



MISSION

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

VISION

To be the premier provider of emergency medical and healthcare services in our Big Bear Valley.

**NOTICE AND CALL OF A
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING**

Wednesday, September 05, 2018
1:00 p.m. Open Session @ Hospital Conference Room
41870 Garstin Drive, Big Bear Lake, Ca. 92315

NOTICE IS HEREBY GIVEN that a special meeting of the Board of Directors, Finance Committee of the Bear Valley Community Healthcare District will be held Wednesday, September 05, 2018, Open Session beginning at 1:00 p.m. A copy of the agenda is attached hereto.

Dated: August 31, 2018

A handwritten signature in blue ink, appearing to read "John Friel", is written over the typed name and title.

John Friel
CEO



**BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING AGENDA
WEDNESDAY, SEPTEMBER 05, 2018
1:00 PM –OPEN SESSION @ MAIN CONFERENCE ROOM
41870 GARSTIN DRIVE, BIG BEAR LAKE, CA. 92315**

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

OPEN SESSION

1. **CALL TO ORDER** **Donna Nicely, Treasurer**
2. **ROLL CALL** **Shelly Egerer, Executive Assistant**
3. **ADOPTION OF AGENDA***
4. **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 Committee regarding any item listed on the Committee agenda at the time the item is being considered by the Committee. (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.)
5. **DIRECTORS COMMENTS**
6. **APPROVAL OF MINUTES***
A. August 13, 2018
7. **OLD BUSINESS***
 - None
8. **NEW BUSINESS***
A. Discussion and Potential Recommendation to the Board of Directors of the Following Contracts:
 - (1) Hologic Service Agreement
 - (2) Cannon Medical Systems Service Agreement
9. **PRESENTATION AND REVIEW OF FINANCIAL STATEMENTS***
A. July 2018 Finances
B. CFO Report
10. **ADJOURNMENT*** *** Denotes Actions Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
August 13, 2018**

MEMBERS Donna Nicely, Treasurer
PRESENT: Rob Robbins, President

Garth Hamblin, CFO
Shelly Egerer, Exec. Asst.

STAFF: None

**COMMUNITY
MEMBERS:** None

ABSENT: Kerri Jex Peter Boss, MD, Secretary John Friel, CEO

OPEN SESSION

1. CALL TO ORDER:

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

2. ROLL CALL:

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

3. ADOPTION OF AGENDA:

Board Member Nicely motioned to adopt the August 13, 2018 Finance Committee Agenda as presented. Second by President Robbins to adopt the August 13, 2018 Finance Committee Meeting Agenda as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Robbins- yes

4. PUBLIC FORUM FOR OPEN SESSION:

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

5. DIRECTOR'S COMMENTS:

- None

6. APPROVAL OF MINUTES:

A. July 03, 2018

Board Member Nicely motioned to approve the July 03, 2018 Finance Committee Meeting Minutes as presented. Second by President Robbins approve the July 03, 2018 Finance Committee Meeting Minutes as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Robbins- yes

7. OLD BUSINESS:

- None

8. NEW BUSINESS*

A. Discussion and Potential Recommendation to the Board of Directors QHR Travel Expenses for QHR Compliance Program Assessment Not to Exceed \$2,000.00:

Board Member Nicely motioned to recommend to the Board of Directors the Travel Expenses for QHR Compliance Program Assessment not to exceed \$2,000.00. Second by President Robbins to recommend to the Board of Directors the Travel Expenses for QHR Compliance Program Assessment not to exceed \$2,000.00. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Robbins- yes

B. Discussion and Potential Recommendation to the Cash Handling Policy and Procedure:

- Mr. Hamblin reported that there have been some processes changed in departments that have cash they are responsible for. Random audits are completed in departments that have cash boxes.
- Board Member Nicely reported she pulled the policies that the Finance Committee had reviewed and approved additional policies and does not know if this policy should be combined into another existing policy.
- President Robbins wanted to confirm that since the policies have been revised, other policies approved, and have the issues of the missing cash been resolved.
- Mr. Hamblin stated that there are no issues at this time of any missing cash.

Board Member Nicely motioned to recommend to the Board of Directors the Cash Handling Policy and Procedure. Second by President Robbins to recommend to the Board of Directors the Cash Handling Policy and Procedure. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Robbins- yes

C. Discussion and Update on Policies & Procedures Under the CFO Supervision (Admitting, General Accounting, Materials Management, Patient Financial Services, Information Technology, and Health Information Management):

- Board Member Nicely asked that all departments that are under the CFO supervision have updated the policies and bring back to the Finance Committee for review and potential recommendation to the Board of Directors.
- Mr. Hamblin is working with new staff and existing staff to remind them that the department policies need to be updated. The District is looking into new software for Policy Tech so that we can get the system updated. The Policy & Procedure Committee is also involved in updating the system.

Board Member Nicely reported no action required.

9. Presentation and Review of Financial Statements:

A. June 2018 Finances:

- Mr. Hamblin reported the following information:
 - Pre-audit finances, full year results strong
 - \$20 million in bank
 - Patient revenue over budget
 - Net patient revenue over budget
 - Total expenses are over budget
 - Surplus for May was under budget
- President Robbins asked Mr. Hamblin to provide three top items that have been accomplished, and also stated that the clinic registration staff needs to be trained on customer service, they are not very welcoming and short with patients.
- Mr. Hamblin reported that there were several items that have been a large success for the District:
 - AR days have improved; significant reduction.
 - Billing office, staff continues to work on Revenue Cycle and TruBridge weekly conferences continue.
 - IGT paperwork has been filed; we have received a large amount of IGT monies.
 - 312 days cash on hand.
 - 2011 audit received \$600,000.
 - Continue to grow ER visits,

B. CFO Report:

- Mr. Hamblin reported the following information:
 - 340B Program; calls with 2 vendors that can assist the District; we are still researching vendors that work with 340B. Wellpartner, which is a CVS partner company, is being vetted, regular follow up will take place with Wellpartner and we will continue to look into other vendors that can assist the District with this program.
 - QHR Benchmarking Assessment; QHR is looking at data and additional information will be sent to assist in providing the assessment. A questionnaire will be provided to the managers, and the QHR team should be on site at the end of August.
 - Clinic productivity have been involved in several calls for the benchmark; visits per hour or RVU per visits.

Board Member Nicely motioned to approve the June 2018 Finance Report and the CFO Report as presented. Second by President Robbins to approve the June 2018 Finance Report and the CFO Report as presented. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Robbins- yes

10. ADJOURNMENT*

Board Member Nicely motioned to adjourn at 1:32 p.m. Second by President Robbins to adjourn. Board Member Nicely called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Nicely- yes
- President Robbins - yes



MEMO

Date: July 12, 2018
To: Board of Directors
From: Angela Rodriguez, Director of Radiology
Re: Approval of Hologic and Canon Extended Service Agreements

Recommended Action

The approval to purchase the Hologic Service Agreement for a term of 4 years and service agreement for the Canon Aplio 500 ultrasound machine for 4 years.

Discussion

The one-year warranty on the new Hologic Mammography machine expired on June 5th, 2018. This agreement is to extend warranty for service for the next 4 years. This Platinum service will provide replacement on all parts which include glass (X-ray tube and plastics (paddles), provide remote access into machine for any errors and faster repair, and 2 preventative maintenance services per year.

The total cost for the extended 4- year contract is \$ 212,500 (4 annual payments of \$ 53,125). This includes an annual 15% discount when purchasing a multi-year contract with a total savings of \$ 37,500 for 4 years.

The major costs for this system is the detector (\$130,000) and the tube (\$12,000) plus labor/travel. Software upgrades are \$35,000 for the Dimensions and \$15,000 for the CAD server. Attached is the billable labor rates if these units do not have service coverage.

The Canon (Toshiba) Aplio 500 1- year warranty is set to expire 09/24/18. This agreement is to extend warranty for service for the next 4 years. This extended service contract will cost \$8,775 annually for a total of \$35,100 for 48 months.

This will cover parts and labor, yearly preventative maintenance, 4- hour onsite response, one standard probe will be replaced annually at no charge, specialty probes will be replaced at 25% discount off list price.

It is my recommendation to extend the service warranty for 48 months on both pieces of equipment. Due to the high cost of hourly service, travel time and parts. One major incident would far exceed the annual cost of these service agreements.

Respectfully submitted,

Angela Rodriguez
Director of Imaging Services



Contract Cover Sheet

Contract Name: Hologic Service Agreement
Purpose of Contract: Service
Contract # / Effective Date / Term: Q59115 / 6/5/2018 / 4yrs
Originating Dept. Name / Number: Radiology 7630
Department Manager: _____ Signature: Angel Rodriguez Date: 7/11/18
BAA: ☐ Yes ☐ No W-9: ☐ Yes ☐ No

<u>Administrative Officer</u>	Signature: <u>NA</u>	Date: <u>NA</u>
<u>HIPAA/Privacy Officer</u> (as appropriate)	Signature: <u>NA</u>	Date: <u>NA</u>
<u>Legal Counsel</u>	Signature: <u>via email</u>	Date: <u>8-8-18</u>
<u>Compliance Officer</u>	Signature: <u>Mary Norman</u>	Date: <u>7-19-18</u>
<u>Chief Financial Officer</u>	Signature: <u>[Signature]</u>	Date: <u>19 July 2018</u>
<u>Chief Executive Officer</u>	Signature: _____	Date: _____
<u>Board of Directors</u> When Applicable	Signature: _____	Date: _____

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

Contract Cover Sheet

CONFIDENTIAL NOTICE:

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



Service Agreement

Hologic Internal Use Only
Entered By:
Date Entered:
Agreement Number:
Customer PO:

Location:
 BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
 41870 GARSTIN RD
 BIG BEAR LAKE, CA 92315 US
 Account # 252250

Quote #: Q-59715
 Quote Date: 7/12/2018
 Hologic Rep: Amar Dhanota

Contract Type: Warranty Conversion

ATTN:

Phone:

Fax:

Email:

Model	Serial Number	Service Type	Annual List Price	Annual Discount	Annual Net Price	Coverage Period	Coverage Term (in years)	Term Price
Dimensions 3D 5000	SDM130800102	PLATINUM MAMMO	\$52,000.00	\$7,800.00	\$44,200.00	6/5/2018 to 6/4/2022	4.00	\$176,800.00
Dimensions 3D 5000	SDM130800102	PLASTIC COVERAGE	\$500.00	\$75.00	\$425.00	6/5/2018 to 6/4/2022	4.00	\$1,700.00
Digital CAD with 1st License	CD0355	PLATINUM MAMMO	\$10,000.00	\$1,500.00	\$8,500.00	6/5/2018 to 6/4/2022	4.00	\$34,000.00

Term List Price Total:	USD 250,000.00
15.00% Multi-year:	(USD 37,500.00)
Term Discount Total:	(USD 37,500.00)
Agreement Term Price Total:	USD 212,500.00

Payment Schedule

Payment Start Date	Payment Frequency	# of Payments	Payment Amount	Payment Notes
06/05/18	Annual	4	\$53,125.00	

Customer Acceptance: By signing below, Customer indicates acceptance of this Service Agreement proposal and agrees to be bound by the Hologic Service Agreement Terms and Conditions. This Service Agreement proposal supersedes all previous proposals for these services. Upon execution, this Service Agreement proposal, along with the Hologic Service Agreement Terms and Conditions, Exhibits A and B, and any supporting documentation and attachments executed by the Parties, shall constitute the complete and entire agreement between the Parties (collectively referred to herein as the "Agreement").

This offer shall remain open for sixty (60) days after the Proposal Date stated above unless otherwise specified, and is subject to change or withdrawal by Hologic prior to acceptance by both Parties.

CUSTOMER: BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT

HOLOGIC, INC.

Authorized Signature: _____

Authorized Signature:



Name: _____

Name: John Liebig

Title: _____ Date: _____

Title: VP, Field Service and Technical Support, BSH Date: 7/12/2018

BILL TO ADDRESS:

Hologic Contact:

Address: _____

Name: Amar Dhanota Phone: _____

City: _____ State: _____ Zip: _____

Email: amar.dhanota@hologic.com Fax: _____

THIS IS NOT AN INVOICE. INVOICE(S) WILL BE GENERATED UPON SUBMISSION OF SIGNED AGREEMENT.

Hologic is required by law to collect state and local taxes on all sales.
Final invoices will include these amounts unless a valid exemption certificate is provided.

Maintenance & Repair Service Terms

HOLOGIC®

These Maintenance & Repair Service Terms ("Terms") between Hologic, Inc. ("Hologic") and BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT ("Customer") (Hologic and Customer collectively the "Parties") govern the repair and maintenance services of equipment listed on the Service Quote ("Equipment") and the use of Software (Equipment and Software, collectively "Products").

1. Agreement

These Terms, together with the applicable service quote ("Service Quote"), Exhibit A, and Exhibit B (collectively, the "Agreement") must be signed and sent to Hologic with Customer's purchase order within 60 days from the Quote Date on the Service Quote.

2. Coverage Period and Termination

a. Effective Date. The Agreement is effective upon signature by the Parties ("Effective Date"). Should the Coverage Period, described below, pre-date the Effective Date, then these Terms shall apply to the Coverage Period.

b. Coverage Period. The Coverage Period is indicated on the applicable Service Quote. Prior to the end of the Coverage Period, this Agreement may be renewed, at a mutually agreed price, for successive one-year periods (each a "Renewal Term") by executing an amendment signed by both Parties.

c. Termination Without Cause. Either Party may terminate this Agreement, with or without cause, after providing the other with 60 days' prior written notice. In case of such termination by Customer, and unless Customer sells its business, or Customer's business merges with or is acquired by another entity who will have a controlling interest of 50% or greater, Customer will be assessed a cancellation fee of 25% of the residual Agreement price, based on the effective termination date. If cancellation occurs in the final year of coverage, the fee will be reduced to 15%. Such fee shall be due within 30 days of effective date of termination. Hologic may set-off, credit, or refund any unused amounts prepaid by Customer.

d. Termination for Cause. Either Party may terminate this Agreement if the other fails to perform any duty within, limits access to Equipment, or files for bankruptcy ("Default") after providing the defaulting Party written notice of its Default and allowing the defaulting Party 30 days to cure such Default. Customer must provide notice to Hologic in case of bankruptcy. Hologic may elect to suspend Services upon Customer Default. Hologic may terminate within 10 days if Customer breaches payment obligations.

3. Pricing and Payment

Service pricing and payment schedule are listed on the Service Quote. Payments are due Net 30 from the invoice date. Hologic may suspend Services if Customer's account is past due. If Customer is tax-exempt, Customer will provide a valid tax-exemption certificate to Hologic prior to the invoice date, otherwise Customer shall be invoiced for applicable taxes.

4. Services Included

a. Services. Hologic or authorized distributor will provide the services listed on the Service Quote ("Services"). Any Services performed outside of the Coverage Period indicated on the applicable Service Quote are performed at Hologic's prevailing rates. Each Service Type selected by Customer is detailed in Exhibit A, titled "Service Type Coverage", which contains coverage details and hours of service. Customer may request Services, telephone support, or remote support by contacting the applicable support team from Exhibit B, titled "Product Support Information".

b. Coverage Period. The Coverage Period is indicated on the applicable Service Quote. Prior to the end of the Coverage Period, this Agreement may be renewed, at a mutually agreed price, for successive one-year periods (each a "Renewal Term") by executing an amendment signed by both Parties.

c. Software Updates. At no charge during the Term, Hologic will provide commercially available updates that revise or correct safety issues or update the productivity of the Software. Customer will be responsible for uploading and installing security patches made available by Hologic. Upgrades that provide new features or require hardware changes will be offered to Customer at prevailing rates when commercially available.

Software. "Software" includes all computer software, firmware and associated documentation supplied through this Agreement in connection with the Equipment or Services. If the Equipment includes Software, Customer is granted a non-exclusive, non-transferable license to use the Software on the Equipment on which it is first installed and only in the normal course of business. Customer may not use Software for multi-site quality control or data review or attempt to access its source code. Software remains the sole property of Hologic. Customer must treat Software as confidential, and must maintain all copyright, proprietary, and other notices on the Software. Customer must not copy, sublicense, de-compile, disassemble, or reverse engineer the Software. All information needed for interoperability is available from Hologic. Hologic may develop updates to the Software, and Customer must allow Hologic access to the to install any updates. Software updates and upgrades for non-Hologic manufactured equipment are subject to the policies of its manufacturer.

d. Replacement Parts. If covered on Exhibit A or warranty, Hologic will provide available replacement parts at no charge. Replacement parts may be new or remanufactured, will be exchanged for the replaced parts, and are warranted to perform in accordance with Specifications for the greater of 90 days or the remainder of the Coverage Period. Replaced parts become the property of Hologic once replacement parts are installed. Parts not covered on Exhibit A or warranty are provided at Hologic rates current at time of replacement.

e. End of Support Announcement. Should Hologic determine that it will no longer support a Product, component, or provide a particular option or feature, Hologic shall provide Customer 12 months written notice prior to ending such support. After such notice, Hologic may remove such affected Product, component, option or feature from coverage, with an appropriate adjustment of charges, with no further action by the Parties.

f. Service Reports. Hologic will provide service reports for all Services performed onsite.

g. Response Times. Subject to the conditions specified in Exhibit A, product support teams are available during Support Hours listed in Exhibit B. If Customer leaves a message, Hologic's phone support group will return calls received during Support Hours within 30 minutes. Should a support team determine that onsite service is necessary, a Hologic Field Engineer will be dispatched. Hologic uses best efforts to provide an onsite response within 2 business days of Customer's call. For sites with down equipment, Hologic uses best efforts to provide same day response so long as an FE is available, subject to the exclusions in Section 5.

Down Equipment. Equipment is considered "down" when Equipment is inoperable (unavailable to treat or diagnose patients, or for Equipment used solely for research projects, cannot be used to perform research). Response to Customer call requesting service for down Equipment caused by external failures (e.g., abuse, loss of air-conditioning, power failure, power surges beyond specified Equipment tolerances, attempted and/or unauthorized third party repair, etc.) may be subject to Hologic's then-current travel time and labor rates.

h. Remote Access. For some Products, Hologic requires remote access to meet service response times and perform support services. Remote access is provided through Hologic Connect™, or other Hologic technology available at the time service is performed. Customer understands that if Customer is unable provide remote access, Hologic may not be able to meet the response times specified under this Agreement.

5. Exclusions

The following services are not covered by the Agreement and will be billed at prevailing rates:

a. services performed at Customer's request outside the hours in Exhibit A;

- b. services required due to disaster, acts of God, or external failures (including without limitation: abuse, loss of air-conditioning, power failure, or power surges beyond specified equipment tolerances);
- c. services required due to improper use or actual or attempted unauthorized third party repair, modifications, software installations, or moves;
- d. services required due to electrical work or cabling external to the Product;
- e. services performed related to IT, workflow design and analysis, or Customer's network infrastructure, such as IP address configurations;
- f. services performed as a result of changes in laws, regulations or guidelines; and
- g. de-installation, reinstallation, or relocation services.

6. Changes in Coverage

- a. Inspection. If Customer would like to cover Equipment that has been without warranty or service contract coverage for more than 30 days, serviced by anyone other than Hologic or its authorized representatives; or Customer is in Default for more than 30 days then, at Customer's expense, Hologic may inspect the Equipment to determine if it conforms to Hologic's published specifications ("Specifications"). If Equipment does not conform to Specifications, Customer must pay prevailing rates to bring the Equipment into Specifications prior to resumption or start of coverage by Hologic.
- b. Adding and Removing Equipment Coverage. The Parties may add Equipment by mutually executed written amendment to this Agreement. If Customer would like to remove Equipment, then after providing Hologic with 30 days' notice, the Parties will amend the Agreement to reflect such removal. Advance notice for removal is not required if Equipment is traded-in as part of a new purchase of Hologic equipment from Hologic. In the event of any coverage adjustment, the cost on the Service Quote will be prospectively adjusted to reflect such change.

7. Customer Responsibilities

- a. Routine Maintenance and Supervision. Customer must perform all Hologic-recommended routine maintenance in accordance with user manual. Customer alone is responsible for the supervision, risk mitigation, management and control of Equipment while placed onsite.
- b. Access. If Customer does not provide access to Equipment for a scheduled visit, Customer will pay travel time and labor expenses at prevailing rates.
- c. Data Backup. Customer must backup all data, such as patient data, prior to and during the provision of Services. Hologic is not responsible for loss, corruption, recovery, storage or backup of data.

8. Limited Warranties and Exceptions

Hologic warrants that Services will be performed by trained individuals in a workmanlike manner. The remedy for any warranty claim is limited to Hologic re-performing any non-conforming Services at no charge, as long as Customer provides prompt written notice to Hologic. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. HOLOGIC DISCLAIMS IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

9. Limitation of Liability

Except for bodily injury or damage to real or tangible personal property caused solely and directly by the negligence or willful misconduct of Hologic or its authorized representatives, Hologic's liability for any damages is limited to the annual Service Quote price in effect when the cause of action arose. IN NO EVENT SHALL HOLOGIC BE LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES. ADDITIONALLY, HOLOGIC SHALL NOT BE LIABLE FOR ANY CLAIMS BROUGHT MORE THAN ONE YEAR AFTER THE CLAIMANT HAS KNOWLEDGE OF THE CLAIM.

10. Force Majeure

Neither party shall be liable hereunder by reason of any failure or delay in the performance of its obligations hereunder on account of strikes, shortages, riots, insurrections, fires, floods storm, explosions, act of God, war, governmental action, labor or material shortages or any other cause which is beyond the reasonable control of such party. The foregoing provisions regarding force majeure shall not be operative to delay or excuse payment of any amount.

11. Assignment

Customer may not assign or subcontract any portion of its rights or obligations under the Agreement without prior written consent from Hologic. Hologic may assign or subcontract its rights, responsibilities, and/or obligations, provided that any assignee assumes applicable obligations in writing.

12. Confidentiality

Except to the extent disclosure is required by applicable law, both Parties agree to hold in strict confidence the Agreement terms and all information in connection with performance of the Agreement, including without limitation, pricing, protected health information, and information relating to the Customer.

13. Applicable Law

The Parties agree to comply with applicable law, including but not limited to, applicable provisions of Health Insurance Portability and Accountability Act of 1996, the Federal Anti-Kickback Statute, and the requirement for access clause set forth in 42 C.F.R. 420.302.

14. Independent Contractors

Hologic is an independent contractor. No joint venture, partnership, principal-agent, or employment relationship exists or is implied between the Parties.

15. Insurance

During the Term, Hologic will maintain the following insurance coverages in amounts complying with applicable law: (a) worker's compensation insurance covering its employees, agents, or representatives; (b) general liability insurance covering the acts or omissions of Hologic and its employees, agents, or representatives; and (c) products liability insurance. Hologic will provide a certificate of insurance to Customer upon request.

16. Entire Agreement

Any conflicting or additional terms are rejected and of no effect unless agreed to in writing by the Parties. This Agreement is the entire understanding between the Parties and supersedes all other proposals, quotations, agreements, and representations regarding the Products and Services. If either Party fails to perform its obligations under the Agreement, such nonperformance shall not affect the other Party's right to enforce performance at any time. Waiver of any remedy or material breach of any subject matter contained in this Agreement shall not be viewed as a waiver unless agreed to by the Parties in writing. This Agreement may only be modified in writing signed by authorized representative of Hologic and Customer.

[Remainder of this page intentionally left blank]

Exhibit A Service Type Coverage

Service Type	Coverage Description
PLATINUM MAMMO	Platinum Mammography (1) (2) (3) (4) (5) (6) (7) (8) Standard Hours are Monday to Friday, 8:00am to 5:00pm, local time, exclusive of Hologic holidays. Service includes: • Telephone and remote diagnostic and repair support 24 hours/day, 7 days/week. • All replacement parts including glassware. • Travel time and labor coverage for on-site assistance during Standard Hours. • On-site emergency coverage for down Equipment, Monday to Friday, 5:00pm to 9:00pm, local time, when call is received by 2:00pm, local time. • Calls received outside Standard Hours will be dispatched during Standard Hours of the following business day, exclusive of Hologic holidays. • Two (2) Preventive Maintenance ("PM") inspections per year of Agreement term, performed on-site during Standard Hours. • All Software updates and enhancements commercially released during the term of the Agreement for the products/options purchased, in addition to all safety and quality updates. Installation during Standard Hours. • American College of Radiology ("ACR") Compliance.
PLASTIC COVERAGE	Plastic Coverage Coverage includes: Replacement parts for all paddle plastics and face shields that are broken during the Agreement term.

SERVICE TYPE AND COVERAGE NOTES

- (1) Requires Customer to provide a network connection for Hologic Connect™ SSL remote network access solution for each Product under the following equipment categories: Digital Mammography, Digital CAD, Bone Density, MultiView/Aegis, and Prima. In the event that the Customer cannot provide such remote access, Hologic, in its sole discretion, may (i) increase the rate reflected on the Service Agreement for each Product by an additional \$3,000 per year of the Agreement term to cover Travel Time and Labor costs of providing only on-site support Services, or (ii) separately charge Customer for Travel Time and Labor costs after a service call where the Customer does not provide such remote access and Hologic is therefore required to dispatch its designated representatives for on-site support.
- (2) Equipment that is out of Product Warranty and not covered by a current service agreement must conform to Hologic's customary standards of configuration, performance, manner of use, or installation ("Specifications") before Hologic will accept a new Agreement. Customer is responsible for all expenses to bring any such Equipment, components and software into conformance with Specifications at Hologic's prevailing Travel Time, Labor, and parts rates.
- (3) Two (2) Preventive Maintenance ("PM") inspections do not apply to (i) Digital CAD Equipment, which receives only one (1) PM inspection per year and (ii) Akruis Chair, Aegis/MultiView and Prima Equipment, which do not require a PM inspection.
- (4) For each equipment category listed below, glassware shall mean, but is not limited to:
- x-ray tube and digital array detector, for Digital Mammography, Direct Radiography, and Trident Equipment;
 - x-ray tube and CCD camera, for Analog Mammography Equipment;
 - x-ray tube, high voltage power supply assembly, and image intensifier or flat detector, for Fluoroscan Equipment;
 - x-ray tube, high voltage power supply assembly, and array detector, for Bone Density Equipment.
- (5) Platinum Service Type for Prima Equipment excludes Software updates.
- (6) Equipment is considered "down" when an Equipment unit, or any function thereof, is inoperable (unavailable to treat or diagnose patients, or with respect to Equipment used by the Customer solely for research projects, cannot be used to perform research). Response to service call for down Equipment due to external failures (e.g., abuse, loss of air-conditioning, power failure, power surges beyond specified equipment tolerances, attempted and/or unauthorized third party repair, all other Acts of God, etc.) may be subject to Travel Time and Labor expenses.
- (7) Transducer coverage on SSI Ultrasound Equipment is as follows:
- Platinum Service Type coverage: includes unlimited transducer replacements;
 - Gold Service Type coverage: includes one (1) transducer replacement per year of Agreement term;
 - Silver Service Type coverage: does not include transducer replacements.
 - Bronze Service Type coverage: does not include transducer replacements.
- (8) Plastics Coverage available at an additional cost.
- (9) On-site emergency coverage for down Equipment, Saturday 8:00am to 5:00pm, available at an additional cost
- (10) Shielding collar coverage available:
- (a) 2 sets for \$2,800/year. Shielding collars to be provided annually.
 - (b) 4 sets for \$5,000/year. Shielding collars to be provided annually.
- (11) Labor & Travel will be included on software updates completed on Brevera systems during routine Preventative Maintenance visits. If software updates are not completed during the Preventative Maintenance visit the customer will be charged the current Travel & Labor rates.
- Quote #: Q-59715

Agreement Exclusions:

- New or additional hardware that is required to run software updates or upgrades unless Renew Option is purchased.
- All consumables, including, but not limited to, bar code stickers, cleaning supplies, table pads, positioning devices, ink cartridges, exam table paper, batteries, separator sheets, suction cups, test films, ultrasound gel, and printer paper.
- Software & Telephone Support Service Type excludes installation by a Hologic Field Engineer. Option of installation by Hologic Field Personnel during Standard Hours is available at current Travel Time and Labor rates.
- Bronze Service Type excludes Travel Time, Labor or parts expenses that are necessary to bring the Equipment to within Hologic specifications and/or American College of Radiology ("ACR") Compliance. If required, such expenses will be assessed at current Travel Time, Labor and parts rates.
- Agreements for MRI Equipment exclude: (i) parts, Travel Time and Labor required to resolve temperature and EMI related image issues or permanent magnet failures caused by continued thermal abuse; and (ii) positioning pads, RF shielding collars, covers, belts and coils

Exhibit B

Product Support Information

Product	Support Hours	Phone	Email
Dimensions	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
Affirm Biopsy	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
Selenia;	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
Digital StereoLoc II	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
Affirm Prone Biopsy	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
SecurView Workstations	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
Prima Workstation	7:00am – 8pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
AiXplorer	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	mammosupport@hologic.com
Digital CAD	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	sc.techsupport@hologic.com
Analog CAD	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	sc.techsupport@hologic.com
MultiView/Aegis	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	MultiViewSupport@hologic.com
SecurXchange	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	SecurXchangeSupport@hologic.com
Trident	7:00am – 8pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	DANisupport@hologic.com
Multicare/M-IV Platinum	7:00am – 8:00pm EST live support (on-call support available 24hours/day, 7 days/week)	877-371-4372	DANisupport@hologic.com
ATEC Consoles	7:00am – 7:00pm EST live support	877-371-4372	mammosupport@hologic.com
MRI	7:00am – 8:00pm EST live support	800-537-3860	N/A
Insight2/FD	7:00am – 8:00pm EST live support	800-321-4659	BED-ASPPT@hologic.com
Bone	7:00am – 8:00pm EST live support	800-321-4659	BED-ASPPT@hologic.com
Sahara	7:00am – 8:00pm EST live support	800-321-4659	BED-ASPPT@hologic.com



Contract Cover Sheet

Contract Name: Canon Medical Systems
Purpose of Contract: Service Agreement
Contract # / Effective Date / Term 9/25/18 / 48 months / 9/24/2022
Originating Dept. Name / Number - Radiology /
Department Manager Signature: [Signature] Date: 7/2/18
BAA: Yes No W-9: Yes No

<u>Administrative Officer</u>	Signature: <u>NA</u>	Date: <u></u>
<u>HIPAA/Privacy Officer</u> (as appropriate)	Signature: <u>NA</u>	Date: <u></u>
<u>Legal Counsel</u>	Signature: <u>VIA email</u>	Date: <u>7-10-18</u>
<u>Compliance Officer</u>	Signature: <u>Mary Norman</u>	Date: <u>7-2-18</u>
<u>Chief Financial Officer</u>	Signature: <u>[Signature]</u>	Date: <u>16 July 2018</u>
<u>Chief Executive Officer</u>	Signature: <u>[Signature]</u>	Date: <u>7-20-18</u>
<u>Board of Directors</u> When Applicable	Signature: <u></u>	Date: <u></u>

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

Contract Cover Sheet

CONFIDENTIAL NOTICE:

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



CANON MEDICAL SYSTEMS USA, INC.

Made For life

SERVICE AGREEMENT

DATE: 7/2/2018 SVC QT#: 524792-1
SID #: 30038124 SYSTEM: APLIO-
CUSTOMER LOCATION: (COMPLETE LEGAL NAME) BILLING ADDRESS: 500/PS2/DEMO.000-UL

BEAR VALLEY COMMUNITY HOSPITAL
41870 GARSTIN DR
BIG BEAR LAKE, CA 92315

BEAR VALLEY COMMUNITY HOSPITAL
ATTN ACCOUNTS PAYABLE
PO BOX 1649
BIG BEAR LAKE, CA 92315

Type: INTOUCH UL-RELIANCE

Length Of Contract: 48 Months Start Date: 09/25/2018 End Date: 09/24/2022

Total Service Agreement Price: \$35,100.00

Payments are made 30 days in advance as follows (Please choose one):

☐ Monthly \$731.25 ☐ Annually \$8,775.00

Canon Medical Systems will provide the following services for the equipment listed in Attachment "A", for the duration of this Agreement. All services will be provided in accordance with the attached Terms and Conditions of Service. Any changes to system configuration or services coverage noted in this agreement will require a revised quotation.

Coverage Hours: MONDAY THROUGH FRIDAY, 8:00 AM - 5:00 PM, EXCLUDING FEDERAL HOLIDAYS

Preventive Maintenance: MONDAY THROUGH FRIDAY, 8:00 AM - 5:00 PM, EXCLUDING FEDERAL HOLIDAYS

Response Time: STANDARD 30 MINUTE PHONE RESPONSE
STANDARD 4 HOUR ON-SITE RESPONSE

Uptime Guarantee: 98%

Labor and Travel Charges: PREFERRED RATES FOR LABOR AND TRAVEL OUTSIDE OF COVERAGE HOURS.

Parts Replacement: PARTS WILL BE REPLACED WHEN DEEMED NECESSARY BY CANON MEDICAL SYSTEMS, EXCLUDING DISPOSABLES, ACCESSORIES, OPTIONS OR UPGRADES NOT LISTED IN THE TERMS AND CONDITIONS OF THIS AGREEMENT.

Probe: ONE STANDARD PROBE WILL BE REPLACED ANNUALLY AT NO CHARGE TO THE CUSTOMER, PROVIDED REPLACEMENT IS NOT DUE TO CUSTOMER NEGLIGENCE. ADDITIONAL PROBES, INCLUDING SPECIALTY PROBES, WILL BE REPLACED AT A 25% DISCOUNT OFF LIST PRICE.

This service agreement quotation is valid if it is signed by Canon Medical Systems and Customer on or before 60 days from the date of Quotation.

Please return signed quotation to: Canon Medical Systems USA, Inc., 2441 Michelle Drive, Tustin, CA 92780.
Additional terms and conditions appear at the end of this quotation.

CUSTOMER ACCEPTANCE:

PRINT NAME/TITLE

PURCHASER'S SIGNATURE

DATE

CANON MEDICAL SYSTEMS ACCEPTANCE:

PRINT NAME/TITLE

SERVICE MANAGER

DATE

2441 Michelle Drive, Tustin, CA 92780 PHONE: 800-421-1968

<https://us.medical.canon>

Page 1 of 3



CANON MEDICAL SYSTEMS USA, INC.

Made For life

SERVICE AGREEMENT

DATE: 7/2/2018 SVC QT#: 524792-1
SID #: 30038124 SYSTEM: APLIO-
CUSTOMER LOCATION: (COMPLETE LEGAL NAME) BILLING ADDRESS: 500/PS2/DEMO.000-UL

BEAR VALLEY COMMUNITY HOSPITAL
41870 GARSTIN DR
BIG BEAR LAKE, CA 92315

BEAR VALLEY COMMUNITY HOSPITAL
ATTN ACCOUNTS PAYABLE
PO BOX 1649
BIG BEAR LAKE, CA 92315

Attachment A Equipment List

This agreement includes coverage for the following items. All other options, including but not limited to lasers, injectors, sources, power conditioners (PCDUs, VRDUs, UPSs, etc.) and other non-Canon Medical Systems options, are not covered by this agreement. For additional options not listed, please contact your local Service Manager.

SYSTEM

APLIO-500/PS2/DEMO.000 (APLIO 500 PLATINUM ULTRASOUND SYSTEM - DEMONSTRATION UNIT)

ADDITIONAL COMMENTS

Upon acceptance, please forward the signed Agreement to:

CANON MEDICAL SYSTEMS USA, INC.
SERVICE CONTRACTS ADMINISTRATION
Attn: Audrey Weidemann
2441 Michelle Drive
Tustin, CA 92780

E-mail: ServicePacificZone@us.medical.canon
Voice: 714-669-2423 Fax: 714-832-5893

A countersigned copy will be returned to you for your reference.

IN-TOUCH SERVICES AGREEMENT TERMS AND CONDITIONS

1. **GENERAL TERMS.** Unless otherwise specified on the face of this document, this Agreement will remain valid only if accepted by Customer no later than 60 days from date of submission to Customer.

2. **COVERAGE.** The following items are included in this Agreement.

- Planned Maintenance Service,** as specified by Canon. Customer will provide Canon service personnel with full access at the agreed upon time. Otherwise, any makeup service will be separately billed by Canon to Customer at Canon's applicable hourly rate then in effect, including round trip travel.
- Routine System Calibration Tests,** as specified by Canon. Customer will perform normal operator adjustments specified in the Equipment Operation Manual.
- Remedial Maintenance Labor** required to maintain the system at manufacturer's specifications during Covered Hours specified on the face of this document. Labor requested outside of the Covered Hours will be billed at Canon's applicable hourly rate then in effect.
- Quality Assurance Evaluations,** as specified by Canon. Canon will routinely perform quality assurance evaluations in order to assure optimum performance. Customer will provide Canon service personnel full access for such purposes at times mutually agreed to in advance. If applicable, Customer will run simplified Quality Assurance tests utilizing InnerVision Plus™ remote diagnostics.
- Replacement of Parts,** at Canon's cost, which fail during the term of this Agreement with the exception of the parts specified on the face of this document. Parts that are cosmetic in nature or expendable will be replaced at Customer's cost, including items such as patient pads, head cushions, and acrylic parts. Replaced parts will become the property of Canon. Parts replaced may be refurbished.
- Customer may elect to upgrade / downgrade Variable Glass Tier level** once a year, effective on the next contract anniversary date. This contract modification (1) will be effective on a go forward basis only; (2) may not be applied to the contract retroactively; (3) will reflect Canon's current pricing; and (4) must be via a written request from the Customer, presented at least 30 days prior to the contract anniversary date.
- Travel and Living Expenses Incurred by Canon's Customer Engineers** during Covered Hours.
- Uptime Guarantee** as specified on the face of this document. Uptime guarantees are measured based on covered hours, excluding Canon's recognized holidays. Uptime will be calculated using the following formula: Uptime = (Base Time - Downtime) / Base Time

Definitions. Base Time: Total covered hours. Downtime: Time when the specified imaging equipment is unavailable for scanning or diagnosing images due to Equipment malfunction, and is immediately available for service repairs. Downtime will be calculated during the Covered Hours and commence when the Customer's call is logged into the InTouch™ Center. Downtime concludes once repairs are completed and the imaging system is available for clinical use. Downtime does not include time spent for preventive maintenance, routine part replacements or repair of any malfunction caused by operator error, accidents or other elements outside the control of Canon, such as accidents, fires, floods, and Acts of God. The Uptime Guarantee will be voided if Canon is not given access to the Equipment for preventive maintenance or other types of service required during the term of this Agreement.

Uptime statistics will be measured over a 12-month period. If the Equipment fails to achieve the specified uptime percentage, the following year's services contract will be reduced by the uptime discount specified under the specific Services Agreement plan, up to a maximum of 15%.

Software Updates / Upgrades. Canon will furnish to Customer, free of charge for the life of the Equipment, all Canon software or hardware upgrades to the Equipment purchased by Customer, which are intended to correct a safety risk. Software updates offering enhancements to previously purchased software features are covered under this service agreement, if they do not require hardware modifications or additions. Software upgrades providing new features or capabilities not originally purchased, will be made available for purchase by Customer upon request when compatible with the originally purchased hardware. Canon retains the sole right to determine whether a software release is considered an update or an upgrade for which the Customer will be charged.

The above items will be performed only during the Covered Hours stated on the face of this document. Service required outside these hours will be billed at Canon's differential rates in effect at the time such items are provided to Customer.

3. **ITEMS EXCLUDED.** The following items are excluded from this Agreement unless otherwise indicated on the face of this document.

- Customer operation instructions.
- Adding or removing accessories, attachments, or other devices, and remedial services necessary to repair accessories.
- Services connected with Equipment movement or relocation.
- Problems caused by external sources, including the incoming power supply.
- Increase in service time resulting from operator neglect or failure to follow operation instructions.
- Repair or damage from accident or any cause other than ordinary use.
- Rigging and handling, removal, modification or reconstruction of a wall, partition, ceiling or any other portion of the facility arising from repair, replacement or substitution of Equipment or parts of it.
- Chiller maintenance or repair.
- Expendable materials or accessories (for example, straps, foam cushions, and other similar items).
- Problems caused by modifications, maintenance or repairs of the equipment or software not performed by Canon.
- Storage facilities for spare parts, tools and supplies.

Performance of services not included in this Agreement will be charged in accordance with Canon's prices in effect at the time such services are provided to Customer.

4. **CUSTOMER RESPONSIBILITIES.** During the term of this Agreement, Customer agrees to maintain the site and environment (including temperature and humidity control, incoming power quality, and fire protection system) in a condition suitable for operation of the Equipment; ensure the Equipment is used at all times in accordance with the requirements of the Equipment Operation Manual by properly qualified and appropriately licensed personnel; and make normal operator adjustments to the Equipment as specified in the Equipment Operation Manual. In addition, Customer agrees to provide and maintain a dedicated broadband Internet access node suitable for connection to Customer's network and allow access to Canon's VPN for Canon's use for InnerVision Plus™, if applicable. Failure to provide an appropriate VPN connection may result in a reduction in the uptime guarantee commitment and an increase in service charges for the Equipment.

5. **REMOTE DIAGNOSTICS (INNERVISION PLUS®).** During the term of this Agreement, Customer will support Canon InnerVision™ connectivity and will allow Canon to install and maintain Canon 360° Connect™ (collectively "InnerVision"), to facilitate the performance of remote diagnostics on the Equipment. InnerVision also allows Canon to pull utilization data for the Equipment (number of scans, time of scan, etc.) in order to provide reporting to the customer. Canon retains rights and title to InnerVision. Customer will not remove, modify, or use or allow third parties to use InnerVision without Canon's prior written consent. Customer will be responsible and will promptly pay for any loss or damage to InnerVision unless caused by Canon's sole negligence. Canon will remove the InnerVision at the point it is no longer providing service on the Equipment.

6. **GEOGRAPHICAL EQUIPMENT OR COVERAGE.** Canon must be notified in writing at least ninety (90) days prior to relocation of Equipment to a site that is fifty (50) miles or greater from the unit's base site specified on the face of this document so that Canon may adequately address manpower needs to maintain the site.

7. **ACCEPTANCE BY CANON.** This Agreement will not be binding on Canon unless and until it is accepted by Canon as evidenced by the signature of an authorized representative of Canon on the face of this document. Canon's acceptance is expressly made conditional upon Customer's assent to the terms and conditions in this document. All different or additional terms and conditions which may be contained in

Customer's bid documents, purchase order or any other documents furnished by Customer are hereby objected to and deemed material unless accepted in writing by an authorized representative of Canon. Canon will give Customer a fully executed copy of this Agreement upon acceptance by Canon. Canon's service of Equipment under this Agreement is available only if the effective date of this Agreement follows within 15 calendar days of (a) the expiration of an applicable warranty period covering such Equipment, or (b) the expiration of an applicable Canon Services Maintenance Agreement. If the effective date is outside such 15-day period, Canon must be given the right to inspect the Equipment and repair and restore the Equipment to proper working order in accordance with Canon's specifications before this Agreement may become effective. All service labor and parts furnished for such repair and restoration will be charged to Customer at Canon's prevailing rates.

8. **TERMINATION.** This Agreement will terminate upon the expiration date specified on the face of this document. Customer may not terminate this Agreement before its expiration unless (a) Customer sells, discards or otherwise completely discontinues using the Equipment, or (b) Customer exchanges the Equipment for another new Canon Equipment, or (c) Canon substantially fails to perform any of its material obligations specified in this Agreement. In the case of termination for the reasons stated in (a) or (b) above, the termination will be effective 90 days from the date of Customer's written notice to Canon of termination. If Customer elects to terminate for the reasons stated in (c) above, before such termination, customer must notify Canon in writing of the breach and of its intent to terminate this Agreement if such breach is not corrected within thirty (30) days from Canon's receipt of the notice of breach. If Customer elects to terminate this Agreement before its expiration for any reason other than the reasons set forth in (a) through (c) above, or if Canon terminates this Agreement due to Customer's default pursuant to Section 16, Customer must pay Canon, as liquidated damages, an amount equal to 25% of the total service amounts payable under this Agreement for the term remaining as of the date of termination.

9. **ACCESS TO EQUIPMENT.** Customer will afford unrestricted and safe access to the Equipment for Canon's representatives and will cooperate with Canon's representatives in their performance of the services under this Agreement. If Customer fails to provide such access and cooperation, Canon will be relieved of its obligations under this Agreement, including, without limitation, the Uptime Guarantee.

10. **CONSUMABLE ITEMS.** Customer will provide necessary consumable items and processing facilities required by Canon in performance of the services under this Agreement at no charge to Canon.

11. **END OF MAINTENANCE SUPPORT ANNOUNCEMENT.** In the event that Canon makes a future general commercial announcement that services contracts will no longer be offered for an item of Equipment or Equipment component covered by this Agreement, then upon no less than 12 months prior written notice to the Customer, Canon may, at their option, remove any such item(s) of Equipment or Equipment component(s) from service coverage under this Agreement, with an appropriate adjustment of charges hereunder, without otherwise affecting this Agreement.

12. **COMPENSATION AND TAXES.** For the services and materials provided under the Agreement, Customer will pay Canon the total amounts specified on the face of this document for each system covered. For fixed contracts, this sum will be paid in advance, based on the chosen installments specified on the face of this document. For variable contracts, Canon representatives will be given access to usage information and the Equipment for the purpose of measuring variable use. Each month Canon will invoice Customer and Customer will pay the higher of the minimal or actual usage for the preceding period based upon the data from the site. The amounts specified on the face of this document do not include sales, use or other similar taxes. Customer will pay any such taxes, unless a tax exemption certificate acceptable to the applicable taxing authorities is provided to Canon. All invoices paid after due date will be assessed a late payment charge of the lesser of 1 1/4% per month or the maximum rate permitted by law.

13. **CPI ADJUSTMENT.** The service fees payable under this Agreement may be increased up to three percent annually, at Canon's sole discretion. The increase is effective on the anniversary date of the Agreement starting with the first anniversary. The customer will be notified by Canon at least 60 days prior to any adjustment. The increase will then be automatically added to the first payment following the anniversary date.

14. **ASSIGNMENT.** Neither Customer nor Canon may assign this Agreement without the prior written consent of the other.

15. **SOFTWARE.** All rights and interest in any software that may be furnished under this Agreement, and any updates and enhancements to it, will remain the property of Canon. Such software is being furnished to Customer under a non-exclusive license. Customer will not decompile, modify, copy, reproduce, or transcribe the software, nor allow third parties to use the same without Canon's prior written consent. Upon Canon's request, Customer will execute a software license contract, in a form designated by Canon.

16. **DEFAULT.** Upon default by Customer, any affiliate or parent of Customer, any partner of Customer, or any principal of Customer in payment or performance of any obligation under this Agreement or any other agreement with Canon, whether entered into before or after the date of this Agreement (including, without limitation, any agreement for sale of equipment to Customer) will, at the sole option of Canon, if default is not cured within ten (10) days after written notice of the default, constitute a default of this Agreement. In such event, Canon may at its option (a) suspend performance under this Agreement until all such defaults have been cured, (b) terminate this Agreement in which case Customer shall pay Canon all amounts that are due for the period prior to the termination date (or the suspension date if the Agreement was suspended prior to termination), as well as liquidated damages equal to 25% of the total service amounts payable under this Agreement for the term remaining as of the termination date (or suspension date if the Agreement was suspended prior to termination), and/or (c) exercise any other remedies allowed by law. If this Agreement is suspended, Customer will be required to pay the following as a condition to Canon resuming service: (i) all past due amounts for the period prior to the suspension, and (ii) the liquidated damages amount set forth in Section 8 above for the period of the suspension.

17. **ATTORNEY'S FEES AND COSTS.** In the event of any legal proceeding involving any party to this Agreement against the other relating to the subject matter of this Agreement, the prevailing party in such proceeding will be entitled to recover attorney's fees, expert fees, collection agency fees and court costs against the non-prevailing party.

18. **CIRCUMSTANCES BEYOND CONTROL.** Canon will not be liable for non-performance or delay in performance resulting directly or indirectly from any occurrences beyond Canon's control, including without limitation, strikes or other labor actions, Acts of God, war, accidents, fires, floods, other catastrophes, inclement weather, transportation, delays caused by Canon's suppliers, inability to obtain replacement parts, or laws, regulations, or acts of any governmental agency. The foregoing provision will apply even though such cause may occur after performance of the obligations of Canon under this Agreement has been delayed for other causes.

19. **DISCLAIMER OF WARRANTIES.** CANON MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, OR WARRANTY OF FITNESS FOR PARTICULAR PURPOSE WITH RESPECT TO ANY OF THE SERVICES AND PARTS FURNISHED UNDER THIS AGREEMENT.

20. **LIMITATION OF LIABILITY AND OF REMEDY.** CANON WILL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR EXEMPLARY DAMAGES OR ECONOMIC LOSS ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF CANON IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING. THIS LIMITATION WILL NOT APPLY TO CLAIMS FOR PERSONAL INJURY OR DEATH CAUSED BY CANON.

21. **EXPORT RESTRICTIONS.** This Agreement involves products, and/or technical data that may be controlled under the U.S. Export Administration Regulations and may be subject to the approval of the U.S. Department of Commerce prior to export. Any export or re-export by Customer, directly or indirectly, in contravention of such Regulations is prohibited.

22. **FACSIMILE SIGNATURES.** This agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement. Facsimile signatures (signed copies transmitted via fax or electronic file) shall be of equal effect and validity as signatures on original copies, so long as the electronically transmitted copy includes the printed name and title of the signatory of the Agreement.

23. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties and supersedes all prior or concurrent agreements between the parties, whether oral or written, relating to its subject matter. The provisions of this Agreement may not be modified unless in writing and executed by both parties.

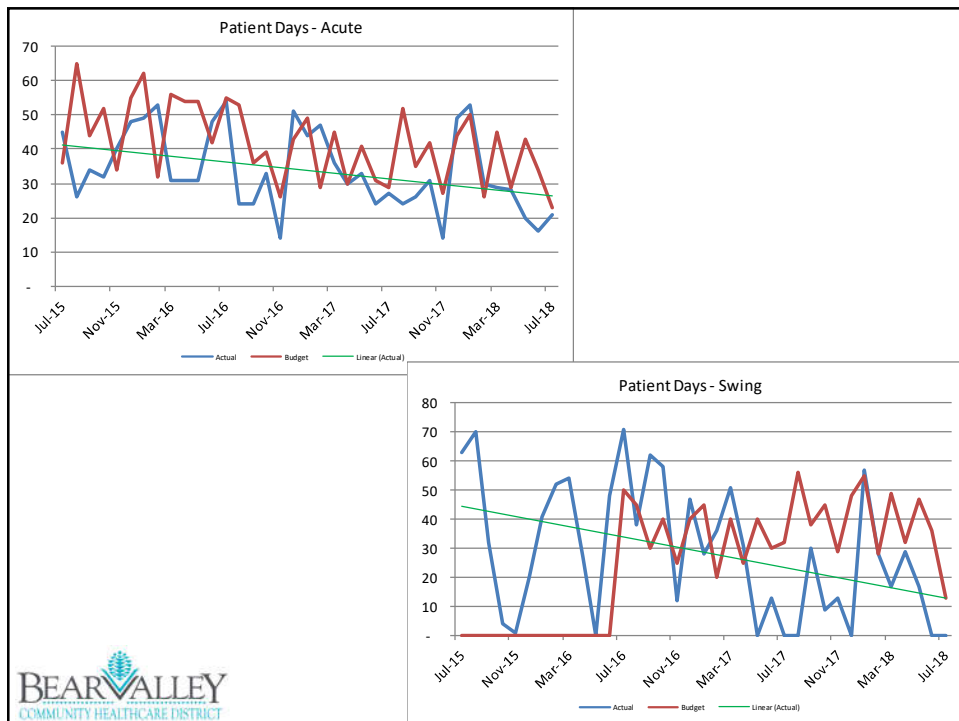
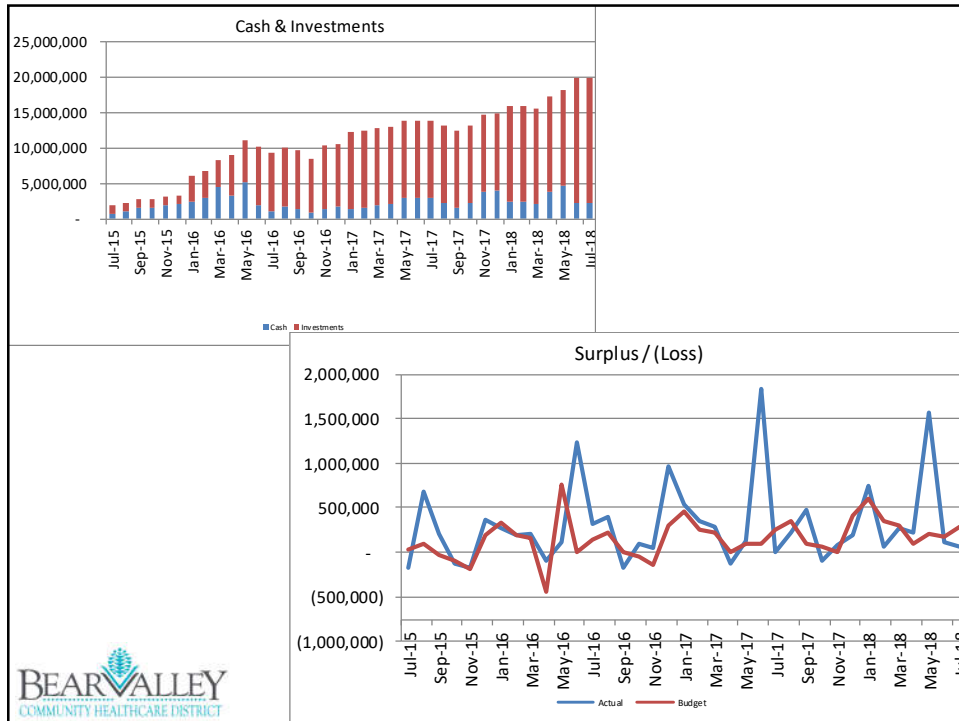


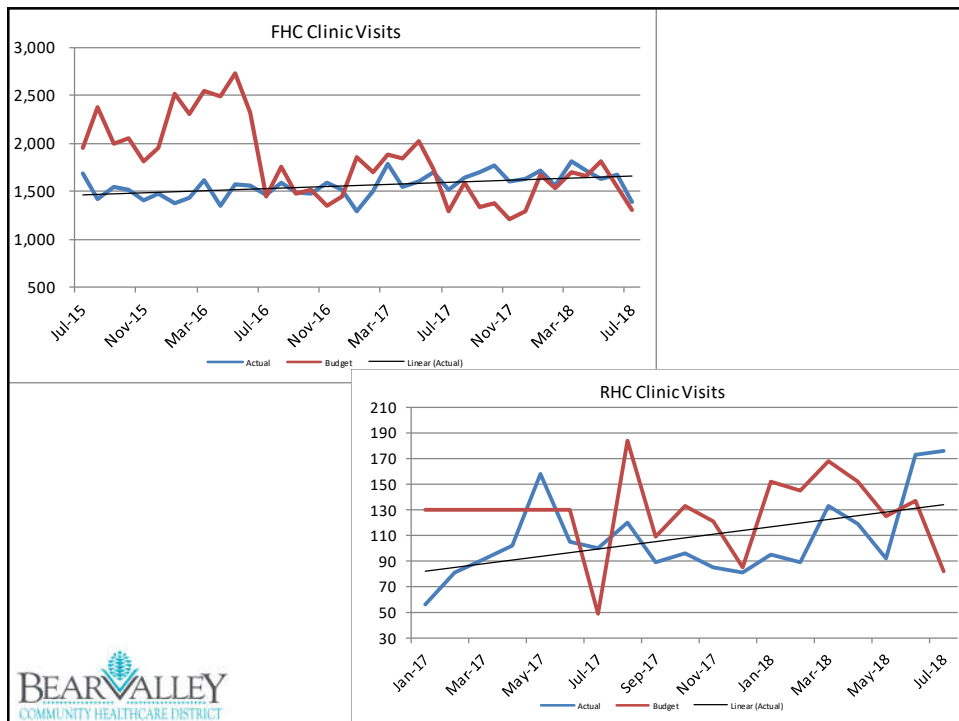
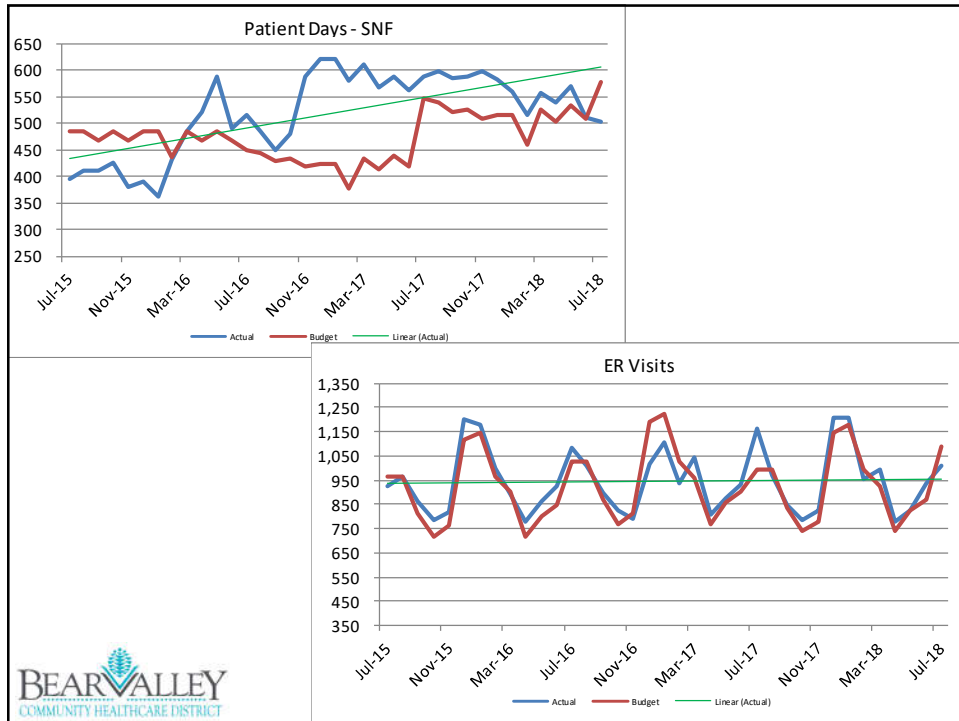
Finance Report
July 2018 Results

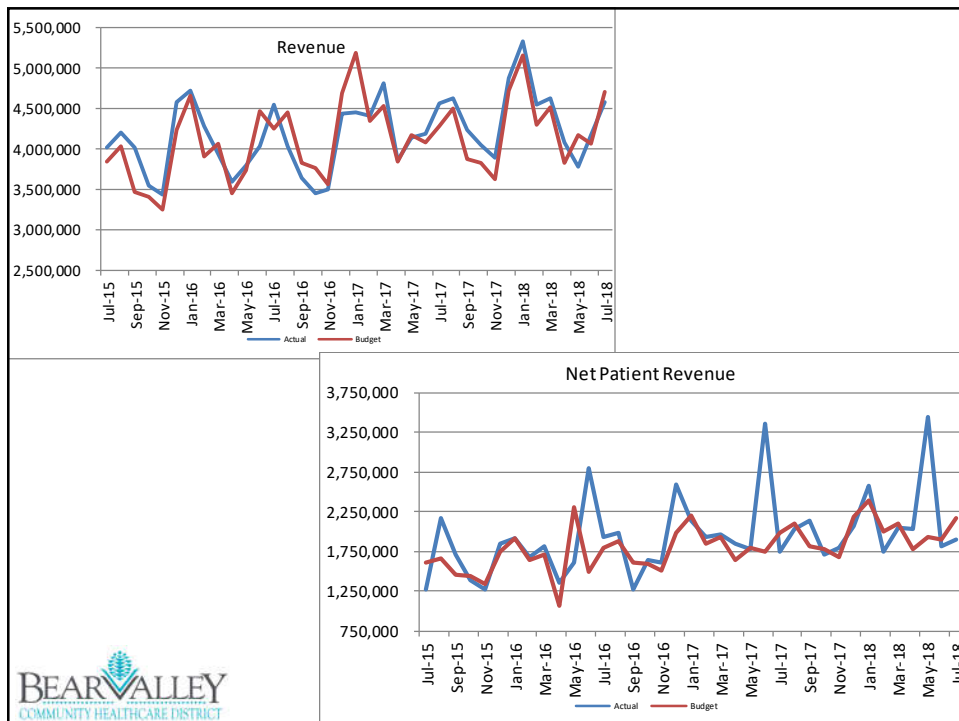
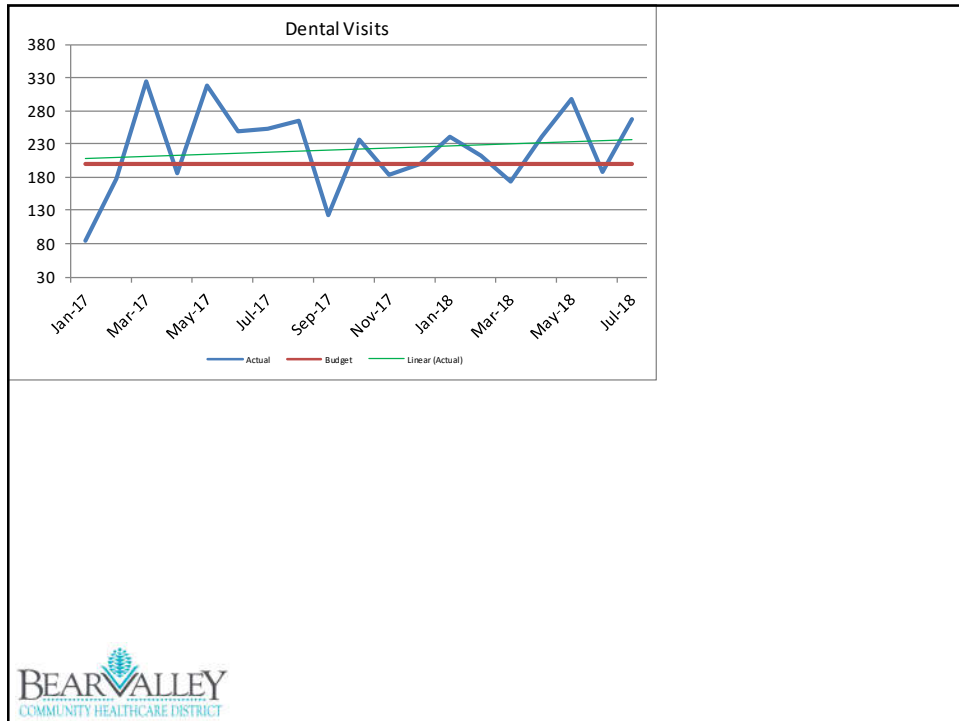
Summary for July 31, 2018

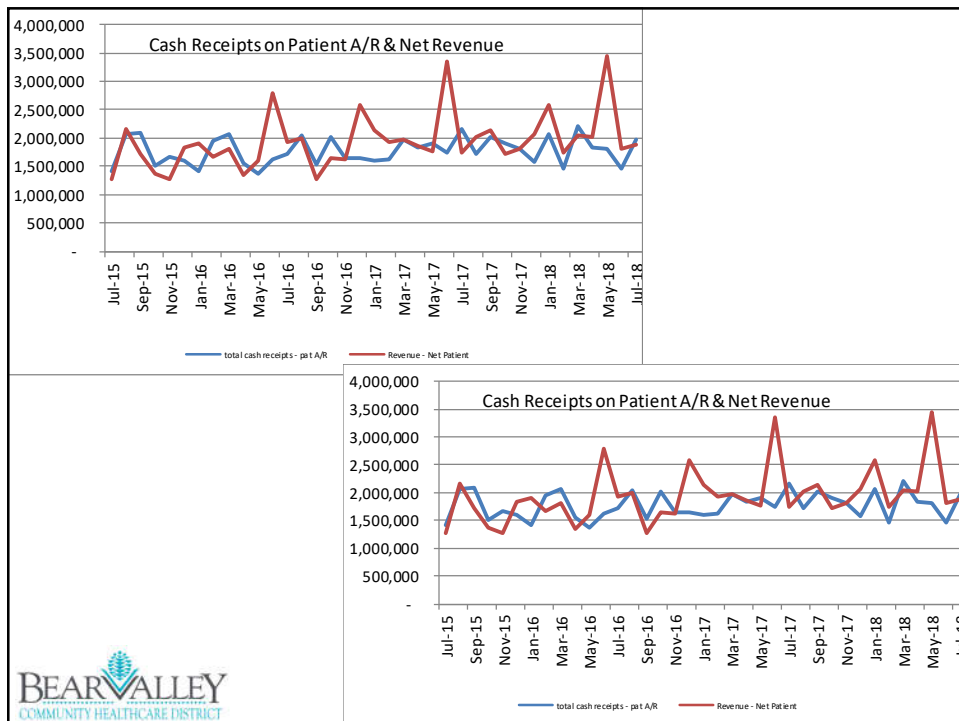
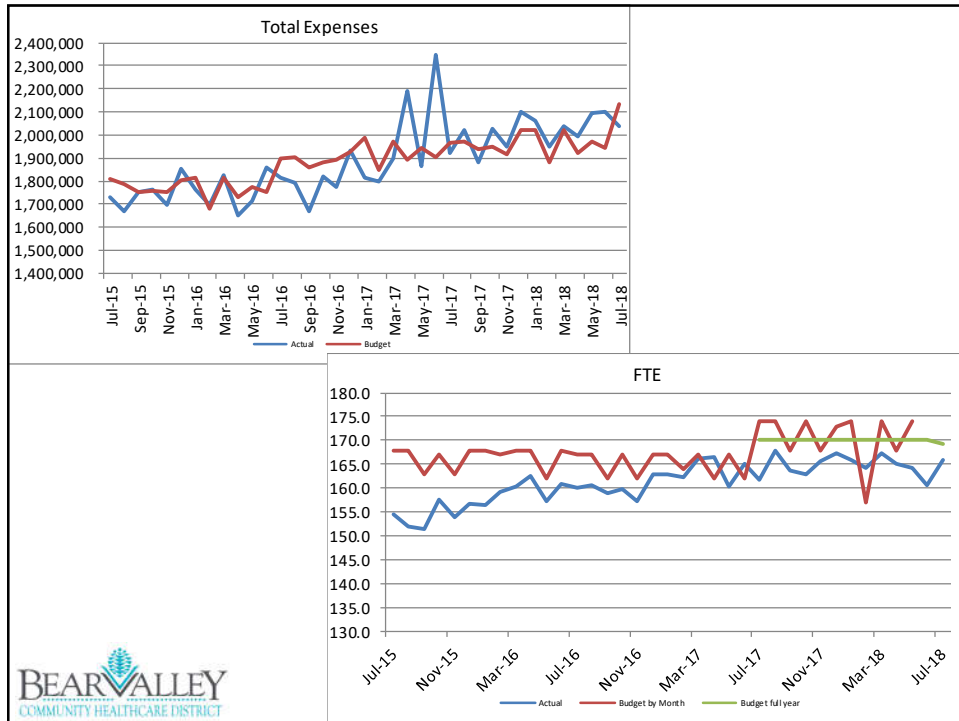
- Cash on Hand - \$2,296,309
- Investments - \$17,562,903
- Days Cash on hand, including investments with LAIF – 314
- Surplus of \$63,851 for the month is \$214,839 less than budgeted surplus of \$278,689
- Total Patient Revenue was under Budget by 2.9% for the month
- Net Patient Revenue was 12.9% under budget.
- Total Expenses were 4.5% lower than budget

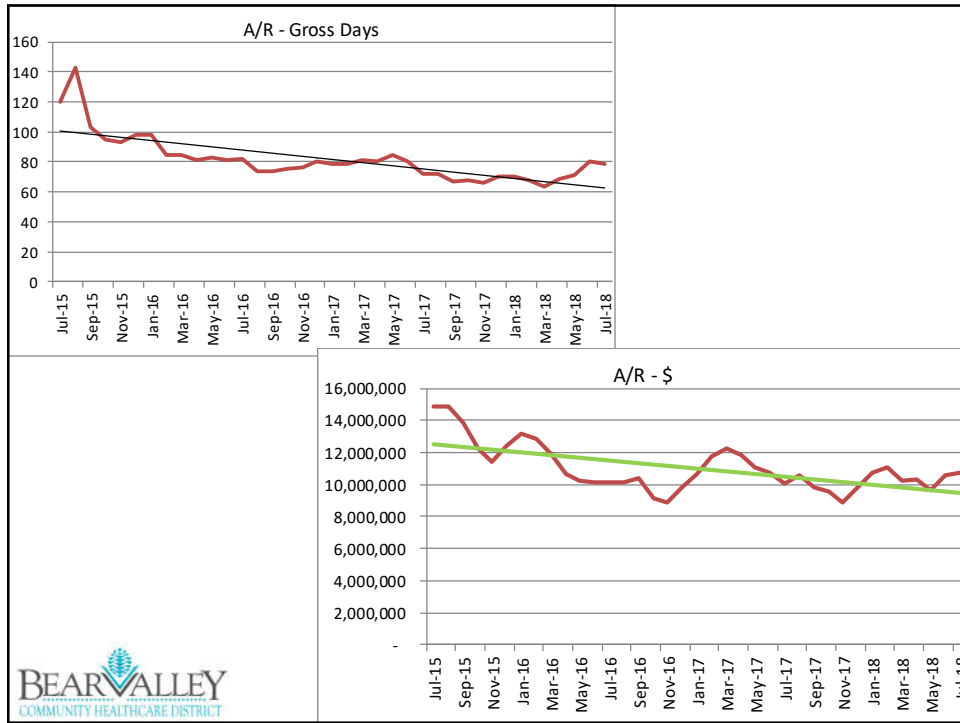














July 2018 Financial Results

For the month . . .

Total Patient Revenue of \$4,570,784 for July was 2.9% under budget. Clinic revenue was 6.5% over budget. All other categories of revenue were under budget with acute / swing days 41% under budget, SNF days 13% under budget, and ER Visits 7% under budget

Revenue Deductions of \$2,682,534 were 5.7% higher than budget.

As a result, total operating revenue of \$1,907,691 was 13.9% lower than budget.

Total Expenses of \$2,036,009 were 4.5% lower than budget.

Our Surplus for the month of July 2018 was \$63,851, this was \$214,839 lower than budget for the month.

Our Operating Cash and Investments total \$19,859,212 as of the end of July. Total days cash on hand as of the end of July 2018 are 314.

Key Statistics

Acute / Swing patient days of 21 for the month were 41.7% under the budgeted amount. Patient days on SNF days totaled 502, this was 13% under budget. Emergency Room visits of 1,010 were 7% lower than budget.

FTE are under budget.

Bear Valley Community Healthcare District
Financial Statements July 31, 2018
PRE AUDIT

Financial Highlights—Hospital
STATEMENT OF OPERATIONS

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 16/17	FY 17/18		VARIANCE		FY 16/17	FY 17/18		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1 Total patient revenue	4,559,665	4,570,784	4,707,123	(136,339)	-2.9%	4,559,665	4,570,784	4,707,123	(136,339)	-2.9%
2 Total revenue deductions	2,820,085	2,682,534	2,538,443	144,091	5.7%	2,820,085	2,682,534	2,538,443	144,091	5.7%
3 % Deductions	62%	59%	54%			62%	59%	54%		
4 Net Patient Revenue	1,739,580	1,888,250	2,168,680	(280,430)	-12.9%	1,739,580	1,888,250	2,168,680	(280,430)	-12.9%
5 % Net to Gross	38%	41%	46%			38%	41%	46%		
6 Other Revenue	7,162	19,441	46,585	(27,144)	-58.3%	7,162	19,441	46,585	(27,144)	-58.3%
7 Total Operating Revenue	1,746,742	1,907,691	2,215,265	(307,574)	-13.9%	1,746,742	1,907,691	2,215,265	(307,574)	-13.9%
8 Total Expenses	1,922,831	2,036,009	2,131,295	(95,285)	-4.5%	1,922,831	2,036,009	2,131,295	(95,285)	-4.5%
9 % Expenses	42%	45%	45%			42%	45%	45%		
10 Surplus (Loss) from Operations	(176,089)	(128,318)	83,970	(212,288)	252.8%	(176,089)	(128,318)	83,970	(212,288)	252.8%
11 % Operating margin	-4%	-3%	2%			-4%	-3%	2%		
12 Total Non-operating	180,236	192,169	194,719	(2,550)	-1.3%	180,236	192,169	194,719	(2,550)	-1.3%
13 Surplus/(Loss)	4,147	63,851	278,689	(214,839)	77.1%	4,147	63,851	278,689	(214,839)	77.1%
14 % Total margin	0%	1%	6%			0%	1%	6%		

BALANCE SHEET

	A	B	C	D	E
	July	July	June		
	FY 16/17	FY 17/18	FY 17/18	VARIANCE	
				Amount	%
15 Gross Accounts Receivables	10,081,624	10,740,506	10,598,182	142,324	1.3%
16 Net Accounts Receivables	3,856,992	4,269,738	4,184,582	85,156	2.0%
17 % Net AR to Gross AR	38%	40%	39%		
18 Days Gross AR	72.0	78.9	80.2	(1.3)	-1.6%
19 Cash Collections	2,156,050	1,963,652	1,453,312	510,340	35.1%
20 Settlements/IGT Transactions	-	-	2,489,686	(2,489,686)	-100.0%
21 Investments	10,894,184	17,562,903	17,562,903	-	0.0%
22 Cash on hand	2,926,360	2,296,309	2,312,422	(16,113)	-0.7%
23 Total Cash & Invest	13,820,544	19,859,212	19,875,325	(16,113)	-0.1%
24 Days Cash & Invest	228	314	312	2	0.7%
Total Cash and Investments	13,820,544	19,859,212			
Increase Current Year vs. Prior Year		6,038,668			

Bear Valley Community Healthcare District
Financial Statements July 31, 2018
PRE AUDIT

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	%
Gross Patient Revenue										
1 Inpatient	65,891	74,791	146,021	(71,230)	-48.8%	1,860,154	74,791	146,021	(71,230)	-48.8%
2 Outpatient	868,939	972,222	1,007,781	(35,558)	-3.5%	868,939	972,222	1,007,781	(35,558)	-3.5%
3 Clinic Revenue	347,893	342,650	321,810	20,840	6.5%	347,893	342,650	321,810	20,840	6.5%
4 Emergency Room	2,985,253	2,957,516	2,970,526	(13,009)	-0.4%	2,985,253	2,957,516	2,970,526	(13,009)	-0.4%
5 Skilled Nursing Facility	261,793	223,604	260,985	(37,381)	-14.3%	261,793	223,604	260,985	(37,381)	-14.3%
6 Total patient revenue	4,559,665	4,570,784	4,707,123	(136,339)	-2.9%	4,559,665	4,570,784	4,707,123	(136,339)	-2.9%
Revenue Deductions										
7 Contractual Allow	2,548,409	2,320,958	2,371,339	(50,381)	-2.1%	2,548,409	2,320,958	2,371,339	(50,381)	-2.1%
8 Contractual Allow PY	-	62	-	62	#DIV/0!	-	62	-	62	#DIV/0!
9 Charity Care	7,675	15,343	9,885	5,458	55.2%	7,675	15,343	9,885	5,458	55.2%
10 Administrative	(746)	806	8,944	(8,138)	-91.0%	(746)	806	8,944	(8,138)	-91.0%
11 Policy Discount	11,532	13,989	7,061	6,928	98.1%	11,532	13,989	7,061	6,928	98.1%
12 Employee Discount	4,711	12,793	3,766	9,027	239.7%	4,711	12,793	3,766	9,027	239.7%
13 Bad Debts	(59,348)	215,076	137,448	77,628	56.5%	(59,348)	215,076	137,448	77,628	56.5%
14 Denials	190,797	103,506	-	103,506	#DIV/0!	307,852	103,506	-	103,506	#DIV/0!
15 Total revenue deductions	2,820,085	2,682,534	2,538,443	144,091	5.7%	2,820,085	2,682,534	2,538,443	144,091	5.7%
16 Net Patient Revenue	1,739,580	1,888,250	2,168,680	(280,430)	-12.9%	1,739,580	1,888,250	2,168,680	(280,430)	-12.9%
gross revenue including Prior Year Contractual Allowances as a percent to gross revenue WO PY and Other CA	40.2%	40.2%		40.2%		40.2%	447.4%	447.4%	0.0%	
	39.2%	39.2%		39.2%		39.2%	437.2%	437.2%	0.0%	
17 Other Revenue	7,162	19,441	46,585	(27,144)	-58.3%	7,162	19,441	46,585	(27,144)	-58.3%
18 Total Operating Revenue	1,746,742	1,907,691	2,215,265	(307,574)	-13.9%	1,746,742	1,907,691	2,215,265	(307,574)	-13.9%
Expenses										
19 Salaries	800,028	885,068	874,957	10,111	1.2%	800,028	885,068	874,957	10,111	1.2%
20 Employee Benefits	286,721	303,328	352,615	(49,287)	-14.0%	286,721	303,328	352,615	(49,287)	-14.0%
21 Registry	12,718	-	-	-	#DIV/0!	12,718	-	-	-	#DIV/0!
22 Salaries and Benefits	1,099,467	1,188,396	1,227,572	(39,176)	-3.2%	1,099,467	1,188,396	1,227,572	(39,176)	-3.2%
23 Professional fees	163,392	173,695	161,233	12,462	7.7%	163,392	173,695	161,233	12,462	7.7%
24 Supplies	130,715	121,217	133,961	(12,744)	-9.5%	130,715	121,217	133,961	(12,744)	-9.5%
25 Utilities	42,342	46,712	42,714	3,998	9.4%	42,342	46,712	42,714	3,998	9.4%
26 Repairs and Maintenance	22,461	17,407	28,074	(10,667)	-38.0%	22,461	17,407	28,074	(10,667)	-38.0%
27 Purchased Services	302,014	325,455	347,675	(22,219)	-6.4%	302,014	325,455	347,675	(22,219)	-6.4%
28 Insurance	25,762	28,258	26,975	1,283	4.8%	25,762	28,258	26,975	1,283	4.8%
29 Depreciation	48,568	76,489	81,667	(5,178)	-6.3%	48,568	76,489	81,667	(5,178)	-6.3%
30 Rental and Leases	46,445	11,421	21,112	(9,691)	-45.9%	46,445	11,421	21,112	(9,691)	-45.9%
32 Dues and Subscriptions	5,518	6,882	5,910	972	16.4%	5,518	6,882	5,910	972	16.4%
33 Other Expense.	36,147	40,078	54,402	(14,324)	-26.3%	36,147	40,078	54,402	(14,324)	-26.3%
34 Total Expenses	1,922,831	2,036,009	2,131,295	(95,285)	-4.5%	1,922,831	2,036,009	2,131,295	(95,285)	-4.5%
35 Surplus (Loss) from Operations	(176,089)	(128,318)	83,970	(212,288)	252.8%	(176,089)	(128,318)	83,970	(212,288)	252.8%
36 Non-Operating Income										
37 Tax Revenue	186,047	184,244	184,244	(0)	0.0%	186,047	184,244	184,244	(0)	0.0%
38 Other non-operating	-	15,020	3,133	11,887	379.4%	-	15,020	3,133	11,887	379.4%
Interest Income	1,906	543	15,125	(14,582)	-96.4%	1,906	543	15,125	(14,582)	-96.4%
Interest Expense	(7,717)	(7,638)	(7,783)	145	-1.9%	(7,717)	(7,638)	(7,783)	145	-1.9%
39 Total Non-operating	180,236	192,169	194,719	(2,550)	-1.3%	180,236	192,169	194,719	(2,550)	-1.3%
40 Surplus/(Loss)	4,147	63,851	278,689	(214,839)	77.1%	4,147	63,851	278,689	(214,839)	77.1%

**Bear Valley Community Healthcare District
Financial Statements**

Current Year Trending Statement of Operations

A Statement of Operations—CURRENT YEAR 2019

		1	
		July	YTD
Gross Patient Revenue			
1	Inpatient	74,791	74,791
2	Outpatient	972,222	972,222
3	Clinic	342,650	342,650
4	Emergency Room	2,957,516	2,957,516
5	Skilled Nursing Facility	223,604	223,604
6	Total patient revenue	4,570,784	4,570,784
Revenue Deductions			
C/A		0.51	0.51
7	Contractual Allow	2,320,958	2,320,958
8	Contractual Allow PY	62	62
9	Charity Care	15,343	15,343
10	Administrative	806	806
11	Policy Discount	13,989	13,989
12	Employee Discount	12,793	12,793
13	Bad Debts	215,076	215,076
14	Denials	103,506	103,506
	Total revenue deductions	2,682,534	2,682,534
		0.59	
16	Net Patient Revenue	1,888,250	1,888,250
	net / tot pat rev	41.3%	41.3%
17	Other Revenue	19,441	19,441
18	Total Operating Revenue	1,907,691	1,907,691
Expenses			
19	Salaries	885,068	885,068
20	Employee Benefits	303,328	303,328
21	Registry	-	-
22	Salaries and Benefits	1,188,396	1,188,396
23	Professional fees	173,695	173,695
24	Supplies	121,217	121,217
25	Utilities	46,712	46,712
26	Repairs and Maintenance	17,407	17,407
27	Purchased Services	325,455	325,455
28	Insurance	28,258	28,258
29	Depreciation	76,489	76,489
30	Rental and Leases	11,421	11,421
32	Dues and Subscriptions	6,882	6,882
33	Other Expense.	40,078	40,078
34	Total Expenses	2,036,009	2,036,009
Surplus (Loss) from Operations		(128,318)	(128,318)
36	Non-Operating Income		
37	Tax Revenue	184,244	184,244
38	Other non-operating	15,020	15,020
	Interest Income	543	543
	Interest Expense	(7,638)	(7,638)
39	Total Non-operating	192,169	192,169
40	Surplus/(Loss)	63,851	63,851

2018-19 Actual BS

BALANCE SHEET

	July	June
ASSETS:		
Current Assets		
Cash and Cash Equivalents (Includes CD's)	2,296,309	2,312,422
Gross Patient Accounts Receivable	10,740,258	10,597,934
Less: Reserves for Allowances & Bad Debt	6,470,520	6,413,352
Net Patient Accounts Receivable	4,269,738	4,184,582
Tax Revenue Receivable	2,210,931	36,861
Other Receivables	-245,189	-1,872,958
Inventories	130,292	233,454
Prepaid Expenses	299,848	199,838
Due From Third Party Payers	0	
Due From Affiliates/Related Organizations	0	
Other Current Assets	0	
Total Current Assets	8,961,928	5,094,199
Assets Whose Use is Limited		
Investments	17,562,903	17,562,903
Other Limited Use Assets	144,375	144,375
Total Limited Use Assets	17,707,278	17,707,278
Property, Plant, and Equipment		
Land and Land Improvements	570,615	570,615
Building and Building Improvements	9,758,672	9,758,672
Equipment	11,779,820	11,761,910
Construction In Progress	48,953	32,516
Capitalized Interest		
Gross Property, Plant, and Equipment	22,158,060	22,123,712
Less: Accumulated Depreciation	13,685,197	13,608,221
Net Property, Plant, and Equipment	8,472,863	8,515,491
TOTAL UNRESTRICTED ASSETS	35,142,069	31,316,969
Restricted Assets	0	0
TOTAL ASSETS	35,142,069	31,316,969

2018-19 Actual BS

BALANCE SHEET

	July	June
LIABILITIES:		
Current Liabilities		
Accounts Payable	954,160	875,521
Notes and Loans Payable		
Accrued Payroll	705,323	708,877
Patient Refunds Payable		
Due to Third Party Payers (Settlements)	1,983,651	2,290,023
Advances From Third Party Payers		
Current Portion of Def Rev - Txs,	2,061,687	35,000
Current Portion - LT Debt	35,000	34,996
Current Portion of AB915		
Other Current Liabilities (Accrued Interest & Accrued Other)	7,630	7,621
Total Current Liabilities	5,747,451	3,952,039
Long Term Debt		
USDA Loan	2,895,000	2,895,000
Leases Payable	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000
Total Long Term Debt (Net of Current)	2,860,000	2,860,000
Other Long Term Liabilities		
Deferred Revenue	0	0
Other	0	
Total Other Long Term Liabilities	0	0
TOTAL LIABILITIES	8,607,451	6,812,039
Fund Balance		
Unrestricted Fund Balance	26,470,768	20,663,982
Temporarily Restricted Fund Balance	0	
Equity Transfer from FRHG	0	
Net Revenue/(Expenses)	63,851	3,840,948
TOTAL FUND BALANCE	26,534,619	24,504,930
TOTAL LIABILITIES & FUND BALANCE	35,142,069	31,316,969

Units of Service												
For the period ending: July 31, 2018												
31						31						
Current Month						Bear Valley Community Hospital						
						Year-To-Date						
Jul-18	Jul-17	Actual -Budget	Act.-Act.				Jul-18	Jul-17	Actual -Budget	Act.-Act.		
Actual	Budget	Variance	Var %	Var %			Actual	Budget	Variance	Var %	Var %	
21	23	27	(2)	-8.7%	-22.2%	Med Surg Patient Days	21	23	27	(2)	-8.7%	-22.2%
-	13	-	(13)	0.0%	#DIV/0!	Swing Patient Days	-	13	-	(13)	0.0%	#DIV/0!
502	578	589	(76)	-13.1%	-14.8%	SNF Patient Days	502	578	589	(76)	-13.1%	-14.8%
523	614	616	(91)	-14.8%	-15.1%	Total Patient Days	523	614	616	(91)	-14.8%	-15.1%
7	14	11	(7)	-50.0%	-36.4%	Acute Admissions	7	14	11	(7)	-50.0%	-36.4%
7	14	14	(7)	-50.0%	-50.0%	Acute Discharges	7	14	14	(7)	-50.0%	-50.0%
3.0	1.6	1.9	1.4	82.6%	55.6%	Acute Average Length of Stay	3.0	1.6	1.9	1.4	82.6%	55.6%
0.7	0.7	0.9	(0.1)	-8.7%	-22.2%	Acute Average Daily Census	0.7	1	0.9	(0.1)	-8.7%	-22.2%
16.2	19.1	19.0	(2.9)	-15.1%	-14.8%	SNF/Swing Avg Daily Census	16.2	19	19.0	(2.9)	-15.1%	-14.8%
16.9	19.8	19.9	(2.9)	-14.8%	-15.1%	Total Avg. Daily Census	16.9	20	19.9	(2.9)	-14.8%	-15.1%
37%	44%	44%	-7%	-14.8%	-15.1%	% Occupancy	37%	44%	44%	-7%	-14.8%	-15.1%
12	13	11	(1)	-7.7%	9.1%	Emergency Room Admitted	12	13	11	(1)	-7.7%	9.1%
998	1,077	1,148	(79)	-7.3%	-13.1%	Emergency Room Discharged	998	1,077	1,148	(79)	-7.3%	-13.1%
1,010	1,090	1,159	(80)	-7.3%	-12.9%	Emergency Room Total	1,010	1,090	1,159	(80)	-7.3%	-12.9%
33	35	37	(3)	-7.3%	-12.9%	ER visits per calendar day	33	35	37	(3)	-7.3%	-12.9%
171%	93%	100%	700%	753.8%	71.4%	% Admits from ER	171%	93%	100%	700%	753.8%	71.4%
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	-	-	-	-	0.0%	#DIV/0!
8	9	12	(1)	-11.1%	-33.3%	Surgical Procedures O/P	8	9	12	(1)	-11.1%	-33.3%
8	9	12	(1)	-11.1%	-33.3%	TOTAL Procedures	8	9	12	(1)	-11.1%	-33.3%
779	1,047	135	(268)	-25.6%	477.0%	Surgical Minutes Total	779	1,047	135	(268)	-25.6%	477.0%

Units of Service
For the period ending: July 31, 2018

Current Month						Bear Valley Community Hospital		Year-To-Date				
Jul-18		Jul-17	Actual -Budget		Act.-Act.		Jul-18		Jul-17	Actual -Budget		Act.-Act.
Actual	Budget	Actual	Variance	Var %	Var %		Actual	Budget	Actual	Variance	Var %	Var %
7,142	6,383	6,611	759	11.9%	8.0%	Lab Procedures	7,142	6,383	6,611	759	11.9%	8.0%
845	747	142	98	13.1%	494.8%	X-Ray Procedures	845	747	142	98	13.1%	494.8%
323	261	223	62	23.8%	44.8%	C.T. Scan Procedures	323	261	223	62	23.8%	44.8%
244	221	226	23	10.4%	8.0%	Ultrasound Procedures	244	221	226	23	10.4%	8.0%
31	62	42	(31)	-50.0%	-26.2%	Mammography Procedures	31	62	42	(31)	-50.0%	-26.2%
300	327	332	(27)	-8.3%	-9.6%	EKG Procedures	300	327	332	(27)	-8.3%	-9.6%
65	95	113	(30)	-31.6%	-42.5%	Respiratory Procedures	65	95	113	(30)	-31.6%	-42.5%
1,455	1,115	1,227	340	30.5%	18.6%	Physical Therapy Procedures	1,455	1,115	1,227	340	30.5%	18.6%
1,559	1,392	1,613	167	12.0%	-3.3%	Primary Care Clinic Visits	1,559	1,392	1,613	167	12.0%	-3.3%
268	200	252	68	34.0%	6.3%	Specialty Clinic Visits	268	200	252	68	34.0%	6.3%
1,827	1,592	1,865	235	14.8%	-2.0%	Clinic	1,827	1,592	1,865	235	14.8%	-2.0%
70	61	72	9	14.8%	-2.0%	Clinic visits per work day	10	9	10	1	14.8%	-2.0%
19.6%	20.00%	18.40%	-0.40%	-2.00%	6.52%	% Medicare Revenue	19.60%	20.00%	18.40%	-0.40%	-2.00%	6.52%
34.00%	39.00%	38.60%	-5.00%	-12.82%	-11.92%	% Medi-Cal Revenue	34.00%	39.00%	38.60%	-5.00%	-12.82%	-11.92%
40.70%	36.00%	38.80%	4.70%	13.06%	4.90%	% Insurance Revenue	40.70%	36.00%	38.80%	4.70%	13.06%	4.90%
5.70%	5.00%	4.20%	0.70%	14.00%	35.71%	% Self-Pay Revenue	5.70%	5.00%	4.20%	0.70%	14.00%	35.71%
141.0	156.88	142.1	(15.9)	-10.1%	-0.7%	Productive FTE's	141.03	156.88	142.1	(15.9)	-10.1%	-0.7%
166.0	173.94	161.8	(7.9)	-4.6%	2.6%	Total FTE's	166.02	173.94	161.8	(7.9)	-4.6%	2.6%



CFO REPORT for

September 2018 Finance and Board meetings

TruBridge – Accounts Receivable Management

Accounts Receivable days at the end of our fiscal year, June 30, 2018, were 80.2. At the end of July 2018, they had come down only slightly, to 78.9. As of 17 August 2018, days were down to 73.4.

Below is a graph of A/R days by week going back to August 2015.



We are still working on issues such as -

- a change in billing requirements for SNF accounts that caused claims to not be paid. All accounts have been rebilled
- increased resources work Commercial accounts

340B – Pharmacy Program

A 304B Sub-Committee has been formed which will meet each quarter to monitor activities, policies, and etc.

We have implemented a 340B program for some drugs (which we are tracking manually).

There may be a bigger financial opportunity with a “retail” program. That would require an automated system to track the expected higher volume of transactions and tracking with pharmacies. We are continuing to evaluate companies and interface opportunities.

We also need to be mindful of the very favorable pricing we get through our relationship with QHR and the HealthTrust Purchasing Group in light of the 304B changes discussed at the State and Federal level.

Employee Benefits

There is no update on Open Enrollment and the prospect of using some of the savings we will see in Workers Comp expense for other uses (including medical helicopter insurance).

QHR Productivity Benchmarking Assessment

We have begun providing data to the QHR consultants in preparation for on-site work. Scheduling conflicts have not allowed for confirmation of a date for them to come to Big Bear.

Clinic Benchmarking work with QHR

Staff continue to work on benchmark data for the West for benchmarks based on visits per hour.