



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

**VISION**

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

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**BOARD OF DIRECTORS BUSINESS MEETING AGENDA**  
**Wednesday, June 14, 2017 @ 1:00 p.m. –Hospital Conference Room**  
**41870 Garstin Drive, Big Bear Lake, CA 92315**

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

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

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**OPEN SESSION**

**1. CALL TO ORDER**

**Donna Nicely, President**

**2. PUBLIC FORUM FOR CLOSED SESSION**

This is the opportunity for members of the public to address the Board on Closed Session items.

(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)

**3. ADJOURN TO CLOSED SESSION\***

**CLOSED SESSION**

**1. 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 Report

**3. REAL PROPERTY NEGOTIATIONS: \*Government Code Section 54956.8**

(1) District Negotiator: John Friel, CEO

Property: 1020 W. Big Bear Blvd, Big Bear City, CA 92314

Property Negotiator: Rusty Barnes w/ Gilligan Log Homes & Real Estate

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

(1) Matthew Pautz, D.O. Surgery Department Director Agreement: anticipated date of disclosure 6/14/17

(2) B.E. Smith Service Agreement (Recruitment for Interim Laboratory Manager): anticipated date of disclosure 6/14/17

**5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION \*Pursuant to Government Section Code: 54957**  
(1) Chief Executive Officer

**OPEN SESSION**

- 1. CALL TO ORDER** Donna Nicely, President
- 2. ROLL CALL** Shelly Egerer, Administrative Assistant
- 3. FLAG SALUTE**
- 4. ADOPTION OF AGENDA\***
- 5. RESULTS OF CLOSED SESSION** Donna Nicely, President

**6. PUBLIC FORUM FOR OPEN SESSION**

This is the opportunity for persons to speak on items of interest to the public within subject matter jurisdiction of the District, but which are not on the agenda. Any person may, in addition to this public forum, address the Board regarding any item listed on the Board agenda at the time the item is being considered by the Board of Directors. *(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must 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** Helen Walsh, Foundation President  
Holly Elmer
- 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 10, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Admin. Assistant
- B.** April/May 2017 Planning & Facilities Report: Michael Mursick, Plant Manager
- C.** May 2017 Human Resource Report: Erin Wilson, Human Resource Director
- D.** May 2017 Infection Control Report: Heather Loose, Infection Preventionist
- E.** Policies and Procedures
  - (1) Depression Screening
  - (2) Complaint and Grievance
- F.** Board of Directors; Committee Meeting Minutes:
  - (1) April 27, 2017 Planning & Facilities Committee Meeting Minutes
  - (2) May 01, 2017 Policy & Procedure & District Bylaw Committee Meeting Minutes
  - (3) May 01, 2017 Finance Committee Meeting Minutes

**10. OLD BUSINESS\***

- None

**11. NEW BUSINESS\***

- A. Discussion and Potential Approval of 2017/2018 District Budget
- B. Discussion and Potential Approval of 2016/2019 Capital Expense Budget
- C. Discussion and Potential Approval of the Following Service Agreement (s)
  - (1) Matthew Pautz, D.O. Surgery Department Director Agreement
  - (2) B.E. Smith Service Agreement (Recruitment for Interim Laboratory Manager)

**12. ACTION ITEMS\***

- A. **Acceptance of QHR Report**  
Ron Vigus, QHR  
(1) June 2017 QHR Report
- B. **Acceptance of CNO Report**  
Kerri Jex, Chief Nursing Officer  
(1) May 2017 CNO Report
- C. **Acceptance of the CEO Report**  
John Friel, Chief Executive Officer  
(1) May 2017 CEO Report  
(2) Strategic Plan
- D. **Acceptance of the Finance Report & CFO Report**  
Garth Hamblin, Chief Financial Officer  
(1) April 2017 Financials  
(2) May 2017 CFO Report

**13. ADJOURNMENT\***

**\* Denotes Possible Action Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
BUSINESS BOARD MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
May 10, 2017**

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

**ABSENT:** Donna Nicely, President                      Helen Walsh w/ Foundation  
Gail Dick w/Auxiliary

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

**OTHER:** Barbara Brooks/QHR

**COMMUNITY MEMBERS:** Joseph Kelly

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**OPEN SESSION**

**1. CALL TO ORDER:**

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

**CLOSED SESSION**

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

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

**2. ADJOURNED TO CLOSED SESSION:**

**Board Member Robbins called for a motion to adjourn to Closed Session at 1:00 p.m. Motion by Board Member Roberts to adjourn to Closed Session. Second by Board Member McCarthy to adjourn to Closed Session. Board Member Robbins called for a vote. A vote in favor of the motion was 4/0.**

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

**RECONVENE TO OPEN SESSION**

**1. CALL TO ORDER:**

Board Member Robbins called the meeting to Open Session at 3:00 p.m.

**2. ROLL CALL:**

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

**3. FLAG SALUTE:**

Board Member Roberts led the flag salute, all present participated.

**4. ADOPTION OF AGENDA:**

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

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

**5. RESULTS OF CLOSED SESSION:**

Board Member Robbins reported that the following action was taken in Closed Session:

- Chief of Staff Report
  - Request for Initial Appointment:
    - Caludia Sadro, MD – Renaissance Radiology
    - Stephen Noble, DDS – Dentistry
  - Request for Reappointment:
    - Adam Kawalek, MD – Internal/Emergency Medicine
    - Deborah Herzik, NP – Family Medicine
    - Melinda Mueller, PsyD – Tele – Psychology
    - Dawn Sampson, LCSW – Social Worker
  - Informational:
    - Carly Bronson – Amendment: extension of privileges pending chart review
- Risk Management Report
- QI Management Report
- The Board of Directors gave John Friel, CEO authority to enter into negotiations for real estate.

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

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

## **6. PUBLIC FORUM FOR OPEN SESSION:**

Board Member Robbins opened the Hearing Section for Public Comment on Open Session items at 3:02 p.m.

- Mr. Kelly stated that an email was sent to all Board Members and the CEO. Mr. Kelly stated that he did not receive a reply from the Board or CEO; Mr. Kelly wanted to remind the Board they still represent the public. Mr. Kelly also stated that the Hospital is the only “Special District” that does not post recordings of meetings, general email contact for the Board of Directors, a copy of the supporting documents for Board and Committee Meetings and that the public should not be charged to obtain copies of any open session documents to any meeting conducted by the Board.
- Board Member Robbins asked Mr. Kelly to provide a copy of the statement that he read to the Board of Directors; via email.

Board Member Robbins closed Public Forum for Open Session at 3:08 p.m.

## **7. DIRECTORS COMMENTS**

- None

## **8. INFORMATION REPORTS:**

### **A. Foundation Report:**

- Ms. Walsh was not present to provide a report.

### **B. Auxiliary Report:**

- Ms. Dick was not present but informed Administration there was no update at this time to provide to the Board.

## **9. CONSENT AGENDA:**

- A.** April 12, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Admin. Assistant
- B.** March / April 2017 Planning & Facilities Report: Michael Mursick, Plant Manager
- C.** April 2017 Human Resource Report: Erin Wilson, Human Resource Director
- D.** April 2017 Infection Control Report: Heather Loose, Infection Preventionist
- E.** Board of Directors; Committee Meeting Minutes:
  - (1) February 22, 2017 Human Resource Committee Meeting Minutes
  - (2) March 23, 2017 Policy & Procedure & District Bylaw Committee Meeting Minutes
  - (3) April 13, 2017 Policy & Procedure & District Bylaw Committee Meeting Minutes
  - (4) February 21, 2017 Special Planning & Facilities Committee Meeting Minutes
  - (5) March 15, 2017 Planning & Facilities Committee Meeting Minutes
  - (6) April 03, 2017 Finance Committee Meeting Minutes

**Board Member Robbins called for a motion to approve the Consent Calendar as presented. Motion by Board Member Roberts to approve the Consent Calendar as presented. Second by Board Member Willey to approve the Consent Calendar with the exception of the Planning & Facilities Report. Board Member Robbins amended the motion to approve the Consent Calendar with the exception of the Planning & Facilities Report. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

#### **10. OLD BUSINESS:**

- None

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

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

##### **(1) High Desert Pathology Laboratory Director Contract:**

- Mr. Friel stated that the High Desert Pathology contract is a renewal for a two-year term and a monthly stipend of \$2,000.00.
- Board Member Robbins reported that the Board of Directors did have an opportunity to discuss the contract in Closed Session.

**Board Member Robbins called for a motion to approve High Desert Laboratory Director Contract as presented. Motion by Board Member Roberts to approve High Desert Laboratory Director Contract as presented. Second by Board Member Willey to approve High Desert Laboratory Director Contract as presented. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

##### **(2) Paula Nornes-Lebby, M.D.: First Amendment to Physician Agreement:**

- Mr. Friel reported that Dr. Lebby's contract amendment is to increase the per patient visit stipend due to the specialty services that Dr. Lebby provides at the Family Health Center.
- Board Member Robbins reported that the Board of Directors did have an opportunity to discuss this contract in Closed Session.

**Board Member Robbins motioned to approve Paula Nornes-Lebby, M.D.: First Amendment to Physician Agreement. Second by Board Member Willey to approve Paula Nornes-Lebby, M.D.: First Amendment to Physician Agreement. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

**B. Discussion and Potential Approval of Resolution # 17-450 Determining, Certifying and Directing 2017/2018 Special Tax Levies Within the District:**

- Mr. Hamblin reported that an annual Resolution for the Parcel Tax money is required. Mr. Hamblin also stated that there is an estimate of \$800.00 less for this years tax money.

**Board Member Robbins called for a motion to approve Resolution # 17-450 Determining, Certifying and Directing 2017/2018 Special Tax Levies Within the District. Motion by Board Member Willey to approve Resolution # 17-450 Determining, Certifying and Directing 2017/2018 Special Tax Levies Within the District. Second by Board Member Roberts to approve Resolution # 17-450 Determining, Certifying and Directing 2017/2018 Special Tax Levies Within the District. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

**C. Discussion of Legal Counsel for Human Resource (s); Employment and Union Negotiations: Potential Approval of Attorney Search or Request for Proposal (RFP):**

- Board Member Roberts stated that this item was on the Human Resource Committee Meeting Agenda and asked that this item be on the Board Agenda for discussion. Board Member Roberts feels that the Board of Directors should have an opportunity to discuss the potential of obtaining Request For Proposals (RFP) for District legal counsel that can provide specific services such as employment/employee issues and assist in Union Negotiations. Several agencies have these services within one firm. Board Member Roberts stated that the District's current legal counsel is a boutique firm; there are no bad feelings towards our current counsel but feels we should go out to bid to ensure we have the best legal representation with specialty services under one organization (this should be a best practice for the Board of Directors to request District for RFP's every 4 to 5 years).
- Board Member Willey stated she has no issues with the District's present legal counsel but feels there is no harm in going out for RFP's.
- Further discussion took place on the current legal counsel and the services provided; the Board stated that our legal counsel has been outstanding to the District. The Board supported Board Member Roberts suggestion to develop a RFP for legal counsel representation.

**Board Member Robbins called for a motion to ask Administration to develop a RFP for legal counsel services. Motion by Board Member Roberts to ask Administration to develop a RFP for legal counsel services. Second by Board Member Willey to ask Administration to develop a RFP for legal counsel. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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



- Board Member McCarthy - yes
- Board Member Roberts - yes

**D. Discussion and Potential Approval of the March / April 2017 Planning & Facilities Report: Michael Mursick, Plant Manager:**

- Board Member Robbins reported that this item was pulled from the Consent Agenda at the request of Board Member Willey to clarify a question.
- Board Member Willey asked if the trench in the front driveway is being looked at in order to correct the grating plate and draining system.
- Mr. Mursick stated that he has been in contact with some contractors to look at the area in question; the best solution would be to add plumbing under the concrete; options are being looked into and Mr. Mursick will keep the Board of Directors updated.

**Board Member Robbins called for a motion to approve the March/April 2017 Planning & Facilities Report: Michael Mursick, Plant Manager. Motion by Board Member Roberts to March / April 2017 Planning & Facilities Report: Michael Mursick, Plant Manager. Second by Board Member Willey to approve the March/April 2017 Planning & Facilities Report: Michael Mursick, Plant Manager. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

**12. ACTION ITEMS\***

**A. Quorum Health Resource Report:**

(1) April 2017QHR Report:

- Ms. Brooks reported the following:
  - Bill Winstead was on site for financial review to ensure that staff is in compliance with QHR best practices; found a few items to address and correct; expense reports need to be approved by the QHR representatives.
  - QHR Trustee Conference is in August.
  - QHR minutes are attached to the CEO report.
  - Quality Boot Camp coming up in the next few weeks.

**Board Member Robbins called for a motion to approve the QHR Report as presented. Motion by Board Member Roberts to approve the QHR Report as presented. Second by Board Member McCarthy to approve the QHR Report as presented. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

**B. CNO Report:**

(1) April 2017 CNO Report:

- Ms. Jex reported the following information:
  - Staffing has been an issue due to resignations and FMLA leave; will be looking at hiring new nurses to fill the vacant positions.
  - ROKOS group has a few candidates to vet for the ER Director position and there was one internal candidate that recently applied for the position.
  - OSHA received a call from an anonymous person filing a complaint of work place violence in the District; the complaint was very vague but the person did state that this is a very violent place to work. The District has responded to OSHA and there is a potential that a OSHA representative can be on site to review policies and procedures and make rounds in departments.

**Board Member Robbins called for a motion to approve the CNO Report as presented. Motion by Board Member Roberts to approve the CNO Report as presented. Second by Board Member Robbins to approve the CNO Report as presented. Board Member Robbins called for the vote. A vote in favor of the motion was 4/0.**

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

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

(1) April 2017 CEO Report:

- Mr. Friel reported the following information:
  - The HR Report showed that all outstanding evaluations are current.
  - Potential Board Retreat in July; we will be planning for Friday evening event and a Saturday all day retreat.
  - Loma Linda meeting took place, Administration did leave door open for growth in the Affiliation and we need to ensure there are items that are in the contract for services.

**Board Member Robbins called for a motion to approve the CEO Report as presented. Motion by Board Member Roberts to approve the CEO Report as presented. Second by Board Member Robbins to approve the CEO Report as presented Board Member Robbins called for the vote. A vote in favor was unanimously approved 4/0.**

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

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

(1) March 2017 Financials

- Mr. Hamblin reported the following information:
  - Good month; \$12.8 million in the bank.
  - Day's cash on hand are 220 days.
  - Net revenue is good.
  - YTD surplus of \$2.8 million.
  - Patient days, Acute, Swing and ER are showing growth for the last few years.
  - Dental visits are continuing to increase.

- FHC visits have increased.
- Board Member Robbins stated that a Draft 2017/2018 Finance Budget was presented to the Finance Committee and that the committee was not in favor of the budget. A special meeting is scheduled for May 30, to review the revised budget and is hopeful to have a budget presented to the Board of Directors in June.

(2) CFO Report:

- Mr. Hamblin reported the following:
  - The American Healthcare Act continues to review the healthcare reform and repeal / repair / replace the Affordable Care Act. There is still no certainty on what will change.
  - Payor agreements are provided and an outline on items that Andy Working is working on and a summary of the current agreements we currently have are provided.
  - Networks for visits at the Clinic will be addressed and the District will look at opportunities to increase insurance options that the clinic can accept.
- Board Member Roberts, wants to see how we can get to accept insurance for our employees and expand insurance acceptance for the community.

**Board Member Robbins motioned to approve the March 2017 Finance Report and CFO Report as presented. Second by Board Member Roberts to approve the March 2017 Finance Report and CFO Report as presented. Board Member Robbins called for the vote. A vote in favor was unanimously approved 4/0.**

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

**13. ADJOURNMENT:**

**Board Member Robbins called for a motion to adjourn the meeting at 3:50 p.m. Motion by Board Member McCarthy to adjourn. Second by Board Member Willey to adjourn. Board Member Robbins called for the vote. A vote in favor of the motion was unanimously approved 4/0.**

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

## Bear Valley Community Healthcare District Construction Projects 2017

Department / Project	Details	Vendor and all associated costs	Comments	Date
CT Scanner Project	Project is on schedule. Next week drywall will be complete in main room, electrical will be complete in main room and OSHPD will be here for an inspection.	E.H. Butland	In Progress	
Mammo Project	Project is on Schedule. Floors, walls & ceiling are completed. Machine is in place and the tech from Hologic is working on start up.	Advanced Medical Builders	In Progress	

## Bear Valley Community Healthcare District Potential Equipment Requirements

Department / Project	Details	Vendor and all associated costs	Comments	Date
<b>Facilities-</b> Mezzanine Control air compressor	Waiting for Capital Budget approvals	Ingersoll Rand- Approximately \$6500		
<b>Facilities-</b> Dry Valve on sprinkler system	Waiting for capital budget approvals	Simplex Grinnell- \$ 11,000		
<b>Facilities-</b> Electric Cart	Waiting on capital budget approvals	No Vender yet \$4,000	Most days we don't need the truck to hall around minor equipment and tools	

## Bear Valley Community Healthcare District Repairs Maintenance

Department / Project	Details	Vendor and all associated costs	Comments	Date
Ultrasound- Renovated Room	Repainted and installed new base cove.	Jim & Tyler	Completed.	
Cold Water Chiller- Motor Replacement	Replaced grounded motor on system	Jim & Tyler	Completed.	
Cold Water Chiller- Motor Repairs	Re-wound old motors for a fraction of the cost	AAA Electric	Completed.	
Quartely Sprinkler & Fire Alarm Inspection	Completed Hospital Quarterly & Brenda Boss 5 year inspection	Simplex Grinnell	Completed.	
Xray- Renovated Room	Drywalled damaged walls, removed old plumbing, Removed old pass-thrus Re-painted and installed base cove	Jim & Tyler	Completed.	
Mammo Project- Repaired Drywall	Repaired damaged firewall above ceiling prior to OSHPD inspection	Jim & Tyler	Completed.	
Mammo Project- ABS Replacement	Replaced ABS that wasn't to code that we found above the ceiling.	Advanced Medical Builders	Completed.	
Mammo Project- Fire Barrier	Maintenance installed new drywall above the Mammo ceiling as suggested by OSHPD	Jim & Tyler	Completed.	



HR Monthly Report  
May 2017

STAFFING	<b>Active:</b> 199 <b>New Hires:</b> 5 <b>Terms:</b> 7 (3 voluntary 4 involuntary) <b>Open Positions:</b> 27
EMPLOYEE PERFORMANCE EVALUATIONS	<b>DELINQUENT:</b> 30 days: 0 60 days: 1 90 days: 0 90+ days: 0  <b>MOVING FORWARD:</b> Enforce Delinquent Evaluation Policy and continue monitoring ongoing annual evaluations.
WORK COMP	<b>NEW CLAIMS:</b> 1 <b>OPEN:</b> 1 Indemnity (Wage Replacement, attempts to make the employee financially whole) - 6 Future Medical Care - 5  <b>MOVING FORWARD:</b> Quarterly claims update.
FILE AUDIT/ LICENSING	<b>FIVE FILE AUDIT:</b> One missing Meal and Rest Period Acknowledgement One missing Meal Waiver in Excess of 8 hours One missing Work Comp Fraud Notice Two missing Employee Handbook Acknowledgement One missing FEMA Training  All Licenses are up to date  Missing one item from previous month  <b>MOVING FORWARD:</b> Obtain required items, continue file audit.

## Infection Prevention Monthly Report

### May 2017

TOPIC	UPDATE	ACTION/FOLLOW UP
<b>1. Regulatory</b>	<ul style="list-style-type: none"> <li>▪ Continue to receive updates from APIC.</li> <li>▪ AFL (All Facility Letters) from CDPH have been reviewed. <ul style="list-style-type: none"> <li>▪ No AFLs related to infection control</li> </ul> </li> <li>▪ Continue NHSN surveillance reporting.</li> <li>▪ Completion of CMR reports to Public Health per Title 17 and CDPH regulations. <ul style="list-style-type: none"> <li>▪ 1 case of Neisseria meningitidis reported to San Bernardino County Public Health</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Review ICP regulations.</li> <li>▪ AFL to be reviewed at Infection Control Committee and Regulatory committee.</li> <li>▪ Continue Monthly Reporting Plan submissions.</li> </ul>
<b>2. Construction</b>	<ul style="list-style-type: none"> <li>▪ Mammo and CT projects ongoing. Both following infection control regulations with proper permits.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work with Maintenance and contractors to ensure compliance.</li> </ul>
<b>3. QI</b>	<ul style="list-style-type: none"> <li>▪ Continue to work towards increased compliance with Hand Hygiene. <ul style="list-style-type: none"> <li>○ Hand hygiene compliance for April was 82%</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue monitoring hand hygiene compliance.</li> </ul>
<b>4. Outbreaks/ Surveillance</b>	<ul style="list-style-type: none"> <li>▪ Public Health Report <ul style="list-style-type: none"> <li>○ No new outbreaks to report</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>



	.	
<b>5. Policy Updates</b>	<ul style="list-style-type: none"> <li>▪ Policies reviewed, approved: <ul style="list-style-type: none"> <li>○ None this past month</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Clinical Policy and Procedure Committee to review and update Infection Prevention policies.</li> </ul>
<b>6. Safety/Product</b>	<ul style="list-style-type: none"> <li>▪ Approved EPA use of surface disinfectants <ul style="list-style-type: none"> <li>○ Will be looking for product to use in ER that is safe for gurney mattresses and able to kill C-diff and fungi.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor compliance with approved cleaning procedures.</li> </ul>
<b>7. Antibiotic Stewardship</b>	<ul style="list-style-type: none"> <li>▪ Danggiao Phan continues to monitor Vancomycin usage. <ul style="list-style-type: none"> <li>○ 2 out of 4 cases were incorrectly administered</li> <li>○ This information will be relayed to prescribing physicians.</li> </ul> </li> <li>▪ Dr. Paja and Danggiao Phan head the Antimicrobial Stewardship program.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational.</li> </ul>
<b>8. Education</b>	<ul style="list-style-type: none"> <li>▪ ICP continues to attend the APIC meetings in Ontario.</li> </ul>	<ul style="list-style-type: none"> <li>▪ ICP to share information at appropriate committees.</li> </ul>
<b>9. Informational</b>	<ul style="list-style-type: none"> <li>▪ CDPH was on site to a complete a survey on our disaster process and Ebola Plan. They will provide a written summary of their findings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>
<i>Heather Loose, BSN, RN      Infection Preventionist      Date: June 6, 2017</i>		



DEPARTMENT: Risk Management	CATEGORY: Policies, Procedures
SUBJECT: Complaint and Grievance	

**POLICY:**

It is the policy of Bear Valley Community Healthcare District (BVCHD) to have an effective complaint resolution process as part of BVCHD's overall commitment to patient's rights and our organizational ethics.

**DEFINITIONS:**

When a complaint is not resolved at the time of the complaint by the staff present, it is then considered by CMS to be a **grievance**. A "**patient grievance**" is a formal or informal written or verbal complaint that is made to the hospital by a patient, or the patient's representative, regarding the patient's care (when the complaint is not resolved at the time of the complaint by the staff present), abuse or neglect, issues related to the hospital's compliance with the CMS Hospital Conditions of Participation (CoP's), or a Medicare beneficiary billing complaint related to the rights and limitations provided by 42 CFR 489.

- A. "Staff present" includes any hospital staff present at the time of the complaint or who can quickly be at the patient's location (i.e., nursing, administration, risk manager, etc.) to resolve the patient's complaint.
- B. If a patient care complaint cannot be resolved at the time of the complaint by staff present, is postponed for later resolution, is referred to other staff for later resolution, requires investigation, and/or requires further actions for resolution, then the complaint is a **grievance** for the purposes of CMS requirements. A complaint is considered resolved when the patient is satisfied with the actions taken on their behalf.
- C. Billing issues are not usually considered grievances for the purposes of these requirements. However, a Medicare beneficiary billing complaint related to rights and limitations provided by 42 CFR 489 is considered a grievance. Refer to Important Message Policy.
- D. A written complaint is always considered a grievance. This includes complaints received via email or fax.
- E. Information from patient satisfaction surveys usually does not meet the definition of a grievance. If an identified patient writes or attaches a written complaint to the survey, then the complaint meets the definition of a grievance.
- F. Patient complaints that are considered grievances also include situations where a patient or a patient's representative telephones the hospital with a complaint regarding the patient's care or with an allegation of abuse or neglect, or failure of the hospital to comply with one or more CoP's, or other CMS requirements. Those post-hospital verbal communications regarding patient care that would routinely have been handled by staff present if the communication had occurred during the stay/visit are not required to be defined as a grievance.
- G. All verbal or written complaints regarding abuse, neglect, patient harm, or hospital compliance with CMS requirements are considered to grievances.
- H. Whenever the patient or patient's representative requests that his or her complaint be handled as a formal complaint or grievance or when the patient requests a response from the hospital, the complaint is considered a grievance and all CMS requirements apply.

Prepared By: Norman, Mary	Reference: CMS Interpretive Guidelines 482.13, CHA Consent Manual
Reviewed By: Admin Team, Medical Executive Committee, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet



<b>DEPARTMENT: Risk Management</b>	<b>CATEGORY: Policies, Procedures</b>
<b>SUBJECT: Complaint and Grievance</b>	

**PROCEDURE:**

1. If a complaint received while the patient is “in house”, all attempts to resolve the issue by staff present will be attempted.
  - 1.1 Should the grievance involve a situation or practice that places the patient in immediate danger, contact Administration and Risk Manager immediately.
  - 1.2 If resolution is not an option, then complete a variance report in CPSI, including methods utilized for service recovery.
2. The Risk Sub Committee will address and analyze the complaint/grievance.
  - 2.1 If the complaint involves a Medical Staff issue, this will then trigger a peer review activity and be reported to the Chief of Staff/ Medical Executive Committee.
  - 2.2 If the complaint involves a Nursing Issue, it will be sent to the Chief Nursing Officer/ Nursing Leadership Team for review and possible resolution.
  - 2.3 Ancillary Departments complaints will go to the department manager for review and possible resolution.
  - 2.4 If indicated, the complaint will also be reported to the Compliance Officer or the Privacy Officer for complaints involving HIPAA violations.
  - 2.5 Unresolved billing complaints will be forwarded by Patient Financial Services.
3. The Risk Manager will send an initial response to the complainant within 7 days of receipt of the complaint.
  - 3.1 The written grievance response will include the following: organization contact person; steps taken to investigate; and the date of completion (or expected timeframe).
  - 3.2 Follow up correspondence will be conducted, as needed, at the completion of the incident investigation.
4. The Risk Manager will maintain ongoing contact with the complainant to the degree possible until resolution is met.
  - 4.1 There may be situations where the district has taken appropriate and reasonable actions on the patient’s behalf in order to resolve the patient’s grievance and the patient or the patient’s representative remains unsatisfied with the districts’ actions. In these situations, the district will consider the grievance closed.
5. The outcome of the complaint/grievance is reported out to the applicable committee, i.e., Med Exec, QI Committee, and Compliance Committee and ultimately to the Governing Board.
6. If the complaint could be viewed as a potentially compensated event (PCE) Beta Insurance Group will be notified in writing by the Risk Manager.
7. Data collected regarding patient complaints and grievances are incorporated in the district’s Quality Assessment and Performance Improvement Program.
  - 7.1 If, as a result of the complaint, a process problem is identified, the Risk Sub Committee will make a recommendation and send it to the QI Committee for further follow-up.
  - 7.2 The QI Committee has the authority to initiate a Performance Improvement ‘focus group’ to further improve the process utilizing the FOCUS PDCA methodology established as part of our QA/PI Plan.

<b>Prepared By: Norman, Mary</b>	<b>Reference: CMS Interpretive Guidelines 482.13, CHA Consent Manual</b>
<b>Reviewed By: Admin Team, Medical Executive Committee, Policy &amp; Procedure Committee</b>	<b>Revised Date: Not Approved Yet</b>
<b>Approved By: Board Directors</b>	<b>Date Approved: Not Approved Yet</b>



<b>DEPARTMENT: Family Health Center, Rural Health Clinic</b>	<b>CATEGORY: Policies, Procedures</b>
<b>SUBJECT: Depression Screening</b>	

### **POLICY:**

Bear Valley Community Family Health Center shall perform annual depression screening for patients 18 years old and older. Patients with active diagnosis of depression or bi-polar disorder are exempt from annual screening.

### **PROCEDURE:**

1. Patients seen at the Family Health Clinic shall be screening for depression on an annual basis using a standardized screening tool.
2. Patients will asked to complete the questionnaire during the registration process.
  - 2.1. The patient has the right to refuse screening.
  - 2.2. The clinical staff shall be informed of the refusal and shall document the refusal in the medical record.
3. Completed screening tools shall be scored and entered into the medical record.
  - 3.1. PHQ-9 screening is located in the Clinic Intake section.
  - 3.2. Either the clinical staff or Licensed Clinical Social Worker may enter the results in the medical record.

4. Depression screening using the PHQ-9 tool shall be scored using a standardized scoring metric:

<b>Total Score</b>	<b>Depression Severity</b>
1-4	Minimal depression
5-9	Mild depression
10-14	Moderate depression
15-19	Moderately severe depression
20-27	Severe depression

5. Patients with positive screenings shall be given self- help tips which may include but not limited to:
  - 5.1. Eating healthy
  - 5.2. Exercise
  - 5.3. Limiting caffeine intake
  - 5.4. Community involvement
  - 5.5. Healthy relationships
6. Patients with scores greater than 14 are referred to the Clinical Therapist for further evaluation.
7. Evaluation may include but not limited to:
  - 7.1. Full screening for depression
  - 7.2. Education
  - 7.3. Referral to group counseling
  - 7.4. Referral to individual counseling
  - 7.5. Recommendation for treatment/follow-up services
8. Evaluation, education and referrals shall be documented in the medical record.

<b>Prepared By: Mursick, Sheri</b>	<b>Reference: PHQ-9, Copyright Pfizer Inc.</b>
<b>Reviewed By: Admin Team, Medical Executive Committee, Policy &amp; Procedure Committee</b>	<b>Revised Date: Not Approved Yet</b>
<b>Approved By: Board Directors</b>	<b>Date Approved: Not Approved Yet</b>

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
SPECIAL PLANNING & FACILITIES COMMITTEE  
MEETING MINUTES  
APRIL 27, 2017**

<b>MEMBERS PRESENT:</b>	Donna Nicely, President Jack Roberts, 2 <sup>nd</sup> Vice President John Friel, CEO	Shelly Egerer, Admin. Assistant Michael Mursick, Plant manager
<b>STAFF:</b>	Kerri Jex	Garth Hamblin
<b>ABSENT:</b>	Mary Norman	
<b>OTHER:</b>	David Hunt, AIA w/GKKworks	Hal Sibley, AIA w/GKKworks
<b>COMMUNITY MEMBERS:</b>	None	

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**OPEN SESSION**

**1. CALL TO ORDER**

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

**2. ROLL CALL**

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

**3. ADOPTION OF AGENDA\***

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

- President Nicely - yes
- Board Member Roberts- yes

**4. APPROVAL OF MINUTES\***

**A. February 21, 2017**

**B. March 15, 2017**

**Board Member Roberts motioned to approve the February 21, and March 15, 2017 Planning Meeting Minutes as presented. Second by President Nicely to approve the February 21, and March 15, 2017 Planning Meeting Minutes as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.**

- President Nicely - yes
- Board Member Roberts- yes

## **5. PUBLIC FORUM FOR OPEN SESSION**

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

## **6. DIRECTORS COMMENTS**

- Board Member Roberts thanked Mr. Friel for providing the Trustee Magazine, Focus on Efficiency (2017 Hospital Construction Survey).
- Mr. Friel informed the committee that Administration is trying to get an updated distribution list to the Trustee Magazine so that all Board Members receive a copy.

## **7. OLD BUSINESS\***

- None

## **8. NEW BUSINESS\***

### **A. Discussion and Presentation of the District Master Plan: Brandon Dekker, GKK Works:**

- Mr. Friel provided an introduction of the Board Members and staff present at today's committee meeting.
- Mr. Hunt w/GKK Works provided the following information:
  - Provided a briefing on projects/hospitals completed by GKK Works.
  - GKK Works began the plans in 2010 for the district; this was an addition to the hospital and does not have 2030 seismic standards built in.
  - ER Department was impacted and the goal was to increase volumes and enlarge the ER space.
  - Space programming was completed due to the volume at that time of seven bays.
  - No increase in bed capacity.
  - Current cost is approximately \$860.00 per square foot and this is for an addition only.
  - Cost was approximately \$17 million in 2010.
    - \$12 million – hard cost.
    - \$7 million allowance for equipment.
- Further discussion took place on expanding the current hospital or the potential to build a new hospital and the property that would need to be purchased. The committee also agreed that an “out the door” cost would need to be determined.
- Mr. Friel reported that the District has converted to a Critical Access Hospital and we are required to have a certain amount of beds. There are various items to be determined before the committee could approve which direction the District would move towards.

### **B. Discussion and Potential Approval of the Planning & Facilities Committee Meeting Calendar:**

- The committee discussed changing the meeting to the 4<sup>th</sup> Thursday of the month; this would work best for both committee members and the Plant / Maintenance Manager.

**Board Member Roberts motioned to approve the Planning & Facilities Committee Meeting be conducted on the 4<sup>th</sup> Thursday of every month at noon. Second by President Nicely to approve the Planning & Facilities Committee Meeting be conducted on the 4<sup>th</sup> Thursday of every month at noon. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.**

- President Nicely - yes
- Board Member Roberts - yes

## **9. PLANNING & FACILITIES\***

### **A. Construction Project:**

- Mr. Mursick reported the following
  - CT Scanner:
    - Construction has begun; interior closet's are ripped out, and the old CT Scanner has been removed.
    - Portable CT Scanner did not acclimate to the altitude and took approximately one week to get the scanner adjusted.
  - Mammography:
    - Construction has begun, equipment removed; continuing to move forward in the project.
  - SNF Fire Doors: have been installed and painted.

### **B. Potential Equipment Requirements:**

- Mr. Mursick reported the following:
  - Skid steer was delivered this week.
  - Other items are waiting for the Capital Budget to be approved by the Board of Directors.

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

- There were no questions or concerns on this portion of the report.

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

- President Nicely - yes
- Board Member Roberts- yes

## **10. ADJOURNMENT\***

**President Nicely motioned to adjourn the meeting at 1:10 p.m. Second by Board Member Roberts to adjourn the meeting. President Nicely adjourned the meeting.**

- President Nicely - yes
- Board Member Roberts- yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
POLICY & PROCEDURE & DISTRICT BYLAW  
COMMITTEE MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
May 01, 2017**

**MEMBERS PRESENT:** Donna Nicely, President                      John Friel, CEO  
                                 Rob Robbins, 1<sup>st</sup> Vice President              Shelly Egerer, Admin. Asst.  
                                 Mary Norman, Risk/Compliance Officer

**MEMBERS ABSENT:** None

**STAFF:**                      None

**GUESTS:**                      None

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**OPEN SESSION**

**1. CALL TO ORDER:**

President Nicely called the meeting to order at 3:00 p.m.

**2. ROLL CALL:**

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

**3. ADOPTION OF AGENDA:**

**President Nicely motioned to adopt the May 01, 2017 Agenda as presented. Second by Board Member Robbins to adopt the May 01, 2017 Agenda as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.**

- Board Member Robbins- yes
- President Nicely- yes

**4. PUBLIC FORUM FOR OPEN SESSION:**

President Nicely opened the Hearing Section for Public Comment at 3:00 p.m. Hearing no request to address the Committee, Board Member Nicely closed the Hearing Section at 3:00 p.m.

**5. DIRECTORS COMMENTS**

- None

**6. APPROVAL OF MINUTES\***

A. April 25, 2017

**President Nicely called for a motion to approve the April 25, 2017 minutes as presented. Motion by Board Member Robbins to approve the April 25, 2017 minutes as presented. Second by President Nicely to approve the April 25, 2017 minutes as presented. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.**



- Board Member Robbins- yes
- President Nicely- yes

## **6. OLD BUSINESS:**

### **A. Discussion and Potential Approval of the Policy & Procedure & Bylaw Committee Meeting Calendar:**

- President Nicely and Board Member Robbins suggested the next committee meeting be conducted May 30, 2017 at 1:00 p.m.

**Board Member Robbins motioned to approve the next committee meeting to be scheduled for May 30, 2017 at 1:00 p.m. Second by President Nicely to approve the next committee meeting to be scheduled for May 30, 2017 at 1:00 p.m. President Nicely called for the vote. A vote in favor of the motion was unanimously approved.**

- Board Member Robbins- yes
- President Nicely- yes

## **8. NEW BUSINESS\***

- None

## **9. PRESENTATION, REVIEW AND REVISION OF BVCHD BYLAWS\***

(1) August 2015 BVCHD Bylaws:

- The committee suggested that the bylaws be sent to legal counsel for review. A memo needs to be provided if there are any changes that legal counsel makes.

## **10. ADJOURNMENT\***

**President Nicely motioned to adjourn the meeting at 3:03 p.m. Second by Board Member Robbins to adjourn the meeting. President Nicely called for the vote. A vote in favor of the motion was unanimously approved. President Nicely adjourned the meeting.**

- Board Member Robbins- yes
- President Nicely- yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
FINANCE COMMITTEE MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
May 01, 2017**

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

Garth Hamblin, CFO  
Shelly Egerer, Admin. Asst.

**STAFF:** Kerri Jex

Mary Norman

**COMMUNITY  
MEMBERS:** None

**ABSENT:** None

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**OPEN SESSION**

**1. CALL TO ORDER:**

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

**2. ROLL CALL:**

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

**3. ADOPTION OF AGENDA:**

**Board Member Robbins motioned to adopt the May 01, 2017 agenda as presented. Second by Board Member Willey to adopt the May 01, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.**

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

**CLOSED SESSION**

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

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

**5. ADJOURN TO CLOSED SESSION:**

**Board Member Robbins motioned to adjourn to Closed Session. Second by Board Member Willey to adjourn to Closed Session. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.**

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

## **OPEN SESSION**

### **1. CALL TO ORDER:**

Board Member Willey called the meeting to order at 1:50 p.m.

### **2. RESULTS OF CLOSED SESSION:**

Board Member Willey stated that Administration is to prepare additional information regarding the RHC property and is required to go to the full Board at the May 2017 Board Meeting.

### **3. PUBLIC FORUM FOR OPEN SESSION**

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 1:50 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:50 p.m.

### **4. DIRECTORS COMMENTS:**

- None

### **5. APPROVAL OF MINUTES:**

A. April 03, 2017

**Board Member Robbins motioned to approve the April 03, 2017 minutes as presented. Second by Board Member Willey to approve the April 03, 2017 minutes as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.**

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

### **6. OLD BUSINESS:**

- None

### **7. NEW BUSINESS\***

#### **A. Discussion Potential Recommendation to the Board of Directors: Resolution # 17-450 Determining, Certifying and Directing 2017/2018 Special Tax Levies Within the District:**

- Mr. Hamblin stated that annually the Board approves a Resolution for the Parcel Tax. Mr. Hamblin informed the committee that \$805.88 will decrease this year and total of \$1.18 million is the amount the District receives.

**Board Member Willey motioned to recommend to the Board of Directors the Resolution # 17-450 as presented. Second by Board Member Robbins to recommend to the Board of Directors the Resolution # 17-450 as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.**

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

**B. Presentation and Discussion on the Fiscal Year 2017/2018 Budget Development:**

- Mr. Hamblin reported the following information:
  - Provided a draft of the beginning stage of the 2017/18 Budget.
  - No budgeted increase in charges; consider increasing a few percent.
  - Increase in FTE's. Additional 8.6 increase in FTE.
  - Professional fees – Hospital coverage and Prime Project.
  - Purchased services will increase.
  - Interest for CT & Mammo equipment.
  - Not projecting large increases in volume.
  - FHC staff decreases due to staff being moved to the RHC.
- Board Member Roberts stated that this is not an ongoing budget for a business when there is a loss of \$2 million; so many increases that it turns the District upside down.
- The committee members requested details on what cost are in Professional Fees and why are their additional FTE's. The committee will review a 4<sup>th</sup> draft of the budget at a future Finance Meeting.
- Mr. Hamblin stated that with the Parcel Tax it would allow for \$1.2 million funds and the District will only have a loss of approximately \$1 million.
- The committee stated that they are not happy with the information provided in the budget document; such as the increase in FTE's, the committee did not feel that the report provided to the committee was clear. The report needs to be simplified, needs to make sense and the managers did not pay attention to what they were requesting or the typo's on their justification of requesting additional staff. The committee also expressed their concerns in the large increases in various categories. At this time the Finance Committee is not in support of the document provided.

**Board Member Willey reported no action required****8. Presentation and Review of Financial Statements:****A. March 2017 Finances:**

- Mr. Hamblin reported the following:
  - Cash was strong - 220 days cash on hand.
  - Exceeded budgeted surplus.
  - Total revenue over budget.
  - Total expenses under budget.
  - Acute increase.
  - Swing Bed days increase.
  - ER visits; slow and steady increase in statistics.
  - RHC clinic visits continue to grow.
  - Dental visits will continue to grow.
  - Strong results for March and for the year.
  - All inpatient services have increased.
  - Inpatient days lowered for the month
- Board Member Roberts stated that we have been doing well for the last year and would like to see it continue this way.

**B. CFO Report:**

- Mr. Hamblin reported the following information:
  - Affordable Care Act is now becoming American Health Care Act and is still unknown.
  - Payor agreements – information has been provided, summary format, there are a few negotiations on some of the contracts.
- The committee would like clarification on what Andy Working does for the District; the committee feels this is still unknown. The committee requested a trend report provided at the June Finance Committee Meeting.

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

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

**9. ADJOURNMENT\***

**Board Member Robbins motioned to adjourn the meeting at 2:27 p.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey adjourned the meeting.**

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

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT  
BOARD OF DIRECTORS  
SPECIAL FINANCE COMMITTEE MEETING MINUTES  
41870 Garstin Drive, Big Bear Lake, Ca. 92315  
May 30, 2017**

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

Garth Hamblin, CFO  
Shelly Egerer, Admin. Asst.

**STAFF:** Kerri Jex

Mary Norman

**COMMUNITY  
MEMBERS:** None

**ABSENT:** None

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**OPEN SESSION**

**1. CALL TO ORDER:**

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

**2. ROLL CALL:**

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

**3. ADOPTION OF AGENDA:**

**Board Member Robbins motioned to adopt the May 30, 2017 agenda as presented. Second by Board Member Willey to adopt the May 30, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.**

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

**4. PUBLIC FORUM FOR OPEN SESSION**

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

**5. DIRECTORS COMMENTS:**

- None

**6. APPROVAL OF MINUTES:**

- None

**7. OLD BUSINESS:**

- None

## **8. NEW BUSINESS\***

### **A. Presentation and Discussion of the Fiscal Year 2017/2018 Budget Development:**

- Mr. Hamblin reported that part of the process of creating the budget was meeting with managers, using historical data and trends.
  - Specific need:
    - Last year's budget was negative margin.
    - Current year will have a positive margin.
    - Historical information was hard to obtain at the FHC, RHC and Dental Services.
    - SNF budget is 17 to 18 due to how rooms are assigned for the residents. even though the census has been 21 the current year.
    - PT has increase in visits; we have seen significant growth.
    - Swing days are budgeted at 525.
    - Small growth in FHC and increase in Dental Services.
    - 6% price increase added.
    - Bad debit budget has increased; budgeting \$1.9 million for 17/18.
    - Healthcare Reform is unknown at this time and not sure of impact if it changes.
    - Charity Care Program is continuing.
    - Salary increase is due to 3% increase and adding additional staff.
    - Rental line item will decrease once the new CT Machine is installed.
    - Employee benefits are continuing to be worked on; current contracts will be looked at so employees may go to the clinic.
    - Dues & Subscriptions are for AHA, ACHD, and other associations.
    - Summary of FTE are provided; increase for 6 FTE's.
    - FTE data clinical analysis and data collection is added.
    - Moving several employees around to various departments.
      - Over 200 employees District wide.
    - Surgical staff increase will be able to cover the OR at least once a week.
    - Physician fees increase for PRIME Project. Added PRIME funding and required to fully account for expense.
    - HR Department is requesting additional clerical support so that the HR Manager can focus on management duties.

**Board Member Willey reported no action required**

### **B. Presentation and Discussion on the Fiscal Year 2017/2018 Capital Budget Development:**

- Mr. Hamblin reported the following information:
  - ER Capital Budget is minimal cost due to the possibility of new facility or upgrade for the 2030 requirements.
  - ER needs to be a main focus and will need to remember that the facility is old and requires some work.
  - Medical Screens are still being looked into.

**Board Member Willey reported no action required**

**9. ADJOURNMENT\***

**Board Member Robbins motioned to adjourn the meeting at 10:50 a.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.**

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





## FY 2018 Budget (July 1, 2017 through June 30, 2018)

**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 updating for FY 2018 budget request and submitted to the Accounting staff. After input into the budget model, the CFO and 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 Total Operating Revenue (net of revenue deductions) less Total Expenses over Total Patient Revenue.

Total Margin is “Surplus” (Net Income) over Total Patient Revenue

The budget presented here shows an Operating Margin of 0.3% (last year’s budget had a negative operating margin), and a 5.8% Net Margin (surplus of \$2,939,870 over Total Patient Revenue of \$50,823,696).

Historical Net Margins have been -

	ACTUAL FY 6/30/15	ACTUAL FY 6/30/16	YTD January-17	Budget FY 2018
Operating Margin	-1.8%	0.4%	2.2%	0.3%
Total Margin	4.2%	6.2%	7.8%	5.8%

We propose that \$1 million of the budgeted surplus be placed in a restricted fund for planning efforts to meet future facility needs - seismic upgrades, facility upgrades, expansion, or replacement, and etc.

Overall budget P & L for the budget year with Prior and Current year comparisons is below

**Draft 4**

**BEAR VALLEY COMMUNITY HOSPITAL**  
FY 6/30/18 BUDGET

	ACTUAL FY 6/30/16	ACTUAL YTD 1/31/17	ESTIMATE FY 6/30/17	BUDGET FY 6/30/18	VARIANCE FROM CURR EST	PERCENT CHANGE
GROSS PATIENT REVENUE						
INPATIENT REVENUE	2,440,412	1,607,062	2,754,963	3,002,287	247,324	9.0%
OUTPATIENT REVENUE	43,363,327	24,770,950	42,464,486	44,876,845	2,412,359	5.7%
LONG TERM CARE	2,335,227	1,682,233	2,883,828	2,944,564	60,736	2.1%
TOTAL PATIENT REVENUE	48,138,966	28,060,245	48,103,277	50,823,696	2,720,419	5.7%
REVENUE DEDUCTIONS						
CONTR. ADJ.-CURR.	26,589,251	13,841,412	23,728,135	25,231,100	1,502,965	6.3%
PROV.FOR BAD DEBTS	762,369	1,061,408	1,819,557	1,978,271	158,714	8.7%
TOTAL REVENUE DEDUCTIONS	27,351,620	14,902,820	25,547,691	27,209,371	1,661,680	6.5%
<b>NET PATIENT REVENUE</b>	20,787,346	13,157,425	22,555,586	23,614,325	1,058,739	4.7%
OTHER OPERATING INCOME	289,063	91,257	156,441	145,327	(11,114)	-7.1%
NET OPERATING REVENUE	21,076,409	13,248,682	22,712,026	23,759,652	1,047,626	4.6%
OPERATING EXPENSES						
SALARY & WAGES	8,754,496	5,339,659	9,153,701	9,721,266	567,565	6.2%
EMPLOYEE BENEFITS	3,119,456	2,009,494	3,444,847	3,914,294	469,447	13.6%
PROFESSIONAL FEES	1,610,759	1,023,630	1,754,794	1,908,002	153,208	8.7%
SUPPLIES	1,498,596	855,790	1,467,069	1,499,163	32,094	2.2%
UTILITIES	532,448	310,905	532,980	527,797	(5,183)	-1.0%
REPAIR	214,492	149,843	256,874	271,296	14,423	5.6%
PURCHASED SERVICES	3,227,754	1,897,590	3,253,011	3,583,588	330,577	10.2%
INSURANCE	266,904	175,283	300,485	310,999	10,514	3.5%
DEPRECIATION & AMORT	845,561	329,906	565,553	900,000	334,447	59.1%
RENTAL EXPENSE	241,127	127,384	218,373	195,525	(22,848)	-10.5%
INTEREST	47,079	55,304	94,807	93,000	(1,807)	-1.9%
DUES & SUBSC	55,034	30,591	52,442	60,543	8,101	15.4%
OTHER EXPENSE	447,252	313,071	536,693	631,942	95,249	17.7%
<b>TOTAL OPERATING EXPENSE</b>	20,860,958	12,618,450	21,631,629	23,617,416	1,985,787	9.2%
<b>INCOME (LOSS) FROM OPERATIONS</b>	215,451	630,232	1,080,398	142,236	(938,162)	86.8%
NON-OPERATING INCOME						
TAX REVENUE	2,234,639	1,329,419	2,279,004	2,232,569	(46,435)	-2.0%
OTHER NON-OPERATING	537,296	226,004	387,435	565,065	177,629	45.8%
NET NON-OPERATING	2,771,935	1,555,423	2,666,439	2,797,634	131,194	4.9%
<b>NET INCOME (LOSS)</b>	2,987,386	2,185,655	3,746,837	2,939,870	(806,968)	21.5%
=====						
Operating Margin	0.4%	2.2%	2.2%	0.3%		
Total Margin	6.2%	7.8%	7.8%	5.8%		

## Statistics

The following is a comparison of key statistics used in the budget and some historical information. We have not budgeted big increases in any of these statistics for the budget year and in some cases are budgeting decreases.

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected	FY 2018 Budget
Acute	459	444	652	880	951	951
IP Days	459	444	398	468	428	426
Swing Days			254	412	523	525
			61.0%	53.2%	45.0%	44.8%
SNF Days	7,074	6,600	5,620	5,289	6,380	6,205
Emergency Room	9,672	9,373	10,593	11,184	11,405	11,000
OR	290	270	233	105	68	240
Lab	59,512	61,188	73,339	78,916	70,041	70,041
EKG	2,558	2,701	3,473	3,655	3,097	3,097
Radiology	10,195	9,947	11,105	11,013	10,091	9,600
Ultrasound	1,734	1,883	1,967	2,366	2,409	2,409
CT	2,894	3,045	3,362	3,575	3,076	3,076
Pharmacy	41,816	39,320	47,850	60,181	59,714	59,714
RT	1,542	2,037	2,084	1,684	1,244	1,244
PT	8,016	12,086	14,245	13,406	20,554	19,200
FHC / RHC	8,699	12,730	17,420	17,939	17,656	18,000
RHC (incl Dental)	6,006	4,463	1,131		2,544	3,960
combined clinics	14,705	17,193	18,551	17,939	20,200	21,960

We have seen an increase in average daily census on the Skilled Nursing Facility from 14.5 in fiscal year 2016 to a projected 17.5 in fiscal year 2017. We are budgeted an average daily census of 17.0 for fiscal year 2018.

In fiscal year 2017 we have seen an over 50% growth in PT, Physical Therapy, visits.

Statistics for the RHC (including dental) are budgeted projecting a full year of activity at that location.

## FTE / Salaries and Wages

Salaries, Wages, and Benefits make up 57.7% of Total Operating Expenses. This is in line with previous years - the current fiscal year salaries wages and benefits are 58.2% of total operating expenses. For fiscal year 2016 salaries wages and benefits were 56.9% of total operating expenses.

For the current fiscal year, FTE are running below the budget by 2.6. The table below summarizes FTE by Department for the FY 2018 budget. The budget is for a total of 170.0 FTE, an increase of 6 FTE over the FY 2017 budget.

				FY 2017	22 May revised	FY 2017	difference
	Dept	FY 2015	FY 2016	YTD	FY 2018 Budget	Budget	FY 17 & 18 Budgets
Acute	006170	5.6	6.1	6.1	8.30	8.3	0.00
SNF	006582	22.0	21.0	21.7	21.20	21.2	0.00
ER	007010	18.0	20.0	20.0	21.30	21.8	0.50
Risk / Compl	008754			0.3	1.00	1.0	0.00
RHC	007181	1.2	-	0.3	2.25	-	(2.25)
OR	007420	1.4	1.2	1.3	2.10	1.0	(1.10)
DISASTER	008490	0.4	0.5	0.5	0.20	0.2	0.00
LAB	007500	8.3	8.6	8.4	8.90	8.9	0.00
XRAY	007630	8.2	7.2	6.4	7.40	6.9	(0.50)
US	007670	-	1.2	1.1	1.00	1.0	0.00
PHARM	007710	1.0	1.2	1.3	1.20	1.0	(0.20)
RT	007720	2.7	3.1	2.7	2.30	2.3	0.00
PT	007770	4.6	4.8	5.5	6.18	4.9	(1.28)
DIETARY	008340	8.6	8.6	8.8	8.70	8.7	0.00
PURCH	008400	1.0	1.5	1.8	1.40	1.4	0.00
HSKPG	008440	8.3	8.3	9.5	9.45	9.2	(0.25)
PLANT	008460	2.7	2.8	3.2	3.00	3.0	0.00
IS	008480	3.2	2.5	3.2	4.00	3.5	(0.50)
ACCTG	008510	3.2	2.8	3.0	3.00	3.0	0.00
PT.ACCTG	008530	4.9	2.8	3.1	4.00	3.0	(1.00)
ADMTG	008560	9.5	10.2	10.6	9.80	9.8	0.00
ADMIN	008610	2.2	1.4	1.5	1.70	1.5	(0.20)
DISTRICT	008620		-				0.00
HR	008650	1.9	1.9	2.1	3.10	2.0	(1.10)
HIM	008700	5.6	6.1	6.7	6.30	6.3	0.00
MD.STAFF	008710	1.0	0.8	1.0	0.80	0.8	0.00
N.ADMN	008720	3.5	3.2	3.4	3.40	3.8	0.40
FHC	008760	20.5	24.9	22.8	19.43	25.8	6.38
MOMS	008770	4.9	4.1	4.2	5.38	3.7	(1.68)
PRIME				0.9	3.25		(3.25)
		154.4	156.9	161.4	170.0	164.00	(6.03)

Here is additional information about the FTE budget.

**Transfers of FTEs from one department to another** - The budget reflects some transfers of FTE from one department to another (no net change in total FTE). These transfers reduce the budgeted FTE in the FHC (Family Health Center) and transfer to departments as follows - 2.25 FTE to the RHC (Rural Health Center), 3.25 FTE to the PRIME Project, and one FTE to the patient financial services department for a staff person who works on insurance eligibility, Medi-Cal and Medicare eligibility and etc. for all of our patients not just clinic or FHC patients.

transfer of FTE	
from FHC	6.38
to RHC	(2.25)
to PRIME	(3.25)
to Pt Acctg	(1.00)

There is also a transfer of half of an FTE from emergency room to the Information Technology department. The .5 FTE from ER was for data collection and data analysis. This .5 FTE is added to the .5 FTE already in IT for Clinical System. Transferring this FTE to the Information Technology department creates one full-time equivalent in IT for clinical information systems and data collection and analysis.

The fiscal year 2018 budget reflects an increase of six FTEs over the fiscal year 2017 budget. These increases are as follows:

**Operating Room** - 1.10 additional FTE. This will provide the staff needed to make sure we have our operating room available for surgeries one day per week. We will continue to evaluate opportunities and feasibility of expanding our ability to perform outpatient surgeries.

**X-ray (Radiology)** - .50 additional FTE. The proposal is to hire one full-time CT tech who is trained and specializes in the studies available with our new CT scanner. It becomes .5 FTE for the full year anticipating the retirement of one radiology staff member in December 2017.

**Pharmacy**- .20 additional FTE. Upon the arrival of our new pharmacists the decision was made to cover for vacations, meetings and conferences, and some call by hiring per diem pharmacists rather than contracting for this coverage. Making this change to the budgeted FTEs reflects current practice. The budget also reflects a corresponding reduction in contract staff expense.

**Physical Therapy** - 1.28 additional FTE. During fiscal year 2017 we have seen an over 50% increase in procedures done in our physical therapy department. Addition of the laser during this fiscal year has contributed to this growth in volume. In order to accommodate this increased workload, we need to budget for appropriate staff to provide the service.

**EVS (Housekeeping)** - .25 additional FTE. With the reopening of the RHC for dental and medical services, this is additional hours for staff needed to provide cleaning for the facility.

**Administration** - .20 additional FTE. This provides additional hours for marketing efforts.

**Human resources** - 1.10 additional FTE. HR provided the information below by way of explanation for the request for an additional FTE.

Additional FTE Proposal for HR

HR Department	HR Current: 2 employees (HR Director, HR Specialist)
Propose to add	<p>Employee/Labor Relations Specialist: Pay: approx. \$25-30 per hour</p> <p>Job Duties:</p> <ul style="list-style-type: none"> <li>• Union Negotiations</li> <li>• Labor relations</li> <li>• Provide advice to management regarding corrective issues</li> <li>• Disciplinary investigations</li> <li>• Investigates internal complaints/presents recommendations</li> <li>• Responds to EEOC complaints</li> <li>• Employee Wellness</li> <li>• And more...</li> </ul>
Savings	Reduce use of outside legal counsel
Would allow HR Director to focus on other things	<p>Frees up time for HR Director to:</p> <ul style="list-style-type: none"> <li>• Set and enforce HR policies and procedures</li> <li>• Recruiting</li> <li>• Compensation analyst</li> <li>• HRIS function</li> <li>• Analyze employee benefit package</li> <li>• Employee Safety</li> <li>• Leave administration</li> <li>• Management training</li> <li>• Employee engagement</li> <li>• Staff annual reviews</li> <li>• Staff surveys</li> <li>• Culture</li> <li>• Budget</li> <li>• Orientation/Reorientation</li> <li>• Prepares handbooks/manuals</li> <li>• Oversee Labor and HR Specialists</li> <li>• And more...</li> </ul>

**MOMs (Mom and Dad project) - 1.68 additional FTE (all grant funded).**

The Mom & Dad Project is requesting an additional FTE based on additional grant funds that have been received from First 5 San Bernardino and California Department of Health Care Services. In October of 2016, we were approached by First 5 San Bernardino and First 5 Riverside about becoming a part of a local pilot program relating to oral health in rural communities. Out of this conversation we were able to join the Local Dental Pilot Project – Inland Empire (LDPP-IE) and write a collaborative grant that resulted in 13.5 million dollars being awarded to 12 agencies in San Bernardino and Riverside Counties. The grant funds allow The Mom & Dad Project to hire an additional FTE as an Oral Health Patient Navigator for 3 ½ years.

Additionally grant funding pays for .50 FTE for housekeeper and will pay .2 FTE for staff collection data related to the Dental programs we have going.

Budget needs to reflect all of these changes at MOMs.

## Major changes in P & L

**Total Patient Revenue** budget reflects changes in statistics and a budgeted 6% rate increase.

**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 53.1%.

**Total Operating Expense** increases by 9.2% or \$1,985,787 over the current year projection. Many of the increases are normal inflationary increases. Below is more detail about some of the larger increases –

- **Salaries, Wages, and Benefits** total increased by over \$1 million with the addition of FTEs to the budget and an estimate of an “across the board” increase.
- **Professional / Physician Fees** increased with the inclusion of \$90,000 in physician fees for the PRIME Project and increased costs for Hospitalist coverage.
- **Purchased Services** increases with the addition of over \$350,000 in fees for the Center for Oral Health for services at the dental clinic
- **Depreciation and Amortization** increases by over \$330,000 reflecting depreciation expense for the remodel of the mammography and CT spaces and a full year of depreciation for the mammography and CT equipment.
- **“Other Expense” includes the following:**
  - Minor Equipment of \$169,011
  - Taxes and Licenses of \$55,590
  - Outside Training of \$73,561
  - Travel of \$80,680
  - Postage of \$10,900
  - Telephone of \$47,791

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 at the same amount as the current year.



## **Capital Budget / Plan FY 2016 through FY 2019**

Our capital budget/capital plan for fiscal year 2016 through 2019 totals just over 3,484,000. More than half of that amount is for two projects - construction and replacement of the CT scanner and construction and upgrade to digital mammography.

The budget reflects more accurately the construction/remodel costs for the CT and Mammo projects.

A major project estimated to cost \$250,000 is in the emergency department - making the bathroom handicap accessible, and replacing the flooring and countertops throughout the ED.

We have a number of projects budgeted for maintenance and facilities continuing to replace aging equipment and repairing and maintaining our aging building.

Information technology projects include an important upgrade to our information systems in preparation for meeting the requirements of Meaningful Use 3, continuing to make sure our software licensing is current and in compliance. Also plan to replace aging desktop computers.

Laboratory has requested funds to replace hematology analyzer and microbiology analyzer.

Operating room has included funds to upgrade equipment if efforts to expand surgery service are successful.

**Bear Valley Community Hospital**

Capital Budget / Capital Plan FY 2016, 2017, 2018 & 2019

Dept No.	Department	CER	Request Description	FY 2016	FY 2017	FY 2018	FY 2019	Total Budget
050	Radiology		Radiology system server	41,400.00				41,400.00
050	Radiology		Contrast injector for CT Scanner	25,000.00				25,000.00
050	Radiology	1601	CT Scanner OSHPD permit & constr.	30,000.00	270,000.00	279,000.00		579,000.00
050	Radiology	1601	CT Scanner		548,000.00			548,000.00
050	Radiology		(2) 5mp medical grade Monitors		20,000.00			20,000.00
050	Radiology	1603	Digital Mammography Unit		200,000.00	340,900.00		540,900.00
050	Radiology	1603	Construction Costs Mammo Unit		25,000.00	92,000.00		117,000.00
050	Radiology		DR plate			32,055.62		32,055.62
050	Radiology		High Level Ultrasound probe disinfectant			9,253.00		9,253.00
			<b>Total for Radiology:</b>	<b>96,400.00</b>	<b>1,063,000.00</b>	<b>753,208.62</b>	<b>-</b>	<b>1,912,608.62</b>
055	Ultrasound		Nanosonics Trophon EPR			12,053.00		12,053.00
			<b>Total for Laboratory:</b>	<b>-</b>	<b>0.00</b>	<b>12,053.00</b>	<b>-</b>	<b>12,053.00</b>
125	Info Technology		Prox card security doors	6,000.00				6,000.00
125	Info Technology		Enviro monitoring IT areas	9,000.00				9,000.00
125	Info Technology	1701	ShoreTel Telephone System		116,800.00			116,800.00
125	Info Technology	1706	35 Dell 22" monitors		6,200.00			6,200.00
125	Info Technology	1705	30 Dell Optiplex 3040 Micro Computers		15,000.00			15,000.00
125	Info Technology	a	Fifty Microsoft Office 2016 licenses			12,900.00		12,900.00
125	Info Technology	a	Forty Lenovo M700 Micro computers			32,928.40		32,928.40
126	Info Technology	a	Meaningful Use 3 software & BI reporting			115,000.00		115,000.00
125	Info Technology	a	Microsoft server and connection licenses			9,682.00		9,682.00
125	Info Technology	b	Zingbox network device monitoring system			18,000.00		18,000.00
			<b>Total for IT:</b>	<b>15,000.00</b>	<b>138,000.00</b>	<b>188,510.40</b>	<b>-</b>	<b>341,510.40</b>
115	Plant Maint.	1710	Second Air Conditioner for Server Room	14,000.00				14,000.00
115	Plant Maint.		replace heat coils in HVAC system	12,000.00				12,000.00
115	Plant Maint.		Second Air Conditioner for BBFRC	14,500.00				14,500.00
115	Plant Maint.		Replace #2 hot water heater coil	5,000.00				5,000.00
115	Plant Maint.		Re-insulate steam & chilled water piping	16,800.00				16,800.00
115	Plant Maint.		Volvo skid loader enclosure	10,000.00				10,000.00
115	Plant Maint.	1714	paint Facia		10,000.00			10,000.00
115	Plant Maint.	1709	repair, paint, patch hospital		13,000.00			13,000.00
115	Plant Maint.	1711	Add second Air Conditioner at the Lab		10,000.00			10,000.00
115	Plant Maint.		New Landscaping		15,000.00			15,000.00
115	Plant Maint.		Firewall Repairs		11,000.00			11,000.00
115	Plant Maint.	c	Recondition parking lot Hosp/FHC			24,000.00		24,000.00
115	Plant Maint.	a	replace medical air compressor			38,000.00		38,000.00
115	Plant Maint.	c	repaint exterior RHC			4,800.00		4,800.00
115	Plant Maint.	a	replace failing control air compressor-heat			7,000.00		7,000.00
115	Plant Maint.	c	remodel staff bathroom near mammo			5,500.00		5,500.00
115	Plant Maint.	a	device that supplies nitrogen to fire sprinklers			27,000.00		27,000.00
115	Plant Maint.	a	replace old fire riser - recent qtrly inspection			11,000.00		11,000.00
115	Plant Maint.	b	install two tvs in every SNF room			25,000.00		25,000.00
115	Plant Maint.	a	replace motor & calibration of boiler			10,486.00		10,486.00
115	Plant Maint.	b	to allow us to run boilers for hot water & air			11,220.00		11,220.00
115	Plant Maint.	b	energy efficient under eve lights			5,500.00		5,500.00
115	Plant Maint.	c	paint interior of PT building			5,700.00		5,700.00
115	Plant Maint.	c	paint exterior of PT building			13,500.00		13,500.00
115	Plant Maint.	a	replace water softners for boilers			20,000.00		20,000.00
115	Plant Maint.	a	replace skid steer - enclosed cab			13,000.00		13,000.00
			<b>Total for Plant Maintenance:</b>	<b>72,300.00</b>	<b>59,000.00</b>	<b>221,706.00</b>	<b>-</b>	<b>353,006.00</b>
070	Respiratory Therapy		Replace Cabinets			6,000.00		6,000.00
070	Respiratory Therapy		Replac Blood Gas analyzer			24,000.00		24,000.00
			<b>Total for Respiratory Therapy:</b>	<b>-</b>	<b>0.00</b>	<b>30,000.00</b>	<b>-</b>	<b>30,000.00</b>

010	Emergency Room		Gurneys, Cots, Stretchers	61,900.00			61,900.00	
010	Emergency Room		Privacy Screens		30,000.00		30,000.00	
010	Emergency Room	1626	Electronic Health Record & Training/Implem		150,000.00		150,000.00	
010	Emergency Room		Bathroom/Flooring/countertops Remodel		150,000.00	100,000.00	250,000.00	
010	Emergency Room	a	Security Door EMS entrance			15,000.00	15,000.00	
010	Emergency Room	a	Heat curtain for waiting room			10,000.00	10,000.00	
010	Emergency Room	b	Medical Grade tablets with docking stations			10,775.00	10,775.00	
Total for Emergency Room:				61,900.00	330,000.00	135,775.00	-	527,675.00
130	Disaster		Replace expired hazmat equipment			33,500.00		33,500.00
130	Disaster		2 backup disaster vents for nursing use			7,500.00		7,500.00
Total for Disaster:				-	0.00	41,000.00	-	41,000.00
015	FHC		Telehealth Cart with camera			18,888.91		18,888.91
Total for FHC:				-	0.00	18,888.91	-	18,888.91
040	Laboratory		Blood Culture Analyzer		17,000.00			17,000.00
040	Laboratory	b	Hematology analyzer for CBCs			75,000.00		75,000.00
040	Laboratory	a	Microbiology analyzer for cultures			54,000.00		54,000.00
Total for Laboratory:				-	17,000.00	129,000.00	-	146,000.00
080	Dietary		Small Equipment	6,100.00				6,100.00
Total for Dietary:				6,100.00	0.00	-	-	6,100.00
001	Med-Surg		Medication Scanning System			10,200.00		10,200.00
Total for Med-Surg:				-	0.00	10,200.00	-	10,200.00
025	Surgery		Upgrade equipment			40,000.00		40,000.00
025	Surgery		Knee Scope (Arthrex)			15,000.00		15,000.00
Total for Surgery:				-	0.00	55,000.00	-	55,000.00
005	SNF		Bariatric Bed			15,000.00		15,000.00
005	SNF		LIKO 660 Lift			15,000.00		15,000.00
Total for SNF:				-	0.00	30,000.00	-	30,000.00
Total for hospital:				251,700.00	1,607,000.00	1,625,342	-	3,484,041.93



## Board Report

June, 2017

### Operations

- QHR Supply Chain consultants, the Regional Team and Bear Valley senior management had a Supply Chain Strategy Call to assess potential for great compliance with group purchasing vendors to increase supply savings.

### Reimbursement

- QHR consultants and Bear Valley management are planning for a Revenue Cycle Implementation project. Its goal is to assist Bear Valley in reducing AR days and increasing cash flow.

### Regional Team Changes

- We have recently made some personnel changes at QHR. Ken Ward will serve as our Assistant Vice President – Finance and Len Adcock will be our Regional Financial Analyst.

### Upcoming Education

#### Compliance Webinars

**June 14, 2017 - 10:30 – 11:30 a.m. (CST) Topic: Compliance Officer Hot Topic: Q2**

- <http://www.qhrlearninginstitute.com/events/EventDetails.aspx?id=922500&group>

#### Quality Update Webinars

- **June 30, 2017 - 10:30 – 11:30 a.m. (CST) Topic: Quality Metrics Update**
- (Register at: <http://www.qhrlearninginstitute.com/events/EventDetails.aspx?id=922827&group>)

### 2017 VIRTUAL MARKETING FORUM WEBINARS

**SESSION 1: *How to Develop a Strategic Marketing Plan*** – Susan Hassell, Principal in the QHR Strategy and Marketing Group

**June 20 – 12:00 – 1:00 PM CST - SESSION 2: *Be the Master of Your Domain: SEO Benchmarks and Best Practices*** – Joseph Colton, Director of Digital Experience, and D'Arcy Ryan, Senior Vice President, TMG Digital



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**SESSION 3: *"David vs. Goliath": How to Fight Outmigration to the Big City Hospital*** -Chuck Snyder, President, Brentwood Communications, Inc.

**SESSION 4: *Understanding and Using Market Data*** – Blake Seitz, Senior Consultant, QHR Strategy and Marketing Group

**SESSION 5: *Making an Impact on Quality Scores*** – Erika Sundrud, Principal, QHR Quality, Safety and Performance Improvement

**SESSION 6: *Update on Marketing Compliance*** – Tomi Hagan, Senior Consultant, QHR Compliance Practice

**SESSION 7: *Finding Your Brand*** – Adina Bielenberg, Director of Marketing & Development, Gritman Medical Center

***REGISTRATION FOR MARKETING WEBINARS (must register for each webinar):***

[http://www.qhrlearninginstitute.com/events/event\\_list.asp?show=&group=&start=4%2F27%2F2017&end=&view=&cid=17429](http://www.qhrlearninginstitute.com/events/event_list.asp?show=&group=&start=4%2F27%2F2017&end=&view=&cid=17429)

## **Board**

### **Trustee Webinar:**

- **June 13, 2017 - 12:00 – 1:00 p.m. (CST) Topic: Using Telehealth to Expand Local Access to Care**

(Register at: <http://www.qhrlearninginstitute.com/events/EventDetails.aspx?id=922497&group=>)

- **Trustee Conference**
  - August 3 and 4 - Nashville

## **Other**

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

## **Completed Projects**

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



## CNO Monthly Report

TOPIC	UPDATE	ACTION/FOLLOW UP
<b>1. Regulatory Updates</b>	<ul style="list-style-type: none"> <li>Regulatory Committee met to review CAH Radiology regulations.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> </ul>
<b>2. Budget/Staffing</b>	<ul style="list-style-type: none"> <li>Overtime and call-offs are assessed by department managers and house supervisors each shift.</li> <li>1 travel RN is currently on an assignment in the ER and acute units to cover recent vacancies and FMLA.</li> <li>1 FT RN was hired.</li> <li>There are currently 2 EMT vacancies (PT and PD) and 1 PD RN vacancy.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor</li> </ul>
<b>3. Departmental Reports</b>		
<ul style="list-style-type: none"> <li>Emergency Department</li> </ul>	<ul style="list-style-type: none"> <li>ED manager candidates –3 internal candidates have applied. Recruiter is currently vetting both internal and external applicants for presentation to administration.</li> <li>1 external candidate has been presented via video introduction and is scheduled for a video interview 6/6/17.</li> <li>Obtained Snow Summit summer ticket projections from Patrol Director, will try to accommodate increased staffing for high volume days.</li> <li>ER staff assisted in filming of “Every 15 Minutes” production- link to view: <a href="https://www.youtube.com/watch?v=Xu4fPy6g5xM">https://www.youtube.com/watch?v=Xu4fPy6g5xM</a></li> <li>New processes are being implemented to include daily staff huddles.</li> <li>An action plan has been developed to improve compliance with obtaining consents for special procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> <li>Arrange interview process as applicants are presented</li> <li>Informational</li> <li>Informational</li> </ul>

<ul style="list-style-type: none"> <li>▪ Acute</li> </ul>	<ul style="list-style-type: none"> <li>▪ Swing bed current census=1 (admit 6/6/17).</li> <li>▪ Care plan training meeting was held for acute staff.</li> <li>▪ Bariatric/ wheelchair scale is approved and will be ordered 6/7/17.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> </ul>
<ul style="list-style-type: none"> <li>▪ Skilled Nursing</li> </ul>	<ul style="list-style-type: none"> <li>▪ SNF remains at 5 star rating.</li> <li>▪ Census is currently at 19 residents.</li> <li>▪ Flower gardens were planted on SNF patio.</li> <li>▪ Mother's day brunch was held for residents and their families.</li> <li>▪ SNF policies are currently being revised &amp; new policies developed to ensure compliance with updated regulations.</li> <li>▪ SNF DON is updating the QAPI processes and working with Case Management to meet the new CMS requirements.</li> <li>▪ SNF DON finished QAPI certification.</li> <li>▪ SNF QAPI team meeting was held. The team is focusing on an interdisciplinary team approach to reduction in falls.</li> <li>▪ Sherrill Reynolds (BVCH FT LCSW) will start assisting on the SNF unit as of 7/1/17.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> <li>▪ Informational</li> </ul>
<ul style="list-style-type: none"> <li>▪ Surgical Services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Surgical stats are attached.</li> <li>▪ Orthopedic procedures are being done by Dr. Pautz one day per week.</li> <li>▪ Updates to the OR and additional staffing will be needed if surgical services are to continue and/or expand.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> </ul>
<ul style="list-style-type: none"> <li>▪ Case Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Working closely with DON and Eligibility Worker re new SNF residents and SWING patients.</li> <li>▪ Currently case manager is working on placement, consultations and/or discharge plans for SNF resident(s) that need additional or different level of services.</li> <li>▪ A PT Case Manager was hired and is being trained in anticipation of a FT Case Management vacancy due to Fran Montoya's retirement in November.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor</li> </ul>

<ul style="list-style-type: none"> <li>Respiratory Therapy</li> </ul>	<ul style="list-style-type: none"> <li>1 RT has been out on FMLA, PD RT staff are being utilized to fill shifts.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> </ul>
<ul style="list-style-type: none"> <li>Physical Therapy</li> </ul>	<ul style="list-style-type: none"> <li>The laser continues to be utilized for treatment plans, comments from patients continue to show positive results/ perception of laser use.</li> <li>Marketing of the laser continues, a large poster has been placed in hospital lobby. PT has received referrals specifically for laser.</li> <li>1 FT Physical Therapist was hired.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to monitor</li> </ul>
<b>4. Infection Prevention</b>	<ul style="list-style-type: none"> <li>Hand Hygiene monitoring continues</li> <li>Infection Preventionist worked with local health department in staff/ school meningitis exposure case.</li> <li>Infection Preventionist is currently working on competencies for OR.</li> <li>Infection Control regulations have been updated for the SNF, current processes are being evaluated to ensure compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to observe staff</li> <li>Informational</li> </ul>
<b>5. QAPI</b>	<ul style="list-style-type: none"> <li>CalHIIN will be onsite 6/9/17 to discuss abstraction and process improvement related to QI measures.</li> <li>Patient and Family Advisory council comments/ suggestions were reported to plant maintenance and applicable department managers.</li> <li>Signage is being updated based on PFAC recommendations.</li> <li>Suggestion boxes were ordered based on PFAC recommendations.</li> <li>Next PFAC meeting will be held 6/29/17.</li> <li>Just Culture readiness assessments are being completed and will be submitted to BETA healthcare.</li> </ul>	<ul style="list-style-type: none"> <li>Informational</li> <li>Continue PFAC meetings and projects. Coordinate with applicable department managers</li> <li>Continue process for Just Culture/ BETA Heart implementation</li> </ul>
<b>6. Policy Updates</b>	<ul style="list-style-type: none"> <li>Radiology and SNF Policies being reviewed.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed through P&amp;P Committee</li> </ul>



<b>7. Safety/Product</b>	<ul style="list-style-type: none"> <li>▪ Workplace Violence workgroup met to discuss SB1299 and OSHA regulations. The group is meeting in a subcommittee to develop a security risk assessment. Training program is being developed and is scheduled to start in August for “high risk” staff.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to monitor new regulation and compliance dates</li> </ul>
<b>8. Education</b>	<ul style="list-style-type: none"> <li>▪ BLS Classes scheduled monthly.</li> <li>▪ Educational In-service for nursing staff done on: Time out procedures</li> <li>▪ Nursing Skills Day was held last month in coordination with hospital week.</li> <li>▪ 1 employee is registered to attend Crisis Prevention Institute training in June to become a trainer at BVCHD.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to monitor</li> </ul>
<b>9. Information Items/Concerns</b>	<ul style="list-style-type: none"> <li>▪ Attended :</li> <li>▪ Innovations Grant San Bernardino County DBH/ HASC Committee</li> <li>▪ California Association of Healthcare Facilities Spring meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Informational</li> </ul>
Respectfully Submitted By: <i>Kerri Jex, CNO</i>		
<i>Date: June, 6 2017</i>		

# 2017 Surgery Report

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

Jun-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Jul-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Aug-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Sep-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Oct-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Nov-17		
Physician	# of Cases	Procedures
Critel - CRNA		



## **CHIEF EXECUTIVE OFFICER REPORT MAY 2017**

### **California Department of Public Health (CDPH):**

We received two CMS 2567 with no deficiencies (Attached).

### **CT Scanner Project:**

Installation on the CT Scanner is scheduled for late July early August. A physicist will be on site August 10<sup>th</sup> to inspect the equipment, accreditation is scheduled for August 14. Once the scanner installation is approved and accreditation is approved we can begin to use the new CT Scanner

### **Mammography Project:**

The installation of the mammography began June 5th and will be completed June 8th. The Physicist will be onsite June 9th. Appropriate documents will be sent to CDPH, FDA and MQSA for accreditation, which will take approximately 14-21 business days to get approval. We hope to begin testing the unit with patients on July 12 & 13 for 2D. Applications for 3D will be July 18th and 19th and begin doing patients in the afternoon of the 19th.

### **AMGEN Tour:**

The district sponsored \$5,000.00 to the annual AMGEN Tour, May 19, 2017. We had two booths; one in Fawnskin and one in the Village with employee volunteers.

### **Laboratory Manager:**

Gerald Consiglio has resigned as the Laboratory Manager. We have submitted a recruiting agreement to the Board of Directors for approval. When approved, we will have an Interim Laboratory Manager on site for 12 weeks while we recruit for a permanent Laboratory Manager

### **Board Self-Assessment:**

The Board Self Assessment has been rescheduled for action item at a Board Retreat; the Board Retreat is tentatively scheduled for August or September. Additional information will be provided.

### **AHA Rural Health Care Leadership Conference:**

The 31<sup>st</sup> AHA Rural Health Care Leadership Conference is scheduled for February 4 through February 7 in Arizona Grand Resort & Spa in Phoenix Az. Please contact Administration if you plan on attending as rooms need to be reserved.

### **CEO Information:**

ER Director Position is continuing to be advertised, interviews are going to be scheduled. At this time we have several interested applicants.

Interviews are scheduled for the Dietary Supervisor position and we are hopeful to have the position filled by June 2017.

June 7, BVCHD & the Foundation conducted a successful Meet & Greet for potential members. We are very pleased with the attendance. Board Member and staff participated and answered questions guest may have had.

The Chamber of Commerce conducted the Annual Ebbie Award on June 6, 2017. Several staff members attended the breakfast ceremony.

BVCHD has a new website, Administration will be posting all Board of Director Business Board Meetings, and Committee Meeting Agenda is with open session supporting documents. This will allow the District to remain transparent and respond to the public request of having such information available.

**Employee Activities:**

On May 4, we collaborated with Life Stream Blood Drive; we had 35 donors register, 7 donors were deferred and 29 units were collected. We also registered 10 first time donors.

July 22, 2017 the District will be hosting an Immunization Clinic at the FHC & the Mom & Dad Project. We are working with several community organizations and the Auxiliary to have a successful event. If you would like to volunteers please contact Administration.

**Information:**

QHR April Board Minutes Attached.

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

PRINTED: 05/01/2017  
FORM APPROVED  
OMB NO. 0938-0391

D.P.

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  555468	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED  C 04/28/2017
NAME OF PROVIDER OR SUPPLIER  BEAR VALLEY COMMUNITY HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 41870 GARSTIN RD BIG BEAR LAKE, CA 92315		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
F 000	<p><b>INITIAL COMMENTS</b></p> <p>The following reflects the findings of the California Department of Public Health during an abbreviated standard survey to investigate a complaint.</p> <p>Complaint Number: CA00527949 and CA00527951</p> <p>Representing the California Department of Public Health:</p> <p>Surveyor: 35184</p> <p>The inspection was limited to the specific complaints investigated and does not represent the findings of a full inspection of the facility.</p> <p>No deficiencies were issued as a result of complaint number: CA00527949 and CA00527951</p>	F 000			

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

TITLE

(X6) DATE

*Kathleen Stewart R*

*RN/DOA*

*5/4/17*

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

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

PRINTED: 05/04/2017  
FORM APPROVED  
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER:  555468	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____  B. WING _____		(X3) DATE SURVEY COMPLETED  C 05/01/2017
NAME OF PROVIDER OR SUPPLIER  BEAR VALLEY COMMUNITY HOSPITAL			STREET ADDRESS, CITY, STATE, ZIP CODE 41870 GARSTIN RD BIG BEAR LAKE, CA 92315		
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F 000	<p>INITIAL COMMENTS</p> <p>The following reflects the findings of the California Department of Public Health during an investigation of a Skilled Nursing Facility entity reported incident.</p> <p>Entity reported incident number: CA00532492 Representing the California Department of Public Health: Surveyor 36968</p> <p>The inspection was limited to the specific entity reported incident investigated and does not represent the findings of a full inspection of the facility.</p> <p>No deficiencies were written as a result of an entity reported incident number CA00532492</p>	F 000			

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

TITLE

(X6) DATE

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



# FREE

Bear Valley Community Healthcare District's

# IMMUNIZATION CLINIC AND CARNIVAL

Saturday July 22<sup>nd</sup> from 10:00am to 2:00pm

Free Lunch and Carnival provided by The Hospital Auxiliary

FEATURING **DENTAL SCREENINGS** BY THE CENTER FOR ORAL HEALTH AND  
**CHILD IDENTIFICATION PROGRAM (CHIP)** SPONSORED BY THE MASONIC LODGE

## Additional Exhibitors include:

- Break Through Task Force
- The Mom & Dad Project
- Comprehensive Perinatal Services Program
- Lutheran Social Services
- DOVES
- Women's Club of Big Bear
- Big Bear Lions Club
- Healthy Start
- WIC
- Friends of Moonridge Zoo
- The Elks
- Cole Vocational Services
- Big Bear Lake Chamber Auxiliary
- Margaret De Guereña Insurance Specialist



41820 Garstin Drive

Kindergarten and 7th Grade Immunizations will be given onsite to children who qualify, NO IMMUNIZATIONS WILL BE GIVEN WITHOUT AN IMMUNIZATION CARD!

For questions or more info please  
contact Erin Riddle (909) 878-2371

\*Additional vaccination appointments  
can be made through the  
Family Health Center

**BEAR VALLEY**  
COMMUNITY HEALTHCARE DISTRICT

Children through 18 years of age who meet at least one of the following criteria are eligible to receive VFC vaccine: Medical eligible: A child who is eligible for the Medicaid program. (For the purposes of the VFC program, the terms "Medicaid-eligible" and "Medicaid-enrolled" are equivalent and refer to children who have health insurance covered by a state Medicaid program) Uninsured: A child who has no health insurance coverage. American Indian or Alaska Native: As defined by the Indian Health Care Improvement Act (25 U.S.C. 1603). Underinsured [1]. Children whose health insurance covers the cost of vaccinations are not eligible for VFC vaccines, even when a claim for the cost of the vaccine and its administration would be denied for payment by the insurance carrier because the plan's deductible had not been met.



# Free Vision Screening for Children!



Community Eye Screening For Children



- 80% of learning is visual.
- Vision problems undetected by the age of 7 can become permanent.
- Screening children 6 months to 6 years of age provides early detection.

**Every child deserves to see the world clearly!**

Date and time: JULY 22 10<sup>00</sup> - 2<sup>00</sup>

Location of screening: BRENDA BOSS CENTER (HOSPITAL)

Sponsored by: BIG BEAR LIONS CLUB



# Quorum Board Minutes

Addressing Changes in the Healthcare Landscape

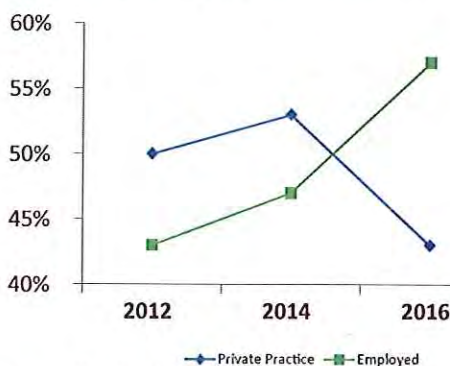


## Planning for Your Hospital's Medical Resource Needs in a Sustainable Manner

May 2017

Since 2015, more physicians have been employed by hospitals than employed in group or private practices.

The burden of assuming the cost of medical resources has resulted in significant financial losses for hospitals of every size and location.



Source: The Physicians Foundation *2016 Survey of America's Physicians*, September 2016

A Medical Group Management Association report estimated that **the median loss for employing a physician in 2012 was \$176,463**. However, physicians are MISSION-CRITICAL to both small rural hospitals and large health systems, who must have appropriate provider resources to stay competitive, admit patients, and provide compliant and quality care. And the limited supply of physicians, especially those willing to practice in rural markets, further increases the cost of physician employment. The balancing act is how to meet community needs for providers while maintaining financial sustainability.

Employment is a last resort approach for specialty care in rural communities; focus should be on building a local primary care network and collaborating with others to provide access to specialty care. Options for providing local access to primary care have exploded due to technology and consumer demand for lower cost/more convenient urgent care. Hospitals should recruit midlevel providers (NPs, PAs, RNs) and use them to their highest level of licensure for providing primary care. Hospitals should consider primary care telemedicine if physician recruitment is unlikely or unaffordable in their community.

*Likelihood of using newer sites of care for an illness like the flu*



56%

of consumers would consider using retail clinics



42%

of consumers would consider using email visits

Source: American Well Telehealth Index, 2017 Consumer Survey




Willingness of U.S. Adults to Switch PCPs for Video Visits



Source: Advisory Board 2015 Primary Care Consumer Choice Survey



Community hospitals can also choose how integrated its organization must be with medical staff, depending on their situation.

Limited Integration	Moderate Integration	Full Integration
<b>Managed Care Networks (Independent Practice Associations, Physician Hospital Organizations):</b> Loose alliances for contracting purposed	<b>Service Line Management:</b> Management of all specialty services within the hospital	<b>ACO/CIN/QC:</b> Participation in an organization focused on improving quality/cost of care for governmental or non-governmental payers; may be driven by practices or hospital/groups
<b>Recruitment/Incubation:</b> Economic assistance for new physicians	<b>MSO/ISO:</b> Ties hospitals to physician's business	<b>Employment "Lite":</b> Professional services agreements (PSAs) and other similar models which through which hospital engages physicians, typically as 1099 contractors
<b>Group (Legal-Only) Merger:</b> Unites parties under common legal entity without an operational merger	<b>Clinical Co-Management:</b> Physicians become actively engaged in clinical operations and oversight of applicable service line at the hospital	<b>Employment*:</b> Strongest alignment; minimizes economic risk for physicians
<b>Call Coverage Stipends:</b> Pay for unassigned ED call	<b>Equity Group Assimilation:</b> Ties entities via legal agreement; joint practice ownership	<b>Group (Legal and Operational) Merger:</b> Unites parties under common legal entity with full integration of operations
<b>Medical Directorships:</b> Specific oversight duties	<b>Joint Ventures:</b> Unites parties under common enterprise; difficult to structure; legal hurdles	
 Typically Physician-to-Physician	 Typically Physician-to-Hospital	 Either Physician-Physician or Physician-Hospital

To ensure that the hospital has the right medical resources in the community, Quorum's approach is to ask these questions:

- What are the community's medical needs (quantitative) and their response to physician alternatives (qualitative)?
- Can the hospital collaborate with other regional hospitals or larger health systems to provide medical resources they can't recruit or afford to recruit?
- If primary care physician recruitment is needed, what level of hospital integration is required to recruit the provider?
- If the hospital must employ physicians, how can the compensation be structured to increase provider accountability?

The answers to these questions will vary by market, but it's a planning process that must occur to keep your hospital sustainable for the future while providing local access to care.

Your Quorum Vice President can answer questions you may have about how Quorum can help you determine your market needs and strategy to bring the right complement of medical resources to your community.

### Read more about this topic in these related articles:

<http://www.healthcarefinancenews.com/news/idaho-critical-access-hospital-gives-hope-other-stressed-rural-healthcare-facilities>

<http://www.hhnmag.com/articles/7605-how-hospitals-can-get-the-most-value-from-their-physicians>

<http://www.post-gazette.com/news/health/2016/11/27/Rural-areas-lacking-doctors-may-be-due-to-distribution-issues/stories/201607220201>

<https://www.forbes.com/sites/brucejapsen/2017/02/24/another-state-lifts-patient-hurdles-to-nurse-practitioners/#3935f3a85fc8>

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
<b>1.0</b>	<b>Invest in emergency services to be the focal point for positive community opinion, improve operations</b>	Business Concentration	High	Title or Responsible person and name of current				
1.1	Develop internal evidence-based system and standards to improve emergency services which include patient satisfaction as well as clinical components	Business Concentration	High					
1.2	Benchmark emergency service performance to evaluate performance and measure improvement, use CMS benchmarks, unless otherwise defined	Business Concentration	Medium					
1.3	Determine and provide any training and education needed to enable emergency service improvement	Business Concentration	Medium					
1.4	Publicize Emergency Service performance, compared to benchmarks on a periodic basis so as to gain public confidence in achieving improvements	Business Concentration	Medium					
<b>2.0</b>	<b>Develop a business plan to establish BVCHD as the regional dominant provider of organized post-acute care services</b>	Business Concentration	Medium					
2.1	Establish and implement a plan for improving BVCHD skilled nursing service	Business Concentration	High					
2.2	Evaluate the need for external assistance to enable BVCHD skilled nursing to achieve and maintain a 5-star rating	Business Concentration	Medium					
2.3	Develop and implement a formal process to organize and systematize the post-discharge process, giving consideration to adopting the "Re-Engineered Discharge (RED) Toolkit" of the Agency for Healthcare Research and Quality	Business Concentration	Low					



Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
2.4	Develop a post-acute clinical pathway for DRG 194, Simple Pneumonia and Pleurisy, while documenting clinical performance and communicating outcomes to referring acute care hospitals	Business Concentration	Low					
2.5	Develop a post-acute clinical pathway for DRG 470, Major Joint without Major Complications or Comorbidity, while documenting clinical performance and communicating outcomes to referring acute care hospitals	Business Concentration	Low					
2.6	Develop a business plan for expanding post-acute services to Big Bear residents obtaining acute care down the hill and recovering from DRG 194 & 470; and, determine how to expand service to other post-acute care services conditions	Business Concentration	Low					
2.7	Complete a feasibility study for determining if BVCHD should re-establishing home health care services	Business Concentration	Low					
<b>3.0</b>	<b>Expand Family Health Center, and other outpatient services, and Chronic Care Management service</b>	Business Concentration	High					
3.1	Identify specific problems, determine what improvements are needed, and implement actions designed to reduce the 1 in 5 clinic users reporting an unresolved service or billing problem	Business Concentration	High					
3.2	Implement the recommendations of the Quorum Rural Health Clinic review project	Business Concentration	High					
3.3	Establish a treatment follow up process for clinic patients to assure the patient understood treatment, followed recommendations and have recommendations for service improvement	Business Concentration	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
3.4	Determine what referring physicians and patients would perceive as "value" (i.e. prompt result reporting, price guarantee, tec.) associated with BVCHD lab, CT and diagnostic radiology services sufficient to generate resident desire to use such services; redesign BVCHD services accordingly, and, develop a business plan for growing Medicare business to achieve at least 1.8% of services delivered within the County	Business Concentration	Low					
3.5	Establish a Chronic Care service, evaluating the services of various vendors (i.e. Progressive Healthcare or Care 24/7) to provide the "back office" support functions required by Medicare	Business Concentration	Low					
4.0	<b>Acute care service maintenance</b>	Business Concentration	Low					
4.1	Maintain an evaluation of all emergency service transfers to acute care facilities to determine what needed to occur at BVCHD in order to have retained the patient; and, based on the evaluation consider what actions are appropriate for patient retention	Business Concentration	Low					
4.2	Identify any acuity based training needed by clinicians for providing adequate patient care and determine the feasibility for using the Loma Linda affiliation agreement to obtain such training	Business Concentration	Low					
4.3	Incorporate the service performance expectations the training is designed to achieve into the BVCHD workforce evaluation program	Business Concentration	Low					
5.0	<b>Develop a customer service attitude and a service recovery response</b>	Infrastructure Progress	High					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
5.1	Evaluate and select a program for providing customer service workforce training, considering programs from the Studer Group and Value Coach.com (Joe Tye)	Infrastructure Progress	High					
5.2	Evaluate and select a service recovery program, considering the Stanford Healthcare PEARL (Process for Early Assessment, Resolution and Learning) program to serve as a model to guide interactions, communications, and resolving patient problems	Infrastructure Progress	High					
5.3	Incorporate the service performance expectations the training is designed to achieve into the BVCHD workforce evaluation program	Infrastructure Progress	Medium					
5.4	Establish a performance tracking system to identify customer service improvement achievements from implementing customer service and service recovery training	Infrastructure Progress	Medium					
<b>6.0</b>	<b>Optimize the Loma Linda affiliation and identify beneficial relationships with others</b>	Infrastructure Progress	Medium					
6.1	Establish governance expectations and administrative protocols for implementing specific events the agreement is to achieve	Infrastructure Progress	Medium					
6.2	Establish protocols with the medical staff to evaluate if the affiliation agreement is achieving expectations and how to achieve additional benefits	Infrastructure Progress	Medium					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
6.3	Identify what value would be achieved through development of affiliation understandings with other area tertiary acute care providers and protocols so any subsequent relationship would not conflict with the intent of the Loma Linda agreement	Infrastructure Progress	Low					
<b>7.0</b>	<b>Develop and implement a new Master Facility/Campus Plan</b>	Infrastructure Progress	Low					
7.1	Complete a space plan to document facility needs in order to implement the service plans of BVCHD	Infrastructure Progress	Low					
7.2	Complete an audit of current operating systems to identify needs for replacement and adequacy for supporting BVCHD clinical programs	Infrastructure Progress	Low					
7.3	Develop a master facility and campus plan to guide physical plant capital expenditures and input the capital requirements into BVCHD's financial planning	Infrastructure Progress	Low					
<b>8.0</b>	<b>Recruit two primary care physicians while developing a geriatric emphasis</b>	Infrastructure Progress	High					
8.1	Identify office space and other practice opportunity logistics associated with establishing a desirable practice opportunity for two new clinicians	Infrastructure Progress	High					
8.2	Undertake efforts to successfully recruit two primary care clinicians, one having interest in geriatric care	Infrastructure Progress	High					
<b>9.0</b>	<b>Document and publicize clinical and satisfaction outcomes</b>	Infrastructure Progress	Medium					
9.1	Identify what measures would be statistically valid with current BVCHD service level volumes	Infrastructure Progress	Medium					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
9.2	Track and publicize the CMS Hospital Compare Emergency Service "Timely and Effective Care" metrics	Infrastructure Progress	Medium					
9.3	Identify efforts needed to have BVCHD metrics achieve and surpass CMS Hospital Compare "Effective Pneumonia Care", "Preventive Care" and "Blood Clot Prevention and Treatment" state and national performance averages	Infrastructure Progress	Low					
9.4	Evaluate volume adequacy for documenting and presenting data depicting Pneumonia patients payment and value metrics as displayed on the CMS Hospital Compare web site	Infrastructure Progress	Low					
9.5	Identify metrics to track and present on BVCHD web site indicating BVCHD performance on the data presented in the Consumer Assessment of Healthcare Providers and Systems	Infrastructure Progress	Low					
9.6	Identify metrics to track and present on BVCHD web site indicating BVCHD performance on the data presented in the Medicare Beneficiary Quality Improvement Project	Infrastructure Progress	Low					
10.0	<b>Develop financial policy guidance for achieving the objectives outlined in this strategic plan</b>	Infrastructure Progress	Medium					
10.1	Develop a 5 year financial plan based on the implementation of the goals and objectives of the plan	Infrastructure Progress	Medium					



Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
10.2	Establish and guide operations from a set of staffing and productive standards consistent with California regulations, in concert with local Union opinions, and that meet the needs of the new business plan for growth	Infrastructure Progress	Medium					
10.3	Complete a debt capacity study to identify the capability of BVCHD to support development of a replacement of the hospital with a facility sized to meet the service needs of the District and comply with CA seismic standards	Infrastructure Progress	Low					
10.4	Monitor managed care plan development and the need to develop program attributes desirable to attain and maintain participation in the plans readily available to area residents, and/or, supportive of services developed in relationship with Loma Linda	Infrastructure Progress	Low					
11.0	<b>Improve the health of district residents by supporting public health initiatives and the implementation strategy response to identified needs</b>	Community Development	Low					
11.1	Initiate discussions with the County to identify areas BVCHD could be of service	Community Development	Low					
11.2	Complete a Community Health Needs Assessment and develop an Implementation Strategy designed to provide an amount of Community Benefit at least equal to the amount provided on average among CA not-for-profit hospitals	Community Development	Low					
12.0	<b>Aid efforts to improve health of district residents by supporting Big Bear Fire if it elects to develop a "Post Hospital Discharge Follow Up" program</b>	Community Development	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
12.1	Initiate discussions with Big Bear Fire about its interest in developing a Post Discharge Follow Up program and what role might BVCHD play in such a program	Community Development	Low					
12.2	Determine what resources BVCHD could provide to aid Big Bear Fire achieve its intent	Community Development	Low					
<b>13.0</b>	<b>Develop a marketing program to enhance resident awareness of services and inform residents of service delivery improvements</b>	Community Development	Medium					
13.1	Identify BVCHD service attributes it will promote to increase awareness and preference for BVCHD services	Community Development	Medium					
13.2	Develop a marketing plan and budget allocation to implement the plan	Community Development	Low					
13.3	Conduct a post-public campaign survey to determine what, if any, change has occurred in BVCHD service awareness and preference	Community Development	Low					

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

Number of initiative	Priority	Percent of Initiatives
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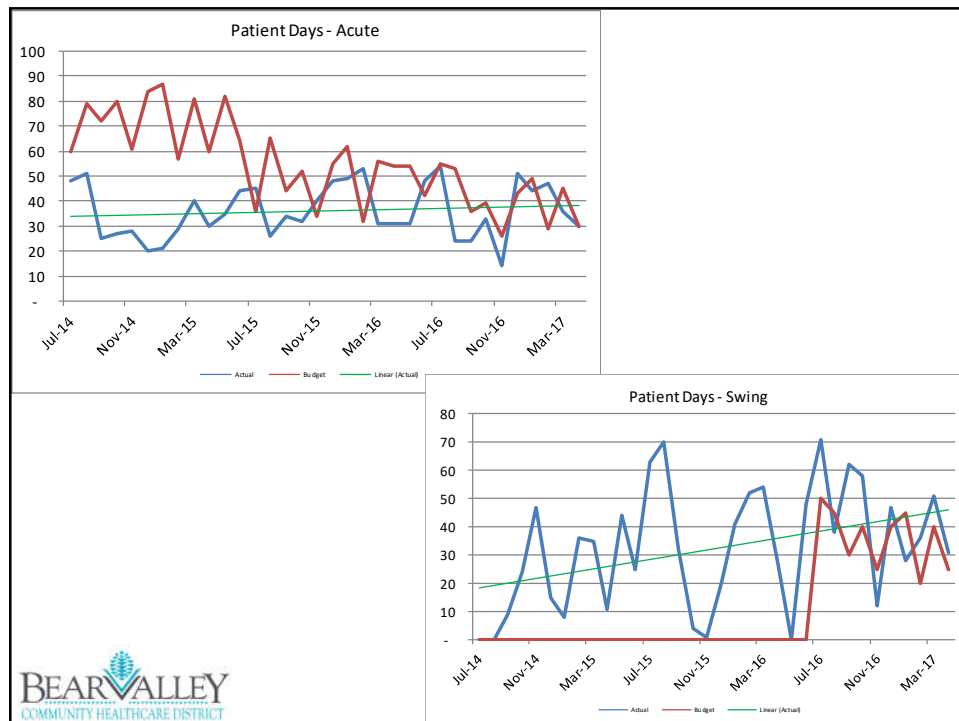
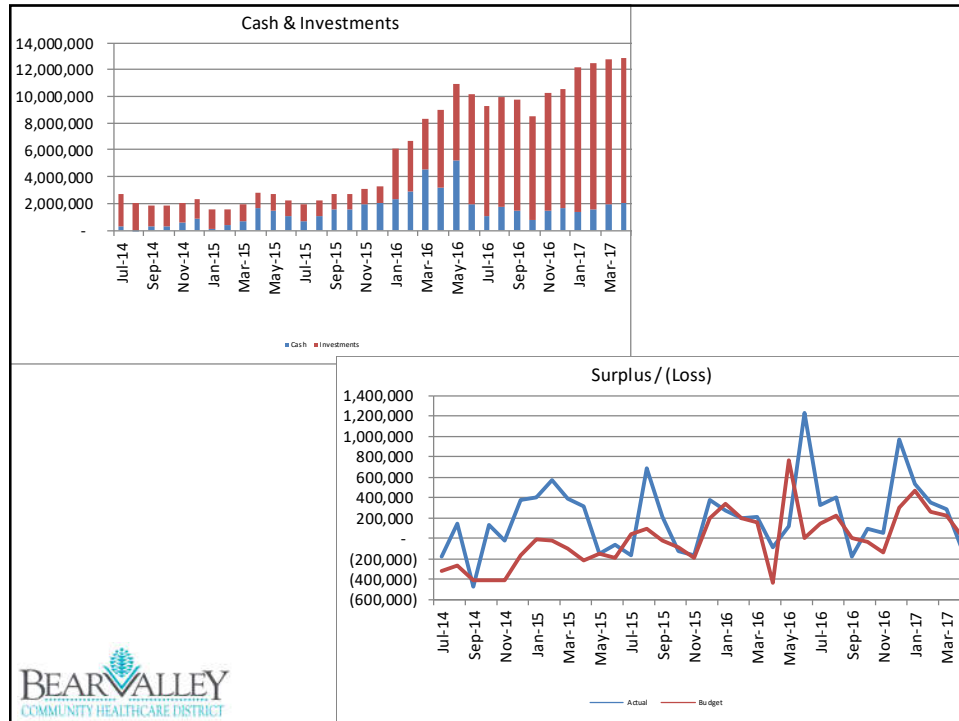


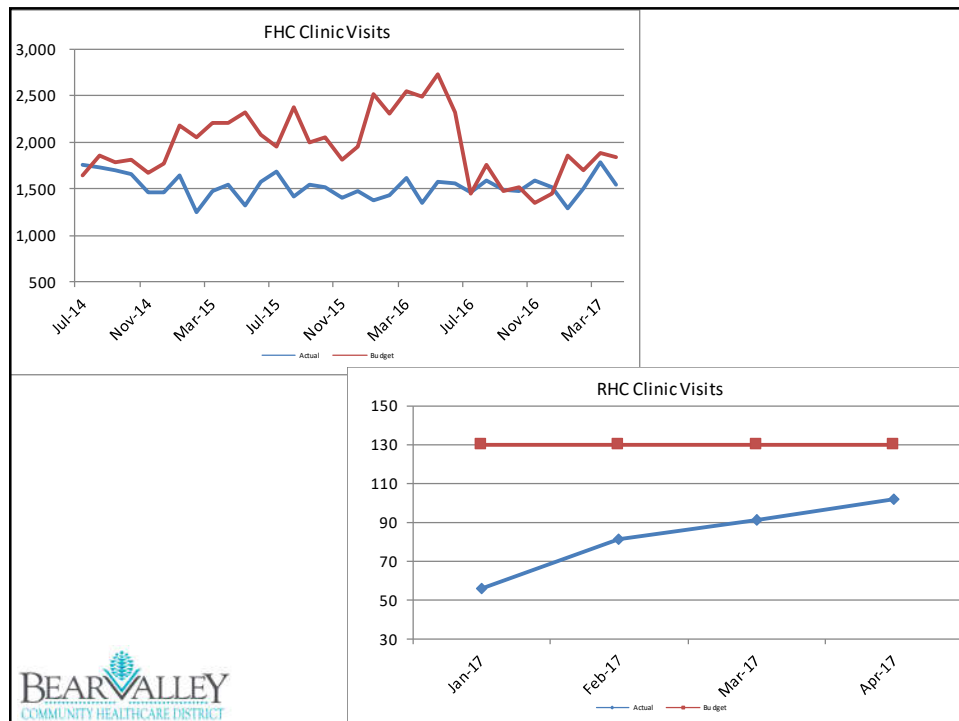
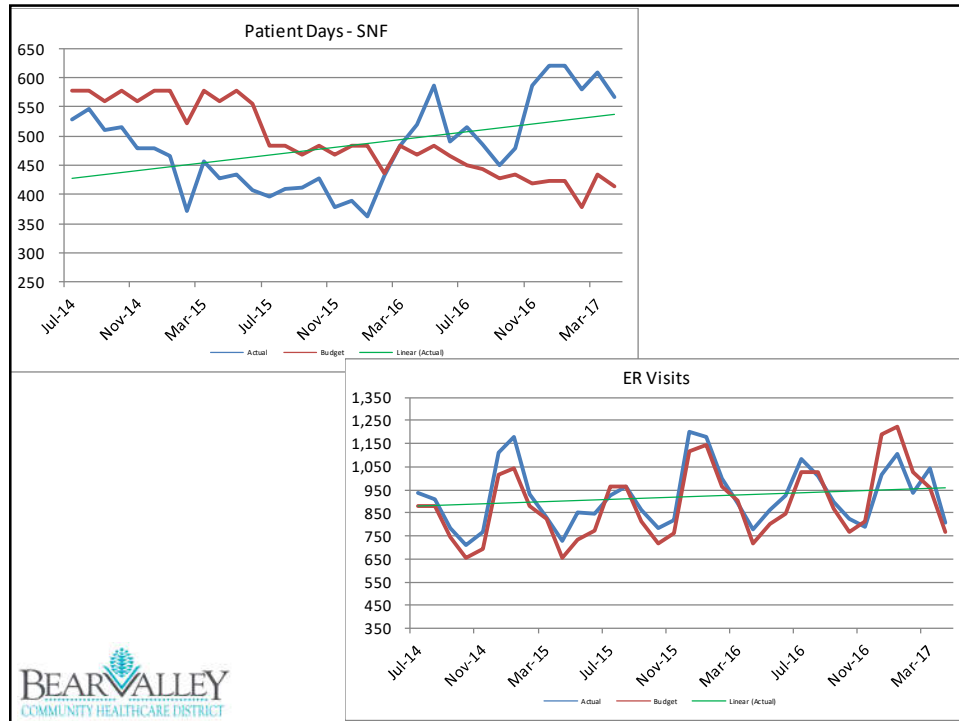
Finance Report  
April 2017 Results

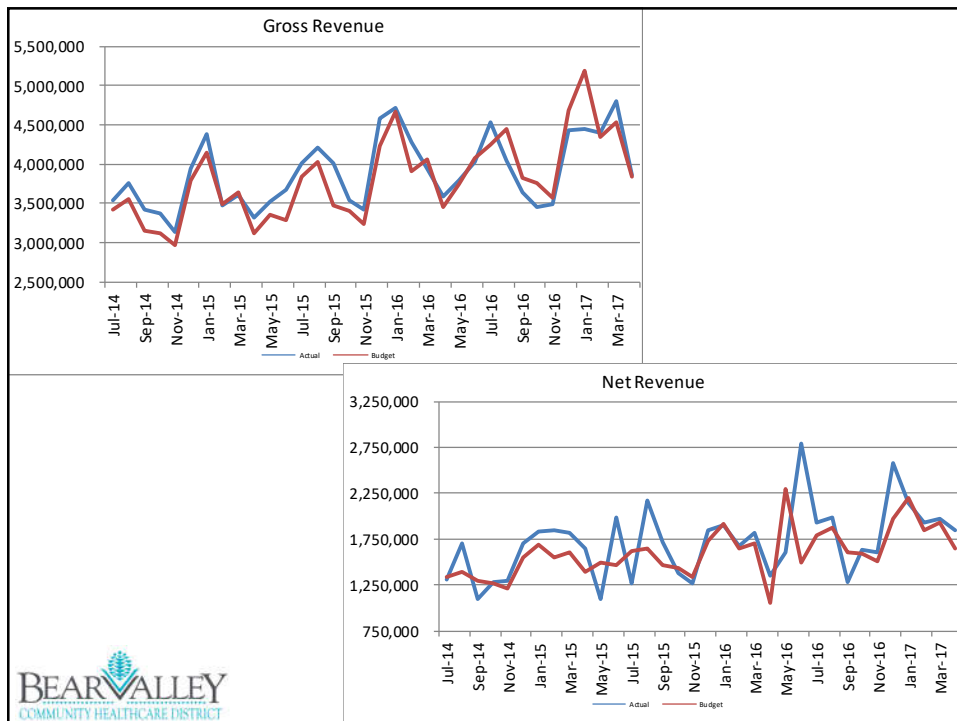
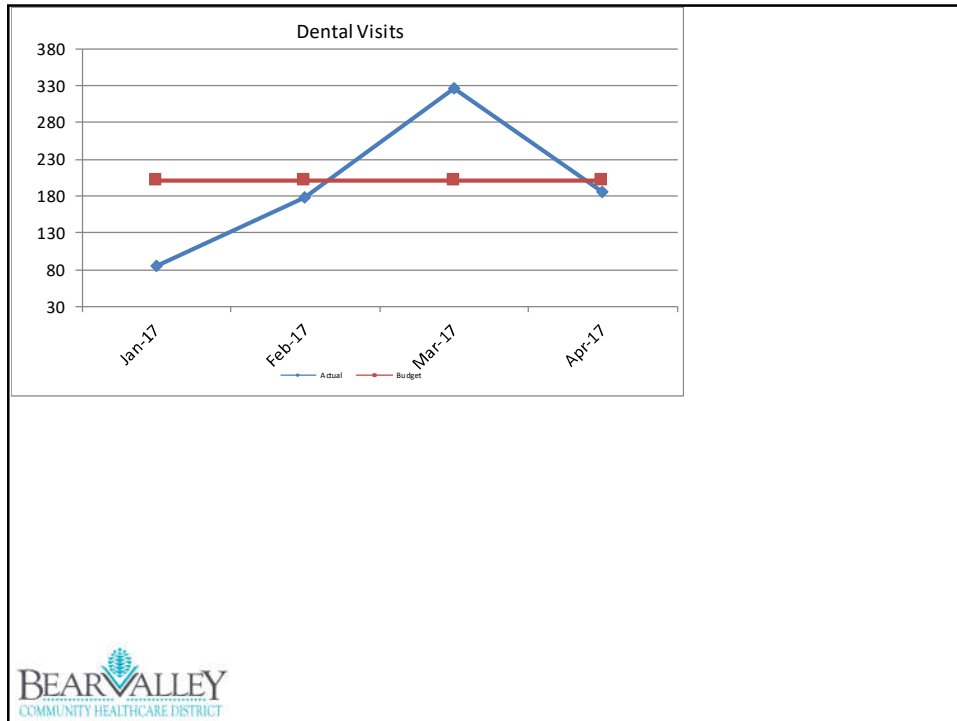
Summary for April 2017

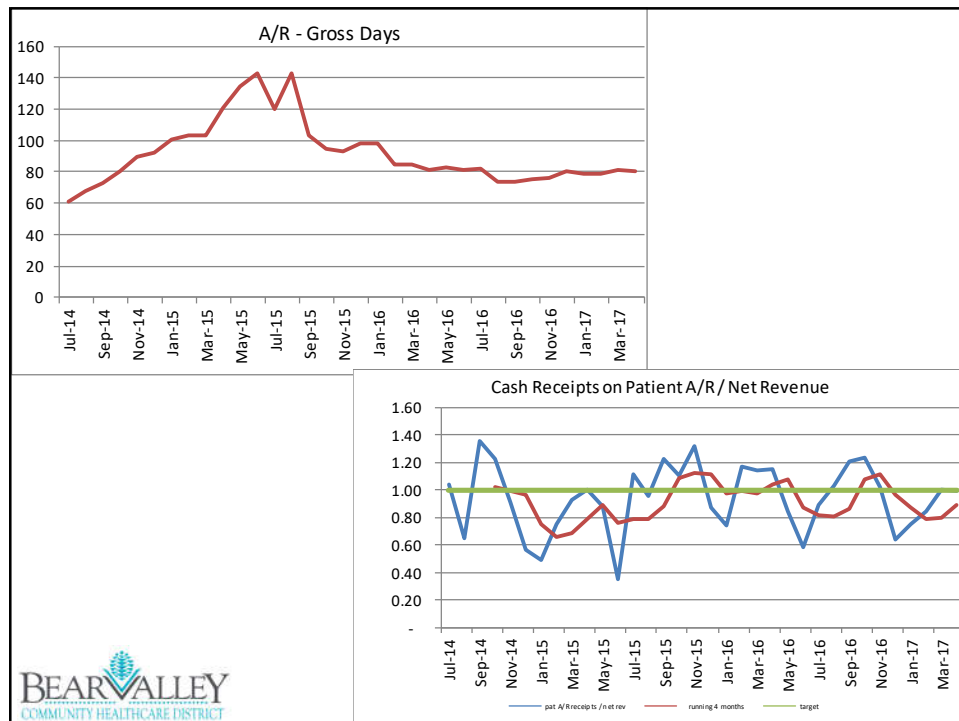
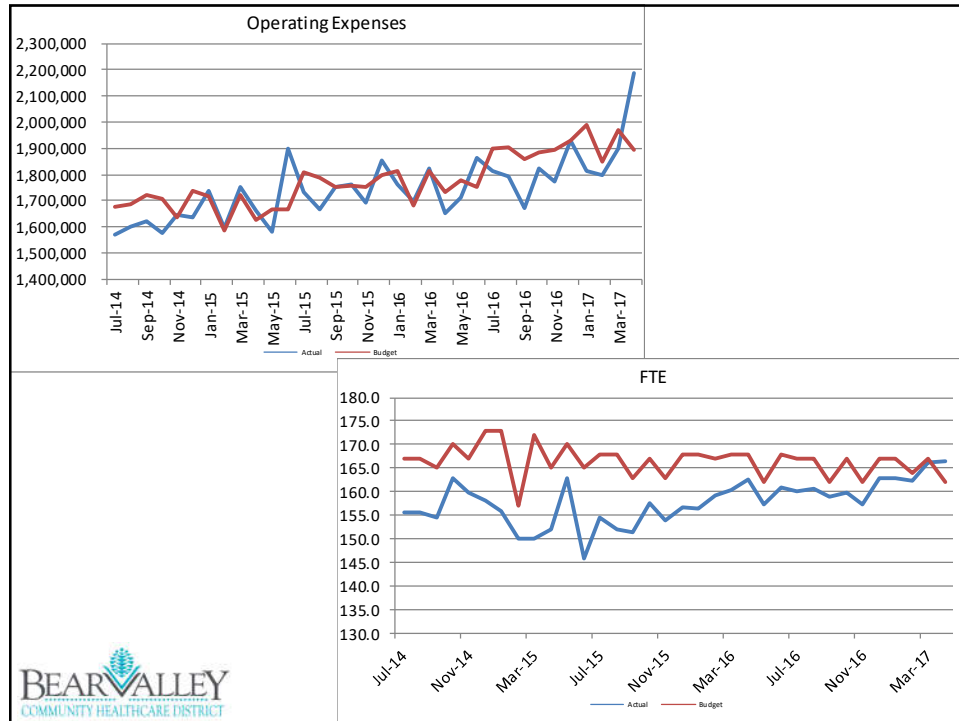
- Cash on Hand - \$2,055,415
- Investments - \$10,852,271
- Days of Cash, including investments with LAIF – 218
- Loss of \$120,559 for the month. We had budgeted a Surplus of \$9,438
- Total Patient Revenue over Budget by 0.3% for the month
- Net Revenue was 12.2% more than budget.
- Total Expenses 15.5% higher than budget
- Year-to-date surplus of \$2,706,163 is \$1,254,667 over budget













## **April 2017 Financial Results**

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

Total Patient Revenue of \$3,857,008 over budget by 0.3%. Inpatient, Clinic, and SNF revenue were over budget. Outpatient and Emergency Room revenue were under budget.

Deductions from Revenue of \$2,008,652 were under budget by 8.7%.

Total operating Revenue (Revenue less revenue deductions) of \$1,856,060 was over budget by 12.2%.

Total Operating Expenses of \$2,186,951 was over budget by 15.5%. Much of this variance was a payment in settlement of pending litigation.

Our loss for the month of April was \$120,559. We had budgeted a surplus for the month of \$9438.

Our Operating Cash and Investments total \$12,907,686. Total Days Cash on hand - 218.

### **Key Statistics**

Inpatient days were 34 in April, right at the budgeted number.

We had 31 Swing Patient Days in April (compared to budget of 25).

SNF days totaled 567 in April, an Average Daily Census of 18.9.

Emergency Room visits of 808 for the month were 5.6% over budget.

RHC and Dental Clinic visits 102 and 185 respectively. The dental clinic has experienced some transitions in providers

### **Year-to-date**

Total operating revenue is 5.5% over budget.

Total expenses are 3.0% under budget.

Our surplus of \$2,706,163 is \$1,254,667 over budget.



**Bear Valley Community Healthcare District**

Financial Statements April 30, 2017

**Financial Highlights—Hospital**

**STATEMENT OF OPERATIONS**

		A	B	C	D	E	F	G	H	I	J
			Current Month					Year-to-Date			
		FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
		Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1	Total patient revenue	3,590,002	3,857,008	3,846,836	10,172	0.3%	40,319,088	41,123,635	42,463,158	(1,339,523)	-3.2%
2	Total revenue deductions	2,246,420	2,008,652	2,200,195	(191,543)	-8.7%	23,951,242	22,226,473	24,510,634	(2,284,161)	-9.3%
3	% Deductions	63%	52%	57%			59%	54%	58%		
4	Net Patient Revenue	1,343,582	1,848,356	1,646,641	201,715	12.3%	16,367,846	18,897,162	17,952,524	944,638	5.3%
5	% Net to Gross	37%	48%	43%			41%	46%	42%		
6	Other Revenue	3,450	7,704	7,233	471	6.5%	197,956	116,701	73,293	43,408	59.2%
7	Total Operating Revenue	1,347,032	1,856,060	1,653,874	202,186	12.2%	16,565,802	19,013,863	18,025,817	988,046	5.5%
8	Total Expenses	1,649,175	2,186,951	1,893,591	293,360	15.5%	17,388,954	18,501,917	19,065,871	(563,954)	-3.0%
9	% Expenses	46%	57%	49%			43%	45%	45%		
10	Surplus (Loss) from Operations	(302,143)	(330,891)	(239,717)	(91,174)	-38.0%	(823,152)	511,946	(1,040,054)	1,552,000	149.2%
11	% Operating margin	-8%	-9%	-6%			-2%	1%	-2%		
12	Total Non-operating	207,850	210,332	249,155	(38,823)	-15.6%	2,212,732	2,194,217	2,491,550	(297,333)	-11.9%
13	Surplus/(Loss)	(94,293)	(120,559)	9,438	(129,997)	1377.4%	1,389,580	2,706,163	1,451,496	1,254,667	-86.4%
14	% Total margin	-3%	-3%	0%			3%	7%	3%		

**BALANCE SHEET**

		A	B		C	D	E
		April	April	March			
		FY 15/16	FY 16/17	FY 16/17	VARIANCE		
					Amount	%	
15	Gross Accounts Receivables	10,650,824	11,783,203	12,226,573	(443,370)	-3.6%	
16	Net Accounts Receivables	3,850,360	4,436,270	4,438,087	(1,817)	0.0%	
17	% Net AR to Gross AR	36%	38%	36%			
18	Days Gross AR	81	80	81	(1)	-0.6%	
19	Cash Collections	1,594,540	1,826,794	1,972,863	(146,069)	-7.4%	
21	Investments	5,770,859	10,852,271	10,852,271	-	0.0%	
22	Cash on hand	3,231,484	2,055,415	1,907,000	148,415	7.8%	
23	Total Cash & Invest	9,002,343	12,907,686	12,759,271	148,415	1.2%	
24	Days Cash & Invest	164	218	220	(2)	-1.0%	

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

**Statement of Operations**

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
<b>Gross Patient Revenue</b>										
1 Inpatient	170,690	202,673	162,539	40,134	24.7%	2,036,065	2,361,522	1,994,220	367,302	18.4%
2 Outpatient	929,131	820,964	865,669	(44,705)	-5.2%	8,691,960	8,713,987	8,914,456	(200,469)	-2.2%
3 Clinic Revenue	164,135	313,136	290,682	22,454	7.7%	1,845,843	2,116,272	2,291,893	(175,621)	-7.7%
4 Emergency Room	2,096,006	2,263,020	2,339,622	(76,602)	-3.3%	25,888,666	25,459,559	27,354,235	(1,894,676)	-6.9%
5 Skilled Nursing Facility	230,040	257,215	188,324	68,891	36.6%	1,856,554	2,472,295	1,908,354	563,941	29.6%
6 <b>Total patient revenue</b>	<b>3,590,002</b>	<b>3,857,008</b>	<b>3,846,836</b>	<b>10,172</b>	<b>0.3%</b>	<b>40,319,088</b>	<b>41,123,635</b>	<b>42,463,158</b>	<b>(1,339,523)</b>	<b>-3.2%</b>
<b>Revenue Deductions</b>										
7 Contractual Allow	1,670,752	1,605,694	1,872,908	(267,214)	-14.3%	20,308,391	18,533,017	20,864,533	(2,331,516)	-11.2%
8 Contractual Allow PY	-	(2,904)	-	(2,904)	#DIV/0!	17,314	(24,863)	-	(24,863)	#DIV/0!
9 Charity Care	2,554	9,753	6,075	3,678	60.5%	60,361	89,563	67,678	21,885	32.3%
10 Administrative	13,415	5,807	11,011	(5,204)	-47.3%	118,528	75,740	122,664	(46,924)	-38.3%
11 Policy Discount	8,214	10,782	5,695	5,087	89.3%	61,644	67,745	63,447	4,298	6.8%
12 Employee Discount	13,340	3,901	4,556	(655)	-14.4%	58,557	34,894	50,758	(15,864)	-31.3%
13 Bad Debts	(302,591)	255,342	299,950	(44,608)	-14.9%	374,487	1,576,967	3,341,554	(1,764,587)	-52.8%
14 Denials	161,578	120,277	-	120,277	#DIV/0!	2,951,960	1,873,411	-	1,873,411	#DIV/0!
15 <b>Total revenue deductions</b>	<b>2,246,420</b>	<b>2,008,652</b>	<b>2,200,195</b>	<b>(191,543)</b>	<b>-8.7%</b>	<b>23,951,242</b>	<b>22,226,473</b>	<b>24,510,634</b>	<b>(2,284,161)</b>	<b>-9.3%</b>
16 <b>Net Patient Revenue</b>	<b>1,343,582</b>	<b>1,848,356</b>	<b>1,646,641</b>	<b>201,715</b>	<b>12.3%</b>	<b>16,367,846</b>	<b>18,897,162</b>	<b>17,952,524</b>	<b>944,638</b>	<b>5.3%</b>
17 <b>Other Revenue</b>	3,450	7,704	7,233	471	6.5%	197,956	116,701	73,293	43,408	59.2%
18 <b>Total Operating Revenue</b>	<b>1,347,032</b>	<b>1,856,060</b>	<b>1,653,874</b>	<b>202,186</b>	<b>12.2%</b>	<b>16,565,802</b>	<b>19,013,863</b>	<b>18,025,817</b>	<b>988,046</b>	<b>5.5%</b>
<b>Expenses</b>										
19 Salaries	713,830	728,157	778,882	(50,725)	-6.5%	7,299,231	7,633,976	7,816,950	(182,974)	-2.3%
20 Employee Benefits	273,856	357,455	307,544	49,911	16.2%	2,678,176	2,932,814	3,065,046	(132,232)	-4.3%
21 Registry	-	-	-	-	#DIV/0!	-	33,285	-	33,285	#DIV/0!
22 Salaries and Benefits	<b>987,686</b>	<b>1,085,611</b>	<b>1,086,426</b>	<b>(815)</b>	<b>-0.1%</b>	<b>9,977,407</b>	<b>10,600,074</b>	<b>10,881,996</b>	<b>(281,922)</b>	<b>-2.6%</b>
23 Professional fees	114,941	166,886	144,282	22,604	15.7%	1,345,718	1,481,058	1,500,879	(19,821)	-1.3%
24 Supplies	91,688	118,595	130,291	(11,696)	-9.0%	1,260,116	1,207,412	1,359,101	(151,689)	-11.2%
25 Utilities	41,694	49,735	36,964	12,771	34.6%	440,683	447,299	438,856	8,443	1.9%
26 Repairs and Maintenance	10,037	74,634	19,959	54,675	273.9%	200,061	262,517	203,721	58,796	28.9%
27 Purchased Services	249,472	318,783	284,933	33,850	11.9%	2,645,763	2,817,727	2,763,578	54,149	2.0%
28 Insurance	22,101	25,014	23,050	1,964	8.5%	222,703	250,327	230,500	19,827	8.6%
29 Depreciation	69,318	50,869	88,981	(38,112)	-42.8%	689,657	482,514	889,810	(407,296)	-45.8%
30 Rental and Leases	22,761	36,822	24,407	12,415	50.9%	197,980	198,255	244,070	(45,815)	-18.8%
31 Interest	6,400	8,385	6,058	2,327	38.4%	26,738	80,316	60,580	19,736	32.6%
32 Dues and Subscriptions	5,300	7,513	4,405	3,108	70.5%	44,127	48,545	64,050	4,495	10.2%
33 Other Expense.	27,777	244,104	43,835	200,269	456.9%	338,001	625,873	448,730	177,143	39.5%
34 <b>Total Expenses</b>	<b>1,649,175</b>	<b>2,186,951</b>	<b>1,893,591</b>	<b>293,360</b>	<b>15.5%</b>	<b>17,388,954</b>	<b>18,501,917</b>	<b>19,065,871</b>	<b>(563,954)</b>	<b>-3.0%</b>
35 <b>Surplus (Loss) from Operations</b>	<b>(302,143)</b>	<b>(330,891)</b>	<b>(239,717)</b>	<b>(91,174)</b>	<b>-38.0%</b>	<b>(823,152)</b>	<b>511,946</b>	<b>(1,040,054)</b>	<b>1,552,000</b>	<b>149.2%</b>
36 <b>Non-Operating Income</b>										
37 Tax Revenue	189,917	189,917	189,917	-	0.0%	1,899,170	1,899,170	1,899,170	-	0.0%
38 Other non-operating	17,933	20,415	59,238	(38,823)	-65.5%	313,562	295,047	592,380	(297,333)	-50.2%
39 <b>Total Non-operating</b>	<b>207,850</b>	<b>210,332</b>	<b>249,155</b>	<b>(38,823)</b>	<b>-15.6%</b>	<b>2,212,732</b>	<b>2,194,217</b>	<b>2,491,550</b>	<b>(297,333)</b>	<b>-11.9%</b>
40 <b>Surplus/(Loss)</b>	<b>(94,293)</b>	<b>(120,559)</b>	<b>9,438</b>	<b>(129,997)</b>	<b>1377.4%</b>	<b>1,389,580</b>	<b>2,706,163</b>	<b>1,451,496</b>	<b>1,254,667</b>	<b>-86.4%</b>

2016-17 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

ASSETS:

Current Assets

Cash and Cash Equivalents (Includes CD's)	1,022,806	1,713,908	1,450,901	780,383	1,423,623	1,644,932	1,318,907	1,572,427	1,906,999	2,055,415	1,762,127
Gross Patient Accounts Receivable	10,940,803	10,138,110	10,385,931	9,116,978	8,868,052	9,844,751	10,661,301	11,769,030	12,220,540	11,791,934	10,168,787
Less: Reserves for Allowances & Bad Debt	6,971,161	6,501,489	6,911,742	5,814,191	5,754,053	6,362,393	6,650,380	7,354,610	7,781,808	7,355,664	6,719,910
Net Patient Accounts Receivable	3,969,642	3,636,621	3,474,189	3,302,787	3,113,999	3,482,358	4,010,921	4,414,420	4,438,732	4,436,270	3,448,877
Tax Revenue Receivable	2,279,000	2,279,000	2,279,000	2,279,000	2,003,423	1,124,534	967,871	928,821	889,883	121,713	53,966
Other Receivables	170,195	147,986	132,508	1,232,687	135,959	696,259	-833,022	-1,174,171	-1,172,008	-1,101,709	188,294
Inventories	184,409	185,394	185,929	186,076	188,616	193,583	195,600	200,743	205,447	204,246	178,366
Prepaid Expenses	303,372	280,465	278,311	280,124	284,930	273,672	189,227	233,021	240,883	259,145	224,292
Due From Third Party Payers	0		0								
Due From Affiliates/Related Organizations	0		0								
Other Current Assets	0		0								

Total Current Assets 7,929,424 8,243,374 7,800,838 8,061,057 7,150,550 7,415,338 5,849,504 6,175,261 6,509,936 5,975,080 5,855,922

Assets Whose Use is Limited

Investments	8,277,960	8,277,960	8,277,960	7,739,399	8,839,399	8,852,271	10,852,271	10,852,271	10,852,271	10,852,271	8,270,859
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375

Total Limited Use Assets 8,422,335 8,422,335 8,422,335 7,883,774 8,983,774 8,996,646 10,996,646 10,996,646 10,996,646 10,996,646 8,415,234

Property, Plant, and Equipment

Land and Land Improvements	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272
Building and Building Improvements	9,583,080	9,583,080	9,583,080	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,576,893
Equipment	8,877,215	8,886,299	8,969,579	9,125,269	9,314,852	9,333,143	9,364,857	9,413,400	9,426,609	9,426,609	8,736,322
Construction In Progress	185,232	232,969	330,984	401,438	284,340	293,078	303,147	307,392	313,008	393,102	270,564
Capitalized Interest	0										
Gross Property, Plant, and Equipment	19,177,799	19,234,620	19,415,915	19,666,419	19,738,904	19,765,933	19,807,716	19,860,504	19,879,329	19,959,423	19,116,051
Less: Accumulated Depreciation	12,141,144	12,185,470	12,229,795	12,274,120	12,324,989	12,375,857	12,371,997	12,477,595	12,528,464	12,579,333	12,096,820

Net Property, Plant, and Equipment 7,036,655 7,049,150 7,186,120 7,392,299 7,413,915 7,390,076 7,435,719 7,382,909 7,350,865 7,380,090 7,019,231

TOTAL UNRESTRICTED ASSETS 23,388,414 23,714,859 23,409,293 23,337,130 23,548,239 23,802,060 24,281,869 24,554,816 24,857,447 24,351,816 21,290,387

Restricted Assets

	0	0	0	0	0	0	0	0	0	0	0
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TOTAL ASSETS 23,388,414 23,714,859 23,409,293 23,337,130 23,548,239 23,802,060 24,281,869 24,554,816 24,857,447 24,351,816 21,290,387

2016-17 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

LIABILITIES:

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	June
Current Liabilities											
Accounts Payable	638,258	569,686	627,514	551,770	844,011	639,430	689,526	681,356	584,615	756,696	558,790
Notes and Loans Payable	0										
Accrued Payroll	609,687	704,920	708,423	812,617	866,854	587,125	678,241	707,419	784,270	385,057	897,750
Patient Refunds Payable	0										
Due to Third Party Payers (Settlements)	481,076	567,524	568,465	568,465	566,408	565,088	562,741	650,872	875,966	907,943	575,016
Advances From Third Party Payers	0	0	0	0	0						
Current Portion of Def Rev - Txs,	2,073,573	1,875,851	1,678,382	1,480,660	1,283,190	1,131,689	934,151	736,471	538,774	341,236	0
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)	15,510	23,315	30,867	38,672	46,225	7,809	15,430	23,193	30,973	38,594	7,705
Total Current Liabilities	3,853,104	3,776,296	3,648,651	3,487,184	3,641,688	2,966,141	2,915,089	2,834,311	2,849,598	2,464,526	2,074,261
Long Term Debt											
USDA Loan	2,965,000	2,965,000	2,965,000	2,965,000	2,965,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,965,000
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)	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,895,000	2,895,000	2,895,000	2,895,000	2,895,000	2,930,000
Other Long Term Liabilities											
Deferred Revenue	0	0	0	0	0	0	0	0	0	0	0
Other	0										
Total Other Long Term Liabilities	0	0	0	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	6,818,104	6,741,296	6,613,651	6,452,184	6,606,688	5,896,141	5,845,089	5,764,311	5,779,598	5,394,526	5,004,261
Fund Balance											
Unrestricted Fund Balance	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	13,263,739
Temporarily Restricted Fund Balance	0	0	0	0	0	0	0				
Equity Transfer from FRHG	0	0	0	0	0	0					
Net Revenue/(Expenses)	319,184	722,437	544,516	633,820	690,425	1,654,793	2,185,654	2,539,379	2,826,723	2,706,164	2,987,387
TOTAL FUND BALANCE	16,570,310	16,973,563	16,795,642	16,884,946	16,941,551	17,905,919	18,436,780	18,790,505	19,077,849	18,957,290	16,251,126
TOTAL LIABILITIES & FUND BALANCE	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	21,255,387

**Units of Service**  
For the period ending: April 30, 2017

30						304						
Current Month						Bear Valley Community Hospital						
						Year-To-Date						
Apr-17	Apr-16	Actual -Budget		Act.-Act.		Apr-17	Apr-16	Actual -Budget		Act.-Act.		
Actual	Budget	Actual	Variance	Var %	Var %	Actual	Budget	Actual	Variance	Var %	Var %	
30	30	31	-	0.0%	-3.2%	Med Surg Patient Days	357	405	389	(48)	-11.9%	-8.2%
31	25	63	6	24.0%	-50.8%	Swing Patient Days	434	360	364	74	20.6%	19.2%
567	413	396	154	37.3%	43.2%	SNF Patient Days	5,515	4,243	4,211	1,272	30.0%	31.0%
<b>628</b>	<b>468</b>	<b>490</b>	<b>160</b>	<b>34.2%</b>	<b>28.2%</b>	<b>Total Patient Days</b>	<b>6,306</b>	<b>5,008</b>	<b>4,964</b>	<b>1,298</b>	<b>25.9%</b>	<b>27.0%</b>
10	15	12	(5)	-33.3%	-16.7%	Acute Admissions	139	150	143	(11)	-7.3%	-2.8%
12	15	11	(3)	-20.0%	9.1%	Acute Discharges	146	150	145	(4)	-2.7%	0.7%
2.5	-	2.8	2.5	#DIV/0!	-11.3%	Acute Average Length of Stay	2.4	-	2.7	2.4	#DIV/0!	-8.9%
1.0	1.0	1.0	-	0.0%	-3.2%	Acute Average Daily Census	1.2	1	1.3	(0.2)	-11.9%	-8.2%
19.9	14.6	15.3	5.3	36.5%	30.3%	SNF/Swing Avg Daily Census	19.6	15	15.0	4.4	29.2%	30.0%
<b>20.9</b>	<b>15.6</b>	<b>16.3</b>	<b>5.3</b>	<b>34.2%</b>	<b>28.2%</b>	<b>Total Avg. Daily Census</b>	<b>20.7</b>	<b>16</b>	<b>16.3</b>	<b>4.3</b>	<b>25.9%</b>	<b>27.0%</b>
<b>47%</b>	<b>35%</b>	<b>36%</b>	<b>0</b>	<b>34.2%</b>	<b>28.2%</b>	<b>% Occupancy</b>	<b>46%</b>	<b>37%</b>	<b>36%</b>	<b>0</b>	<b>25.9%</b>	<b>27.0%</b>
8	15	11	(7)	-46.7%	-27.3%	Emergency Room Admitted	122	150	119	(28)	-18.7%	2.5%
800	1,000	765	(200)	-20.0%	4.6%	Emergency Room Discharged	9,387	10,000	9,278	(613)	-6.1%	1.2%
<b>808</b>	<b>765</b>	<b>776</b>	<b>43</b>	<b>5.6%</b>	<b>4.1%</b>	<b>Emergency Room Total</b>	<b>9,509</b>	<b>9,663</b>	<b>9,397</b>	<b>(154)</b>	<b>-1.6%</b>	<b>1.2%</b>
<b>27</b>	<b>26</b>	<b>26</b>	<b>1</b>	<b>5.6%</b>	<b>4.1%</b>	<b>ER visits per calendar day</b>	<b>31</b>	<b>32</b>	<b>31</b>	<b>(1)</b>	<b>-1.6%</b>	<b>1.2%</b>
<b>125%</b>	<b>100%</b>	<b>109%</b>	<b>71%</b>	<b>71.4%</b>	<b>14.6%</b>	<b>% Admits from ER</b>	<b>114%</b>	<b>100%</b>	<b>120%</b>	<b>39%</b>	<b>39.3%</b>	<b>-5.2%</b>
1	-	-	1	0.0%	#DIV/0!	Surgical Procedures I/P	1	-	-	1	0.0%	#DIV/0!
8	11	-	(3)	0.0%	#DIV/0!	Surgical Procedures O/P	67	106	93	(39)	-36.8%	-28.0%
<b>9</b>	<b>11</b>	<b>-</b>	<b>9</b>	<b>0.0%</b>	<b>#DIV/0!</b>	<b>TOTAL Procedures</b>	<b>68</b>	<b>106</b>	<b>93</b>	<b>(25)</b>	<b>-23.6%</b>	<b>-26.9%</b>
<b>822</b>	<b>164</b>	<b>319</b>	<b>658</b>	<b>401.2%</b>	<b>157.7%</b>	<b>Surgical Minutes Total</b>	<b>4,440</b>	<b>1,665</b>	<b>3,999</b>	<b>2,775</b>	<b>166.7%</b>	<b>11.0%</b>

**Units of Service**  
For the period ending: April 30, 2017

Current Month						Bear Valley Community Hospital			Year-To-Date			
Apr-17		Apr-16	Actual -Budget		Act.-Act.		Apr-17		Apr-16	Actual -Budget		Act.-Act.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
5,650	7,032	6,489	(1,382)	-19.7%	-12.9%	Lab Procedures	60,090	67,293	65,579	(7,203)	-10.7%	-8.4%
747	735	706	12	1.6%	5.8%	X-Ray Procedures	7,962	8,409	8,360	(447)	-5.3%	-4.8%
208	258	243	(50)	-19.4%	-14.4%	C.T. Scan Procedures	2,626	3,056	2,788	(430)	-14.1%	-5.8%
202	194	179	8	4.1%	12.8%	Ultrasound Procedures	2,045	1,853	1,925	192	10.4%	6.2%
-	50	40	(50)	-100.0%	-100.0%	Mammography Procedures	414	500	529	(86)	-17.2%	-21.7%
308	287	324	21	7.3%	-4.9%	EKG Procedures	2,770	2,868	3,076	(98)	-3.4%	-9.9%
177	153	122	24	15.7%	45.1%	Respiratory Procedures	1,284	1,437	1,459	(153)	-10.6%	-12.0%
1,359	1,125	1,290	234	20.8%	5.3%	Physical Therapy Procedures	16,454	10,275	10,712	6,179	60.1%	53.6%
1,642	1,970	1,352	(328)	-16.6%	21.4%	Primary Care Clinic Visits	15,559	16,780	14,818	(1,221)	-7.3%	5.0%
185	200	-	(15)	0.0%	#DIV/0!	Specialty Clinic Visits	773	800	-	(27)	0.0%	#DIV/0!
1,827	2,170	1,352	(343)	-15.8%	35.1%	Clinic	16,332	17,580	14,818	(1,248)	-7.1%	10.2%
70	83	52	(13)	-15.8%	35.1%	Clinic visits per work day	126	135	114	(10)	-7.1%	10.2%
20.7%	0.20	19.60%	0.70%	3.50%	5.61%	% Medicare Revenue	20.22%	0.20	19.79%	0.22%	1.10%	2.17%
44.20%	0.37	41.90%	7.20%	19.46%	5.49%	% Medi-Cal Revenue	38.65%	0.37	34.82%	1.65%	4.46%	11.00%
31.20%	0.38	33.30%	-6.80%	-17.89%	-6.31%	% Insurance Revenue	36.70%	0.38	39.83%	-1.30%	-3.42%	-7.86%
3.90%	0.05	5.20%	-1.10%	-22.00%	-25.00%	% Self-Pay Revenue	4.43%	0.05	5.56%	-0.57%	-11.40%	-20.32%
146.0	145.84	140.7	0.1	0.1%	3.7%	Productive FTE's	143.70	147.77	139.3	(4.1)	-2.8%	3.2%
166.6	162.00	162.6	4.6	2.8%	2.5%	Total FTE's	161.70	163.90	156.5	(2.2)	-1.3%	3.3%



## **CFO REPORT for**

**June 5, 2017, Finance Committee and June 14, 2017, Board meetings**

### **Healthcare Reform – Affordable Care Act (American Health Care Act)**

Consideration of AHCA has passed to the United States Senate. Recent reports are saying that the Senate intends to start from scratch on healthcare reform.

### **Ballot Measure F and compliance with requirements**

A question came up about the language on Ballot Measure F (parcel tax) and our compliance with any requirements

The ballot language was - "To continue maintaining local access to life-saving emergency medical care at Bear Valley Community Hospital, keep hospital medical technology/equipment up-to-date, and ensure the hospital has enough qualified doctors and nurses, shall Bear Valley Community Healthcare District extend its expiring parcel tax (\$20 for unimproved parcels, \$45 for improved) for 10 years only, with annual independent financial audits, no money for administrators, all funds dedicated to hospital services in Big Bear Valley, and without increasing tax rates."

Questions were about the requirement related to "annual independent audit" (we do have an annual independent audit) and "no money for administrators" (administrative costs are part of our overall expenses).

We asked our auditor, Jerrel Tucker about what he was seeing and his reply was –

"For all the districts we're involved with (16 in CA) the annual financial audit has been recognized to satisfy the "annual independent financial audit" requirement. Have not seen any secondary or separate audits specific to tax dollars received.

The "no money for administrators" wording is not real common, but has been used more often recently to placate voters' concerns that the tax will go to admin salary increases. As long as salaries and wages and

other admin expenses are reasonable and board approved, and there are other identifiable sources of funds for payment (patient revenue, IGT, etc.) that cover them you should be fine.

Deb Tropp commented - I agree with the advice you are getting from the auditor. I would make sure that there is documentation in administrator files of "fair market value" for their salaries....and especially at the time any raise is considered."

We believe we are meeting the requirements and intent of the ballot measure.

## **Internet / Network Security (WannaCry ransomware attack)**

Over a period of about a week we monitored a worldwide cyberattack. The attack began on Friday, 12 May 2017. It started in Europe and within a day was reported to have infected some 230,000 computers in over 150 countries. We participated in daily calls over several days which included representatives of a number of US government agencies and departments. Our IT staff monitored BVCHD systems seeing increased traffic and noting suspicious files. We have just a couple of computers using the Windows XP operating system. We were already in the process of replacing these. No adverse impacts were seen at BVCHD from this attack.