5,731.60	5,731.60		-	-	5,731.60
080	Dietary	POS System (basic system only)		10,000.00		10,000.00				10,000.00
080	Dietary	Renovation of Dining Room for Residents			17,000.00	17,000.00				17,000.00
		Total Dietary	-	10,000.00	17,000.00	27,000.00	-	-	-	27,000.00
115	Plant Maint.	replace medical air compressor	38,000.00	17,000.00		55,000.00		43,303.36		11,696.64
115	Plant Maint.	to allow us to run boilers for hot water & air	11,220.00			11,220.00				11,220.00
115	Plant Maint.	Badge Readers		11,000.00		11,000.00				11,000.00
115	Plant Maint.	PT Flooring		12,500.00		12,500.00				12,500.00
115	Plant Maint.	Lobby Flooring		7,200.00		7,200.00				7,200.00
115	Plant Maint.	Fire Door Repairs		20,000.00		20,000.00				20,000.00
115	Plant Maint.	Re Skin SNF Cabinets		22,000.00		22,000.00				22,000.00
115	Plant Maint.	Equipment Trailer for Plant Maintenance		7,000.00		7,000.00				7,000.00
115	Plant Maint.	SNF Tub Replacement		14,000.00		14,000.00	14,000.00			-
115	Plant Maint.	A/C 1 Steam Coil		8,000.00		8,000.00				8,000.00

Dept No.	Department	Request Description	FY 2018	FY 2019	FY 2020	Total Budget	Donations	Total Paid Prior	Total Paid FY 2020	Budget Remaining
115	Plant Maint.	A/C 2 Steam Coil		10,000.00		10,000.00				10,000.00
115	Plant Maint.	SNF Exit Doors		25,000.00		25,000.00				25,000.00
115	Plant Maint.	Sprinkler Head Replacement		10,000.00		10,000.00				10,000.00
115	Plant Maint.	SNF Shower Tile		25,000.00		25,000.00	6,000.00			19,000.00
115	Plant Maint.	Disassembly, rebuild, anchor Med AirCompress		16,600.00		16,600.00				16,600.00
115	Plant Maint.	Plant Plumbing Repairs		16,000.00		16,000.00				16,000.00
115	Plant Maint.	New Snow Plow Blade for Existing Truck		7,000.00		7,000.00				7,000.00
115	Plant Maint.	Acute/SNF Ice Machine		7,000.00		7,000.00				7,000.00
115	Plant Maint.	Parking Lot Repairs		24,000.00		24,000.00				24,000.00
115	Plant Maint.	Landscaping		24,800.00		24,800.00				24,800.00
115	Plant Maint.	New Service to Current Camera System		13,000.00		13,000.00				13,000.00
115	Plant Maint.	Update Badge Rendering Software		13,000.00		13,000.00				13,000.00
115	Plant Maint.	Add more cameras		9,800.00		9,800.00				9,800.00
115	Plant Maint.	Renovate Front Lobby		15,000.00		15,000.00				15,000.00
115	Plant Maint.	new Dodge Truck			55,000.00	55,000.00				55,000.00
115	Plant Maint.	Asphalt adjacent to RHC for parking			28,000.00	28,000.00				28,000.00
		Total Plant Maintenance	49,220.00	334,900.00	83,000.00	467,120.00	20,000.00	43,303.36	-	403,816.64
125	Info Technology	Forty Lenovo M700 Micro computers	32,928.40			32,928.40		25,417.20		7,511.20
125	Info Technology	Software Upgrade 2010 Veritas Backup Exec		6,908.68		6,908.68				6,908.68
125	Info Technology	Service Addition to Nutanix farm		20,313.86		20,313.86				20,313.86
125	Info Technology	Proactive Server and Storage Upgrade-Cloud T-System		12,500.00		12,500.00				12,500.00
125	Info Technology	Server/Storage Refresh for CPSI		98,234.00		98,234.00		93,469.89		4,764.11
125	Info Technology	Upgrade Licenses - Microsoft Windows		17,000.00		17,000.00		6,670.00		10,330.00
125	Info Technology	30 Lenovo ThinkCentre M710q computers		28,000.00		28,000.00		22,199.50		5,800.50
125	Info Technology	HIPAA Risk Assessment Penetration Testing by Dell		30,400.00		30,400.00		15,798.88		14,601.12
125	Info Technology	20 Lenovo Tiny in One Computers			20,148.93	20,148.93				20,148.93
125	Info Technology	Overhead Paging System			10,000.00	10,000.00				10,000.00
125	Info Technology	Upgrade licenses-Microsoft			50,976.42	50,976.42				50,976.42
125	Info Technology	Server refresh to the Nutanix farm			17,250.00	17,250.00				17,250.00
125	Info Technology	Environ monitoring and alerting system servers and network storage closets			9,000.00	9,000.00				9,000.00
		Total Info Technology	32,928.40	213,356.54	107,375.35	353,660.29	-	163,555.47	-	190,104.82
130	Disaster	Replace expired hazmat equipment	33,500.00			33,500.00				33,500.00
130	Disaster	2 backup disaster vents for nursing use	7,500.00			7,500.00				7,500.00
		Total Disaster	41,000.00	-	-	41,000.00	-	-	-	41,000.00
Total for Hospital:			204,348.40	714,956.54	558,301.85	1,477,606.79	35,000.00	214,812.82	-	1,227,793.97
Other Possible Capital Purchases										
			-	-	-	-	-	-	-	-
Emergency Additions to Budget:										
			-	-	-	-	-	-	-	-
			204,348.40	714,956.54	558,301.85	1,477,606.79	35,000.00	214,812.82	-	1,227,793.97



MEMO

Date: June 04, 2019
To: Board of Directors
From: John Friel, CEO
Re: Resolutions #19-457 Determining, Certifying and Directing 2019/2020 Special Tax Levies Within the District (Measure F)

Recommendation: Administration recommends that the Board of Directors approve Resolution # 19-457 Determining, Certifying and Directing 2018/2019 Special Tax Levies Within the District as presented.

Discussion: On an annual basis, the Board of Directors is required to approve a Resolution for Determining, Certifying and Directing Special Tax Levies Within the District (Measure F). The resolution is required to be filed before the San Bernardino County Auditor will accept the taxes for collection on the tax roll.

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

RESOLUTION NO. 19-457

**RESOLUTION OF THE BOARD OF DIRECTORS OF
BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
DETERMINING, CERTIFYING, AND DIRECTING 2019-2020
SPECIAL TAX LEVIES WITHIN THE DISTRICT**

WHEREAS, more than two-thirds (2/3) of the voters voting at an election within Bear Valley Healthcare District on June 03, 2014 approved a measure authorizing this Board of Directors to adopt a resolution levying a special tax upon all taxable parcels of real property within the District in the following amounts on an annual basis: (1) \$20 per unimproved parcel, and (2) \$45 per improved parcel; and

WHEREAS, this Board of Directors finds that it is in the best interest of the District to impose the special tax allowed by law for the fiscal 2019-2020.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Bear Valley Community Healthcare District as follows:

SECTION 1. The special tax for the fiscal year 2019-2020 shall be as follows:

Each unimproved parcel	\$20
Each improved parcel	\$45

SECTION 2. The records of the San Bernardino County Assessor as of March 1, 2019 shall determine for the purpose of the special tax whether or not any particular parcel of taxable real property is unimproved or improved. "Parcel of real property" as used in this Resolution shall mean any contiguous unit if improved or unimproved property held in separate ownership, including, but not limited to, any single family residence, and condominium unit, as defined in Civil Code Section 783, or any unit of real property subject to the California Subdivided Lands Act (Business and Professions Code Sections 11000 and following).

SECTION 3. The special tax shall be levied upon all unimproved and improved parcels of real property, except for parcels owned by any other local, federal, or state government agency, or any parcel of property that is exempt from the special tax pursuant to any provision of the state or federal constitutions or any paramount law.

SECTION 4. For purposes of this special tax, a minimum assessed improvement valuation of \$5,000 shall be utilized to classify parcels as improved or unimproved for determination of which tax rate to apply to the property. Any parcel with improvements valued at \$5,000 or less by the San Bernardino County Assessor as of March 1, 2019 shall be classified as an unimproved parcel and shall be taxed at the unimproved rate of \$20.00 per parcel.

SECTION 5. The special tax imposed shall be collected in the same manner, on the same dates, and subject to the same penalties and interest in accordance with established dates, as, or with, other charges and taxes fixed and collected by the County of San Bernardino on behalf of Bear Valley Community Healthcare District, and the county may deduct its reasonable costs incurred for such service before remittal of the balance to the District.

SECTION 6. The special tax, together with all penalties and interest thereon shall constitute a lien upon the parcels upon which it is levied until it has been paid, and the special tax, together with all penalties and interest thereon, shall until paid, constitute a personal obligation to the District by the persons who own the parcel on the date the tax is due.

SECTION 7. The Secretary of this Board of Directors shall certify to the adoption of this Resolution and transmit a certified copy thereof to the Clerk of the Board of Supervisors and to the County Auditor of San Bernardino County. The Secretary and the District's legal counsel are authorized and instructed to take such further action as may be necessary to carry out the purpose of this Resolution.

PASSED AND ADOPTED this 12th day of June, 2019, by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

Peter Boss, M.D.
President, Board of Directors
Bear Valley Community Healthcare District

Date

ATTEST:

Rob Robbins
Secretary, Board of Directors
Bear Valley Community Healthcare District

Date



Recommendation for Action

Date: 04 June 2018
To: BVCHD Board
From: Garth M Hamblin, CFO
Subject: Impact Analysis of Conversion to PPS Reimbursement
FYE June 30, 2018

Recommended Action

Receive and Accept "Impact Analysis of Conversion to PPS Reimbursement FYE June 30, 2018".

Background

With the completion of reports and independent audit for our fiscal year ended June 30, 2018, David Perry, Associate Vice President Healthcare Finance and Reimbursement from Quorum Health Resources, completed the attached "Impact Analysis of Conversion to PPS Reimbursement for FYE June 30, 2018"

Since we were paid as a Critical Access Hospital in fiscal year 2018, the report analyzes the financial impact if we were to have been paid under the Perspective Payment System methodology. Page 6 of the report shows that we would have been paid \$1,094,283 less as a PPS hospital than we were paid as a CAH hospital.

Bear Valley Community Hospital

Big Bear Lake, California



QUORUM | HEALTH RESOURCES®

Impact Analysis of Conversion to PPS
Reimbursement FYE June 30, 2018

David Perry, Associate Vice President
Healthcare Finance & Reimbursement

April 2019



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EXECUTIVE SUMMARY

Project Objectives

The enclosed report presents Quorum Health Resource's analysis of the impact on Bear Valley Community Hospital (the "Hospital") if the Hospital were reimbursed for Medicare services under the Prospective Payment System ("PPS") methodology for FYE June 30, 2018.

The purpose of this analysis was to identify the potential impact of converting the Hospital from a Critical Access Hospital ("CAH") to a short term acute care hospital reimbursed under PPS. The analysis does not provide legal advice. Quorum did not audit the financial records. This analysis does not attest to any representations made by the Hospital, its agents, or its representatives.

The impact analysis of converting to PPS consisted of performing a review of the Hospital's cost report for FYE 6/30/18, and estimating the financial impact of converting the Hospital to the PPS reimbursement methodology for Medicare services.

Overview of Recommendation

Based on its analysis of the financial impact of converting to a PPS reimbursement methodology, Quorum recommends that the Hospital maintain its critical access status and that this analysis be prepared each year to ensure that the positive financial impact of CAH status remains.



MEDICARE INPATIENT REIMBURSEMENT IMPACT

As noted in the chart below, the financial impact of converting to the PPS reimbursement methodology for Medicare inpatient services was a increase in reimbursement totaling approximately \$70,000.

Hospital Specific Rate (updated to FY2018)	\$9,263.15
Capital Rate (Federal Rate)	\$536.93
Sum of Operating and Capital Rates	\$9,800.08
Case Mix (per FY2014 Cost Report information)	.87
Medicare Reimbursement per discharge under PPS reimbursement	\$8,526.06
Medicare Discharges for FY2018 Cost Report	51
Annual Reimbursement before Low Volume Adjustment	\$434,830
Medicare Low Volume Adjustment	\$108,707
Medicare PPS Inpatient Reimbursement	\$543,537
Medicare Critical Access Hospital Reimbursement per the As Filed FY2018 Cost Report	\$474,468
Inpatient Gain (Loss)	\$69,069

The PPS reimbursement rate is calculated using the sole community hospital specific rate. The Hospital was identified as a sole community hospital in FY2014 and receives the greater of the IPPS federal rate or the hospital specific rate. The FY2018 Inpatient reimbursement was calculated using the updated hospital specific rate.

The Low Volume adjustment represents additional Medicare reimbursement afforded to hospitals with less than 1,600 Medicare discharges. The Hospital's low volume percentage for the FY2014 cost report was 25% and would be the same percentage for FY2018.

The case mix used in the calculation is .87. This is based on the Medicare Provider and Statistical Report ("PSR") that was used to prepare the FY2014 Medicare Cost Report.



MEDICARE OUTPATIENT REIMBURSEMENT IMPACT

As noted in the chart below, the financial impact of converting to the PPS reimbursement methodology for Medicare outpatient services was a reduction in reimbursement totaling approximately \$713,000.

	Outpatient Charges (excluding Therapies)	Lab Charges Fee Reimbursement	Therapy Charges
Medicare OP Charges	\$5,299,829	\$1,952,813	\$255,799
Estimated PPS Reimbursement	19%	25%	25%
	\$1,006,967	\$488,203	\$63,950
Total PPS Reimbursement	\$1,559,120		
CAH Reimbursement	\$2,272,227		
Net Gain (Loss) Converting to PPS	(\$713,107)		

The outpatient reimbursement percentages were obtained from cost report information for the PPS Cost Report information from PPS facility in similar area.

The following item was not included in the calculations noted above as the data was not readily available. However, it should be noted that the nature of this item would only increase the loss identified.

As a critical access hospital, the Hospital is not subject to the 72-hour rule. This is a provision in the Medicare regulations that requires select Medicare outpatient revenues performed 72 hours prior to the inpatient admission to be included with the inpatient charges. This would reduce the amount of outpatient charges for Medicare patients for which the Hospital would bill. The amount of this “reduction” was not identified.



MEDICARE SWING BED REIMBURSEMENT IMPACT

As noted in the chart below, the financial impact of converting to the PPS reimbursement methodology for Medicare swing bed services was a reduction in reimbursement totaling more than \$450,000.

SNF Reimbursement	\$447.05
Swing Bed Patient Days	208*
Medicare PPS Reimbursement	\$92,986
CAH Reimbursement	\$543,231*
Gain (Loss) on Conversion to PPS	(\$450,245)
<i>*Per 2018 Cost Report</i>	

Under PPS reimbursement, the swing bed services provided by the Hospital would be reimbursed using the RUG PPS methodology. We used the SNF's reimbursement rate from a hospital's SNF reimbursement for FY2018 from a hospital in the area.



OVERALL MEDICARE REIMBURSEMENT IMPACT

The financial impact of converting to the PPS reimbursement methodology for Medicare services that are currently paid on a cost basis for critical access hospitals was a reduction in reimbursement totaling approximately \$1,100,000. We would not recommend that the Hospital consider converting to PPS at the present time, but do advise that this analysis be prepared annually to ensure that the critical access reimbursement methodology is still beneficial to the Hospital.

Inpatient Impact	\$69,069
Outpatient Impact	(\$713,107)
Swing Bed Impact	(\$450,245)
Total Medicare Impact	(\$1,094,283)



Recommendation for Action

Date: 04 June 2018
To: BVCHD Board
From: Garth M Hamblin, CFO
Subject: Report – “Allowances for Unpaid Accounts and Bad Debt Allowance Analysis as of March 31, 2019”

Recommended Action

Receive and Accept report on “Allowances for Unpaid Accounts and Bad Debt Allowance Analysis as of March 31, 2019”

Background

David Perry, Associate Vice President, Healthcare Finance and Reimbursement from Quorum Health Resources, came to Big Bear on April 29 through May 2. He was able to meet with and conduct training with a number of staff. As stated in the attached report “The purpose of the contractual and bad debt allowance review is to evaluate the accuracy of the contractual and bad debt allowances for all payers. The analysis also provides recommendations for process improvement regarding the preparation and documentation of the contractual and bad debt allowance computations” In his email to me David Perry said “As always, you and your staff are doing a great job. Thanks for allowing me to visit in April, I always enjoy my trip to Big Bear Lake!!!”

We have begun working on the items noted in the Management Action Plan at the end of the attached report.

Bear Valley Community Hospital

Big Bear Lake, California



QUORUM | HEALTH RESOURCES®

Allowances for Unpaid Accounts
and Bad Debt Allowance Analysis
as of March 31, 2019

David Perry, AVP
Healthcare Finance & Reimbursement

May 2019



EXECUTIVE SUMMARY





EXECUTIVE SUMMARY

Project Objectives

The enclosed report presents Quorum's analysis of Bear Valley Community Hospital's (the "Hospital") Balance Sheet contractual and bad debt allowance computations prepared as of March 31, 2019. The purpose of the contractual and bad debt allowance review is to evaluate the accuracy of the contractual and bad debt allowances for all payers. The analysis also provides recommendations for process improvement regarding the preparation and documentation of the contractual and bad debt allowance computations. The review was not intended to provide legal advice. It was not intended to audit the financial records of the Hospital. Accordingly, no assurances are given that such contractual and bad debt allowance calculations are accurate in all respects.

Overview of Recommendations

Quorum has made recommendations based on its' analysis of the various processes used by the Hospital in preparing the monthly Balance Sheet contractual and bad debt allowance computations. The report also includes a detailed discussion of the various recommendations. This report includes a Management Action Plan (MAP) based on the detailed recommendations.

During our visit to the Hospital to conduct the annual allowance review, Quorum also assisted the Hospital with a review of the procedures utilized in the collection of Medicare Bad Debts to be reported on the Hospital's cost report.

The Hospital is considering adding a substance abuse detoxification service and we reviewed the proformas prepared by SpecialCare, vendor offering to manage the service, for accuracy to determine the financial impact of offering this service. Based on our analysis, the Hospital should consider offering this service as it appears to be profitable, based on the information utilized in the proforma.





APPROACH





APPROACH

Quorum conducted a Balance Sheet Contractual and Bad Debt Allowance Analysis for the Hospital as of March 31, 2019. The approach was as follows:

- Reviewed the Hospital's contractual and bad debt allowance computation model (Excel spreadsheet) for period ended March 31, 2019.
- Reviewed all other payer supporting documentation supplied by the Hospital.
- Updated the Hospital's CAH Medicare Third Party Model (Excel Workbook) as of February 28, 2019.





MANAGEMENT ACTION PLAN





MANAGEMENT ACTION PLAN

The following Management Action Plan (MAP) provides hospital management with a tool for implementing the recommendations in this report. It includes action tasks for each recommendation in the report. The Hospital may use this MAP as-is or adapt it to a form that works best for the Hospital.

Your MAP will serve to document management decisions and to provide a forum for assigning responsibility, identifying target dates, and tracking progress on the various items.

Quorum recommends the Hospital's executive management team take responsibility for ensuring the MAP's implementation. The executive team should review items on the MAP and make adjustments as necessary.





MANAGEMENT ACTION PLAN

	Task	Priority	Assigned To	Target Completion Date	Actual Completion Date	Estimated Financial Impact	Comments
1.0	In order to more accurately estimate allowances for Blue Cross, Commercial, Workers Comp, and Champus , review the historical payment information and obtain write off percentages which will be applied by patient insurance classification to the accounts receivable balances. Aggressively work to reduce the balance of \$630,000 in commercial accounts receivable that are greater than 180 days.	High	CFO	6/30/19			



MANAGEMENT ACTION PLAN

	Task	Priority	Assigned To	Target Completion Date	Actual Completion Date	Estimated Financial Impact	Comments
2.0	The Hospital should perform a fiscal year end bad debt allowance look-back analysis, comparing the actual bad debt write-offs to the amount reserved for the fiscal year tested. Once the look-back analysis is complete, consider updating the bad debt allowance percentages utilized in the Hospital's bad debt allowance computation model.	Medium	CFO	6/30/19			
3.0	The cost report settlement accounts for both Medicare and MediCal should be reviewed to determine the appropriate balance for each account.	Medium	CFO	6/30/19			
4.0	Update the CAH contractual model quarterly, and as the Hospital approaches its fiscal year end, monthly	High	CFO	Ongoing			





Board Report

June 2019

New Board Member Education

Board Essentials, is QHR's education and orientation program for new Trustees. It will be held on August 2 in Nashville.

Trustee Conference

Due to the high tourist and conference activity in Nashville this year, we have not been able to locate a venue for it. Our next Trustee Conference will be the week of March 2, 2020 in Phoenix. More details to come.

Mid-Year Contractual Review

David Perry has completed this review and provided report to CFO.

Community Health Needs Assessment

This engagement has been initiated and is scheduled for the third quarter.

Consulting for FY20

FY19 is almost complete. I will be working with John and Garth to identify consulting needs for next year. If Board Members have requests for consulting engagements, please let one of us know.

Upcoming Education Events – June

Webinars (all times Central):

Jun 20, 2019 10:30 – 11:30 am Compliance Officer Hot Topics: Conducting an Internal Investigation

Jul 16, 2019 2 – 3 pm Critical Access Hospitals Reimbursement 101

Jun 5, 2019 10:30 – 11:30 am Physician Practice: Rural Health Clinic Operational Performance

Jun 25, 2019 10:30 – 11:30 am Quality Update: VBP

Jun 14, 2019 10:30 – 11:30 am Lean Management and Culture Change

Jun 18, 2019 10:30 – 11:30 am Managing Charge Performance: Series IV — Remit Posting — Interpreting Payer Payments & Denials

Board Leadership Series - May Webinar

Jun 11, 2019 Noon – 1 pm Operational Excellence



Jul 9, 2019 Noon – 1 pm Community Health Needs Assessments

Classroom:

Jun 11 – 14, 2019 PPS Cost Reporting Boot Camp

Jun 18 -20, 2019 Physician Practice Management

Jul 10 – 12, 2019 Case Management Boot Camp

Other

- Ron Vigus is planning to attend the Board meeting.

Upcoming Projects

- Community Health Needs Analysis – scheduled for 3rd Quarter

Completed Projects

- Contractual Accounts and Bad Debt Analysis
- Productivity Benchmarking Assessment
- Debt Financing Capability Analysis
- Mock Survey – Quality and Life Safety
- Compliance Assessment
- Cost Report Review



CNO Monthly Report

TOPIC	UPDATE
1. Regulatory Updates	<ul style="list-style-type: none"> Working on implementing additional Homeless Discharge regulations, new regulations will be added as of July 1st.
2. Budget/Staffing	<ul style="list-style-type: none"> Overtime and call offs are assessed each shift. Flexing of staff is done daily as warranted by census. Budget meetings with department managers have been completed.
3. Departmental Reports	
<ul style="list-style-type: none"> Emergency Department 	<ul style="list-style-type: none"> ED volumes remain at budget 1 RN out on FMLA ED staff completed Quest for Zero project (Communication) MERCY was onsite to do Landing Zone training with ED and maintenance staff, additional training is being scheduled. Bedside report is being implemented. ED team working on sepsis policy and procedures. Working with pharmacy and informatics to update and standardize medication information in pyxis, IV pump, EHR and reference materials.
<ul style="list-style-type: none"> Acute 	<ul style="list-style-type: none"> Swing Census currently at 1
<ul style="list-style-type: none"> Skilled Nursing 	<ul style="list-style-type: none"> Van update- staff have been trained, outings in the van have started. Grand opening scheduled for the month of June. 1 CNA resignation Bathtub and tile replacement to be started soon.
<ul style="list-style-type: none"> Surgical Services 	<ul style="list-style-type: none"> Orthopedic procedures are being done weekly. Ophthalmic procedures are being done monthly. OR manager is working on selected quote for equipment purchase to prepare for general surgeon/ expanded ortho services. (budgeted purchase) OR Manager is working on OR supply inventory and ordering in anticipation of a general surgeon. –1st surgery with Dr. Kondal scheduled for June.

	<ul style="list-style-type: none"> General surgeon was onsite in May and met with OR manager regarding supply and equipment needs.
<ul style="list-style-type: none"> Case Management 	<ul style="list-style-type: none"> DON and Eligibility Worker are working on referrals for SNF residents and Swing patients. Case Management continues to attend re-admissions collaborative.
<ul style="list-style-type: none"> Respiratory Therapy 	<ul style="list-style-type: none"> RT is conducting fit testing for all employees.
<ul style="list-style-type: none"> Physical Therapy 	<ul style="list-style-type: none"> A new therapy table has been ordered for patient use.
<ul style="list-style-type: none"> Food and Nutritional Services 	<ul style="list-style-type: none"> FNS department hosted a candlelight dinner for SNF residents. A Quality Improvement project is ongoing, utilizing the California Association of Healthcare Facilities Guidelines for: <ul style="list-style-type: none"> Proper labeling, storage and rotation of food Safe food storage Hand Hygiene monitoring Administrative Rounding Staff Competencies Forms/ tracking tools implemented for multiple areas in the kitchen
4. Infection Prevention	<ul style="list-style-type: none"> Hand Hygiene monitoring continues. Infection Preventionist is rounding weekly to educate staff on hand hygiene and infection issues. Working closely with clinical departments for infectious disease planning.
5. Quality Improvement	<ul style="list-style-type: none"> BETA was onsite May 7th for HEART validation. <ul style="list-style-type: none"> Culture of Safety & Communication/ Transparency domains were validated. SCORE survey Department debriefs are being conducted with managers and frontline staff. Next Patient and Family Advisory Council meeting will be held in August. PFAC information was validated by BETA for ED Quest for Zero Tier 2 award.
6. Policy Updates	<ul style="list-style-type: none"> Policies reviewed weekly by Policy and Procedure committee.
7. Safety & Products	<ul style="list-style-type: none"> Workplace Violence training is being provided to all BVCHD staff. Workplace Violence reports are submitted to CalOSHA on an ongoing basis. Disaster drill was completed on March 27th - tabletop earthquake scenario. Shelf stable disaster food has arrived.

	<ul style="list-style-type: none"> ▪ Meeting with BBFD and ICEMA on June 4th to discuss multi-agency evacuation and surge drill. ▪ Long shelf life disaster food has arrived- policies being developed.
8. Education	<ul style="list-style-type: none"> ▪ BLS Classes scheduled monthly, ACLS & PALS scheduled quarterly ▪ Quarterly clinical skills day scheduled for August 17th. ▪ Participated in CHA Homeless Discharge planning webinar ▪ CHPSO Treatment of Opioid Use in Acute Care webinar
9. Information Items/Concerns	<ul style="list-style-type: none"> ▪ BVCHD presented on “Culture of Safety” at a QHR meeting May 8th. ▪ BVCHD staffed a first aid booth at the Chill and Grill community event.
Respectfully Submitted by: <i>Kerri Jex, CNO</i>	
<i>Date: May, 31st 2019</i>	

2019 Surgery Report

Apr-19		
Physician	# of Cases	Procedures
Critel - CRNA	1	LESI
Pautz - DO	2	ORIF Finger
Pautz - DO	2	ORIF Hand
Pautz - DO	1	ORIF Wrist
Pautz - DO	1	Reconstruct ulnar collateral ligament of thumb
Pautz - DO	1	Acromioplasty, rotator cuff repair, biceps tenodesis shoulder
Tayani	6	Cataracts
Total	14	

May-19		
Physician	# of Cases	Procedures
Critel - CRNA	4	LESI
Critel - CRNA	2	Knee injections
Critel - CRNA	1	Hip Injections
Critel - CRNA	1	Thumb Injection
Pautz - DO	1	ORIF ankle
Pautz - DO	1	Repair non-union clavicle
Pautz - DO	1	Excision of mass on leg
Tayani	0	Cataracts
Total	11	

Jun-19		
Physician	# of Cases	Procedures
Critel - CRNA		
Critel - CRNA		
Critel - CRNA		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Pautz - DO		
Tayani		
Total	0	

Jul-19		
Physician	# of Cases	Procedures
Critel - CRNA		
Critel - CRNA		
Critel - CRNA		
Pautz - DO		



CHIEF EXECUTIVE OFFICER REPORT

May 2019

CEO Information:

We have begun the process of preparing for the Community Health Needs Assessment. A list of community members was provided to QHR requesting their participation in the survey. The assessment will be completed in June and presented to the Board of Directors in July.

BVCHD Foundation is scheduled to have the SNF Van reveal event on June 14, 2019 from 3:00 pm to 5:00 pm. Refreshments will be served.

Through our Flex Grant the District had an opportunity to have David Belson, PhD with the University of Southern California spent the day the FHC observing operations and stated that the FHC is an impressive Critical Access Hospital service.

The BVCHD Patient Safety Newsletter has been added to the District website at the request of the Board of Directors.

BVCHD 45th Birthday Celebration is scheduled for August 17 at Erwin Lake Ranch Park. We are in the beginning planning stage and will provide additional information as we schedule the event.

BVCHD Annual Health Fair is scheduled for September 21, 2019. We look forward to another successful event.

I will be taking a week vacation beginning June 24 through June 28.

Physician Recruitment:

Dr. David Horner a Family Practice physician has continued to express interest of relocating permanently to BBL. Contract negotiations are in process.

Attachments:

QHR Board Minutes

Quorum Board Minutes

Addressing Changes in the Healthcare Landscape



Enhancing Patient Engagement While Managing Clinical Resources

May 2019

Providing the “right level of care at the right time in the right location” is a challenge in every hospital and health system. **A consistent approach must be in place to maximize the quality of care hospitals provide while also controlling costs.** With a structured approach, hospitals can experience enhanced patient engagement and satisfaction, improved provider satisfaction as well as a reduction in variation in care.



To be a “Provider of Choice,” mastering the utilization of clinical resources is paramount. We must always be looking for ways to reduce delays, break down barriers in excess and improve outcomes in care.

Key Takeaways

Here is what you should know about Clinical Resource Management (CRM):

- **Successful CRM can Reduce Costs**
 - ♦ An organized approach to CRM will benefit both the provider and patients. When hospitals involve the patient in the process, it ultimately leads to **loyal customers, a greater mutual understanding, trust and patient satisfaction** (Richard and Ronald, 2008). Studies show that patient engagement via effective communication is often associated **with improved physical health, more effective chronic disease management and better health-related quality of life** (Arora, 2003). With this concerted effort on the front-end, hospitals can achieve optimal patient outcomes, reduce readmissions, improve clinical resource management and ultimately reduce costs for patients and providers.
- **Lack of effective CRM Can Cost More Than Money**
 - ♦ **Failure to implement a robust approach to CRM can create patient dissatisfaction, distrust towards systems, patients feeling alienated in the hospital and jeopardize business survivability in the future** (Arora, 2003). It is critical to have a hardwired approach in place to effectively operate and manage your methods and techniques for the highest level of patient experience satisfaction. If there is no system in place, unhappy patients will drive business away.

- **One System Does Not Fit All**

- ♦ Every provider will have a different approach for managing their clinical resources. The system that is successful for one hospital may not be successful for another. Identify the areas providers must fix and then apply proven methodologies to adjust and correct the inefficient system. QHR aims to tackle the issues with a proven strategy to help hospitals and health systems **establish effective processes, recognize cost savings, enhance revenue, improve operations and reduce variations, thus, resulting in a higher quality of care.**

- **Results Take Time**

- ♦ Multiple factors affect the timeline of results, which include: the size of the hospital, the type of hospital and the number of changes required.

- **Patients will Share Stories, if You Ask**

- ♦ The idiom, “no news is good news” does not exist in an innovative system. Hospitals must gather patient feedback to continually improve patient satisfaction. And while patient surveys may not be the most attractive tactic; there are other ways to create efficient and effective approaches. One simple strategy: Ask the patients. Consider [these design strategies](#) to empower your patients today.

Patients deserve the highest quality in their experience with you ***the first time*** they choose to receive care at your hospital. An effective CRM process will help your hospital improve patient satisfaction and continue providing quality care to your community into the future. To learn more, please contact your Regional Vice President.

Read more on this topic:

- Case Study: <https://qhr.com/insights/case-study/improving-patient-care/>
- The Role of Clinical and Process Quality in Achieving Patient Satisfaction in Hospitals: https://www.researchgate.net/profile/David_Collier12/publication/230137339_The_Role_of_Clinical_and_Process_Quality_in_Achieving_Patient_Satisfaction_in_Hospitals/links/5b450737458515b4f6627914/The-Role-of-Clinical-and-Process-Quality-in-Achieving-Patient-Satisfaction-in-Hospitals.pdf
- 5 Design strategies to improve your patient experience: <https://www.beckershospitalreview.com/patient-engagement/5-design-strategies-to-improve-your-patient-experience.html>

Big Bear Healthcare District Pending Applications (Under Review)

<u>Date</u>	<u>Type of Grant</u>	<u>Agency</u>	<u>Due Date</u>	<u>Grant Title</u>	<u>Funding Opp.#</u>
4/3/2019	Federal	USDA, Rural Development, Rural Utilities Service	5/15/2019	Distance Learning and Telemedicine Grants	RUS-19-02-DLT
4/10/2019	Federal	HRSA	TBD	Rural Communities Opioid Response Program (RCORP) initiative called RCORP- Medication-Assisted Treatment Expansion	HRSA-19-02
4/10/2019	Federal	ACF	6/11/2019	Community Collaborations to Strengthen and Preserve Families	HHS-2019-ACF- ACYF-CA-1559

<u>CFDA #</u>	<u>Decision By:</u>	<u>Notes:</u>
10.855	4/8/2019	Due to budget need not complying with criteria, not applying
	4/24/2019	
93.670	4/24/2019	Only 8 awards nationawide



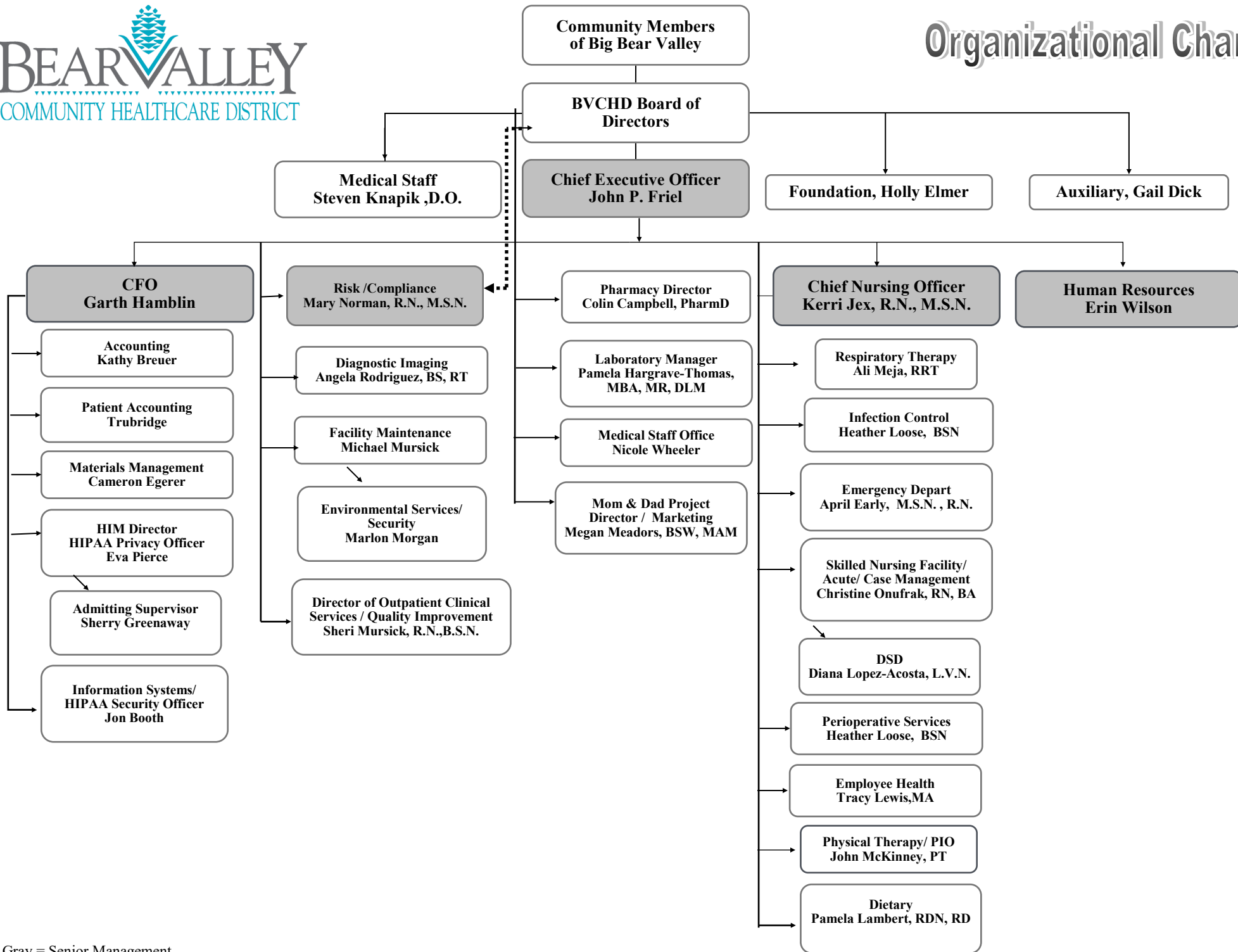
MEMO

Date: June 04, 2019
To: Board of Directors
From: John Friel, CEO
Re: Organizational Chart

Recommendation: Administration recommends that the Board of Directors approve the revised Organizational Chart as presented.

Discussion: According to the District Bylaws if there is a change to the organizational chart the Board is to approve.

April Early, MSN, R.N., ED Director is the change made on the organizational chart.

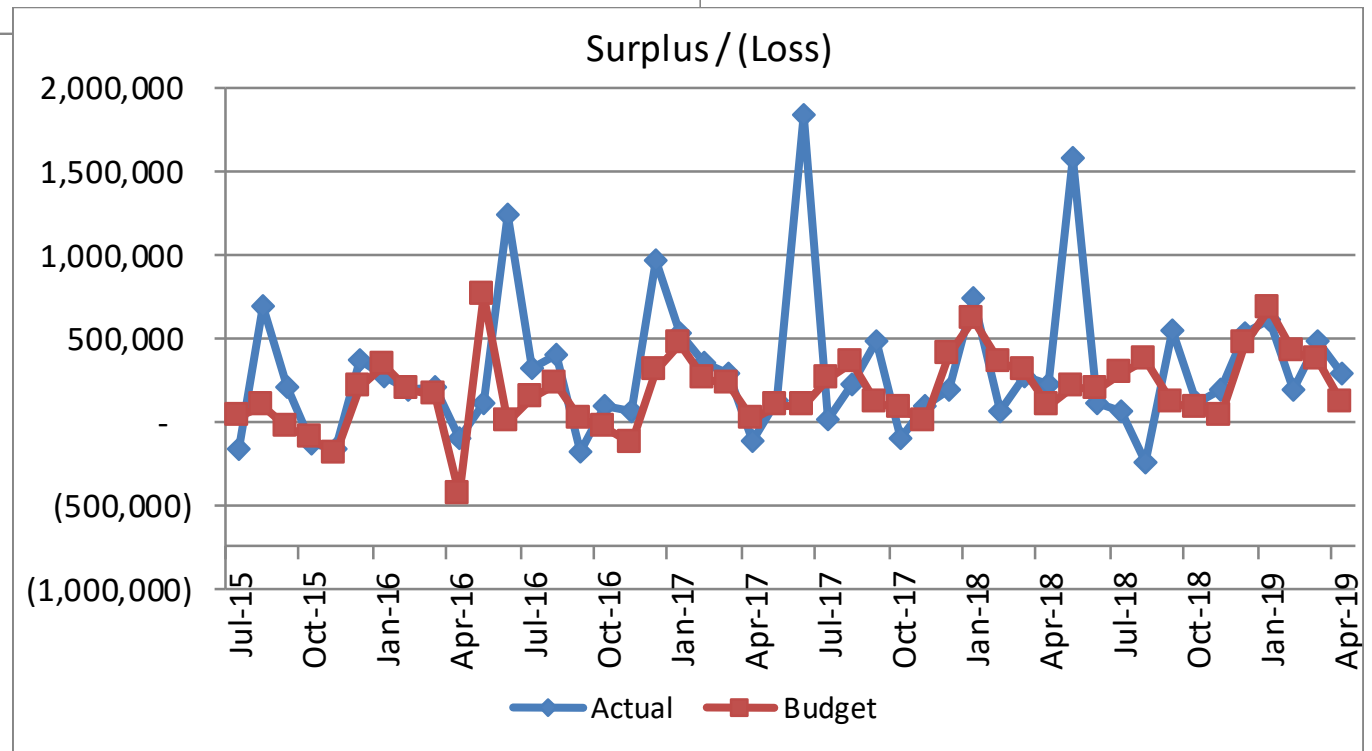
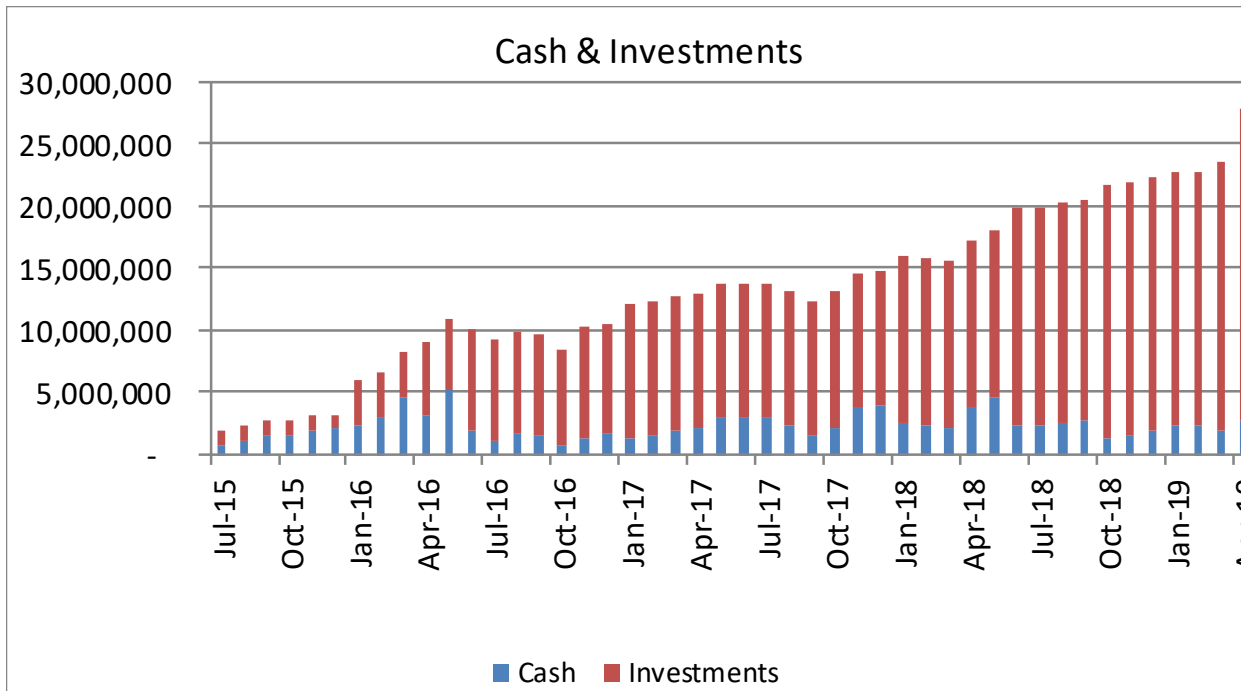


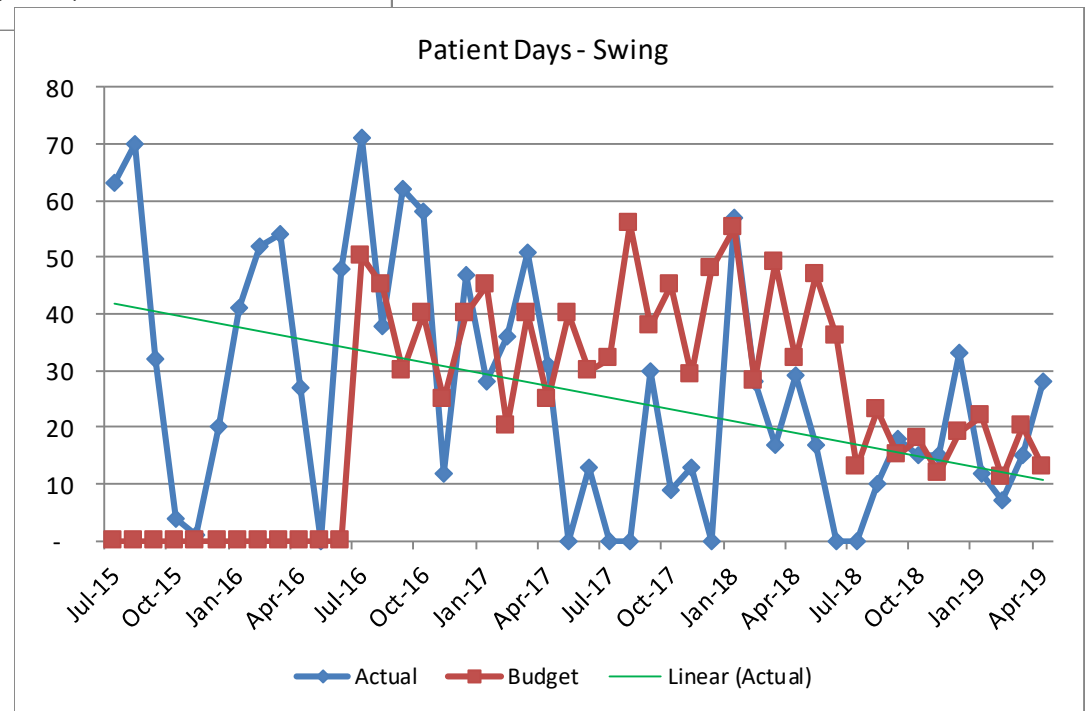
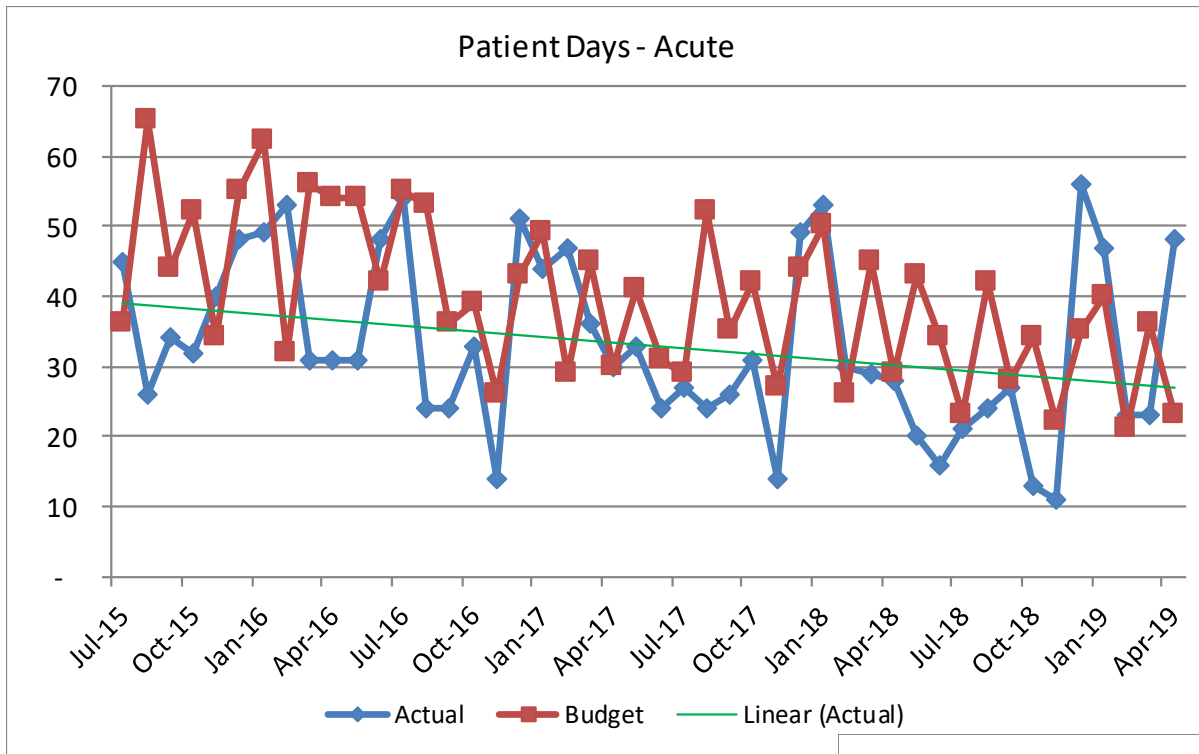


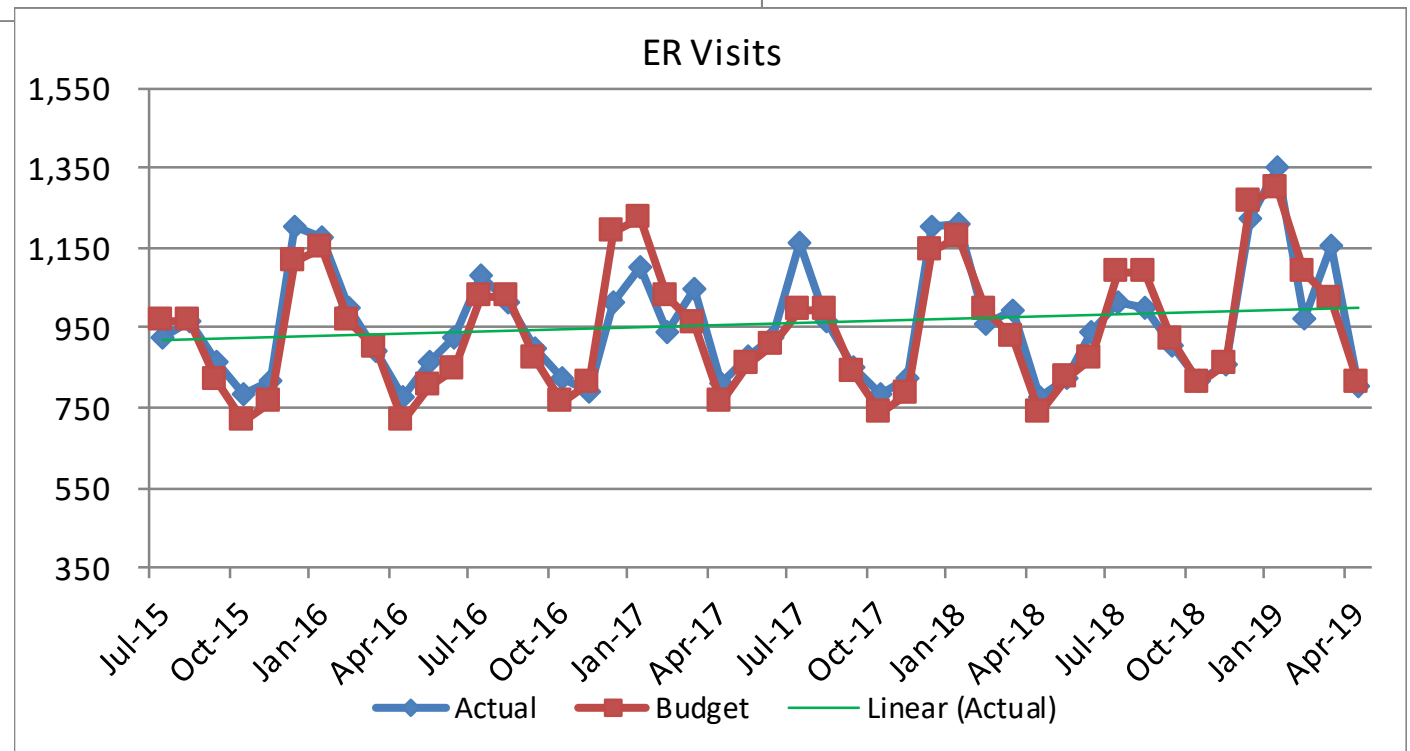
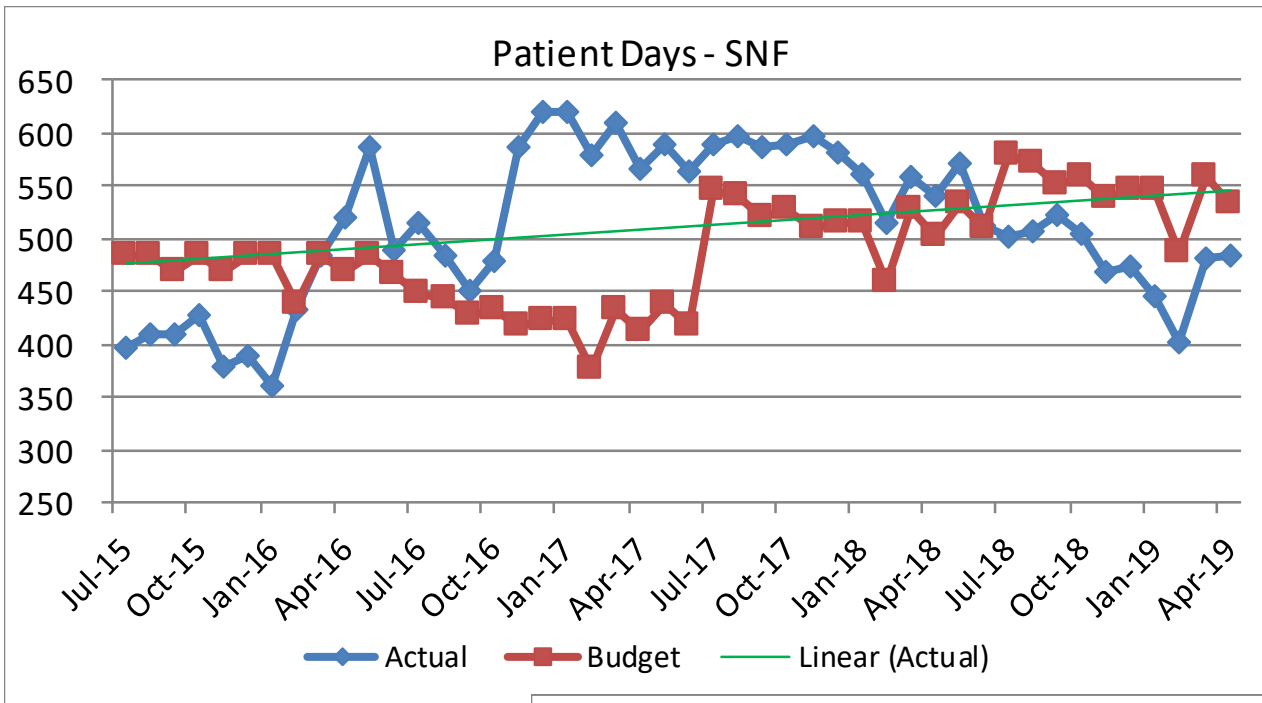
Finance Report
April 2019 Results

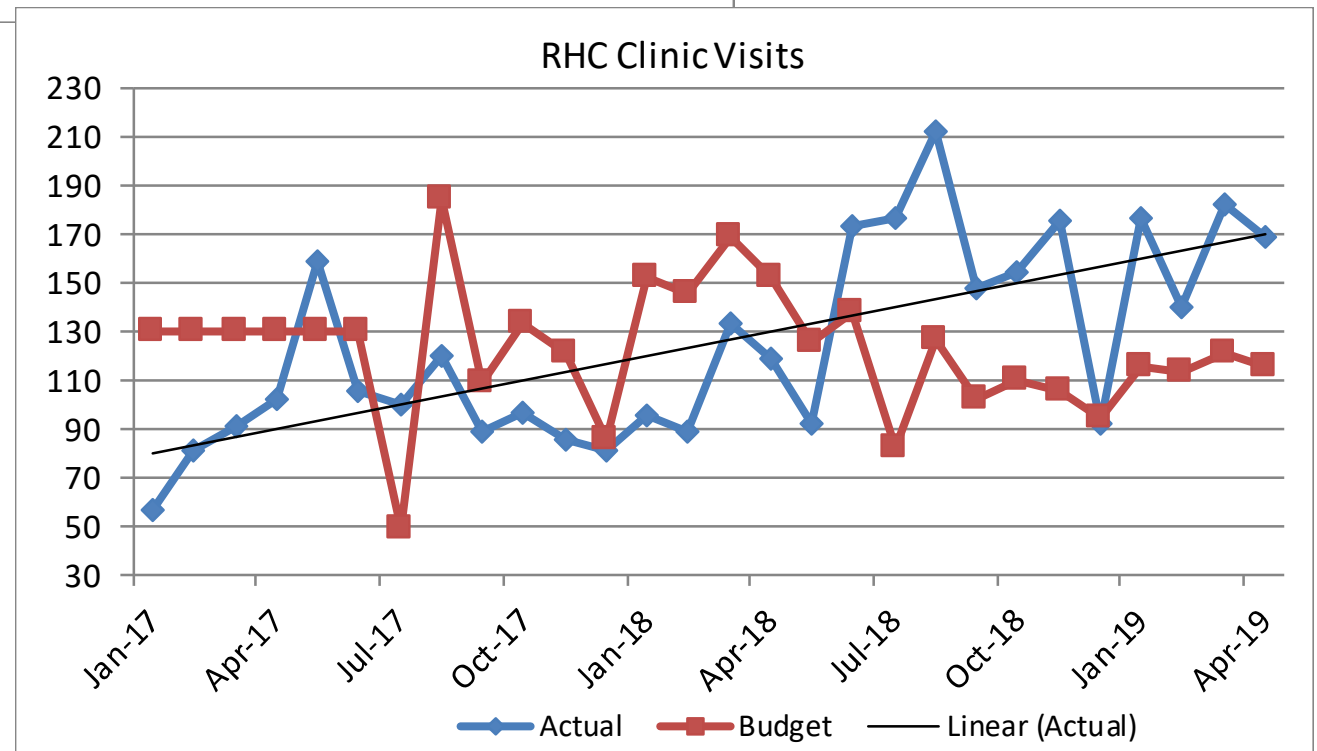
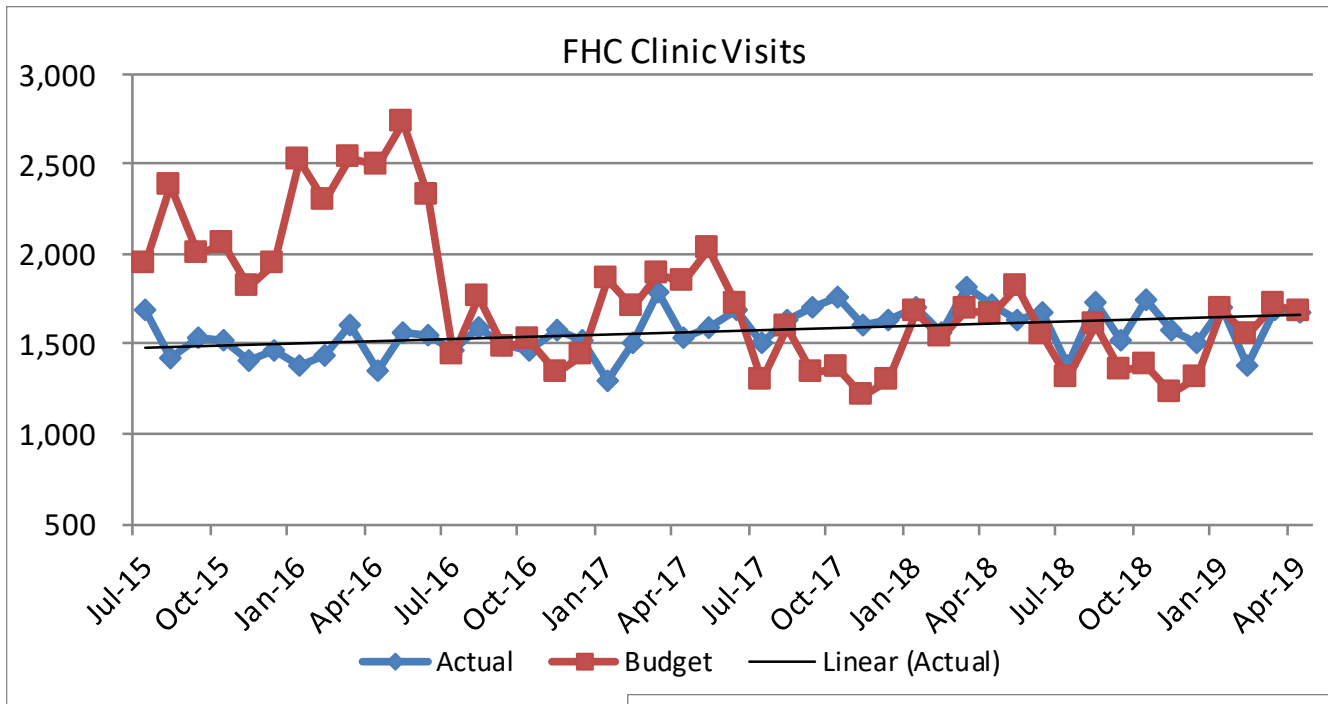
Summary for April 2019

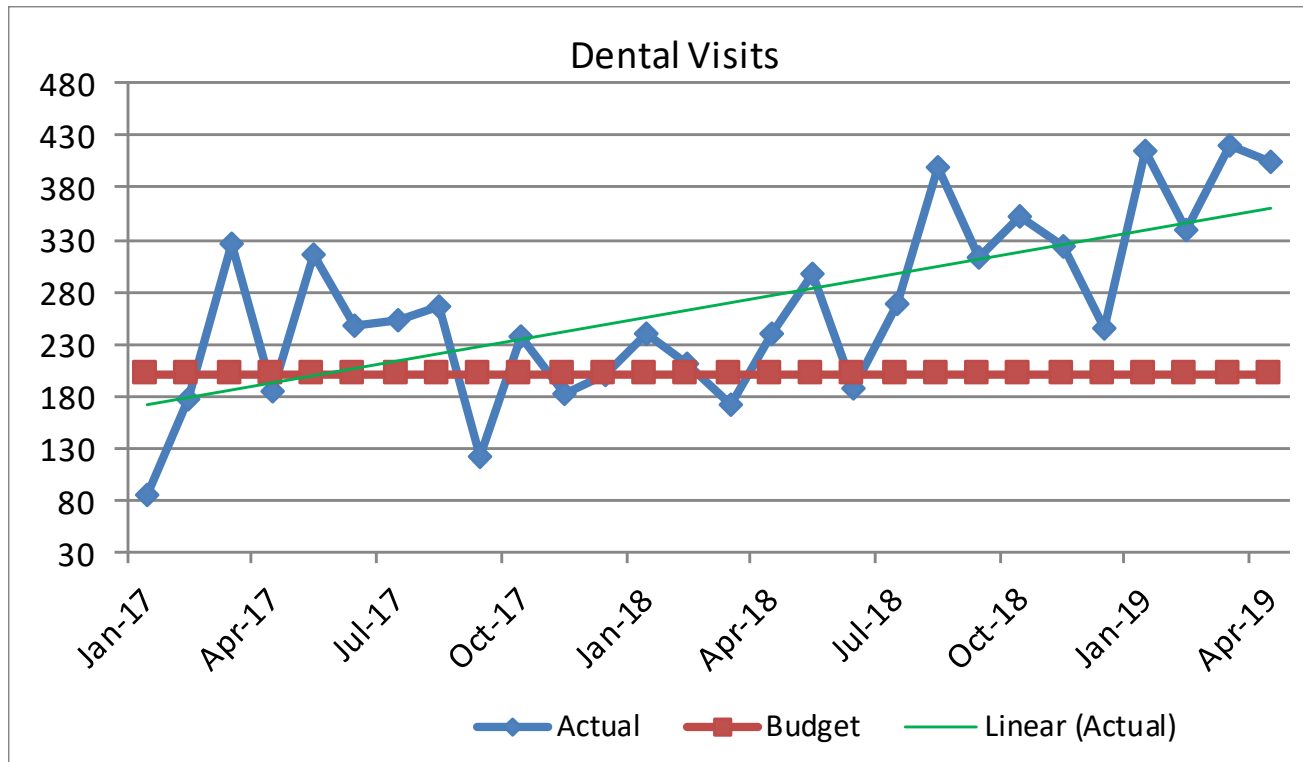
- Cash on Hand - \$ 2,733,643
Investments - \$25,145,412
- Days Cash on hand, including investments with LAIF – 426
- Surplus of \$283,431 for the month was \$177,052 over our budgeted Surplus
- Total Patient Revenue was over Budget by 1.3% for the month
- Net Patient Revenue was 8.1% over budget.
- Total Expenses were 4.4% more than budget

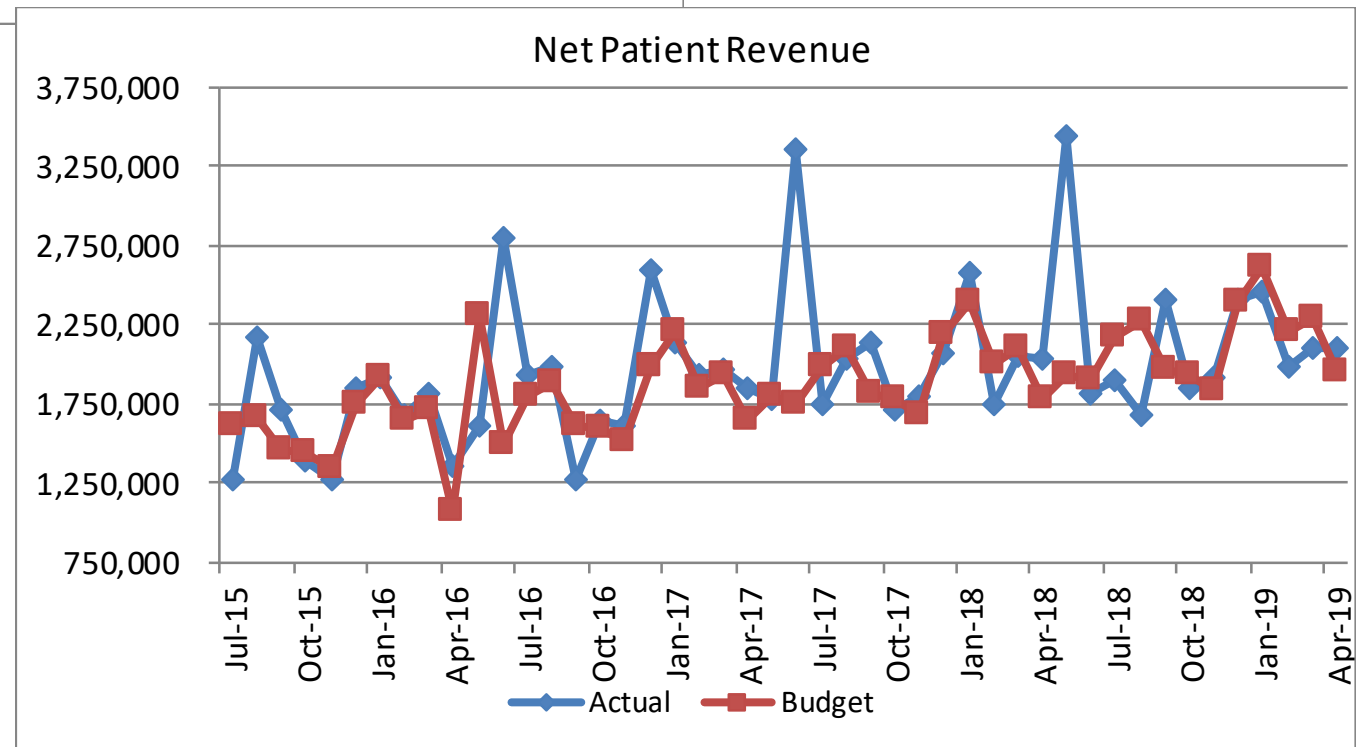
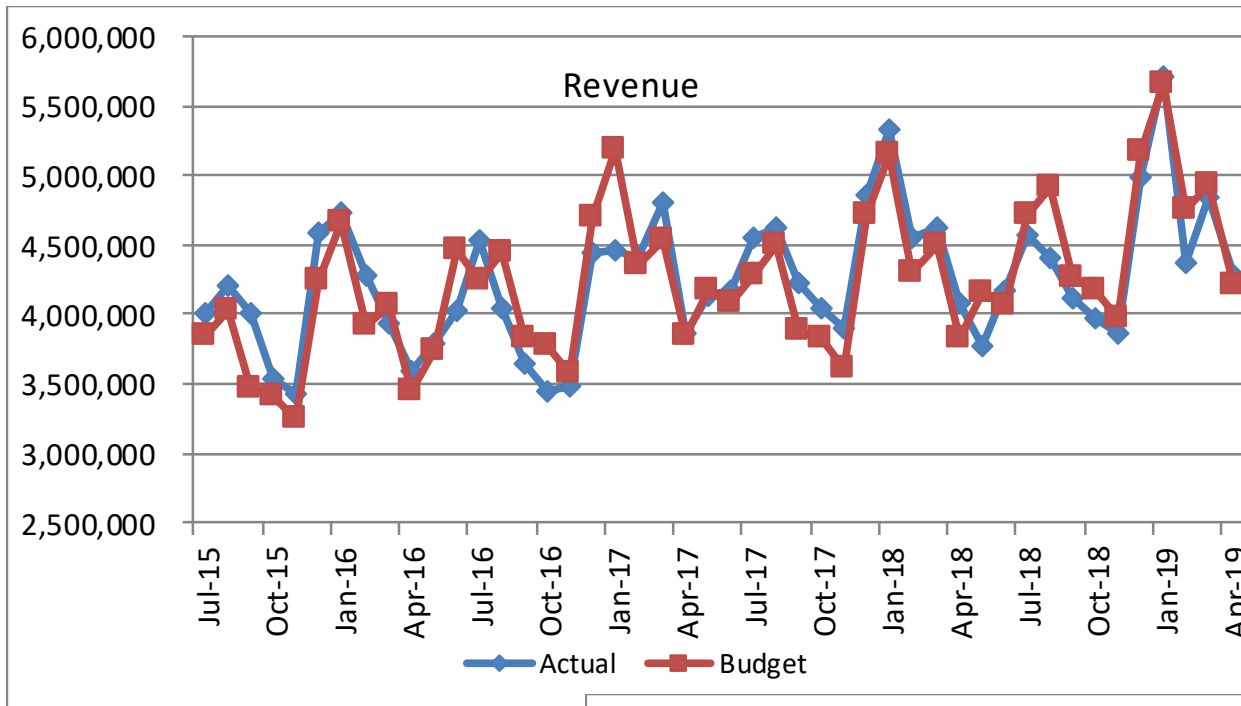


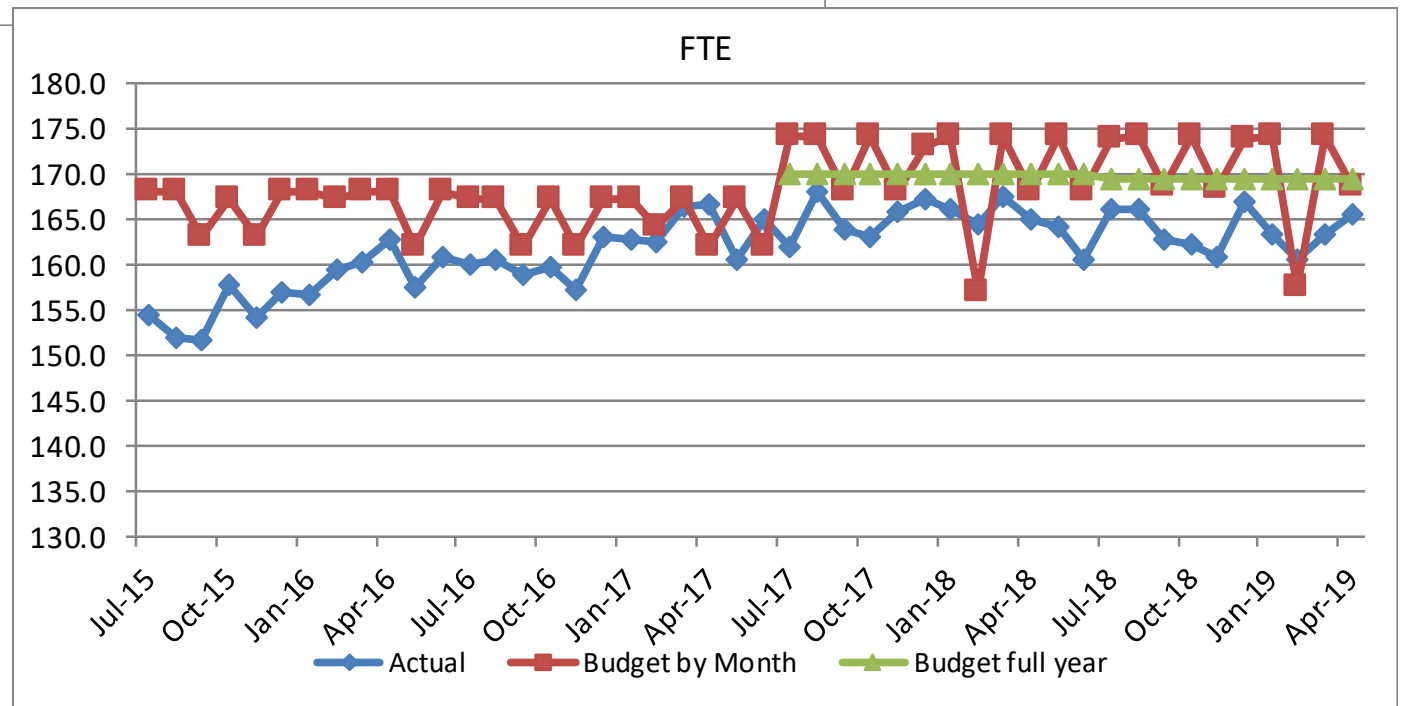
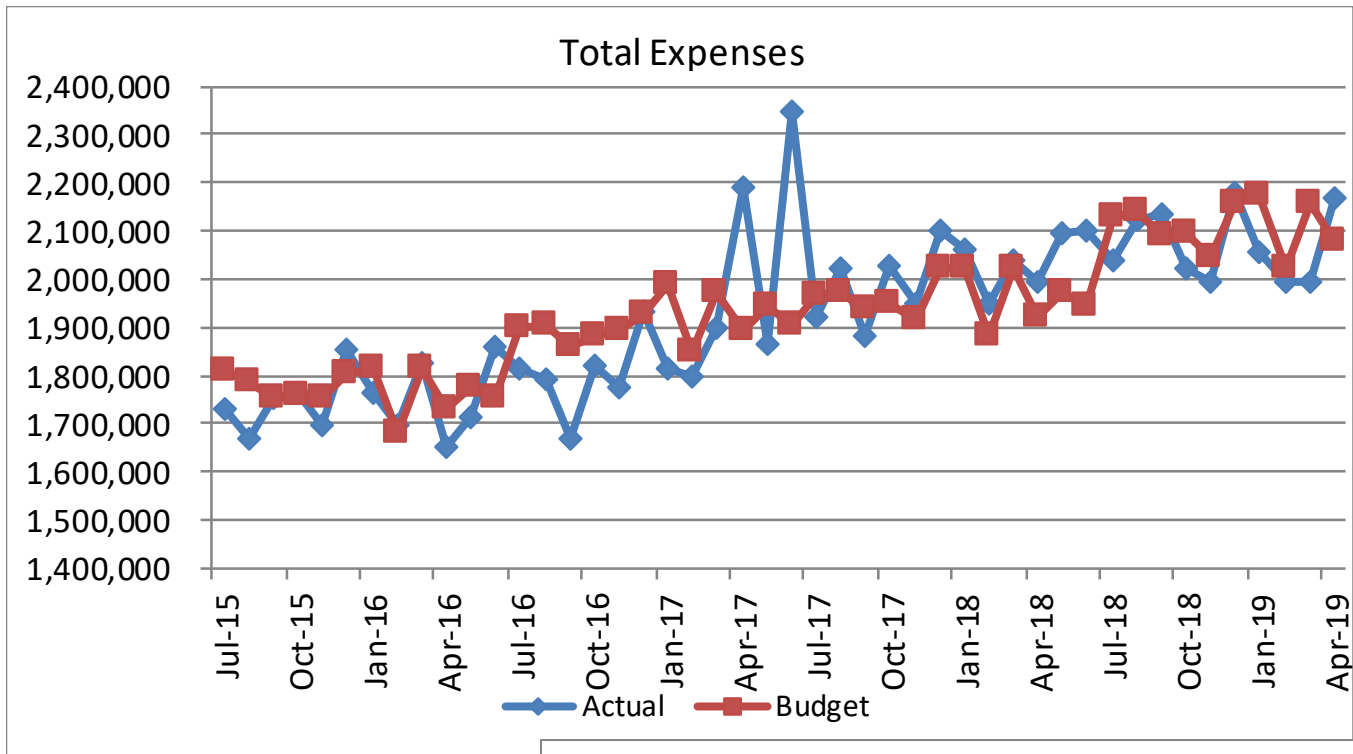


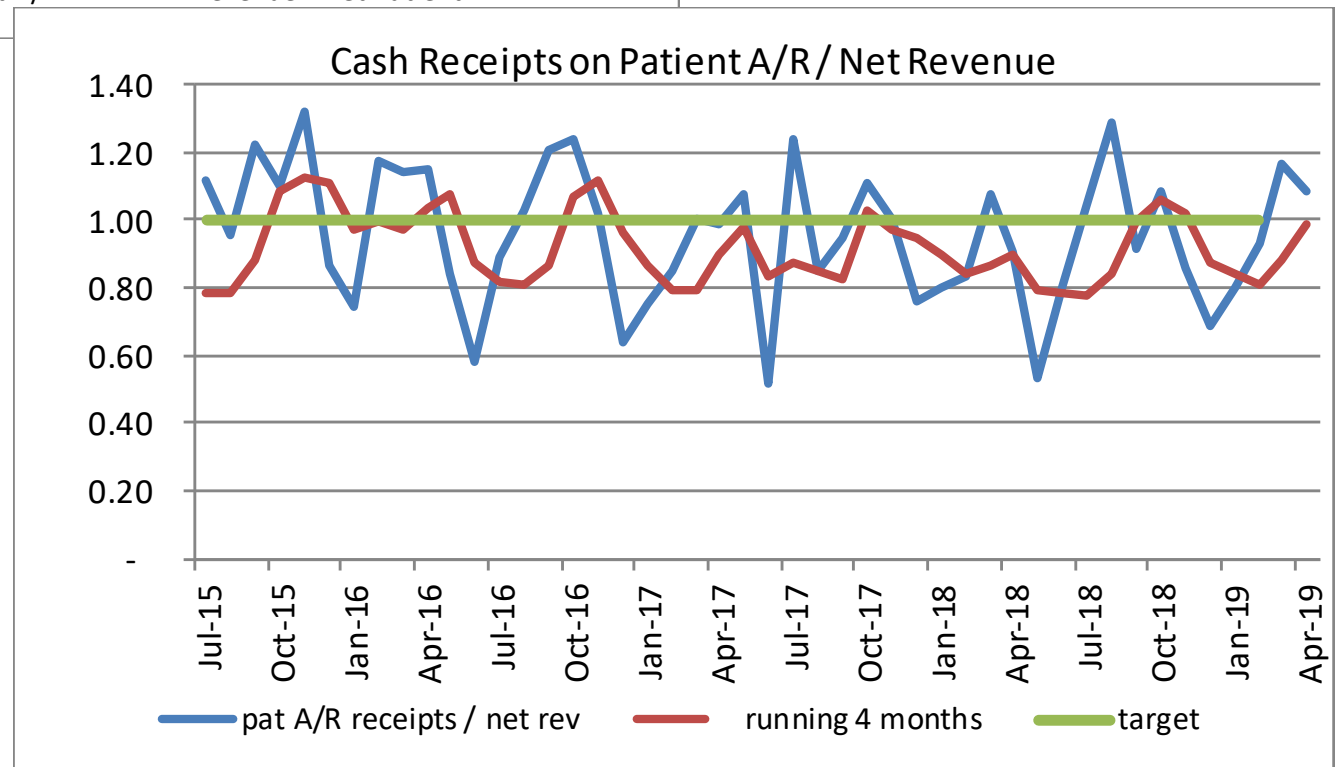
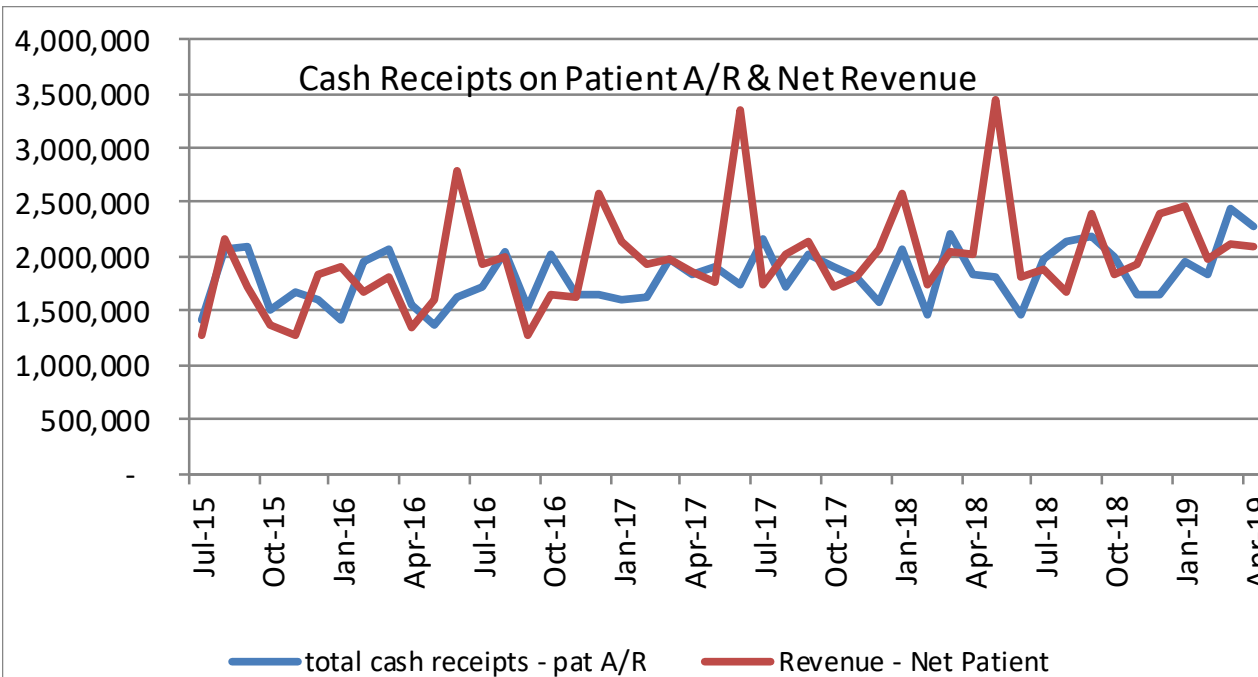


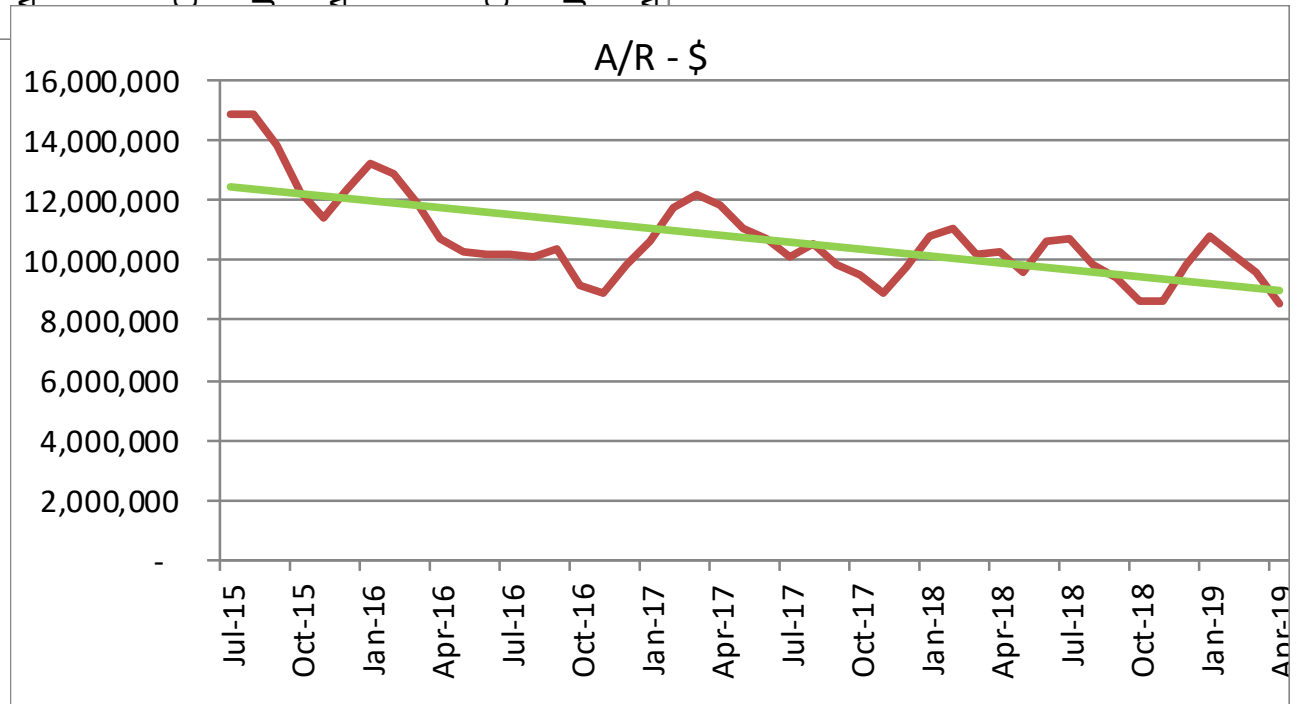
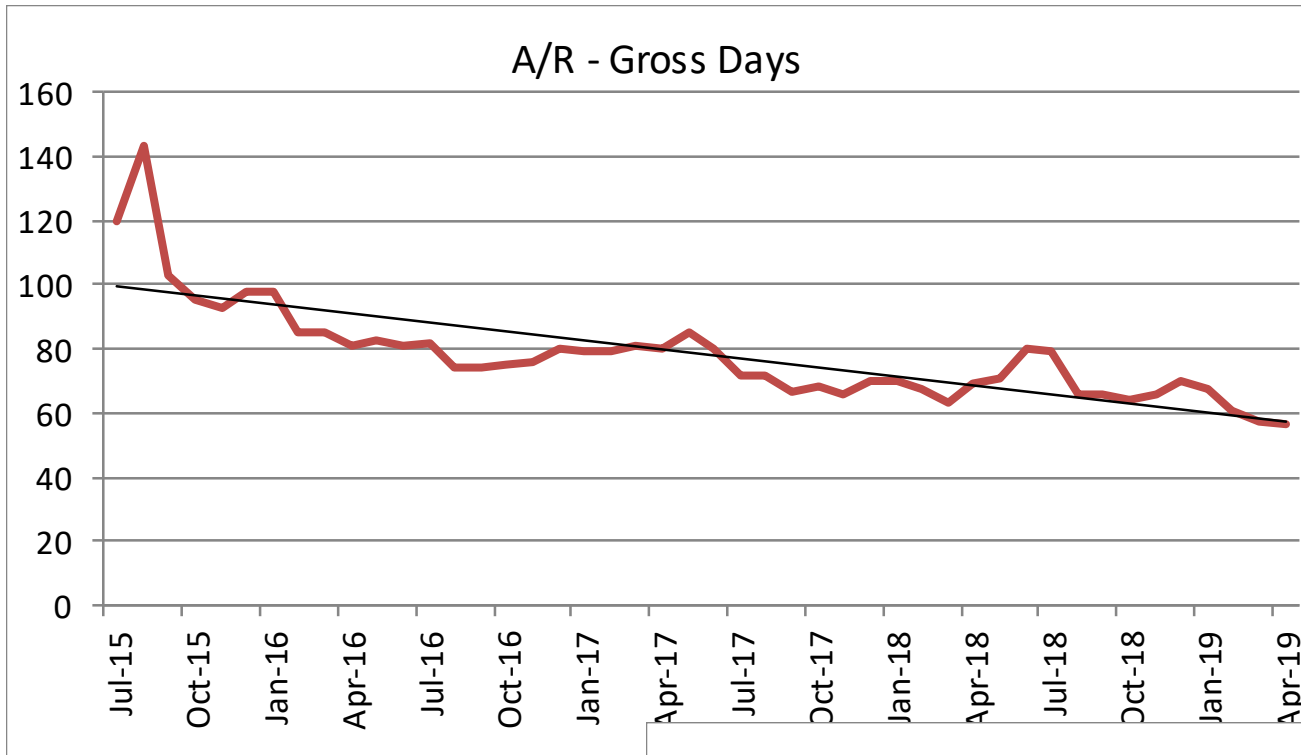














April 2019 Financial Results

For the month . . .

Total Patient Revenue for April 2019 was \$4,272,467 - this was \$56,066 or 1.3% higher than budget. Inpatient revenue was significantly over budget with both acute and swing patient days over budget. Outpatient revenue was 1.5% under budget. Clinic revenue was 14.3% higher than budget. Emergency Room revenue was 3.1% under budget. SNF revenue was again under budget.

Revenue deductions of \$2,171,925 were 4.5% under budget.

Total Expenses of \$2,167,800 were 4.4% over budget.

Our surplus for the month of April 2019 was \$283,431 - \$177,052 over budget.

Our Operating Cash and Investments total \$27,879,055 as of the end of month. Total days cash on hand as of the end of April 2019 are 426.

Key Statistics

Acute patient days of 48 were more than double our budget of 23. Swing days of 28 were more than double our budget of 13. SNF days of 485 were 9% lower than budget – our Average Daily Census increased to 16.2. ER Visits of 804 were 1.0% under budget. FHC Clinic visits were slightly higher than budget. RHC Clinic visits were 45% higher than budget. Dental visits were over two times more than the budgeted level.

FTE continue to be under budget.

Year-to-Date

Total Patient Revenue of \$45,118,230 is 3.5% below budget. Net patient revenue of \$20,747,796 is 3.7% below budget. Total expenses of \$20,690,459 are 1.8% below budget. Our surplus for the first ten months of our fiscal year is \$2,747,729. This is \$142,989 less than budget but \$579,447 ahead of where we were at this time last year.

Acute days are 4% below budget. Swing days are 8% below budget. SNF days are 12% below budget. ER visits are 1.4% below budget. All clinic visit categories are above budget

Bear Valley Community Healthcare District
Financial Statements April 30, 2019

Financial Highlights—Hospital
STATEMENT OF OPERATIONS

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 17/18	FY 18/19		VARIANCE		FY 17/18	FY 18/19		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1 Total patient revenue	4,081,611	4,272,467	4,216,402	56,066	1.3%	44,790,444	45,118,230	46,777,587	(1,659,358)	-3.5%
2 Total revenue deductions	2,055,950	2,171,925	2,273,809	(101,884)	-4.5%	24,926,259	24,370,434	25,226,077	(855,643)	-3.4%
3 % Deductions	50%	51%	54%			56%	54%	54%		
4 Net Patient Revenue	2,025,661	2,100,543	1,942,593	157,949	8.1%	19,864,185	20,747,796	21,551,510	(803,714)	-3.7%
5 % Net to Gross	50%	49%	46%			44%	46%	46%		
6 Other Revenue	8,758	114,765	46,274	68,491	148.0%	302,884	424,413	463,985	(39,572)	-8.5%
7 Total Operating Revenue	2,034,419	2,215,308	1,988,867	226,440	11.4%	20,167,069	21,172,209	22,015,495	(843,286)	-3.8%
8 Total Expenses	1,995,680	2,167,800	2,077,208	90,592	4.4%	19,949,407	20,690,459	21,071,969	(381,510)	-1.8%
9 % Expenses	49%	51%	49%			45%	46%	45%		
10 Surplus (Loss) from Operations	38,738	47,508	(88,340)	135,848	153.8%	217,661	481,750	943,526	(461,776)	48.9%
11 % Operating margin	1%	1%	-2%			0%	1%	2%		
12 Total Non-operating	179,273	235,923	194,719	41,204	21.2%	1,950,620	2,265,979	1,947,193	318,787	16.4%
13 Surplus/(Loss)	218,011	283,431	106,379	177,052	-166.4%	2,168,282	2,747,729	2,890,718	(142,989)	4.9%
14 % Total margin	5%	7%	3%			5%	6%	6%		

BALANCE SHEET

	A	B	C	D	E
	April	April	March		
	FY 17/18	FY 18/19	FY 18/19	VARIANCE	
				Amount	%
15 Gross Accounts Receivables	10,279,582	8,514,083	9,560,251	(1,046,168)	-10.9%
16 Net Accounts Receivables	3,940,291	2,699,554	3,165,897	(466,343)	-14.7%
17 % Net AR to Gross AR	38%	32%	33%		
18 Days Gross AR	69.0	56.2	57.7	(1.5)	-2.6%
19 Cash Collections	1,836,686	2,285,411	2,445,327	(159,916)	-6.5%
20 Settlements/IGT Transactions	890,449	3,359,107	409,829	2,949,278	719.6%
21 Investments	13,497,614	25,145,412	21,645,412	3,500,000	16.2%
22 Cash on hand	3,771,817	2,733,643	1,969,738	763,905	38.8%
23 Total Cash & Invest	17,269,431	27,879,055	23,615,150	4,263,905	18.1%
24 Days Cash & Invest	273	426	363	63	17.3%
Total Cash and Investments	17,269,431	27,879,055			
Increase Current Year vs. Prior Year		10,609,624			

Bear Valley Community Healthcare District
Financial Statements April 30, 2019

Statement of Operations

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 17/18	FY 18/19		VARIANCE		FY 17/18	FY 18/19		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
Gross Patient Revenue										
1 Inpatient	151,595	271,176	142,728	128,448	90.0%	1,646,969	1,529,349	1,742,886	(213,537)	-12.3%
2 Outpatient	967,226	987,767	1,002,705	(14,938)	-1.5%	10,019,615	9,176,652	10,210,054	(1,033,403)	-10.1%
3 Clinic Revenue	381,601	445,429	389,810	55,620	14.3%	3,588,904	3,851,770	3,531,294	320,476	9.1%
4 Emergency Room	2,338,042	2,352,835	2,428,809	(75,973)	-3.1%	26,989,910	28,415,521	28,734,405	(318,884)	-1.1%
5 Skilled Nursing Facility	243,147	215,260	252,351	(37,091)	-14.7%	2,545,046	2,144,938	2,558,948	(414,010)	-16.2%
6 Total patient revenue	4,081,611	4,272,467	4,216,402	56,066	1.3%	44,790,444	45,118,230	46,777,587	(1,659,358)	-3.5%
Revenue Deductions										
7 Contractual Allow	1,718,143	1,596,483	2,124,127	(527,643)	-24.8%	21,889,168	21,807,917	23,565,470	(1,757,554)	-7.5%
8 Contractual Allow PY	(37,694)	(300,000)	-	(300,000)	#DIV/0!	(252,207)	(1,993,374)	-	(1,993,374)	#DIV/0!
9 Charity Care	9,031	30,923	8,854	22,069	249.3%	77,012	140,650	98,233	42,417	43.2%
10 Administrative	7,151	17,496	8,011	9,485	118.4%	322,573	151,204	88,877	62,327	70.1%
11 Policy Discount	11,150	10,668	6,325	4,343	68.7%	112,933	130,142	70,167	59,975	85.5%
12 Employee Discount	5,739	3,569	3,373	196	5.8%	63,030	53,523	37,424	16,099	43.0%
13 Bad Debts	274,537	673,795	123,119	550,676	447.3%	1,462,038	2,865,907	1,365,906	1,500,001	109.8%
14 Denials	190,797	138,990	-	138,990	#DIV/0!	1,251,712	1,214,466	-	1,214,466	#DIV/0!
15 Total revenue deductions	2,055,950	2,171,925	2,273,809	(101,884)	-4.5%	24,926,259	24,370,434	25,226,077	(855,643)	-3.4%
16 Net Patient Revenue	2,025,661	2,100,543	1,942,593	157,949	8.1%	19,864,185	20,747,796	21,551,510	(803,714)	-3.7%
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 Other Revenue	8,758	114,765	46,274	68,491	148.0%	302,884	424,413	463,985	(39,572)	-8.5%
18 Total Operating Revenue	2,034,419	2,215,308	1,988,867	226,440	11.4%	20,167,069	21,172,209	22,015,495	(843,286)	-3.8%
Expenses										
19 Salaries	795,713	905,075	847,274	57,801	6.8%	8,117,610	8,712,564	8,582,182	130,382	1.5%
20 Employee Benefits	296,588	308,674	354,927	(46,253)	-13.0%	3,028,575	2,819,657	3,542,048	(722,391)	-20.4%
21 Registry	-	16,134	-	16,134	#DIV/0!	16,028	133,650	-	133,650	#DIV/0!
22 Salaries and Benefits	1,092,301	1,229,884	1,202,201	27,683	2.3%	11,162,212	11,665,871	12,124,230	(458,359)	-3.8%
23 Professional fees	169,338	170,509	158,717	11,792	7.4%	1,682,065	1,725,746	1,656,083	69,663	4.2%
24 Supplies	88,343	128,447	128,800	(353)	-0.3%	1,290,888	1,354,532	1,330,408	24,124	1.8%
25 Utilities	40,945	44,772	35,900	8,872	24.7%	413,312	440,571	427,030	13,541	3.2%
26 Repairs and Maintenance	23,136	27,661	27,960	(299)	-1.1%	280,602	287,316	280,056	7,260	2.6%
27 Purchased Services	406,858	372,855	333,676	39,180	11.7%	3,466,821	3,470,053	3,353,838	116,215	3.5%
28 Insurance	25,912	28,560	26,975	1,585	5.9%	259,878	284,246	269,750	14,496	5.4%
29 Depreciation	82,710	81,848	81,667	181	0.2%	714,036	791,798	816,670	(24,872)	-3.0%
30 Rental and Leases	16,197	11,682	21,112	(9,430)	-44.7%	232,373	114,937	211,120	(96,183)	-45.6%
32 Dues and Subscriptions	7,941	6,735	5,910	825	14.0%	56,201	63,692	59,100	4,592	7.8%
33 Other Expense	42,000	64,848	54,290	10,558	19.4%	391,020	491,697	543,684	(51,987)	-9.6%
34 Total Expenses	1,995,680	2,167,800	2,077,208	90,592	4.4%	19,949,407	20,690,459	21,071,969	(381,510)	-1.8%
35 Surplus (Loss) from Operations	38,738	47,508	(88,340)	135,848	153.8%	217,661	481,750	943,526	(461,776)	48.9%
Non-Operating Income										
37 Tax Revenue	186,047	241,773	184,244	57,529	31.2%	1,860,470	1,899,969	1,842,443	57,527	3.1%
38 Other non-operating	-	-	3,133	(3,133)	-100.0%	52,581	68,889	31,330	37,559	119.9%
Interest Income	884	1,650	15,125	(13,475)	-89.1%	115,657	373,263	151,250	222,013	146.8%
Interest Expense	(7,658)	(7,500)	(7,783)	283	-3.6%	(78,088)	(76,142)	(77,830)	1,688	-2.2%
IGT Expense	-	-	-	-	#DIV/0!	-	-	-	-	#DIV/0!
39 Total Non-operating	179,273	235,923	194,719	41,204	21.2%	1,950,620	2,265,979	1,947,193	318,787	16.4%
40 Surplus/(Loss)	218,011	283,431	106,379	177,052	-166.4%	2,168,282	2,747,729	2,890,719	(142,889)	-4.9%

**Bear Valley Community Healthcare District
Financial Statements**

Current Year Trending Statement of Operations

A Statement of Operations—CURRENT YEAR 2019

	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
Gross Patient Revenue													
1	Inpatient	74,791	120,993	132,469	89,286	98,121	284,233	240,009	91,583	126,688	271,176		1,529,349
2	Outpatient	972,222	931,894	846,425	957,181	783,804	765,170	956,387	937,118	1,038,683	987,767		9,176,652
3	Clinic	342,650	422,712	359,375	399,238	375,441	339,847	423,555	339,004	404,519	445,429		3,851,770
4	Emergency Room	2,957,516	2,703,194	2,533,903	2,309,030	2,402,375	3,383,606	3,900,570	2,818,505	3,053,985	2,352,835		28,415,521
5	Skilled Nursing Facility	223,604	228,589	239,665	223,973	208,696	213,621	198,345	178,974	214,212	215,260		2,144,938
6	Total patient revenue	4,570,784	4,407,382	4,111,836	3,978,707	3,868,437	4,986,477	5,718,867	4,365,184	4,838,087	4,272,467	-	45,118,230
Revenue Deductions													
C/A	0.51	0.53	0.50	0.49	0.47	0.48	0.54	0.53	0.40	0.37	#DIV/0!	#DIV/0!	0.48
7	Contractual Allow	2,320,958	2,352,744	2,039,158	1,950,874	1,809,657	2,406,874	3,071,420	2,318,188	1,941,559	1,596,483		21,807,917
8	Contractual Allow PY	62	-	(700,000)	(193,436)	(200,000)	(150,000)	(200,000)	(250,000)	-	(300,000)		(1,993,374)
9	Charity Care	15,343	-	28,015	15,115	17,531	4,625	8,429	-	20,667	30,923		140,650
10	Administrative	806	2,818	6,849	2,378	5,496	26,102	34,502	15,817	38,939	17,496		151,204
11	Policy Discount	13,989	15,616	12,381	14,966	12,024	9,975	14,346	13,140	13,037	10,668		130,142
12	Employee Discount	12,793	5,188	6,356	3,317	2,979	5,688	4,480	5,090	4,062	3,569		53,523
13	Bad Debts	215,076	186,926	169,560	231,008	210,921	198,143	199,876	150,488	630,115	673,795		2,865,907
14	Denials	103,506	177,395	154,441	110,936	91,507	87,116	129,183	133,021	88,373	138,990		1,214,466
	Total revenue deductions	2,682,534	2,740,687	1,716,760	2,135,158	1,950,115	2,588,523	3,262,236	2,385,744	2,736,753	2,171,925	-	24,370,434
		0.59	0.62	0.42	0.54	0.50	0.52	0.57	0.55	0.57	0.51	#DIV/0!	#DIV/0!
16	Net Patient Revenue	1,888,250	1,666,694	2,395,076	1,843,550	1,918,322	2,397,954	2,456,631	1,979,440	2,101,334	2,100,543	-	20,747,796
	net / tot pat rev	41.3%	37.8%	58.2%	46.3%	49.6%	48.1%	43.0%	45.3%	43.4%	49.2%	#DIV/0!	46.0%
17	Other Revenue	19,441	19,594	11,170	90,789	70,177	4,359	22,846	32,921	38,351	114,765		424,413
18	Total Operating Revenue	1,907,691	1,686,288	2,406,246	1,934,339	1,988,499	2,402,313	2,479,478	2,012,361	2,139,686	2,215,308	-	21,172,209
Expenses													
19	Salaries	885,068	891,463	831,600	891,749	824,872	945,048	840,561	808,233	888,895	905,075		8,712,564
20	Employee Benefits	303,328	293,241	289,066	185,368	275,061	295,949	302,442	268,996	297,532	308,674		2,819,657
21	Registry	-	-	-	-	-	29,974	40,416	27,582	19,544	16,134		133,650
22	Salaries and Benefits	1,188,396	1,184,704	1,120,666	1,077,117	1,099,933	1,270,971	1,183,419	1,104,811	1,205,971	1,229,884	-	11,665,871
23	Professional fees	173,695	181,120	174,907	179,265	168,548	169,550	161,432	170,192	176,526	170,509		1,725,746
24	Supplies	121,217	135,487	136,991	135,960	131,374	136,723	140,504	146,456	141,372	128,447		1,354,532
25	Utilities	46,712	43,958	42,464	40,116	40,950	42,170	48,318	47,027	44,086	44,772		440,571
26	Repairs and Maintenance	17,407	23,079	32,405	41,525	25,786	42,197	24,908	34,028	18,319	27,661		287,316
27	Purchased Services	325,455	373,332	457,562	381,061	360,181	320,095	306,457	305,953	267,102	372,855		3,470,053
28	Insurance	28,258	28,258	28,258	28,460	28,216	28,560	28,560	47,942	9,177	28,560		284,246
29	Depreciation	76,489	76,489	76,489	76,489	76,489	81,905	81,905	81,848	81,848	81,848		791,798
30	Rental and Leases	11,421	11,509	11,219	11,158	11,158	11,158	11,158	12,596	11,877	11,682		114,937
32	Dues and Subscriptions	6,882	7,101	5,879	5,746	1,585	10,898	5,856	6,657	6,353	6,735		63,692
33	Other Expense.	40,078	55,169	46,430	42,884	47,150	62,756	62,705	36,290	33,388	64,848		491,697
34	Total Expenses	2,036,009	2,120,207	2,133,270	2,019,782	1,991,370	2,176,983	2,055,222	1,993,799	1,996,019	2,167,800	-	20,690,459
Surplus (Loss) from Operations													
35		(128,318)	(433,918)	272,977	(85,443)	(2,871)	225,330	424,256	18,562	143,667	47,508	-	481,750
Non-Operating Income													
37	Tax Revenue	184,244	184,244	184,244	184,244	184,244	184,244	184,244	184,244	241,773			1,899,969
38	Other non-operating	15,020	245	35	9,020	19,775	-	15,000	-	9,794	-		68,889
	Interest Income	543	6,457	92,115	1,124	377	117,923	85	985	152,003	1,650		373,263
	Interest Expense	(7,638)	(7,621)	(7,626)	(7,561)	(7,717)	(7,693)	(7,655)	(7,590)	(7,541)	(7,500)		(76,142)
	IGT Expense	-	-	-	-	-	-	-	-	-	-		-
39	Total Non-operating	192,169	183,325	268,768	186,827	196,680	294,474	191,673	177,639	338,501	235,923	-	2,265,979
40	Surplus/(Loss)	63,851	(250,594)	541,745	101,384	193,809	519,805	615,929	196,201	482,168	283,431	-	2,747,729

2018-19 Actual BS

BALANCE SHEET

Includes Final Entries 6-30-18

BALANCE SHEET											PY
Includes Final Entries 6-30-18											
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	June
ASSETS:											
Current Assets											
Cash and Cash Equivalents (Includes CD's)	2,296,309	2,551,340	2,710,313	1,422,386	1,607,290	2,033,649	2,337,966	2,318,185	1,969,738	2,733,643	2,253,824
Gross Patient Accounts Receivable	10,740,258	9,856,844	9,392,893	8,676,040	8,677,891	9,825,389	10,753,281	10,218,849	9,562,352	8,515,442	10,597,934
Less: Reserves for Allowances & Bad Debt	6,470,520	6,125,057	6,146,633	5,761,444	5,687,266	6,276,859	7,050,939	6,673,679	6,396,455	5,815,888	6,413,352
Net Patient Accounts Receivable	4,269,738	3,731,787	3,246,260	2,914,596	2,990,625	3,548,531	3,702,342	3,545,170	3,165,897	2,699,554	4,184,582
Tax Revenue Receivable	2,210,931	2,210,931	2,210,931	2,210,931	1,815,477	996,688	845,477	805,495	765,368	0	52,044
Other Receivables	50,484	78,234	93,056	651,781	-247,452	-107,704	-61,991	383,540	711,523	-736,148	96,628
Inventories	130,292	134,606	136,936	139,583	133,916	136,954	128,410	123,737	121,634	125,625	129,318
Prepaid Expenses	299,848	293,739	345,377	346,209	338,892	317,061	304,269	278,151	250,536	273,227	199,838
Due From Third Party Payers	0	0									
Due From Affiliates/Related Organizations	0	0									
Other Current Assets	0	0									
Total Current Assets	9,257,602	9,000,637	8,742,873	7,685,486	6,638,748	6,925,179	7,256,472	7,454,279	6,984,695	5,095,901	6,916,233
Assets Whose Use is Limited											
Investments	17,668,421	17,668,421	17,760,225	20,260,225	20,260,225	20,377,496	20,377,496	20,377,496	21,645,412	25,145,412	17,668,421
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	17,812,796	17,812,796	17,904,600	20,404,600	20,404,600	20,521,871	20,521,871	20,521,871	21,789,787	25,289,787	17,812,796
Property, Plant, and Equipment											
Land and Land Improvements	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615	570,615
Building and Building Improvements	9,758,672	9,772,522	9,772,522	9,772,522	9,772,522	9,885,152	9,885,152	9,885,152	9,885,152	9,885,152	9,758,672
Equipment	11,779,820	11,844,577	11,912,516	12,010,795	12,020,625	12,315,178	12,329,873	12,332,572	12,461,698	12,464,469	11,761,910
Construction In Progress	48,953	101,798	127,293	166,571	438,198	48,990	48,990	42,732	51,038	59,888	32,516
Capitalized Interest											
Gross Property, Plant, and Equipment	22,158,060	22,289,512	22,382,945	22,520,503	22,801,960	22,819,935	22,834,630	22,831,071	22,968,503	22,980,124	22,123,712
Less: Accumulated Depreciation	13,685,197	13,761,686	13,838,174	13,914,663	13,991,151	14,073,056	14,154,961	14,236,810	14,318,658	14,400,506	13,608,708
Net Property, Plant, and Equipment	8,472,863	8,527,826	8,544,771	8,605,840	8,810,808	8,746,879	8,679,668	8,594,262	8,649,845	8,579,618	8,515,004
TOTAL UNRESTRICTED ASSETS	35,543,261	35,341,260	35,192,244	36,695,926	35,854,156	36,193,928	36,458,011	36,570,412	37,424,328	38,965,306	33,244,034
Restricted Assets	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	35,543,261	35,341,260	35,192,244	36,695,926	35,854,156	36,193,928	36,458,011	36,570,412	37,424,328	38,965,306	31,316,969

2018-19 Actual BS

BALANCE SHEET

Includes Final Entries 6-30-18

LIABILITIES:

Current Liabilities											
Accounts Payable	954,160	880,513	1,028,412	1,133,880	788,405	904,672	719,832	773,963	791,926	908,841	906,103
Notes and Loans Payable											
Accrued Payroll	705,323	806,989	844,952	990,998	553,778	691,915	751,801	777,091	887,167	984,624	758,370
Patient Refunds Payable											
Due to Third Party Payers (Settlements)	3,983,651	4,173,225	3,473,225	4,800,692	4,804,969	4,547,362	4,497,062	4,510,494	4,930,907	6,150,826	3,769,980
Advances From Third Party Payers											
Current Portion of Def Rev - Txs,	2,061,687	1,877,443	1,693,199	1,508,955	1,324,711	1,140,467	956,223	771,979	587,735	403,491	35,000
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Current Portion of AB915											
Other Current Liabilities (Accrued Interest & Accrued Other)	7,630	22,873	30,494	38,055	136	7,552	15,203	22,794	30,334	37,835	7,621
Total Current Liabilities	7,747,451	7,796,043	7,105,281	8,507,580	7,507,000	7,326,968	6,975,121	6,891,322	7,263,070	8,520,616	5,512,074
Long Term Debt											
USDA Loan	2,895,000	2,895,000	2,895,000	2,895,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,860,000	2,895,000
Leases Payable	0	0	0	0	0	0	0	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Total Long Term Debt (Net of Current)	2,860,000	2,860,000	2,860,000	2,860,000	2,825,000	2,825,000	2,825,000	2,825,000	2,825,000	2,825,000	2,860,000
Other Long Term Liabilities											
Deferred Revenue	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0					
Total Other Long Term Liabilities	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	10,607,451	10,656,043	9,965,281	11,367,580	10,332,000	10,151,968	9,800,121	9,716,322	10,088,070	11,345,616	8,372,074
Fund Balance											
Unrestricted Fund Balance	24,871,960	24,871,960	24,871,960	24,871,960	24,871,960	24,871,960	24,871,960	24,871,960	24,871,960	24,871,960	20,663,982
Temporarily Restricted Fund Balance	0	0				0					
Equity Transfer from FRHG	0	0				0					
Net Revenue/(Expenses)	63,851	-186,743	355,003	456,387	650,196	1,170,001	1,785,930	1,982,131	2,464,298	2,747,730	4,207,978
TOTAL FUND BALANCE	24,935,811	24,685,217	25,226,963	25,328,347	25,522,156	26,041,960	26,657,890	26,854,091	27,336,258	27,619,690	24,871,960
TOTAL LIABILITIES & FUND BALANCE	35,543,261	35,341,260	35,192,244	36,695,926	35,854,156	36,193,928	36,458,011	36,570,412	37,424,328	38,965,306	33,244,034

Units of Service												
For the period ending: April 30, 2019												
30							304					
Current Month							Bear Valley Community Hospital					
							Year-To-Date					
Apr-19	Apr-18	Actual -Budget	Act.-Act.				Apr-19	Apr-18	Actual -Budget	Act.-Act.		
Actual	Budget	Variance	Var %	Var %			Actual	Budget	Variance	Var %	Var %	
48	23	28	25	108.7%	71.4%	Med Surg Patient Days	293	304	311	(11)	-3.6%	-5.8%
28	13	28	15	115.4%	0.0%	Swing Patient Days	153	166	153	(13)	-7.8%	0.0%
485	532	540	(47)	-8.8%	-10.2%	SNF Patient Days	4,795	5,465	5,714	(670)	-12.3%	-16.1%
561	568	596	(7)	-1.2%	-5.9%	Total Patient Days	5,241	5,935	6,178	(694)	-11.7%	-15.2%
12	14	14	(2)	-14.3%	-14.3%	Acute Admissions	115	140	130	(25)	-17.9%	-11.5%
12	14	12	(2)	-14.3%	0.0%	Acute Discharges	114	140	132	(26)	-18.6%	-13.6%
4.0	1.6	2.3	2.4	143.5%	71.4%	Acute Average Length of Stay	2.6	2.2	2.4	0.4	18.4%	9.1%
1.6	0.8	0.9	0.8	108.7%	71.4%	Acute Average Daily Census	1.0	1	1.0	(0.0)	-3.6%	-5.8%
17.1	18.2	18.9	(1.1)	-5.9%	-9.7%	SNF/Swing Avg Daily Census	16.3	19	19.3	(2.2)	-12.1%	-15.7%
18.7	18.9	19.9	(0.2)	-1.2%	-5.9%	Total Avg. Daily Census	17.2	20	20.3	(2.3)	-11.7%	-15.2%
42%	42%	44%	-1%	-1.2%	-5.9%	% Occupancy	38%	43%	45%	-5%	-11.7%	-15.2%
12	13	12	(1)	-7.7%	0.0%	Emergency Room Admitted	99	130	117	(31)	-23.8%	-15.4%
792	799	766	(7)	-0.9%	3.4%	Emergency Room Discharged	10,006	10,119	9,606	(113)	-1.1%	4.2%
804	812	778	(8)	-1.0%	3.3%	Emergency Room Total	10,105	10,249	9,723	(144)	-1.4%	3.9%
27	27	26	(0)	-1.0%	3.3%	ER visits per calendar day	33	34	32	(0)	-1.4%	3.9%
100%	93%	86%	200%	215.4%	16.7%	% Admits from ER	86%	93%	90%	81%	86.8%	-4.3%
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	-	-	2	-	#DIV/0!	-100.0%
13	9	13	4	44.4%	0.0%	Surgical Procedures O/P	124	89	123	35	39.3%	0.8%
13	9	13	4	44.4%	0.0%	TOTAL Procedures	124	89	125	35	39.3%	-0.8%
583	1,013	822	(430)	-42.4%	-29.1%	Surgical Minutes Total	8,713	10,266	4,440	(1,553)	-15.1%	96.2%

Units of Service
For the period ending: April 30, 2019

Bear Valley Community Hospital												
Current Month						Year-To-Date						
Apr-19 Actual	Budget	Apr-18 Actual	Actual -Budget Variance	Var %	Act.-Act. Var %		Apr-19 Actual	Budget	Apr-18 Actual	Actual -Budget Variance	Var %	Act.-Act. Var %
6,639	6,383	6,212	256	4.0%	6.9%	Lab Procedures	63,699	61,089	61,854	2,610	4.3%	3.0%
798	716	702	82	11.5%	13.7%	X-Ray Procedures	9,061	8,148	8,032	913	11.2%	12.8%
234	226	242	8	3.5%	-3.3%	C.T. Scan Procedures	2,877	2,675	2,703	202	7.6%	6.4%
216	234	256	(18)	-7.7%	-15.6%	Ultrasound Procedures	2,199	2,239	2,374	(40)	-1.8%	-7.4%
52	62	61	(10)	-16.1%	-14.8%	Mammography Procedures	497	620	645	(123)	-19.8%	-22.9%
328	306	300	22	7.2%	9.3%	EKG Procedures	2,877	3,043	3,140	(166)	-5.5%	-8.4%
124	140	131	(16)	-11.4%	-5.3%	Respiratory Procedures	1,116	1,312	1,442	(196)	-14.9%	-22.6%
2,538	1,476	1,874	1,062	72.0%	35.4%	Physical Therapy Procedures	14,975	13,481	13,869	1,494	11.1%	8.0%
1,845	1,790	1,834	55	3.1%	0.6%	Primary Care Clinic Visits	17,529	15,879	17,645	1,650	10.4%	-0.7%
405	200	240	205	102.5%	68.8%	Specialty Clinic Visits	3,481	2,000	2,125	1,481	74.1%	63.8%
2,250	1,990	2,074	260	13.1%	8.5%	Clinic	21,010	17,879	19,770	3,131	17.5%	6.3%
87	77	80	10	13.1%	8.5%	Clinic visits per work day	115	98	109	17	17.5%	6.3%
21.0%	20.00%	20.40%	1.00%	5.00%	2.94%	% Medicare Revenue	18.36%	20.00%	19.00%	-1.64%	-8.20%	-3.37%
37.40%	39.00%	41.40%	-1.60%	-4.10%	-9.66%	% Medi-Cal Revenue	37.02%	39.00%	39.35%	-1.98%	-5.08%	-5.92%
37.40%	36.00%	34.10%	1.40%	3.89%	9.68%	% Insurance Revenue	39.59%	36.00%	36.83%	3.59%	9.97%	7.49%
4.20%	5.00%	4.10%	-0.80%	-16.00%	2.44%	% Self-Pay Revenue	5.03%	5.00%	4.82%	0.03%	0.60%	4.36%
146.6	151.82	145.2	(5.2)	-3.5%	0.9%	Productive FTE's	143.07	153.84	145.2	(10.8)	-7.0%	-1.5%
165.5	168.46	165.0	(2.9)	-1.7%	0.3%	Total FTE's	163.70	170.62	165.2	(6.9)	-4.1%	-0.9%

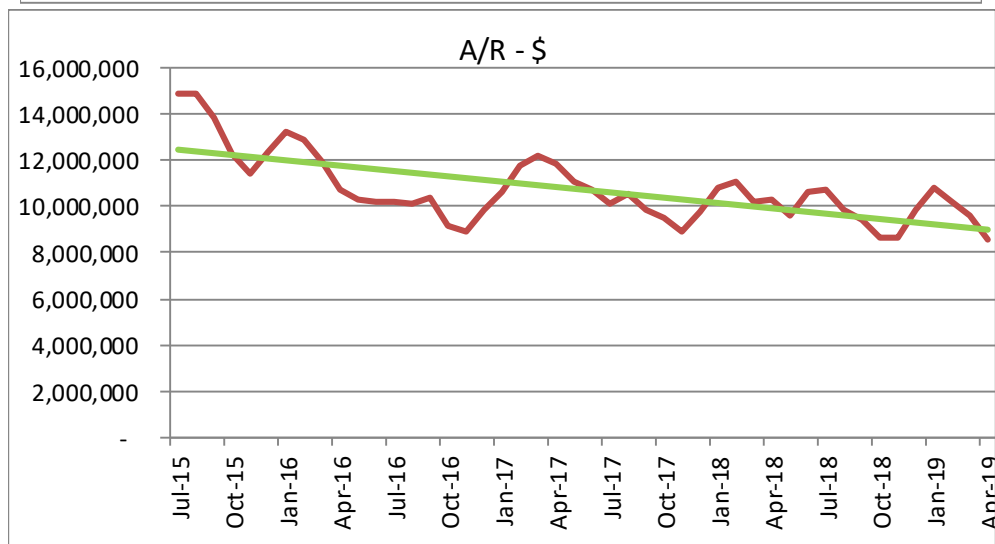
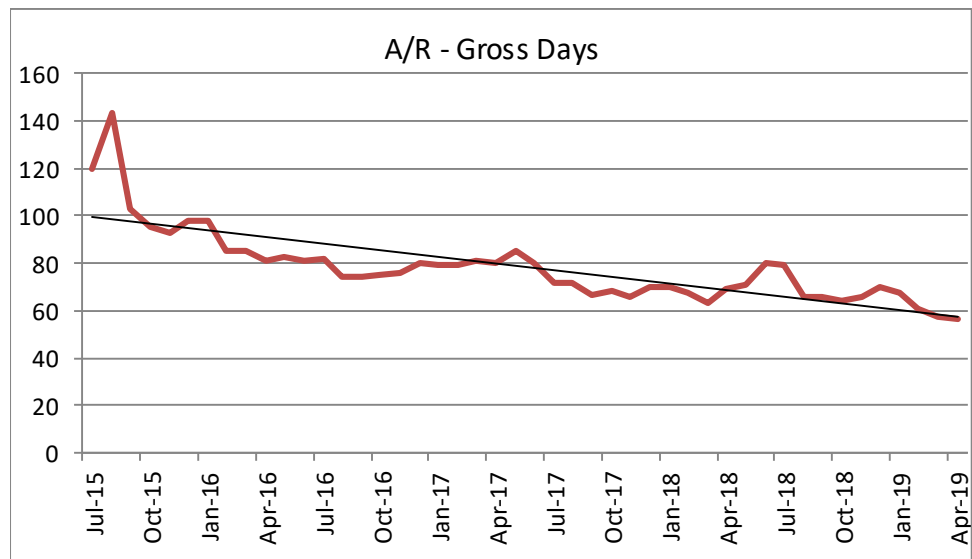


CFO REPORT for

June 2019 Finance Committee and Board Meetings

TruBridge – Accounts Receivable Management

Accounts Receivable days of 56.2 at the end of April 2019 are the lowest we have seen for at least 4 and a half years.



Unbudgeted Capital Expenditure

We have approved \$8,040 for the purchase of a skin retractor for the use of our new General Surgeon.