



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, March 3, 2020 – 5:00 PM

Modular C Classroom

600 N. Highland Springs Avenue, Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2160. **Notification 48 hours prior to the meeting** will enable the Hospital to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

- I. Call to Order S. DiBiasi, Chair
- II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Hospital Board of Directors on any matter under the subject jurisdiction of the Board. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Board Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the Hospital Board of Directors, we want you to know that the Board acknowledges the comments or concerns that you direct to this Board. While the Board may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the Hospital CEO, or other Hospital Executive personnel, to do further research and report back to the Board prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board’s part; a response will be forthcoming.

- III. Presentation to outgoing Board member S. DiBiasi

OLD BUSINESS

- IV. ***Proposed Action - Approve Minutes** S. DiBiasi
- February 4, 2020 regular meeting A
 - February 22, 2020 special Strategic Planning session B

NEW BUSINESS

- | | | | |
|-------|---|--|-----------------------------------|
| V. | Healthcare District Board meeting report - informational | D. Tankersley | verbal |
| VI. | Hospital Board Chair monthly report | S. DiBiasi | C |
| VII. | March, April, & May Board/Committee meeting calendars | S. DiBiasi | D |
| VIII. | CEO monthly report | S. Barron | verbal |
| IX. | Bi-Monthly Patient Care Services report | P. Brown | E |
| X. | Foundation monthly report | V. Hunter | F |
| XI. | * Proposed Action – Discussion/Approval of anesthesia agreement
▪ ROLL CALL | S. Barron | handout |
| XII. | Committee Reports:

<ul style="list-style-type: none"> • Ad Hoc Affiliation Committee • Human Resources Committee <ul style="list-style-type: none"> ○ February 19, 2020 regular meeting minutes ○ Reports • Finance Committee <ul style="list-style-type: none"> ○ February 25, 2020 regular meeting minutes • * Proposed Action – Approve January 2020 Financial Statement
 (approval recommended by Finance Committee 2/25/2020) <ul style="list-style-type: none"> ▪ ROLL CALL • * Proposed Action – Approve WIPFLI, LLP as new audit firm <ul style="list-style-type: none"> ▪ ROLL CALL | S. DiBiasi

E. Lewis/
A. Karam

O. Hershey
D. Recupero | verbal

G

H

I |
| XIII. | Chief of Staff Report
* Proposed Action - Approve Recommendations of the Medical Executive Committee
▪ ROLL CALL | S. Hildebrand, MD | J
Chief of Staff |
| XIV. | * Proposed Action - Approve Policies and Procedures
▪ ROLL CALL | Staff | K |
| XV. | Community Benefit events/Announcements/
and newspaper articles | S. DiBiasi | L |

***** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION**

S. DiBiasi

- Proposed Action - Approve Medical Staff Credentialing
(Health & Safety Code §32155; and Evidence Code §1157)
- Receive Quarterly Infection Control/Risk Management report
(Health & Safety Code §32155)
- Receive Quarterly Performance Improvement Committee report
(Health & Safety Code §32155)
- Telephone conference with legal counsel regarding potential litigation
Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9: (one potential case)

XVI. ADJOURN TO CLOSED SESSION

*** The Board will convene to the Open Session portion of the meeting approximately 2 minutes after the conclusion of Closed Session.**

RECONVENE TO OPEN SESSION

***** REPORT ON ACTIONS TAKEN DURING CLOSED SESSION**

S. DiBiasi

XVII. Future Agenda Items

XVIII. **ADJOURN**

S. DiBiasi

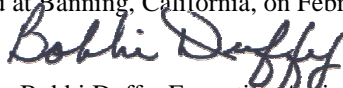
***Action Required**

In accordance with The Brown Act, *Section 54957.5*, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Certification of Posting

I certify that on February 28, 2020, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Hospital, and on the San Gorgonio Memorial Hospital website, said time being at least 72 hours in advance of the regular meeting of the Board of Directors
(*Government Code Section 54954.2*).

Executed at Banning, California, on February 28, 2020



Bobbi Duffy, Executive Assistant

TAB A

REGULAR MEETING OF THE
 SAN GORGONIO MEMORIAL HOSPITAL
 BOARD OF DIRECTORS

February 4, 2020

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, February 4, 2020 in Modular C meeting room, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Lynn Baldi, Phillip Capobianco III, Steve Cooley, Susan DiBiasi (Chair), Andrew Gardner, Olivia Hershey, Estelle Lewis, Ehren Ngo, Ron Rader, Steve Rutledge, Georgia Sobiech, Lanny Swerdlow, Dennis Tankersley

Absent: None

Required Staff: Steve Barron (CEO), Pat Brown (CNO), Annah Karam (CHRO/Corporate Compliance), Dave Recupero (CFO), Holly Yonemoto (CBDO), Steven Hildebrand, MD (Chief of Staff), Joey Hunter (Director, Security/Emergency Preparedness), Bobbi Duffy (Executive Assistant), Ariel Whitley (Administrative Assistant)

AGENDA ITEM		ACTION / FOLLOW-UP
Call To Order	Chair Susan DiBiasi called the meeting to order at 5:01 pm.	
Public Comment	None	
OLD BUSINESS		
Proposed Action - Approve Minutes January 7, 2020 regular meeting	Chair DiBiasi asked for any changes or corrections to the minutes of the January 7, 2020 regular meeting as included on the board tablets. There were none.	The minutes of the January 7, 2020 regular meeting will stand correct as presented.
NEW BUSINESS		
Healthcare District Board report - informational	Healthcare District Board Chair Dennis Tankersley, reported that a copy of the Healthcare District’s meeting agenda and enclosures were included on the board tablets. He reviewed the actions taken at that meeting.	

AGENDA ITEM		ACTION / FOLLOW-UP																												
Hospital Board Chair report	Chair DiBiasi noted that her written monthly report was included on the board tablets.																													
CEO Monthly report	<p>Steve Barron noted that there will be several action items later in the agenda that he will discuss.</p> <p>He reported that we are still setting records for ER visits and that we continue to grow the outpatient side of business. He stated that the flu season will end mid-February, but this season hasn't been unusually heavy.</p>																													
Proposed Action – Close Anesthesia Department (limiting anesthesia privileges to contracted physicians only)	<p>Steve Barron reported that in order to finalize any anesthesia contract with an outside group, we will need to close our anesthesia department to contracted physicians only.</p> <p>In response to a question, Steve replied that this should have no negative effect to us and that the Board can vote to change this in the future or cancel any contract.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="467 1150 1271 1419"> <tbody> <tr> <td>Baldi</td> <td>Yes</td> <td>Capobianco</td> <td>Yes</td> </tr> <tr> <td>Cooley</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Gardner</td> <td>Yes</td> <td>Hershey</td> <td>Yes</td> </tr> <tr> <td>Lewis</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Sobiech</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </tbody> </table>	Baldi	Yes	Capobianco	Yes	Cooley	Yes	DiBiasi	Yes	Gardner	Yes	Hershey	Yes	Lewis	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Sobiech	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		M.S.C., (Rader/Sobiech), the SGMH Board of Directors approved Closing the Anesthesia Department to contracted physicians only.
Baldi	Yes	Capobianco	Yes																											
Cooley	Yes	DiBiasi	Yes																											
Gardner	Yes	Hershey	Yes																											
Lewis	Yes	Ngo	Yes																											
Rader	Yes	Rutledge	Yes																											
Sobiech	Yes	Swerdlow	Yes																											
Tankersley	Yes	Motion carried.																												
Proposed Action – Approve Beaver Medical Group anesthesia agreement	Steve Barron stated that this item is not ready for Board approval at this time. It will be tabled to a future meeting.																													
Calendars	Calendars for February, March, and April were included on the board tablets and “take home” copies were at each board member’s seat.																													
Bi-monthly Business	Holly Yonemoto, CBDO, reviewed her written report that was included on the board tablets.																													

AGENDA ITEM		ACTION / FOLLOW-UP																												
Development/Information Technology report																														
Foundation monthly report	Valerie Hunter reviewed her written report that was included on the board tablets.																													
Annual completion of FPPC Statement of Economic Interest (Form 700) for 2019	Bobbi Duffy noted that the 2019 FPPC Form 700s were at each board member's seat. These completed forms are due back to her not later than March 13 th .																													
Proposed Action – Approve: <ul style="list-style-type: none"> • 2020 Performance/Process Improvement Prioritization Grid • 2020 Performance Improvement Plan • 2020 Patient Safety Plan 	<p>In Pat Ziegler's absence, Pat Brown briefly reviewed:</p> <ul style="list-style-type: none"> • 2020 Performance/Process Improvement Prioritization Grid • 2020 Performance Improvement Plan • 2020 Patient Safety Plan <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="467 1310 1271 1577"> <tbody> <tr> <td>Baldi</td> <td>Yes</td> <td>Capobianco</td> <td>Yes</td> </tr> <tr> <td>Cooley</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Gardner</td> <td>Yes</td> <td>Hershey</td> <td>Yes</td> </tr> <tr> <td>Lewis</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Sobiech</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </tbody> </table>	Baldi	Yes	Capobianco	Yes	Cooley	Yes	DiBiasi	Yes	Gardner	Yes	Hershey	Yes	Lewis	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Sobiech	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Baldi/Lewis), the SGMH Board of Directors approved the 2020 Performance/Process Improvement Prioritization Grid, the 2020 Performance Improvement Plan, and the 2020 Patient Safety Plan as presented.</p>
Baldi	Yes	Capobianco	Yes																											
Cooley	Yes	DiBiasi	Yes																											
Gardner	Yes	Hershey	Yes																											
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Sobiech	Yes	Swerdlow	Yes																											
Tankersley	Yes	Motion carried.																												
COMMITTEE REPORTS:																														
Executive Committee	Chair DiBiasi reported that a copy of the minutes of the January 24, 2020 special Executive Committee meeting were included on the board tablet. At that meeting they set the agenda for the upcoming February 22 nd Strategic Planning session.																													

AGENDA ITEM		ACTION / FOLLOW-UP																												
<p>Finance Committee</p> <p>Proposed Action – Approve December 2019 Financial Statement</p>	<p>At the request of Committee Chair Olivia Hershey, Dave Recupero, Chief Financial Officer, briefly reviewed a handout Executive Summary along with the December 2019 Financial report which was included on the board tablet. A copy of the Finance Committee’s January 28, 2020 meeting minutes were also included on the board tablet. It was noted that the Finance Committee recommends approval of the December 2019 Financial report as presented.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="467 678 1268 947"> <tbody> <tr> <td>Baldi</td> <td>Yes</td> <td>Capobianco</td> <td>Yes</td> </tr> <tr> <td>Cooley</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Gardner</td> <td>Yes</td> <td>Hershey</td> <td>Yes</td> </tr> <tr> <td>Lewis</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Sobiech</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </tbody> </table>	Baldi	Yes	Capobianco	Yes	Cooley	Yes	DiBiasi	Yes	Gardner	Yes	Hershey	Yes	Lewis	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Sobiech	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Hershey/ Gardner), the SGMH Board of Directors approved the December 2019 Financial report as presented.</p>
Baldi	Yes	Capobianco	Yes																											
Cooley	Yes	DiBiasi	Yes																											
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Tankersley	Yes	Motion carried.																												
<p>Proposed Action – Approve Line of Credit Renewal</p>	<p>Dave Recupero distributed a handout titled “Loan Modification Agreement Renewal Terms (effective Feb 2020)”. He briefly reviewed the terms for the Line of Credit renewal as shown in the handout.</p> <p>Dave stressed the timing for the Board’s approval for this renewal even though we don’t yet have the final loan documents for review. The bank is still in their process and should have their approval either tonight or tomorrow morning.</p> <p>It was discussed that the Finance Committee recommended approval of the line of credit renewal to the Hospital Board contingent upon the terms remaining the same as discussed at their January 28, 2020 regular meeting. The Hospital Board could approve the line of credit renewal contingent upon the terms remaining the same as shown in the handout discussed above.</p>	<p>M.S.C., (Hershey/ Tankersley), the SGMH Board of Directors approved the renewal of the line of credit contingent upon the terms remaining the same as shown in the handout provided at this meeting.</p>																												

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	<p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="467 348 1273 617"> <tr> <td>Baldi</td> <td>Yes</td> <td>Capobianco</td> <td>Yes</td> </tr> <tr> <td>Cooley</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Gardner</td> <td>Yes</td> <td>Hershey</td> <td>Yes</td> </tr> <tr> <td>Lewis</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Sobiech</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	Baldi	Yes	Capobianco	Yes	Cooley	Yes	DiBiasi	Yes	Gardner	Yes	Hershey	Yes	Lewis	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Sobiech	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		
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<p>Proposed Action – Approve Recommendations of the Medical Executive Committee</p>	<p>Steven Hildebrand, MD, Chief of Staff briefly reviewed the Medical Executive Committee report as included on the Board tablets.</p> <p>Approval Items:</p> <p>Policies & Procedures:</p> <ul style="list-style-type: none"> • 2020 Patient Safety Program • 2020 Performance Improvement Plan • Discharge Planning Evaluation • Patient Choice of Post-Acute Skilled Services Providers <p>Annual Approve of the 2020 Prioritization Grid</p> <p>Informational Item: ACLS Certification</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="467 1402 1273 1671"> <tr> <td>Baldi</td> <td>Yes</td> <td>Capobianco</td> <td>Yes</td> </tr> <tr> <td>Cooley</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Gardner</td> <td>Yes</td> <td>Hershey</td> <td>Yes</td> </tr> <tr> <td>Lewis</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Sobiech</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	Baldi	Yes	Capobianco	Yes	Cooley	Yes	DiBiasi	Yes	Gardner	Yes	Hershey	Yes	Lewis	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Sobiech	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Sobiech/ Rader), the SGMH Board of Directors approved the Medical Executive Committee recommended approval items as submitted.</p>
Baldi	Yes	Capobianco	Yes																											
Cooley	Yes	DiBiasi	Yes																											
Gardner	Yes	Hershey	Yes																											
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Tankersley	Yes	Motion carried.																												
<p>Proposed Action – Approve Policies and Procedures</p>	<p>There were ten (10) policies and procedures included on the board tablets presented for approval by the Board.</p>	<p>M.S.C., (Hershey/ Ngo), the SGMH Board of Directors</p>																												

AGENDA ITEM		ACTION / FOLLOW-UP																												
	<p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="467 348 1274 615"> <tr> <td>Baldi</td> <td>Yes</td> <td>Capobianco</td> <td>Yes</td> </tr> <tr> <td>Cooley</td> <td>Yes</td> <td>DiBiasi</td> <td>Yes</td> </tr> <tr> <td>Gardner</td> <td>Yes</td> <td>Hershey</td> <td>Yes</td> </tr> <tr> <td>Lewis</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Sobiech</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	Baldi	Yes	Capobianco	Yes	Cooley	Yes	DiBiasi	Yes	Gardner	Yes	Hershey	Yes	Lewis	Yes	Ngo	Yes	Rader	Yes	Rutledge	Yes	Sobiech	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>approved the policies and procedures as submitted.</p>
Baldi	Yes	Capobianco	Yes																											
Cooley	Yes	DiBiasi	Yes																											
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<p>Community Benefit events/Announcements/and newspaper articles</p>	<p>Miscellaneous information was included on the board tablets and handouts were at seats.</p>																													
<p>Adjourn to Closed Session</p>	<p>At the request of Chair DiBiasi, Bobbi Duffy, Executive Assistant, reported the items to be reviewed and discussed and/or acted upon during Closed Session will be:</p> <ul style="list-style-type: none"> ➤ Proposed Action - Approve Medical Staff Credentialing ➤ Receive Quarterly Emergency Preparedness /Environment Safety report ➤ Receive Quarterly Corporate Compliance Committee ➤ None - Telephone conference with legal counsel regarding potential litigation (1 potential case) ➤ Ad Hoc Affiliation Committee update <p>The meeting adjourned to Closed Session at 6:17 pm.</p> <p>The public, and staff members Dave Recupero, Annah Karam, and Holly Yonemoto left the meeting prior to the closed session.</p>																													
<p>Reconvene to Open Session</p>	<p>The meeting reconvened to Open Session at 6:56 pm.</p> <p>No public was waiting to return to the meeting</p> <p>At the request of Chair DiBiasi, Bobbi Duffy reported on the actions taken/information received during the Closed Session as follows:</p>																													

AGENDA ITEM		ACTION / FOLLOW-UP
	<ul style="list-style-type: none"> ➤ Approved Medical Staff Credentialing ➤ Received Quarterly Emergency Preparedness /Environment Safety report ➤ Received Quarterly Corporate Compliance Committee report ➤ Received Ad Hoc Affiliation Committee update 	
<p>Future Agenda Items</p>	<p>Chair DiBiasi requested the following:</p> <ul style="list-style-type: none"> • Ad hoc Affiliation Committee status will be listed for discussion on the March agenda. • Would like to bring back departmental education sessions to the Board meetings. • Various department and staff awards should be sent to the Record Gazette by our Marketing department. <p>In response to a potential grant that the Board was informed of to help in underwriting the use of paper goods for our Dietary department, Lanny Swerdlow requested a follow up report/presentation at a future meeting.</p>	
<p>Adjourn</p>	<p>The meeting was adjourned at 7:02 pm.</p>	

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Respectfully submitted by Bobbi Duffy, Executive Assistant

TAB B

**SPECIAL MEETING OF THE
 SAN GORGONIO MEMORIAL HOSPITAL
 BOARD OF DIRECTORS**

STRATEGIC PLANNING

February 22, 2020

A special meeting/strategic planning of the San Gorgonio Memorial Hospital Board of Directors was held on Saturday, February 22, 2020 at Morongo Golf Club at Tukwet Canyon, 36211 Champions Drive, Beaumont, CA.

Members Present: Phillip Capobianco, Steve Cooley, Susan DiBiasi (Chair), Olivia Hershey, Estelle Lewis, Ehren Ngo, Ron Rader, Steve Rutledge, Lanny Swerdlow, Dennis Tankersley

Absent: Lynn Baldi, Andrew Gardner, Georgia Sobiech

Foundation Members: George Moyer, President

Required Staff: Steve Barron (CEO), Pat Brown, RN (CNO), Annah Karam (CHRO), Dave Recupero (CFO), Holly Yonemoto (CBDO), Valerie Hunter (Foundation Director), Bobbi Duffy (Executive Assistant), Ariel Whitley (Administrative Assistant), Steve Hildebrand, MD (COS)

AGENDA ITEM		ACTION / FOLLOW-UP
Call To Order	Chair Susan DiBiasi called the meeting to order at 9:01 am.	
Public Comment	No public was present.	
	AGENDA	
8:30 am – 9:00 am	Continental breakfast	
9:00 am – 9:10 am	Introduction by Steve Barron Steve introduced Jaynie Boren, of HC2 Strategies, who will be our facilitator for the first portion of this Strategic Planning session. He asked everyone in attendance to go around the tables to introduce themselves.	

AGENDA ITEM		ACTION / FOLLOW-UP
<p>9:10 am – 11:00 am</p>	<p>Discussion of the Vision portion of the current Mission, Vision, Values statement</p> <p>Steve noted that several months ago, he asked Board members to be thinking about how they would like the Vision portion of the Mission/Vision/Values Statement to read.</p> <p>Jaynie reviewed her PowerPoint presentation, a copy of which was placed at each person’s seat.</p> <p>Several suggestions were made, including adding the word “affordable” to the Mission portion of the statement. Another suggestion was made to use the word “accessible”.</p> <p>Suggestions were made to consider adding to the Value portion of our Statement, wording about collaborating / partnering with other agencies to provide services.</p> <p>Jaynie had the group break into 3 separate groups consisting of both Board members and leadership to do a SWOT (Strengths, Weakness, Opportunity, Threats) analysis. Each group had a facilitator which was a member of the Hospital’s Executive Team.</p> <p>Once the group came back together, Jaynie summarized the items that Board and staff members came up with under each category.</p> <p>It was noted that this exercise would assist leadership in making additions/changes to the current Mission/Vision/Values Statement. It will eventually be brought back to the full Board for approval at a Board meeting.</p>	
<p>11:00 am – 12:00 pm</p>	<p>Discussion and work on developing a community benefit action plan</p> <p>Holly Yonemoto distributed a handout copy of a PowerPoint presentation titled “Community Health Needs Prioritization Plan Development – February 2020”.</p> <p>Holly reviewed with the group what health needs were</p>	

AGENDA ITEM		ACTION / FOLLOW-UP
	identified in the recent survey.	
12:00 pm – 12:30 pm	<p>Lunch</p> <p>Break for lunch at 12:09 pm</p> <p>Reconvened at 12:45 pm</p>	
12:30 pm – 12:45 pm	<p>Introduction by Steve Barron</p> <p>Steve Barron spoke regarding two big capital items challenges that we are facing that need to be addressed. The first is the Information Technology system which is currently being done. The second is the very old equipment in our Diagnostic Imaging Department that must be replaced.</p> <p>Steve introduced Krystal Chamberlin, Director of Diagnostic Imaging.</p>	
12:45 pm – 2:30 pm	<p>Presentation by Diagnostic Imaging Director regarding Diagnostic Imaging technology needs</p> <p>Krystal distributed copies of a PowerPoint presentation titled “Imaging Center Board Presentation – February 2020”. She reviewed these slides and spoke regarding how some of our equipment is no longer serviceable or creates the type of quality images that modern medication expects. She assured the Board members that when equipment is presented for approval, it will have been fully vetted and will provide the best possible costs.</p> <p>A handout was distributed titled “Strategic Planning – Growth and Initiatives – February 2020”. Steve Barron reviewed and discussed the cash flow projections as shown in the handout.</p> <p>A handout was distributed titled “Facility & Equipment Modernization Initiatives”. Steve reviewed this handout.</p>	
2:30 pm – 2:45 pm	<p>Hospital Lease discussion</p> <p>Steve Barron reminded everyone that the Lease between the Healthcare District and the Hospital runs out June 30,</p>	

AGENDA ITEM		ACTION / FOLLOW-UP
	<p>2020. He stated that Dennis Tankersley (Healthcare District Board Chair), Susan DiBiasi (Hospital Board Chair), and himself are currently working with legal counsel from both sides to work out a management agreement.</p> <p>He hopes to have some additional information to share with the Boards at an upcoming meeting.</p> <p>Both Board Chairs spoke regarding the inability to disseminate any information just yet, but they are working on a plan. The important issue is to not disrupt any services, revenue streams or the associates that work for the hospital.</p>	
2:45 pm – 3:00 pm	<p>Wrap up / Comments</p> <p>Steve asked for any comments or questions. There were none.</p>	
Adjourn	<p>Chair DiBiasi thanked for giving up Saturday to attend this Strategic Planning session.</p> <p>The meeting was adjourned at 2:56 pm.</p>	

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Respectfully submitted by Bobbi Duffy, Executive Assistant

TAB C



Report from Chair Susan DiBiasi
March 3, 2020

During the month of February:

The next few weeks are going to be busy ones for all of us. Your Board recently had an all day Strategic Planning Session to discuss and map out areas of short term and long term focus and capital planning to meet the healthcare needs of our community. Attendance and participation by key SGMH Foundation members in addition to District and Hospital Board members and Hospital Executive staff created an environment of sharing and planning to insure the ongoing success of SGMH as a provider of excellent services. Splitting into smaller groups we conducted a SWOT analysis and shared the results with each other - finding many similarities between the smaller groups.

We are entering the next phases of the Allscripts EHR with staff validation of projected workflows; these are used to set system functionality and to determine when and how integration works. This is going to be really exciting for the next few months - be ready to learn, help with testing and learning an improved technical support for your activities.

TAB D



March 2020

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3 4:00 pm Healthcare District Board mtg. 5:00 pm Hospital Board mtg.	4	5 3:00 pm—Cafeteria General Staff mtg and Associate of the Month	6	7
8 	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31 9:00 am Finance Committee mtg. 10:00 am Executive Committee mtg.				

As of February 25, 2020

Items in **bold** = Board/Committee meetings

Items with * = Associate functions that Board members are invited to at-



April 2020

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 4:00 pm Healthcare District Board mtg. 5:00 pm Hospital Board mtg.	8	9 3:00 pm—Cafeteria General Staff mtg and Associate of the Month	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28 9:00 am Finance Committee mtg.	29	30		

As of February 25, 2020

Items in **bold** = Board/Committee meetings

Items with * = Associate functions that Board members are invited to at-



May 2020

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5 4:00 pm Healthcare District Board mtg 5:00 pm Hospital Board mtg	6	7 3:00 pm—Cafeteria General Staff mtg and Associate of the Month	8	9
10	11	12	13 9:00 am HR Committee mtg. <hr/> 5:00 Measure D Comm. Oversight <hr/> 5:15 Measure A Comm. Oversight	14	15	16
17	18	19 9:00 am Community Planning Committee mtg.	20	21	22	23
24	25 Memorial Day Holiday Admin. Closed	26 9:00 am Finance Committee mtg.	27	28	29	30
31						

As of February 25, 2020

Items in **bold** = Board/Committee meetings

Items with * = Associate functions that Board members are invited to attend

TAB E



CNO REPORT TO THE BOARD

MARCH 2020

Patient Care Quality and Safety:

The Patient Experience Committee met on January 8th and February 19th. Areas of focus for the committee at this time are increasing nurse/physician joint rounding to engage the patient in the plan of care and increasing pharmacist participation in medication review at time of patient discharge. Also executive rounding by the Administrator on call. We are also looking into implementing "Thank You" cards for our patients to thank them for choosing SGMH for their care.

Several Directors attended the CHA Hospital Compliance seminar on February 13th.

The Beta HEART team had an all-day meeting with Representatives from Beta on February 21st to review the status of the program and look at next steps.

This is the year for our triennial policy and procedure review, and Department Directors have been spending a lot of time on that process.

Also much time and energy is being devoted to the Allcom implementation. Workflow Review was done on January 21st through January 28th. Content Acknowledgement Sessions were held February 25th through February 27th. This involves all the clinical departments and some of the ancillary departments. We are making progress toward our go-live date in July.

Regulatory Issues:

None at this time.

TAB F

March 2020

Foundation Finances as of 2/26/2020–

Bank of Hemet:

- \$177,618.07 (business checking account) as of 01/21/2020
- \$127,502.24 (money market account) as of 01/21/2020
- Community Foundation: \$318,662.51 as of 02/26/2020
- Total Funds: \$623,782.82

Foundation News –

- SGMH Foundation is excited to receive their request for close to \$62,000 to fully cover the expense of this year's gala and they will also be coming in as a top sponsor of Platinum at \$10,000. In addition, the hospital retreat held on February 22, 2020 at Tukwet was underwritten and is part of the \$62,000 ask. In the past, Morongo has continually been a very strong supporter of the SGMH Foundation's fundraising efforts, coming in as a top sponsor. Their relationship with the SGMH Foundation is building in strength with the Foundation office leading the way.
- The Foundation office now has a 2-3 day assistant. Amanda Flores is helping with all the different facets of this year's gala as well as cleaning up the Donor Perfect database. It is slow moving with all the changes that need to happen but it's moving smoothly along.
- There is still time to get your tickets to the Annual Dinner Gala on March 14, 2020 being held at Morongo Casino Resort and Spa. And if you cannot attend, but would like to donate, for any contribution amount you can honor a veteran of your choice. A veteran's video presentation will be held at the event with veterans names listed and we'd love to include a veteran that is close your heart.

Community Outreach –

- The Joint chamber mixer on February 12, 2020 at Hampton Inn Hotel in Banning was a hit. People from Banning, Beaumont, Yucaipa and Calimesa chambers came together to hear about SGMH Foundation and the equipment it has purchased for the hospital over the past years. There were 2 representatives from the hospital to speak on the equipment and that really personalized the presentation.
- Valerie Hunter was introduced as the new Foundation Director and that became official on Monday 2/24/2020.

TAB G

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

HUMAN RESOURCES COMMITTEE
February 19, 2020

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Human Resources Committee was held on Wednesday, February 19, 2020 in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Steve Cooley, Estelle Lewis (C), Ron Rader, Georgia Sobiech

Absent: Olivia Hershey

Staff Present: Steve Barron (CEO), Annah Karam (CHRO), Bobbi Duffy (Executive Assistant), Ariel Whitley (Administrative Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Chair Estelle Lewis called the meeting to order at 9:00 am.	
Public Comment	No public was present at this meeting.	
OLD BUSINESS		
Proposed Action - Approve Minutes: August 21, 2019 regular meeting and September 24, 2019 special meeting	Chair Lewis asked for any changes or corrections to the minutes of the August 21, 2019 regular meeting or the September 24, 2019 special meeting. There were none.	The minutes of the August 21, 2019 regular meeting and the September 24, 2019 special meeting were reviewed and will stand as presented.
NEW BUSINESS		
Reports		
A. Employment Activity/Turnover Reports		
1. Employee	Annah Karam, Chief Human Resources Officer, reviewed	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Activity by Job Class/ Turnover Report (8/1/2019 through 1/31/2020)	the report “Employee Activity by Job Class/Turnover Report” for the period of 8/1/2019 through 1/31/2020 as included on the meeting tablet.	
Separation Reasons Analysis All Associates (8/1/2019 through 1/31/2020)	Annah reviewed the “Separation Reason Analysis for All Associates” for the period of 8/1/2019 through 1/31/2020 as included on the meeting tablet. For this time period, there were 75 Voluntary Separations and 28 Involuntary Separations for a total of 103.	
Separation Reason Analysis Full and Part Time Associates (8/1/2019 through 1/31/2020)	Annah reviewed the “Separation Reason Analysis for Full and Part Time Associates” for the period of 8/1/2019 through 1/31/2020 as included on the meeting tablet. For this time period, there were 52 Voluntary Separations and 23 Involuntary Separations for a total of 75	
Separation Reason Analysis Per Diem Associates (8/1/2019 through 1/31/2020)	Annah reviewed the “Separation Reason Analysis for Per Diem Associates” for the period of 8/1/19 through 1/31/2020 as included on the meeting tablet. For this time period, there were 23 Voluntary Separations and 5 Involuntary Separations for a total of 28.	
2. FTE Vacancy Summary (1/31/2019 through 1/31/2020)	Annah reviewed the “FTE Vacancy Summary” for the period of 1/31/2019 through 1/31/2020 as included on the meeting tablet. Annah reported that the Facility Wide vacancy rate as of 1/31/2020 was 23.59%.	
3. RN Vacancy Summary (1/31/2019 through 1/31/2020)	Annah reviewed the “RN Vacancy Summary” for the period of 1/31/2019 through 1/31/2020 as included on the meeting tablet.	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
1/31/2020)	Annah reported that the Overall All RN Vacancy rate as of 1/31/2020 was 18.22%.	
B. Workers Compensation Report		
Workers Compensation Report (1/1/2020 through 1/31/2020)	<p>Annah reviewed the Workers Compensation Reports covering the period of 1/1/2020 through 1/31/2020 as included on the meeting tablet.</p> <p>Annah reported that the number of claims has improved greatly since 2016. She noted that we play an active role in WC loss prevention to find strategies, and continue with education and prevention of injuries in the work place. This past year was our lowest year.</p>	
Education: Top Health newsletter Interviewer Boot Camp, and Annual Labor & Employment Update	<p>Annah noted that the Top Health newsletter for February 2020, the Interviewer Boot Camp slides and Annual Labor & Employment Update slides were included on the meeting tablets.</p> <p>“Interviewer Boot Camp” was a new class that we presented to Director/Managers that perform interviews for new associates.</p> <p>“Annual Labor & Employment Update” was a handout from a seminar that Annah attended presented by Best, Best & Krieger. It reinforces some of the new laws.</p>	
Future Agenda items	None	
Next regular meeting	The next regular Human Resources Committee meeting is scheduled for May 20, 2020.	
Adjournment	The meeting was adjourned at 9:45 am.	

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Minutes respectfully submitted by Bobbi Duffy, Executive Assistant

A B C D E F G H I J K

EMPLOYEE ACTIVITY BY JOB CLASS/TURN OVER REPORT

08/01/2019 THROUGH 01/31/2020

JOB CLASS/FAMILY	CURRENT NEW HIRES 08/01/2019 THROUGH 01/31/2020	2019 NEW HIRES	YTD NEW HIRES 01/01/2020 THROUGH 01/31/2020	CURRENT SEPARATIONS 08/01/2019 THROUGH 01/31/2020	2019 SEPARATIONS	YTD TERMS 01/01/2020 THROUGH 01/31/2020	TOTAL EMPLOYEE COUNT AS OF 01/31/2020	CURRENT TURNOVER Since 05/01/2019	ANNUALIZED TURNOVER	
ADMIN/CLERICAL	7	21	1	17	30	2	84	20.24%	2.38%	1
ANCILLARY	7	13	0	5	8	3	64	7.81%	4.69%	2
CLS	2	5	0	2	5	0	21	9.52%	0.00%	7
DIRECTORS/MGRS	1	3	0	2	4	0	30	6.67%	0.00%	8
LVN	0	4	0	0	2	0	31	0.00%	0.00%	9
OTHER NURSING	20	27	4	19	20	6	77	24.68%	7.79%	10
PT	2	2	0	1	3	0	12	8.33%	0.00%	11
RAD TECH	3	6	0	1	3	0	34	2.94%	0.00%	12
RN	23	54	4	25	60	4	175	14.29%	2.29%	13
RT	0	4	0	3	2	1	18	16.67%	5.56%	14
SUPPORT SERVICES	34	61	4	28	52	3	79	35.44%	3.80%	15
FACILITY TOTAL	99	200	13	103	189	19	625	16.48%	3.04%	17
<i>Full Time</i>	65	122	9	62	102	11	398	15.58%	2.76%	19
<i>Part Time</i>	5	19	1	13	20	1	62	20.97%	1.61%	20
<i>Per Diem</i>	29	59	3	28	67	7	165	16.97%	4.24%	21
TOTAL	99	200	13	103	189	19	625	16.48%		22

Current Turnover: J22
Annualized Turnover: K22

Southern California Hospital Association (HASC) Benchmark:
Turnover for all Employees = 2.80%
Turnover for all RNs = 2.80%

SEPARATION ANALYSIS
ALL ASSOCIATES
08/01/2019 THROUGH 01/31/2020

REASON	Current Qtr % by Category	Length Of Service						Total Separations
		Less than 90 days	90 days - 1 year	1-2 years	2-5 years	5-10 years	10+ years	
Voluntary Separations								
Full-Time	37.9%	13	6	3	10	6	1	39
Part-Time	12.6%	2	3	1	1	3	3	13
Per Diem	22.3%	0	8	10	2	2	1	23
Subtotal, Voluntary Separations	72.8%	15	17	14	13	11	5	75
Involuntary Separations								
Full-Time	22.3%	6	3	0	4	4	6	23
Part-Time	0.0%	0	0	0	0	0	0	0
Per Diem	0.0%	2	0	2	0	0	1	5
Subtotal, Involuntary Separations	27.2%	8	3	2	4	4	7	28
Total Separations	100.0%	23	20	16	17	15	12	103

Separation Reason Analysis
FULL AND PART TIME ASSOCIATES
08/01/2019 THROUGH 01/31/2020

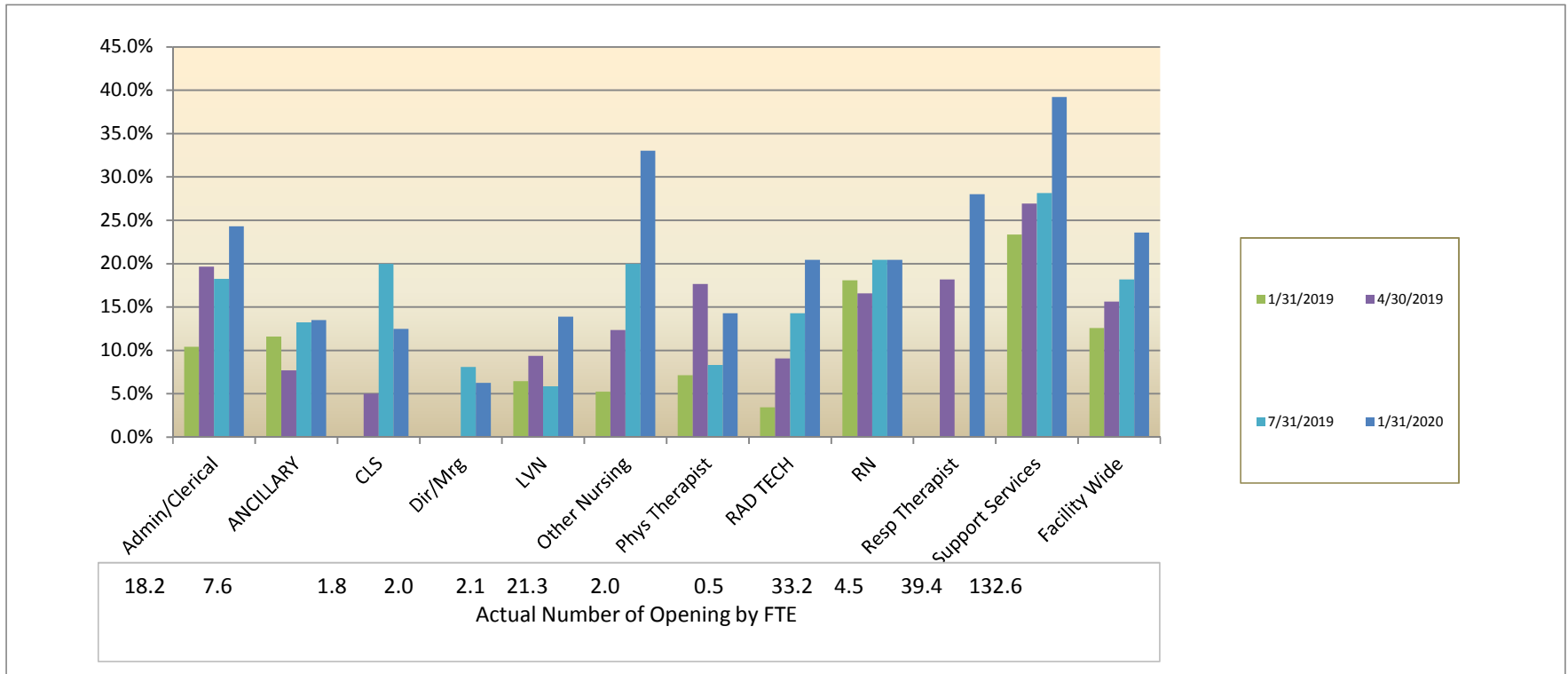
REASON	Current Qtr % by Category	Length Of Service						Total Separations
		Less than 90 days	90 days - 1 year	1-2 years	2-5 years	5-10 years	10+ years	
Voluntary Separations								
Family/Personal Reasons	17.3%	9	2		2			13
New Job Opportunity	24.0%	2	3	2	4	6	1	18
Job Dissatisfaction	5.3%	2	1			1		4
Relocation	2.7%				1		1	2
Medical Reasons	0.0%							0
Did not Return from LOA	1.3%			1				1
Job Abandonment	6.7%	1	2		2			5
Return to School	2.7%		1	1				2
Pay	0.0%							0
Employee Death	0.0%							0
Not Available to Work	1.3%	1						1
Unknown	0.0%							0
Retirement	8.0%				2	2	2	6
Subtotal, Voluntary Separations	69.3%	15	9	4	11	9	4	52
Involuntary Separations								
Attendance/Tardiness	0.0%							0
Didn't meet certification deadline	0.0%							0
Didn't meet scheduling needs	0.0%							0
Conduct	4.0%					3		3
Poor Performance	13.3%	6	2		2			10
Temporary Position	0.0%							0
Position Eliminations	13.3%		1		2	1	6	10
Subtotal, Involuntary Separations	30.7%	6	3	0	4	4	6	23
Total Separations	100.0%	21	12	4	15	13	10	75

Separation Reason Analysis
Per Diem Associates Only
08/01/2019 THROUGH 01/31/2020

REASON	Current Qtr % by Category	Length Of Service						Total Separations
		Less than 90 days	90 days - 1 year	1-2 years	2-5 years	5-10 years	10+ years	
Voluntary Separations								
Family/Personal Reasons	25.0%		2	3	1	1		7
New Job Opportunity	35.7%		4	6				10
Job Dissatisfaction	0.0%							0
Relocation	0.0%							0
Medical Reasons	0.0%							0
Did not Return from LOA	3.6%		1					1
Job Abandonment	17.9%		1	1	1	1	1	5
Return to School	0.0%							0
Pay	0.0%							0
Employee Death	0.0%							0
Not Available to Work	0.0%							0
Unknown	0.0%							0
Retirement	0.0%							0
Subtotal, Voluntary Separations	82.1%	0	8	10	2	2	1	23
Involuntary Separations								
Attendance/Tardiness	0.0%							0
Didn't meet certification deadline	3.6%			1				1
Didn't meet scheduling needs	3.6%							0
Conduct	0.0%							0
Poor Performance	10.7%		2	1				3
Temporary Position	0.0%							0
Position Eliminations	3.6%						1	1
Subtotal, Involuntary Separations	17.9%	2	0	2	0	0	1	5
Total Separations	100.0%	2	8	12	2	2	2	28

FTE Vacancy Summary: 01/31/2019 THROUGH 01/31/2020

	<u>Admin/Clerical</u>	<u>ANCILLARY</u>	<u>CLS</u>	<u>Dir/Mrg</u>	<u>LVN</u>	<u>Other Nursing</u>	<u>Phys Therapist</u>	<u>RAD TECH</u>	<u>RN</u>	<u>Resp Therapist</u>	<u>Support Services</u>	<u>Facility Wide</u>
1/31/2019	10.42%	11.59%	0.00%	0.00%	6.45%	5.26%	7.14%	3.45%	18.10%	0.00%	23.36%	12.57%
4/30/2019	19.66%	7.69%	5.00%	0.00%	9.38%	12.36%	17.65%	9.09%	16.58%	18.18%	26.92%	15.62%
7/31/2019	18.26%	13.24%	20.00%	8.11%	5.88%	20.00%	8.33%	14.29%	20.45%	0.00%	28.16%	18.17%
1/31/2020	24.32%	13.51%	12.50%	6.25%	13.89%	33.04%	14.29%	20.45%	20.45%	28.00%	39.23%	23.59%

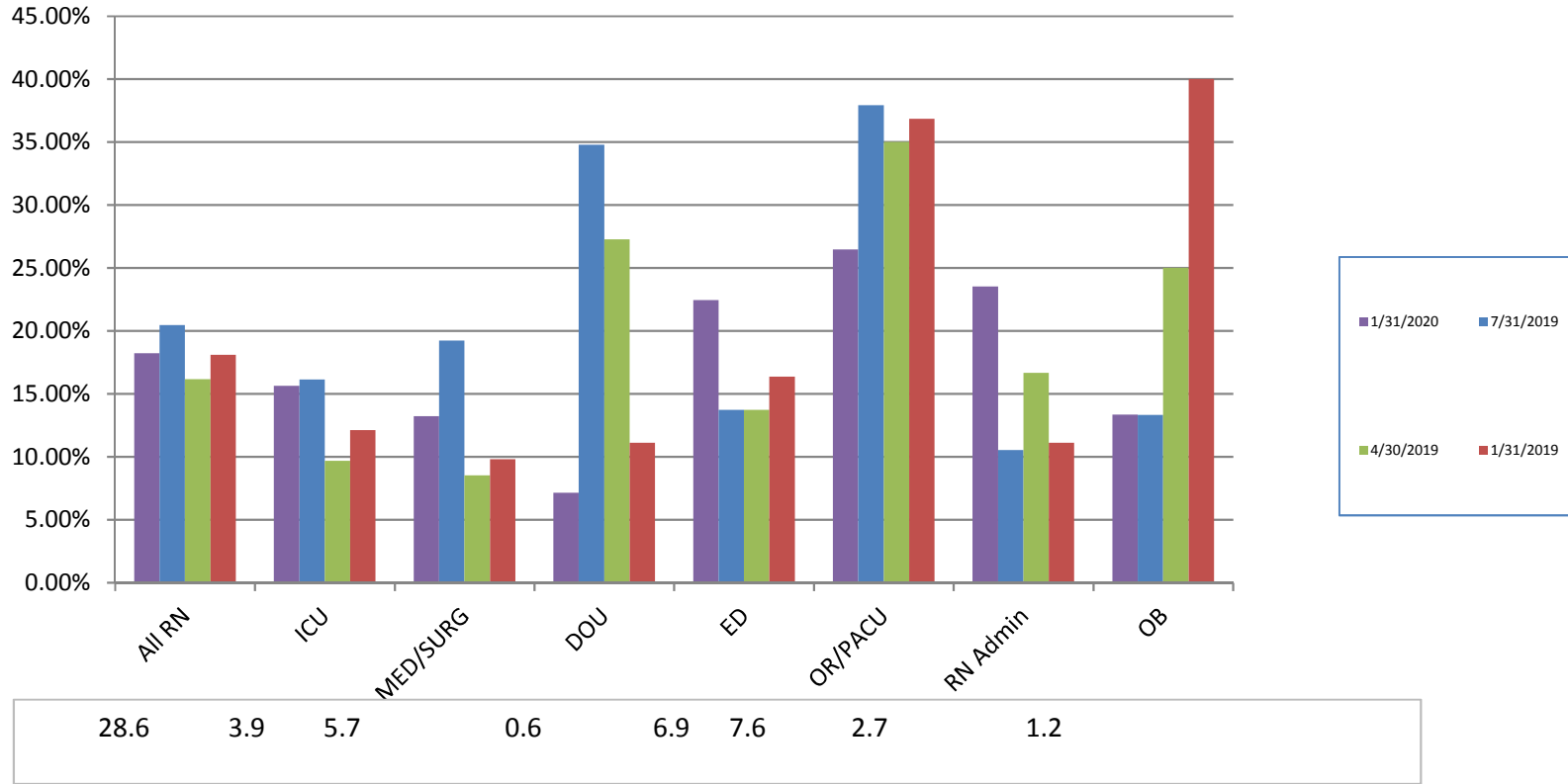


RN FTE Vacancy Summary: 01/31/2019 THROUGH 01/31/2020

VACANCY RATE = Number of openings/(total staff + openings)

	1/31/2020	7/31/2019	4/30/2019	1/31/2019
All RN	18.22%	20.45%	16.16%	18.10%
ICU	15.63%	16.13%	9.68%	12.12%
MED/SURG	13.21%	19.23%	8.51%	9.80%
DOU	7.14%	34.78%	27.27%	11.11%
ED	22.45%	13.73%	13.73%	16.36%
OR/PACU	26.47%	37.93%	35.00%	36.84%
RN Admin	23.53%	10.53%	16.67%	11.11%
OB	13.33%	13.33%	25.00%	40.00%

	OPEN POSITIONS	TOTAL STAFF
All RN	39	175
ICU	5	27
Med Surg	7	46
DOU	1	13
ER	11	38
OR/PACU	9	25
RN Adm.	4	13
OB	2	13



DASHBOARD REPORT

Fiscal Year Basis: July

San Geronio Memorial Hospital

Data as of 1/31/2020

Reporting Period 1/1/2020 - 1/31/2020

TOP TEN CLAIMS

Claim Number	Claimant	Department	Cause	DOI	Status	Total Paid	Total Reserves	Total Incurred
19000235		Nursing Administration	Fall, Slip or Trip Injury	2019-02-11	Open	7,624	29,053	36,677
19001937		Environmental Services	Fall, Slip or Trip Injury	2019-10-28	Open	16,112	19,400	35,512
19002199		Accounting	Miscellaneous Causes	2019-12-13	Open	10	14,990	15,000
19000630		Environmental Services	Strain or Injury By	2019-04-10	Open	5,787	7,713	13,500
18002174		Environmental Services	Strain or Injury By	2018-12-19	Open	3,915	8,585	12,500
19002298		Nursing Administration	Struck or Injured By	2019-02-01	Open	-	7,000	7,000
18001371		Emergency Department	Cut, Puncture, Scrape Injured by	2018-09-07	Closed	4,330	-	4,330
18001940		Engineering	Strain or Injury By	2018-11-28	Closed	3,422	-	3,422
19001622		Environmental Services	Struck or Injured By	2019-09-19	Open	2,037	683	2,720
19000279		Medical Surgical	Cut, Puncture, Scrape Injured by	2019-02-19	Closed	2,400	-	2,400

FREQUENCY BY DEPARTMENT

Department	Claim Count	% of Claims	Total Incurred	% of Total Incurred
Environmental Services	6	28.57%	64,964	46.71%
Emergency Department	4	19.05%	5,720	4.11%
Nursing Administration	2	9.52%	43,677	31.41%
Engineering	2	9.52%	4,386	3.15%
Dietary	2	9.52%	859	0.62%
Physical Therapy	1	4.76%	1,183	0.85%
Direct Observation Unit (DOU)	1	4.76%	867	0.62%
Accounting	1	4.76%	15,000	10.79%
Medical Surgical	1	4.76%	2,400	1.73%
Security Department	1	4.76%	10	0.01%

SEVERITY BY DEPARTMENT

Department	Claim Count	% of Claims	Total Incurred	% of Total Incurred
Environmental Services	6	28.57%	64,964	46.71%
Nursing Administration	2	9.52%	43,677	31.41%
Accounting	1	4.76%	15,000	10.79%
Emergency Department	4	19.05%	5,720	4.11%
Engineering	2	9.52%	4,386	3.15%
Medical Surgical	1	4.76%	2,400	1.73%
Physical Therapy	1	4.76%	1,183	0.85%
Direct Observation Unit (DOU)	1	4.76%	867	0.62%
Dietary	2	9.52%	859	0.62%
Security Department	1	4.76%	10	0.01%

FREQUENCY BY CAUSE

Cause	Claim Count	% of Claims	Total Incurred	% of Total Incurred
Fall, Slip or Trip Injury	5	23.81%	74,376	53.48%
Struck or Injured By	5	23.81%	11,981	8.62%
Strain or Injury By	4	19.05%	29,432	21.16%
Burn or Scald - Heat or Cold Exposures - Contact With	2	9.52%	588	0.42%
Cut, Puncture, Scrape Injured by	2	9.52%	6,730	4.84%
Caught In, Under or Between	2	9.52%	959	0.69%
Miscellaneous Causes	1	4.76%	15,000	10.79%
Grand Total	21	100.00%	139,066	100.00%
0	-	0.00%	-	0.00%
0	-	0.00%	-	0.00%

SEVERITY BY CAUSE

Cause	Claim Count	% of Claims	Total Incurred	% of Total Incurred
Fall, Slip or Trip Injury	5	23.81%	74,376	53.48%
Strain or Injury By	4	19.05%	29,432	21.16%
Miscellaneous Causes	1	4.76%	15,000	10.79%
Struck or Injured By	5	23.81%	11,981	8.62%
Cut, Puncture, Scrape Injured by	2	9.52%	6,730	4.84%
Caught In, Under or Between	2	9.52%	959	0.69%
Burn or Scald - Heat or Cold Exposures - (2	9.52%	588	0.42%
Grand Total	21	100.00%	139,066	100.00%
0	-	0.00%	-	0.00%
0	-	0.00%	-	0.00%



Foods Your Heart Loves

What do salmon, berries, leafy greens and nuts have in common?

They are all heart-smart foods that ably nourish the body and help combat unhealthy cholesterol, hypertension and heart disease. But it's not just a single food in isolation that can help protect your heart. Rather, it's a combination of nourishing foods and a consistent pattern of healthy eating that has the greatest impact.

Studies show that 2 dietary patterns are particularly helpful for heart health: the **Mediterranean Diet** and the **Dietary Approaches to Stop Hypertension (DASH) Diet**. Both eating patterns are chock-full of vegetables, fruit, whole grains, beans, nuts, seeds, fish, poultry and low-fat dairy, and recommend reducing the consumption of red meat, sweets and salty snacks.

Both eating plans emphasize whole, unprocessed foods instead of ultra-processed foods, such as processed meats and cheeses as well as refined breads and other carbs. So, preferably choose apples and carrots rather than apple pie and carrot cake.

Together, these foods provide fiber, antioxidants, and a host of cardio-protective vitamins and minerals essential for good health. Both plans are lower in sodium, sugars and trans fat, which may raise your risk of heart disease when eaten in excess.

HEALTHY EATING TIPS

It's easy to plan your meals: Fill half your plate with vegetables and some fruit, a quarter plate with whole grains, and the remaining quarter with a good source of protein, such as fish, chicken, tofu, lentils or chickpeas.
Your heart will thank you.

Going Red for Women

With Knowledge and Action Against Heart Disease



Fact: About 80% of cardiovascular diseases can be prevented. Yet, heart disease and stroke cause 1 in 3 deaths among U.S. women every year — more than all cancers combined.

Fact: Risks for heart disease are similar for both women and men. Risk factors for heart attack you can't change include family history and age (45+ for men and 55+ for women). But, with lifestyle changes and your health care provider's help, you can control or treat the primary risks:

- High blood pressure.
- Smoking.
- Unhealthy blood cholesterol.
- Lack of regular exercise.
- Chronic obesity or overweight.
- Diabetes.

February is **American Heart Month.**

Fact: Heart attack signs in women can vary from what men experience. However, the most common heart attack symptom for both men and women is chest pain or discomfort — unusual pressure, squeezing or fullness in the center of your chest, lasting more than a few minutes off and on.

Women are somewhat more likely than men to also experience: shortness of breath, sweating, nausea, vomiting and jaw pain. Other symptoms common to both include pain or discomfort in 1 or both arms, the back, neck or stomach.

If you have any of these signs, call 911 for an ambulance to take you to the hospital. Note: Never drive yourself and never have non-emergency responders drive you.

National Wear Red Day on February 7 is the perfect time to learn more at GoRedforWomen.org.

Science and mindfulness complement each other in helping people to eat well and maintain their health and well-being. — *Nhat Hanh*

Signs of Stroke? Think F.A.S.T.

Every year, about 800,000 people suffer strokes.

A stroke happens when the blood supply to your brain is interrupted or reduced. Strokes can be devastating, but if you think F.A.S.T., then you may increase your chances of recovering, depending on the stroke's severity.

Use **F.A.S.T.** to identify the common symptoms of stroke:

Face: You try to smile and 1 side of your face droops.

Arms: You attempt to raise your arms and 1 side drops down.

Speech: You speak and you have slurred speech or your speech sounds odd.

Time: Call 911 immediately if you have 1 or more of these symptoms.



F for face



A for arms



S for speech difficulty



T for time

Other signs include: dizziness, trouble walking, trouble seeing with 1 or both eyes, confusion, numbness or weakness on 1 side.

Reduce your risk of strokes by practicing these safe habits: Get plenty of exercise (if okayed by your health care provider), manage your cholesterol levels and blood pressure, eat healthy and lose weight if you're overweight.

Eating disorders are not a lifestyle choice.

They are serious, complex and sometimes fatal illnesses that cause radical preoccupation with food. The most common forms are anorexia nervosa (eating very little), bulimia nervosa (eating followed by purging) and binge eating (anxiety-triggered overeating). The average ages of onset are 18 to 21 years old. Learn about **National Eating Disorders Awareness Week, February 23 to 29**, at nationaleatingdisorders.org.



Jump-Start Your Immunity

Everyday habits can either protect or weaken your immune system. Poor immunity can lead to chronic allergies, asthma and autoimmune disorders, including lupus, rheumatoid arthritis and type 1 diabetes.

Smoking and alcohol abuse are obvious enemies of your immune system.

Researchers have also found we weaken our defenses against germs, viruses and serious illness through many other lifestyle habits.

Poor sleep: It raises your stress hormone levels and inflammation. In general, daily sound sleep (7 to 9 hours) protects your health.

Poor diet: Not eating plenty of fruits, vegetables, nuts and seeds robs you of essential nutrients (including beta carotene as well as vitamins C and E) that strengthen immunity. Kick the junk food and eat well.

Excess sugar: Eating or drinking too much sugar reduces the immune system's ability to fight bacteria, an effect that can last for hours. Satisfy your sweet tooth with fruit and drink water instead.

Chronic stress: It triggers a steady stream of stress hormones that suppress immunity and lead to disease.

Negative attitude: Have you lost your sense of humor? Practice laughing more; it pushes back stress hormones and raises white blood cells that can curb infection.

Loneliness: Having a network of good, close friends can boost immunity by easing stress and elevating your mood.

The takeaway: Take care of yourself.



Exercise on the Mind

Exercise does more than boost physical fitness: It affects how you think and feel mentally. Researchers have documented how exercise impacts your brain and emotions. In fact, just 5 minutes of moderate-intensity exercise (e.g., brisk walking) can enhance mood, according to the American Psychological Association (APA).

That's because even brisk walking releases endorphins, natural chemicals produced by the nervous system which trigger a calming and feel-good effect that can help relieve depression. Exercise can also help treat and prevent anxiety and panic attacks by soothing an over-reactive nervous system, the APA notes.

Regular exercise may boost memory, too, according to University of Texas research. What's more, studies show regular aerobic workouts, over time, can improve your brain's executive function, which is home to skills needed to plan, solve problems and make decisions.

So, consider taking a walk instead of a coffee break, especially if you have a sedentary job, to lower stress levels, brighten your mood and increase your ability to focus and work well.



The **Smart Moves Toolkit**, including this issue's printable download, **Lowdown on Body Fat**, is at personalbest.com/extras/20V2tools.

2.2020



Interviewer
BOOT CAMP

Presented by Hiring Expert & Author
CAROL QUINN

Dog Tag Trivia

Get The Answer Right & Win!



CareerBuilder research found ___% of businesses are affected by bad hires.

HBS research found *skill, IQ* and *knowledge* combined contributed ___% to business success while _____ accounted for the rest.

Research found ___% of interviewers have never been formally trained on how to hire.

Boot Camp Topics

LISTEN UP!



Work History:
How to get to
the REAL reason
a candidate left a
job.

How to gather
REAL weakness
information -
and why this
information is
important.

Behavior-based
interviewing:
Why it doesn't
work and what
you should do
instead!

**Plus
Q & A**

Work History

- The 1st reason given is often a generic answer that candidates hope you accept.
 - Example: *For more money, advancement or better opportunity...*
- Work History Dates: Year-to-Year format can hide date gaps, but month/year can expose them (*2012 - 2014, 2015 - 2017* can hide a 22 month gap).
- What triggered them to leave? Job Change Trigger questions:
 - *When did you make up your mind you wanted to leave?*
 - *What happened that got you to this point?*
 - *Did you have your next job waiting before you left?*

DISCHARGE: Under Other Than Honorable Conditions

Weaknesses

- Why does the standard *weakness* question fail?
 - You've asked for their opinion.
- What should you do instead?
 - Last performance evaluation: Ask about 3 strengths first then 2 weaknesses.
 - How to deal with “selective memory”: Volley it back then remain silent.
- Why is weakness information important?
 - Exposes skill gaps.
 - It's what they're *least motivated* to do, linking it to motivation assessment. ★

My weakness is I care too much!

Behavior-based Interviewing

THE HOLES!

1. Bunches and bunches of BAD interview questions.
2. Good answers to behavior-based questions are readily available on the Internet.
3. Skill-Centric. Note: Skills are not indicators of future job performance or success.
4. No minimum hiring standard. When it comes to hiring...anything goes.
5. You **cannot** accurately assess a candidate's motivation using it! ★

We Can Do Better!

Ineffective Questions Impact Hiring Results

Over What's Wrong With This Question? *

SKILL SCORE

~~1~~ ~~2~~ ~~3~~ 4 5

“Tell me about a specific time when you went above and beyond to satisfy a customer.”



Let's Talk 93% "Attitude"

What Is Attitude?

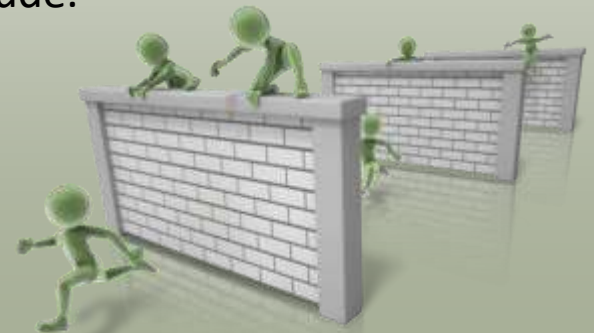
- It's a person's tendency or way of reacting to obstacles.

Why Is It Important?

- It's considered the #1 predictor of future job performance and success.
- It determines whether a person will seek solutions & try hard or will give-up easily.
- Unlike skill, we cannot change another person's attitude.

Can It Be Assess During A Job Interview?

- Absolutely! But you can't do it using behavior-based interviewing.



Understanding Attitude Assessment

Overview

Attitude is based on the behavior psychology called *locus of control*.

Interview-savvy candidates cannot fake attitude answers.

Locus of control plays a major role in governing how a person responds to challenges and goals.

It's linked to motivation and can be assessed using "motivation-based interviewing" or MBI.

MBI uses properly phrased skill- assessment questions to expose attitude information.

The Psychology Behind Attitude

Locus of Control (“locus” is Latin for *location*) – refers to the perceived control or power a person thinks he/she has to overcome obstacles and sway outcomes (achieve goals).

There are only two locations of control: **internal** and **external**.

INTERNAL (I) Locus of Control

It is associated with the “I can” attitude. It sees power to affect an outcome as residing within oneself. It

is more optimistic and spawns problem-solving efforts and action.

It is linked to self-motivation and High Performers!

EXTERNAL (E) Locus of Control

It is associated with the “I can’t” attitude and sees oneself as being powerless to overcome obstacles or sway outcomes. It believes power resides elsewhere, or externally. It’s more pessimistic and defeated.

Blaming and excuses are common.

Asking Effective MBI Questions

Structured + 3 Simple Rules

SKILL SCORE

1 2 3 4 5

“Tell me about a specific time when you encountered an irate customer.”



Assessing & Scoring Attitude

Only TWO Scores: Internal (I) or External (E)

An “I can” attitude goes into problem-solving mode when obstacles are encountered.

An “I can’t” attitude doesn’t!

An “I can” attitude can provide specific details about their problem-solving efforts and action.

An “I can’t” attitude cannot share details that don’t exist. ★

Good-sounding generic answers and stories of insurmountable obstacles often fool untrained interviewers causing them to overrate candidates.

Attitude Assessment Exercise

MBI QUESTION:

Tell me about a specific time when you encountered an irate customer.

Candidate Answer #1:

“Working in retail, I get a lot of rude customers. They’re often very demanding and have unrealistic expectations. Some want refunds without a receipt. They can get pretty angry when they don’t get their way. But I tell them my hands are tied and there’s nothing I can do about it. It’s the company policy.

I or **E**

Attitude Assessment Exercise

MBI QUESTION:

Tell me about a specific time when you encountered an irate customer.

Candidate Answer #2:

“Whenever I have an irate customer, I try to pull them aside so other customers don’t hear them in case they raise their voice. I listen and find out what the problem is. Then I usually apologize, ask them what I can do to make them happy...and then I do it.”

I or **E**

Attitude Assessment Exercise

MBI QUESTION:

Tell me about a specific time when you encountered an irate customer.

Candidate Answer #3:

“A customer came in with a pressure washer he had purchased from us 6 months ago. It stopped working and he wanted a refund. I explained that after 30 days it becomes a warranty issue. I called my District Manager to see if I could make an exception. I was told no. I gave him the phone number to the manufacturer’s warranty department. I also suggested he purchase a more heavy-duty model since he used it everyday for work and offered him a 20% discount. He thanked me and said he would consider it.”

I or **E**

Five More Things To Know About MBI

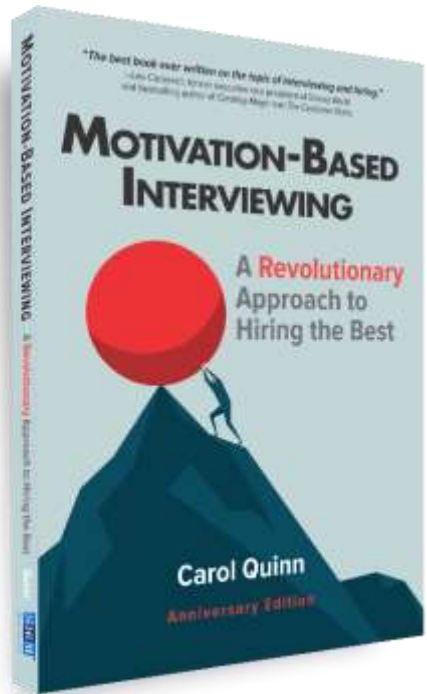
1. Motivation-based interviewing was specifically developed for hiring “High Performers.” It assesses the THREE components all top performers share in common; *skill*, *attitude* and *passion*.
2. MBI takes no extra interviewing time and can be used to fill every job opening from entry-level to CEO.
3. It uses properly & consistently phrased skill-assessment questions to gather both *skill* and *attitude* information...and then determines *predominant* response (a pattern of behavior is more predictable).
4. MBI uses 5 simple pre-written questions to assess a candidate’s passion, which is considered a powerful natural self-motivator. The idea is to hire someone whose passion is a match with the job duties.
5. When passion joins forces with the right attitude, it creates the highest level of self-motivated. Just add or teach the necessary skill...and you have a “High Performer”. ★

Review, Questions...And Answers



Boot Camp Review:

- It is the responsibility of the interviewer to get employment date details and to dig deeper into why a candidate left a job.
- Candidates are prepared to answer the standard weakness question and divert attention away from their actual weaknesses. You have a right to get this information. Know how!
- Stop using behavior-based interviewing. It's responsible for your hit-and-miss hiring results. Become a more effective interviewer!
- The interview has evolved. Organizations/interviewers must evolve or suffer the consequences of needless hiring mistakes!



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Annual Labor & Employment
UPDATE
December 2019
Presented by Joseph Ortiz of
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ABOUT YOUR PRESENTER



Joseph Ortiz is a partner with the Labor & Employment practice group at Best Best & Krieger, LLP. Ortiz advises and represents private and public employers in labor & employment matters of all kinds. He routinely provides training and presentation to employers and employment groups on a wide-range of employment-related topics, ranging from leave law compliance to labor organization issues and harassment and diversity training. He was appointed to the California Fair Employment & Housing Council in 2017.

Education

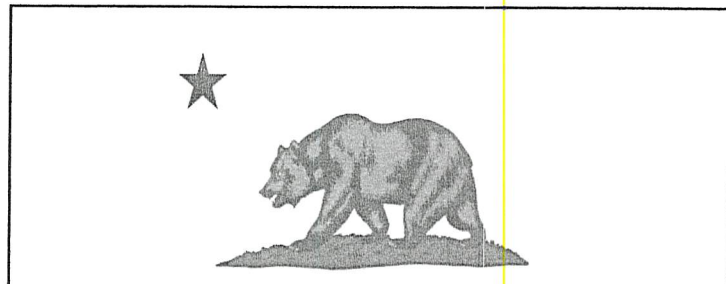
University of Minnesota, J.D.
University of California, Los Angeles (UCLA), B.A.

Bar Admissions

California



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AB5 – USE OF CONTRACTORS

The new ABC test under ABS:

- Presumption that worker is an employee, unless:
- A- The contractor is **free from the control and direction** of the agency.
 - B- The contractor performs work **outside the usual course** of the agency's business.
 - C- The contractor is **customarily engaged in the trade**.

*Need to satisfy all three

COMPARE - Borello factors:

- 1 - Contractor uses his or her own tools and workspace
 - 2 - Contractor is a skilled specialist without need of supervision
 - 3 - Contractor is involved in distinct business
 - 4 - The relationship with Contractor is finite (not ongoing)
 - 5 - Contractor is paid by invoice rather than payroll
 - 6 - Work is not agency's usual business
 - 7 - Business views worker as Contractor
- *No single factor controlling



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AB5 – EXCEPTIONS

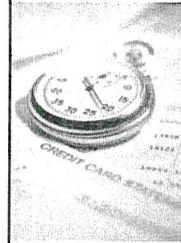
AB5 generally exempts the following occupations from the ABC test:

1. Licensed insurance professionals.
2. Physicians, surgeons, dentists, etc.
3. Lawyers, architects, engineers, private investigators, and accountants.
4. Securities brokers and investment advisors.
5. Direct salespersons.
6. Commercial fishermen

** IRS & CalPER use different tests



AB9 – FEHA Statute of Limitation



AB9 extends the time period for filing a discrimination or harassment claim under the Fair Employment & Housing Act:

- Increased from one year to three years from the date of violation.
- Will not revive claims that otherwise are already lapsed, but will provide extended life once effective as of January 1, 2020.
- Charges filed under *Unruh, Ralph (hate crimes), or Bane Acts (threats, intimidation)* will remain subject to a one-year time limit.

AB25 – AMENDMENT TO THE CONSUMER PRIVACY ACT



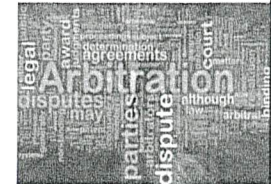
The California Consumer Privacy Act (CCPA) becomes effective January 1, 2020:

- Grants consumers right to know, access, and request deletion of their data.
- AB25 clarifies rights apply to employees, contractors, emergency contacts, and dependents/spouses of employees.
- AB25 delays the obligation to inform consumer as to categories of information to be collected until January 1, 2021.

AB51 – Prohibition Against Mandatory Arbitration Agreements


AB51 pushes greater restrictions on employment-based Arbitration Agreements:

- Prohibits employers from *requiring* employees waive any right, forum, or procedure for a violation of FEHA or the Labor Code.
- Prohibits threats, retaliation, or discrimination against employees who refuse to waive such right, forum, or procedure.
- Prohibits Arbitration Agreement that require affirmative action to "opt out" in order to preserve employee rights.
- Does not invalidate Arbitration Agreements governed by the *Federal Arbitration Act*.




AB1805 – OSHA REPORT

AB1805 refines the test for reporting "serious injury or illness" to CalOSHA:




- Historically, employers must report to CalOSHA when (1) hospital for 24 hours; (2) suffering loss of member of body; or (3) permanent disfigurement.
- AB1805 eliminates the 24-hour hospital requirement, but clarifies that hospital stay must be for "other than medical observation or diagnostic testing."
- AB1805 also expressly includes loss of eye in definition of "loss of member."
- Effective January 1, 2020.




SB30 – DOMESTIC PARTNERSHIP EXPANSION

SB30 expands the current definition of "Domestic Partner" in California:




- Current law allows Domestic Partners but requires the couple to be same-sex or over 62 years in age.
- Effective January 1, 2020, SB30 removes these restrictions.




SB142 – LACTATION ACCOMMODATIONS

SB142 expands lactation accommodation requirements:




- Current law requires reasonable time to express milk for infant without loss of pay, unless undue hardship. Employers must "make reasonable efforts" to provide a private location, other than a restroom, near the work area.
- SB142 sets out parameters of acceptable spaces: (1) shielded from view; (2) free from intrusion; (3) close to work area; (4) safe, clean and free from hazmat; (5) place to sit and surface for pump; (6) access to electricity; and (7) sink and refrigerator or cooler near.
- SB142 requires employer to adopt a "lactation accommodation" policy.
- SB142 also requires new buildings and those undergoing significant improvements to build in "lactation spaces" for employees with set parameters.




SB188 –DISCRIMINATION BASED ON NATURAL HAIR

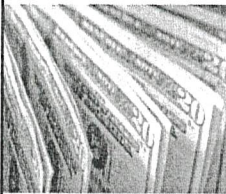
SB188 prohibits discrimination on the basis of natural hair:



- SB188, also known as the *CROWN Act* (Create a Respectful and Open Workplace for Natural Hair) notes that prohibition on natural hair styles has a disparate impact on black individuals.
- SB188 expands the definition of "race" under the FEHA to include "traits historically associated with race, including, but not limited to, hair texture and protective hairstyles."
- Effective January 1, 2020.



SB688 – UNPAID WAGES



SB688 expands the enforcement ability of the California Labor Commissioner:

- Previously, the Labor Commissioner could only enforce actions for violations alleging unpaid minimum wages.
- SB688 amends Labor Code section 1197.1 to allow enforcement where the employer has contractually promised to pay more than minimum wage but failed to pay.
- Effective January 1, 2020.



SB778 – DEADLINE FOR ANTI-HARASSMENT TRAINING

SB778 extends the deadline for California employers to come into compliance with anti-harassment training requirements:



- Recall that under last year's law, employers with 5 or more employees must provide at least two hours of training for supervisors and one hour of training for non-supervisors by January 2020.
- SB778 extends the deadline to comply to January 1, 2021 and clarifies that an employer who has provided training in 2019 is compliant for two years.

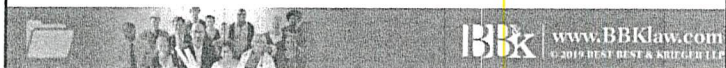


PENDING NEW REGULATION: PRE-EMPLOYMENT INQUIRIES

Pending before the Fair Employment & Housing Council are regulations affecting pre-employment inquiries:



- Prohibiting terms in advertisements that deter older workers, such as "college student" or "digital native," except where a bona fide occupational requirement.
- Prohibiting pre-employment inquiries that may directly or indirectly divulge age, such as age, date of birth, or graduation dates, except where a bona fide occupational requirement.
- Prohibiting electronic or web-based applications that exclude candidates on blanket assessments of schedule availability without regard to need for accommodation on basis of religion, disability, or medical condition.

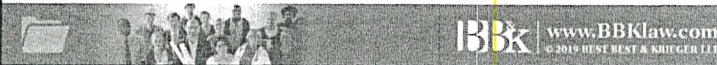


Wage & Hour Update



MINIMUM WAGE/OT EXEMPTION INCREASES

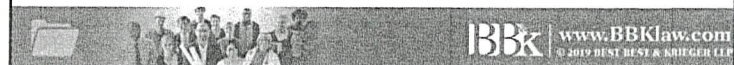
- ☐ Fair Wage Act of 2016:
 - \$13.00 as of Jan. 2020 (26+)
 - \$14.00 as of Jan. 2021 (26+)
 - Trend to \$15 by 2022 (26+)
 - Several "Off Ramp" Provisions
- ☐ White Collar Exemption, Salary Req.:
 - FLSA – New DOL salary threshold rule (\$35,568/yr)
 - California
 - \$54,080/yr as of Jan. 2020 (26+)
 - \$58,240/yr as of Jan. 2021 (26+)



NEW FLSA OVERTIME RULES RAISE SALARY THRESHOLDS

On September 24, 2019, the DOL issued new rules affecting the salary cutoffs for both "white collar" (EAP) and "highly compensated" (HCE) employees. The new rules take effect on January 1, 2020, and impact FLSA overtime exemptions in four principal ways:

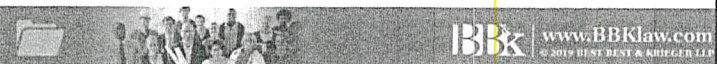
- 1) The minimum weekly salary threshold is now set at \$684 per week (\$35,568 annualized) under the EAP test;
- 2) Certain nondiscretionary bonuses and incentive payments may be counted toward up to 10% of the minimum EAP salary amount;
- 3) The minimum annual salary threshold is now set at \$107,432 under the HCE test; and,
- 4) The DOL will update the salary threshold amounts every four years.



ON-CALL EMPLOYEES REQUIRED TO TELEPHONE WORK SITE BEFORE START OF SHIFT ENTITLED TO REPORTING TIME PAY

Ward v. Tilly's, Inc. (2019) 31 Cal. App. 5th 1167

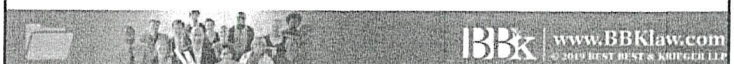
- IWC Order 7-2001 (Wage Order 7) requires a mercantile industry employer to pay reporting time pay to a non-exempt employee who is required to, and does, report for work but is not put to work or is furnished less than half his/her normally schedule day's work.
- Tilly's sales employees were required to contact stores two hours before the start of "on-call" shifts to learn whether they needed to work the shifts.



ON-CALL EMPLOYEES REQUIRED TO TELEPHONE WORK SITE BEFORE START OF SHIFT ENTITLED TO REPORTING TIME PAY (cont'd)

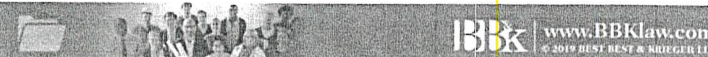
Ward v. Tilly's, Inc. (2019) 31 Cal. App. 5th 1167

- Trial court ruled Tilly's did not owe reporting time pay under Wage Order 7 because sales clerks did not *physically appear* at their assigned stores before the start of their scheduled shifts. Ward appealed.
- The appellate court reversed.
 - "Reporting for work" means presenting oneself as *ordered* – whether by appearing at a job site, logging onto a computer remotely, or phoning in before the start of a shift.




**MCDONALD'S NOT A
JOINT EMPLOYER WITH FRANCHISEES**
Salazar v. McDonald's Corp., No. 17-15673 (9th Cir. 2019)

- Plaintiffs were employees at various McDonald's franchises. McDonald's required local franchisees to use McDonald's computer systems to operate their restaurants – including a system for employee scheduling, timekeeping, and determining overtime pay. McDonald's also required managers to train at its "Hamburger University" and required all employees to wear standard uniforms.
- Local franchisees interviewed and hired new employees, trained non-managerial employees, set employee wages, paid employees from the franchisees' own bank accounts, set work schedules, monitored time entries, and exercised hiring, firing and disciplinary authority over the employees. McDonald's did not perform any of those functions.
- Plaintiffs sued the franchise owners and McDonald's claiming both were liable as joint employers for alleged meal/rest break and overtime violations under California Wage Orders.



**MCDONALD'S NOT A
JOINT EMPLOYER WITH FRANCHISEES**
Salazar v. McDonald's Corp., No. 17-15673 (9th Cir. 2019)

- McDonald's was not a joint employer because it did not exert direct or indirect control over the employees' hiring, firing, wages, hours and working conditions.
- McDonald's involvement with the franchisees' workers was simply incidental to McDonald's efforts to maintain its brand standards.
- McDonald's was not responsible for preventing Wage Order violations by the franchisees, even though the franchisees used McDonald's computer systems, because there was no employer-employee relationship between McDonald's and the franchisees' workers.





**Harassment, Discrimination,
Retaliation**



**STAFFING AGENCY USE MAY EXPOSE BUSINESS¹
TO JOINT-EMPLOYER LIABILITY**
Jimenez v. USCM, Inc., 41 Cal.App.5th 189 (2019)

- USCM contracts with staffing company Ameritemps to supply temporary employees; Plaintiff Jimenez was placed at USCM by Ameritemps
- Jimenez's salary was paid by Ameritemps; Ameritemps tracked her time with a time clock it provided; and Ameritemps had the ultimate right to terminate her employment
- Jimenez was supervised on a daily basis by a USCM employee; she was subject to USCM's employee handbook (including for disciplinary purposes); and USCM could terminate her services in the same manner as it terminated services of its direct employees
- Bottom line: The day-to-day work experience for temporary and direct employees at USCM was virtually identical.



STAFFING AGENCY USE MAY EXPOSE BUSINESS TO JOINT-EMPLOYER LIABILITY

- Jimenez was investigated by USCM as a result of bullying complaints made against her, and she was issued a warning.
 - During the investigation Jimenez raised allegations of harassment against a co-workers, first to USMC and then to Ameritemps.
 - Investigation concludes the allegations could not be corroborated, so no disciplinary action was taken.
- USCM subsequently terminates Jimenez's services, and then Ameritemps terminates her employment.
- Jimenez files suit against USCM and her co-worker, alleging various FEHA claims.
 - Ameritemps was originally named as a defendant, but was later dismissed.
- Jury concludes that Jimenez that was not an employee of USCM, which defeats all of Jimenez's claims.



STAFFING AGENCY USE MAY EXPOSE BUSINESS TO JOINT-EMPLOYER LIABILITY

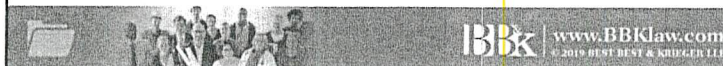
- The Court of Appeal reversed the judgment in favor of USCM.
- A contracting employer's status as employer must be considered individually, and not in relation to that of the direct employer.
 - While FEHA requires a claimant to demonstrate, as a threshold matter, an employment relationship with her alleged employer, the relationship need not be direct.
 - Rather, the employment relationship must show the employer's exercise of direction and control over the employee, i.e.,
 - whether the employee must obey instructions from the employer, and
 - whether the employer had a right to terminate the employee's services at any time.



ADVERSE ACTIONS ESTABLISHED BY COMPARISON TO "SIMILARLY SITUATED"

Gupta v. Trustees of the CSU, 40 Cal.App.5th 510 (2019)

- Plaintiff Rashmi Gupta, a woman of Indian ancestry, was hired by San Francisco State University (SFSU) in 2006 as a "tenure track assistant professor."
- In November 2009, Gupta and several other women of color met with the SFSU Provost and College Dean Don Taylor to discuss "faculty concerns" relating to "abuse of power and authority, excessive micromanagement, bullying, and the creation of a hostile work environment."



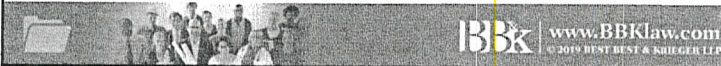
ADVERSE ACTIONS ESTABLISHED BY COMPARISON TO "SIMILARLY SITUATED"

- Gupta later receives a poor fourth-year review critical, despite the fact that she received positive reviews the year prior.
- Gupta sends emails to a colleague complaining that her workplace was hostile towards women of color and that Taylor was among those responsible.
- At a March 2010 faculty meeting, Taylor became enraged at Gupta for sending the emails and told her, "I'm going to get even with you" and later denies Gupta's request for early tenure. Thereafter, he consistently recommends against her tenure.



ADVERSE ACTIONS ESTABLISHED BY COMPARISON TO "SIMILARLY SITUATED"

- **COMPARISON:** While Gupta was denied tenure, SFSU granted tenure to another professor – Dr. J.H. – whose "Student Evaluation of Teaching Effectiveness" (SETE) scores were far lower than Gupta's and who had not met the minimum publication requirements.
- Gupta, in contrast, had more than double the requirements for publication, in addition to the enthusiastic support of her students and colleagues.
- In June 2014, SFSU terminated Gupta's employment. Gupta sues SFSU for discrimination and retaliation. Jury verdict in favor of Gupta, finding that SFSU had retaliated against Gupta in denying tenure and terminating her employment.



ADVERSE ACTIONS ESTABLISHED BY COMPARISON TO "SIMILARLY SITUATED"

- SFSU appealed arguing that the trial court erred in allowing Gupta to present evidence of the comparable professor and not requiring a jury instruction that her qualifications were "clearly superior."
- Court of Appeal affirmed the trial court ruling:
 - Evidence supported the trial court's finding that Dr. J.H. and Gupta were similarly situated in all relevant respects.
 - Gupta was not required to show she was "clearly superior" to Dr. J.H. For comparator evidence to be admissible at trial, all that is required is for the more favorably treated comparator to be "similarly situated" to the plaintiff "in all relevant respects."



EMPLOYERS MAY NOT SHIFT FEES ON A 998 OFFER WITHOUT A FRIVOLOUS FINDING
Huerta v. Kava Holdings, Inc., 29 Cal.App.5th 74 (2018)

- Two restaurant workers sued; jury found for defendant on FEHA claims for harassment/ discrimination
- Court found action was not "frivolous" but awarded \$50k based on defendant's CCP §998 offer
- **REVERSED:** Effective 1/1/2019, §998 offer doesn't apply to defense motion for fees and costs unless suit is determined to be "frivolous, unreasonable or groundless"



Disability Discrimination and Medical Leaves



MISTAKEN APPLICATION OF VALID POLICY IS NOT A GOOD FAITH DEFENSE

Glynn v. Super. Ct. (11/13/19) (CA 2/4 B296735)

- A mistaken application of a valid employer policy may result in disability discrimination liability under FEHA.
- The employee had sufficiently communicated to his employer that he believed the way he was treated (i.e. ignored and not accommodated for his alleged disability) was discriminatory and that the employer could not state a legitimate nondiscriminatory reason for the plaintiff's termination.



FEDERAL COURT IMPLIES OBESITY IS NOT A DISABILITY WITHOUT UNDERLYING CAUSE

Valtierra v. Medtronic Inc., 934 F.3d 1089 (9th Cir. 2019)

- A terminated employee claimed that his obesity was a disability under the ADA and that his termination was illegal.
- District Court found that the employee could not prove that his obesity was caused by an underlying medical condition and therefore was not a protected disability.
- The Ninth Circuit Court of Appeals did not decide whether obesity is a protected disability, concluding instead that there was no causal connection between his obesity and his termination which was for a valid reason



Valtierra v. Medtronic Inc. (cont'd)

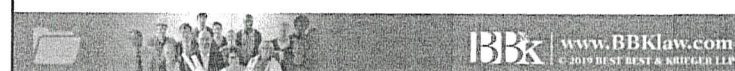
- The Seventh Circuit Court of Appeals found that an obese job applicant could not prove a case of ADA discrimination based on the potential employer's concerns over possible future health conditions related to the applicant's obesity when the applicant was presently healthy with only a potential to become disabled.
- Under California state law both decisions might have a different outcome because obesity may be a disability if there is a physiological cause or if the employer regards the obesity as a disability.



BE CAREFUL ABOUT WHETHER YOU ARE ON NOTICE OF DISABILITY

Ross v. Co. of Riv., 36 Cal.App.5th 580 (2019)

- Ross worked for the County of Riverside as a deputy DA. In 2013, he told his supervisor he might be "seriously ill with a neurogenerative disease."
- He requested accommodations, including a reduced caseload and transfer to a different unit. He took time off for testing at an out-of-state clinic.



Ross v. County of Riverside (cont'd)

- The employer placed him on leave and requested a fitness-for-duty examination. The employer also requested medical documentation of his condition as part of the interactive process.
- When the employee did not produce the requested information, the County ordered him to return to work. The employee refused, claiming constructive termination.



Ross v. County of Riverside (cont'd)

- The employee sued for disability-related theories. The trial court granted summary judgment for the employer, but the Court of Appeal reversed.
- **Held:** Question of fact existed as to whether the employee had, or was perceived to have, a qualifying disability.



Department of Labor Opinion Letter, March 14, 2019

- DOL issued an opinion letter addressing whether an employer can delay designating paid leave under FMLA.
- **Answer:** No – if a FMLA-eligible employee communicates a need to take leave for a FMLA-qualifying reason, neither the employee nor the employer may decline FMLA protection for that leave.

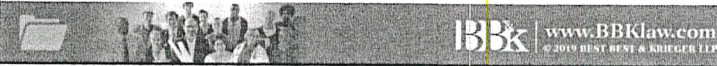


Department of Labor Opinion Letter, Sept. 10, 2019

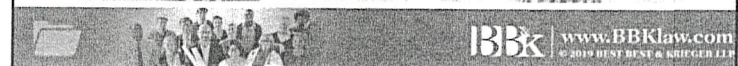
- In this letter, the DOL confirmed that, even if an MOU/collective bargaining agreement allows employees the right to delay receipt of FMLA, the employer is still obligated to designate the leave.
- Once aware of FMLA-qualifying leave, the employer must designate it.



**Thank you for
attending.**



ANY QUESTIONS?



TAB H

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
Tuesday, February 25, 2020

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Thursday, February 25, 2020 in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi, Olivia Hershey (C), Ehren Ngo, Lanny Swerdlow

Members Absent: Andrew Gardner

Required Staff: Steve Barron (CEO), Dave Recupero (CFO), Pat Brown (CNO), Holly Yonemoto (CBDO), Bobbi Duffy (Executive Assistant), Ariel Whitley (Administrative Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
Call To Order	Committee Chair Olivia Hershey, called the meeting to order at 9:00 am.	
Public Comment	There was no public present.	
OLD BUSINESS		
Proposed Action - Approve Minutes January 28, 2020 regular meeting	Chair Hershey asked for any changes or corrections to the minutes of the January 28, 2020 regular meeting. There were none.	The minutes of the January 28, 2020 regular meeting will stand correct as presented.
NEW BUSINESS		
Proposed Action – recommend Approval to Hospital Board of Directors – Monthly financial Report – January 2020	<p>Dave Recupero distributed a hard copy of the January 2020 finance report that was included on the tablets.</p> <p>Dave referred Committee to page 11, “TOP LINE” Year-end PROJ UPDATE”. He noted that the good news is that we’ve received a final number for IGT funds for the current and next year. We expected to receive an additional \$2,478,508. This new information will allow him to make more accurate projections. He stated that we expect to receive these funds in April and they</p>	M.S.C. (Swerdlow/ Ngo), the SGMH Finance Committee voted to recommend approval of the January 2020 Financial report to the Hospital Board

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
	<p>will go towards paying off the line of credit.</p> <p>Dave referred Committee members to page 10, “AR Report” noting that the general update is how we’re doing with the new company, Navigant, bringing in cash on billings. He noted that “Patient Cash Collections” were over \$4 million in 3 of the last 4 months. As shown on line 34, “Total Gross Days in AR”, he noted that this reflects a reasonable range based on all of the recent transitions and is in a good range in collection performance. Susan DiBiasi requested that a quarterly aging report be presented to this Committee in the future.</p> <p>Dave referred Committee members to page 9, “Patient Statistics”, noting that as shown on line 16, January was a record month in ED visits with 4,245 compared to the budget of 3,828. January ED visits was the highest we’ve ever seen in our history. When asked how many of these visits were transferred, Pat Brown estimated that between 150 and 175 would have been transferred for a higher level of care. Since our ED already tracks this information, Dave will add this information to future monthly reports. Dave will also add how long observation patients are here. In response to a question, Steve Barron noted that higher acuity is being documented and that Navigant does extensive training for coding for both the coders and physicians to make certain that it’s documented correctly.</p> <p>Dave referred Committee members to page 8, “Healthcare System Mini Cash Flow” noting that as shown in the bottom section, we received no IGT funds in January which hurt our cash flow for the month. He noted that it’s a timing issue and difficult to predict when we’ll receive them.</p> <p>Susan asked how many months in arrears with accounts payable. Dave referred to page 7 “Balance sheet – Liabilities and Net Assets”, line 1 “Accounts Payable”, which shows that we are currently \$5,861,902, which is \$699,280 up from the previous month. He stated that part of this reason is that we didn’t receive any IGT funds.</p> <p>Dave reported that as shown on page 5 “Statement of Revenue and Expense”, line 23 “Physicians Fees” is still over budget, but once a new anesthesia contract is in place, this issue will resolve and show significant savings.</p>	<p>of Directors.</p>

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
	<p>ROLL CALL:</p> <table border="1" data-bbox="396 327 1203 443"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Gardner</td> <td>Absent</td> </tr> <tr> <td>Hershey</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Gardner	Absent	Hershey	Yes	Ngo	Yes	Swerdlow	Yes	Motion carried.		
DiBiasi	Yes	Gardner	Absent											
Hershey	Yes	Ngo	Yes											
Swerdlow	Yes	Motion carried.												
COMMITTEE REPORTS:														
<p>Ad Hoc Audit Selection Committee</p> <p>Proposed Action – Recommend Approval to Hospital Board of Directors – new auditors</p>	<p>Ad Hoc Audit Selection Committee Chair Susan DiBiasi stated that the Committee came up with a list of potential new audits and sent out RFPs.</p> <p>Once proposals were received, it was narrowed down to three candidates: WIPFLY LLP, Dingus, Zarecor & Associates, and Moss Adams.</p> <p>Steve Barron and Dave Recupero interviewed each of the candidates.</p> <p>It is the recommendation of the Ad Hoc Audit Selection Committee, Steve Barron and Dave Recupero that WIPFLI LLP be hired as the new auditors for the next three years’ of audits. It was noted that this firm also has experience and resources to deal with the upcoming Lease/Management Agreement needs.</p> <p>ROLL CALL:</p> <table border="1" data-bbox="396 1251 1203 1367"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Gardner</td> <td>Absent</td> </tr> <tr> <td>Hershey</td> <td>Yes</td> <td>Ngo</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Gardner	Absent	Hershey	Yes	Ngo	Yes	Swerdlow	Yes	Motion carried.		<p>M.S.C., (DiBiasi/ Ngo), the SGMH Finance Committee voted to recommend approval of WIPLI LLP audit firm to the Hospital Board of Directors</p>
DiBiasi	Yes	Gardner	Absent											
Hershey	Yes	Ngo	Yes											
Swerdlow	Yes	Motion carried.												
<p>Future Agenda Items</p>	<p>None</p>													
<p>Next Meeting</p>	<p>The next Finance Committee meeting will be held on March 31, 2020.</p>													
<p>Adjournment</p>	<p>The meeting was adjourned at 10:09 am.</p>													

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Bobbi Duffy, Executive Assistant



**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA**

Unaudited Financial Statements

for

SEVEN MONTHS ENDING JAN 31, 2020

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements, except for the uncertainty of IGT revenue accruals, do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Certified by:

David D. Recupero

CFO

San Gorgonio Memorial Hospital

Financial Report – Executive Summary

For the month of January 2020 (Seven months in FY 20)

Profit/Loss (EBIDA) Summary

In the current month, there was a \$767K favorable budget variance for Earnings before Interest, Depreciation and Amortization (EBIDA). January EBIDA actual was \$1.004 Million, or a +13.6% EBIDA margin, mostly due to a one-time IGT favorable adjustment. The comparison to same month last year was an increase of close to \$2.0 million (last January's EBIDA was -\$919K). The resulting Year-to-Date (YTD) EBIDA budget variance for this fiscal year is now \$1.909M. Actual FY 20 EBIDA compared to YTD last year is now \$3.49M improved. Year-to-Date increase/decrease in unrestricted net assets (net profit) was \$849K loss compared to the budgeted YTD loss of \$2.56M and last year's YTD loss of \$4.43M.

Analysis

Referring to Patient Statistics page 9 of attached report, we see line 3 "Adjusted Acute Discharges" which is a good proxy over-all patient statistic posted favorable (higher figures) compared to last year January (876 vs 856) and also YTD January (5,590 vs. 5,406). Volumes as measured by gross charges for the year actual came in within 1% of budget. The favorable \$767K EBIDA monthly Budget variance was caused by the much higher IGT accruals (+\$1.4 M over budget) more than offsetting unfavorable variances in Net patient revenues (-\$635K) and expenses unfavorable variances (\$59K). For the year. Net Patient revenues of \$29.23M was \$400K better than budget and \$2.56 million improved over the FY 19 Year-to-Date figure.

Patient Revenues (unfavorable \$635K) Despite the favorable reported adjusted discharges statistic, our write-off percentage mushroomed in January to 84.67% compared to the budget of 83.25% (lower is better). Higher write-offs in the month reversed a consistent trend so far this year of favorable write-off percentages and payor mix issues. We are still seeing a favorable write-off percent for the year, however, YTD actual was 83% vs. 83.4% budget.

Total Operating Revenues (favorable \$836K). The good news on the IGTs helped turn around the patient revenue \$635K unfavorable budget variance. Total Operating revenue which includes IGTs shows an \$836K favorable variance. Last finance committee we spent the majority of the meeting (Top Line Year-end PROJ Update) explaining the \$2,478,508 higher amounts now expected for the 18-19 and the 19-20 rate range IGT programs. I have included it again for your review on page 11.

Key patient statistics variances included:

Average Daily Census (ADC) in January (25.8 actual vs 32.8 budget and 30.9 last year). YTD ADC actual= 25.6 vs budget 27.1 and last year first 7 months ADC was 25.5. YTD ED visits were 2.14% ahead of budget. Outpatient GI lab procedures had 173 procedures compared to 91 last January. Areas of declined patient activity include observation bed days (down 8.1% YTD) and outpatient surgeries (down 34.8% YTD). The over-all measurement of patient activity YTD adjusted acute discharges were down 2.93% compared to budget but up 3.42% compared to last year.

In summary, it was again the favorable supplemental revenues adjustments resulting in the improved financial performance for the month.

Expenses (unfavorable \$59K) January expenses were higher than budget by 0.9%. The budget variance was mostly due to benefits (+\$160K) higher caused by the 3 payrolls (instead of the 2.16 average PPs budgeted) in January. The physician fees (anesthesia) (+\$81K) and Repairs (+\$36K) higher due to the timing of invoices. Year-to Date overall actual expenses are now 2.91% over budget. We continue to be hopeful that anesthesia expenses should be reduced with a new contract being finalized for anesthesia.

BALANCE SHEET/CASH FLOW

Cash Balances continued lower (as expected) due to low supplemental funding. We had zero new IGT funds in the month of January. The Cash Flow report (page 8) now shows only \$1,219,685 in supplemental cash has been collected so far for the first seven months of the fiscal year compared to the year-end projected supplemental total of \$17.7 million. Page 10 line 34 shows January Days in AR at 64.1 slightly higher than last fiscal year-end figure of 59.0 days. Line 22 of the same report shows a strong figure of \$4,039,564 in patient collections,

The FY 20 fiscal year-end projected cash picture is now showing a slightly lower cash ending balance as compared to the original budgeted estimates.

Concluding Summary

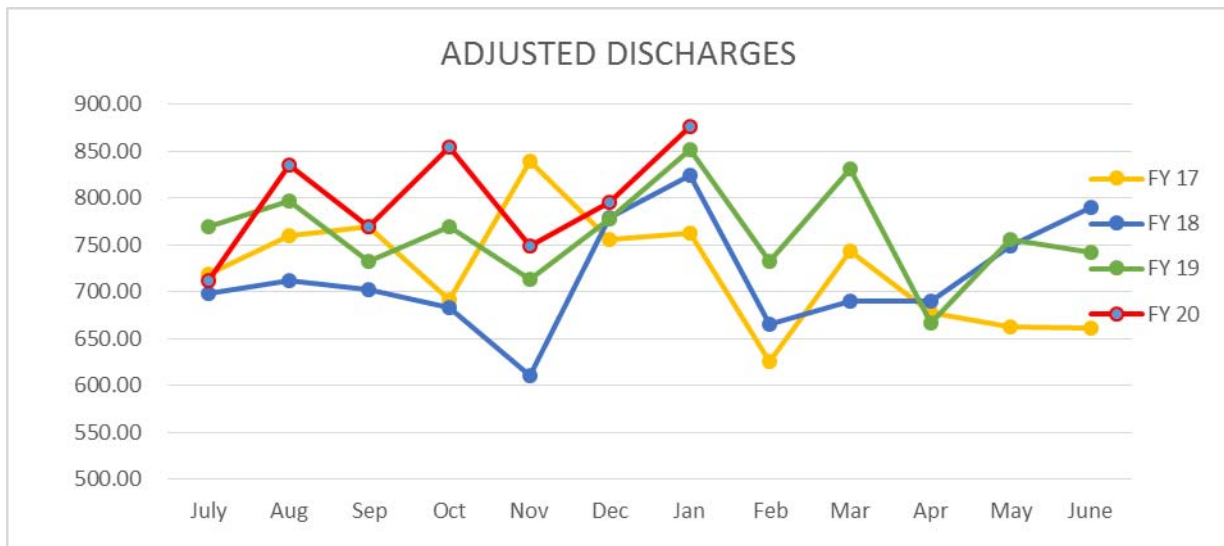
Positive takeaways for the month:

- 1) ED Visits (4,245) sets all-time high for monthly statistic
- 2) Improved (lower) legal costs for the month
- 3) Vastly Improved IGT due to one-time adjustment (updated 19-20 rate range IGT)

Negative takeaways for the month:

- 1) Cash flow challenges as anticipated mostly due timing issues with IGTs
- 2) Higher than expected physician fees especially related to anesthesia costs.

Prepared 02/19/2020
Dave Recupero, CFO



Statement of Revenue and Expense
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
SEVEN MONTHS ENDING JAN 31, 2020

	CURRENT MONTH					Prior Year 01/31/19
	DISTRICT ONLY	COMBINED		Positive	Percentage Variance	
	Actual 01/31/20	Actual 01/31/20	Budget 01/31/20	(Negative) Variance		
Gross Patient Revenue						
[1] Inpatient Revenue	\$0	\$7,160,840	\$9,213,567	(\$2,052,727)	-22.28%	\$8,748,875
[2] Inpatient Psych/Rehab Revenue	0	0	0	0	0.00%	0
[3] Outpatient Revenue	0	18,646,524	18,205,310	441,214	2.42%	17,487,856
[4] Long Term Care Revenue	0	0	0	0	0.00%	0
[5] Home Health Revenue	0	0	0	0	0.00%	0
[6] Total Gross Patient Revenue	0	25,807,365	27,418,877	(1,611,512)	-5.88%	26,236,731
Deductions From Revenue						
[7] Discounts and Allowances	0	(21,220,267)	(21,791,539)	571,272	2.62%	(21,373,235)
[8] Bad Debt Expense	0	(537,732)	(918,947)	381,215	41.48%	(1,508,460)
[9] Prior Year Settlements	0	0	(62,863)	62,863	100.00%	0
[10] Charity Care	0	(92,578)	(53,913)	(38,665)	-71.72%	(54,524)
[11] Total Deductions From Revenue	0	(21,850,577)	(22,827,262)	976,685	4.28%	(22,936,218)
[12]		84.67%	83.25%			87.42%
[13] Net Patient Revenue	0	3,956,788	4,591,615	(634,827)	-13.83%	3,300,512
Non Patient Operating Revenues						
[14] IGT/DSH Revenues	0	2,617,630	1,200,000	1,417,630	118.14%	979,855
[15] Tax Subsidies Measure D	331,127	331,127	235,882	95,245	40.38%	275,000
[16] Tax Subsidies Prop 13	138,731	138,731	141,742	(3,011)	-2.12%	105,000
[17] Tax Subsidies County Supplemental Funds	104,181	104,181	97,500	6,681	6.85%	96,957
[18] Other Operating Revenue	81	218,243	268,880	(50,637)	-18.83%	172,439
[19] Clinic Net Revenues	22,806	22,806	27,753	(4,947)	-17.82%	799
Non- Patient Revenue	596,926	3,432,718	1,971,757	1,460,961	74.09%	1,630,050
Total Operating Revenue	596,926	7,389,506	6,563,372	826,134	12.59%	4,930,562
Operating Expenses						
[20] Salaries and Wages	0	3,124,451	3,229,148	104,697	3.24%	3,001,629
[21] Fringe Benefits	0	885,367	725,524	(159,843)	-22.03%	698,329
[22] Contract Labor	0	51,072	55,579	4,507	8.11%	115,929
[23] Physicians Fees	0	277,316	195,484	(81,832)	-41.86%	316,185
[24] Purchased Services	23,316	694,006	758,594	64,588	8.51%	314,180
[25] Supply Expense	45	800,991	801,276	285	0.04%	779,953
[26] Utilities	0	67,777	71,386	3,609	5.06%	50,571
[27] Repairs and Maintenance	0	81,147	45,038	(36,109)	-80.17%	74,496
[28] Insurance Expense	0	84,980	101,452	16,472	16.24%	73,609
[29] All Other Operating Expenses	5,912	139,317	174,257	34,940	20.05%	133,505
[30] IGT Expense	0	0	0	0	0.00%	0
[31] Leases and Rentals	0	67,320	68,143	823	1.21%	186,106
[32] Clinic Expense	67,802	111,019	99,817	(11,202)	-11.22%	104,774
[33] Total Operating Expenses	97,075	6,384,764	6,325,699	(59,065)	-0.93%	5,849,266
[34] EBIDA	499,851	1,004,742	237,673	767,069	322.74%	(918,704)
Interest Expense and Depreciation						
[35] Depreciation	502,454	502,454	500,000	(2,454)	-0.49%	494,513
[36] Interest Expense and Amortization	388,404	497,425	399,474	(97,951)	-24.52%	440,951
[37] Total Interest & depreciation	890,858	999,879	899,474	(100,405)	-11.16%	935,464
Non-Operating Revenue:						
[38] Contributions & Other	111,082	111,082	16,667	94,415	566.48%	0
[39] Tax Subsidies for GO Bonds - M-A	494,448	494,448	605,781	(111,333)	-18.38%	585,613
[40] Total Non Operating Revenue/(Expense)	605,530	605,530	622,448	(16,918)	-2.72%	585,613
[41] Total Net Surplus/(Loss)	\$214,523	\$610,393	(\$39,353)	\$649,746	-1651.08%	(\$1,268,556)
[42] Extra-ordinary loss on Financing						
[43] Increase/(Decrease in Unrestricted Net Assets)	\$214,523	\$610,393	(\$39,353)	\$649,746	-1651.08%	(\$1,268,556)
[44] Total Profit Margin	35.94%	8.26%	-0.60%			-25.73%
[45] EBIDA %	83.74%	13.60%	3.62%			-18.63%

Statement of Revenue and Expense
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
SEVEN MONTHS ENDING JAN 31, 2020

	DISTRICT ONLY		YEAR-TO-DATE			Prior Year 01/31/19
	Actual 01/31/20	Actual 01/31/20	Budget 01/31/20	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue						
[1] Inpatient Revenue	\$0	\$51,448,033	\$52,828,936	(\$1,380,903)	-2.61%	\$50,636,187
[2] Inpatient Psych/Rehab Revenue	0	0	0	0	0.00%	0
[3] Outpatient Revenue	0	120,882,005	120,840,335	41,670	0.03%	115,661,633
[4] Long Term Care Revenue	0	0	0	0	0.00%	0
[5] Home Health Revenue	0	0	0	0	0.00%	0
[6] Total Gross Patient Revenue	0	172,330,038	173,669,271	(1,339,233)	-0.77%	166,297,819
Deductions From Revenue						
[7] Discounts and Allowances	0	(137,196,962)	(138,292,887)	1,095,925	0.79%	(134,065,802)
[8] Bad Debt Expense	0	(5,337,595)	(5,820,548)	482,953	8.30%	(5,251,701)
[9] Prior Year Settlements	0	0	(398,170)	398,170	100.00%	0
[10] Charity Care	0	(566,998)	(341,480)	(225,518)	-66.04%	(315,250)
[11] Total Deductions From Revenue	0	(143,101,555)	(144,853,085)	1,751,530	1.21%	(139,632,753)
[12]		83.0%	83.4%	-0.4%		84.0%
[13] Net Patient Revenue	0	29,228,483	28,816,186	412,297	1.43%	26,665,067
Non Patient Operating Revenues						
[14] IGT/DSH Revenues	0	11,129,775	8,400,000	2,729,775	32.50%	6,334,467
[15] Tax Subsidies Measure D	1,449,877	1,449,877	1,352,508	97,369	7.20%	1,325,000
[16] Tax Subsidies Prop 13	806,231	806,231	812,723	(6,492)	-0.80%	735,000
[17] Tax Subsidies County Supplemental Funds	104,181	104,181	97,500	6,681	6.85%	96,957
[18] Other Operating Revenue	31,043	1,675,916	1,726,924	(51,008)	-2.95%	1,544,372
[19] Clinic Net Revenues	138,619	138,619	194,271	(55,652)	-28.65%	161,999
Non- Patient Revenue	2,529,950	15,304,598	12,583,926	2,720,672	21.62%	10,197,794
Total Operating Revenue	2,529,950	44,533,081	41,400,112	3,132,969	7.57%	36,862,861
Operating Expenses						
[20] Salaries and Wages	0	22,128,155	21,465,620	(662,535)	-3.09%	20,014,844
[21] Fringe Benefits	0	5,028,700	5,131,642	102,942	2.01%	5,108,212
[22] Contract Labor	0	488,680	389,053	(99,627)	-25.61%	614,733
[23] Physicians Fees	8,800	2,128,503	1,368,388	(760,115)	-55.55%	1,600,449
[24] Purchased Services	314,788	4,566,906	4,747,644	180,738	3.81%	2,801,621
[25] Supply Expense	456	5,056,585	4,972,808	(83,777)	-1.68%	4,562,411
[26] Utilities	3,000	575,443	499,702	(75,741)	-15.16%	530,209
[27] Repairs and Maintenance	6,475	415,323	315,266	(100,057)	-31.74%	378,859
[28] Insurance Expense	0	621,560	710,164	88,604	12.48%	683,333
[29] All Other Operating Expenses	52,965	1,018,591	1,219,799	201,208	16.50%	985,120
[30] IGT Expense	0	(201)	0	201	0.00%	0
[31] Leases and Rentals	0	492,874	477,001	(15,873)	-3.33%	1,016,290
[32] Clinic Expense	509,647	698,665	698,719	54	0.01%	741,119
[33] Total Operating Expenses	896,130	43,219,784	41,995,806	(1,223,978)	-2.91%	39,037,200
[34] EBIDA	1,633,820	1,313,297	(595,694)	1,908,991	-320.46%	(2,174,339)
Interest Expense and Depreciation						
[35] Depreciation	3,509,237	3,509,237	3,526,000	16,763	0.48%	3,534,666
[36] Interest Expense and Amortization	2,731,301	2,889,876	2,796,318	(93,558)	-3.35%	2,869,462
[37] Total Interest & depreciation	6,240,538	6,399,114	6,322,318	(76,796)	-1.21%	6,404,128
Non-Operating Revenue:						
[38] Contributions & Other	163,194	163,194	116,669	46,525	39.88%	50,524
[39] Tax Subsidies for GO Bonds - M-A	4,073,206	4,073,206	4,240,467	(167,261)	-3.94%	4,099,288
[40] Total Non Operating Revenue/(Expn	4,236,400	4,236,400	4,357,136	(120,736)	-2.77%	4,149,812
[41] Total Net Surplus/(Loss)	(\$370,318)	(\$849,417)	(\$2,560,876)	\$1,711,459	-66.83%	(\$4,428,655)
[42] Extra-ordinary loss on Financing						
[43] Increase/(Decrease in Unrestricted Net A	(\$370,318)	(\$849,417)	(\$2,560,876)	\$1,711,459	-66.83%	(\$4,428,655)
[44] Total Profit Margin	-14.64%	-1.91%	-6.19%			-12.01%
[45] EBIDA %	64.58%	2.95%	-1.44%			-5.90%

Balance Sheet - Assets

**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
SEVEN MONTHS ENDING JAN 31, 2020**

Percent of Net AR to Gross AR>	DISTRICT ONLY		17.62%	17.68%	ASSETS	17.33%	Curr vs Prior YE
	Current Month 01/31/2020	Current Month 01/31/2020	Prior Month 12/31/2019	Prior Month 12/31/2019	Curr vs Prior Mo. Positive/ (Negative) Variance	Prior Year End 06/30/2019	Curr vs Prior YE Positive/ (Negative) Variance
Current Assets							
[1] Cash and Cash Equivalents	\$2,108,145	\$2,712,171	\$2,627,695	\$2,627,695	\$84,476	\$4,175,227	(\$1,463,056)
[2] Gross Patient Accounts Receivable	0	51,314,490	51,618,798	51,618,798	(304,308)	49,210,703	2,103,787
[3] Less: Bad Debt and Allowance Reserves	0	(42,273,802)	(42,493,452)	(42,493,452)	219,651	(40,680,940)	(1,592,861)
[4] Net Patient Accounts Receivable	0	9,040,688	9,125,345	9,125,345	(84,657)	8,529,763	510,925
[5] Taxes Receivable	1,372,413	1,372,413	3,223,767	3,223,767	(1,851,355)	566,680	805,732
[6] Other Receivables	0	868,818	1,018,609	1,018,609	(149,791)	436,869	431,949
[7] Inventories	0	1,677,816	1,668,762	1,668,762	9,054	1,632,865	44,950
[8] Prepaid Expenses	72,875	408,455	504,975	504,975	(96,520)	1,326,928	(918,472)
[9] Due From Third Party Payers	0	895,218	905,508	905,508	(10,290)	554,344	340,874
[10] Malpractice Receivable	0	0	0	0	0	0	0
[11] IGT Receivables	0	20,384,193	17,770,415	17,770,415	2,613,778	10,058,792	10,325,401
Total Current Assets	3,553,432	37,359,772	36,845,076	36,845,076	514,696	27,281,468	10,078,304
Assets Whose Use is Limited							
[12] Cash	0	0	0	0	0	0	0
[13] Investments	0	0	0	0	0	0	0
[14] Bond Reserve/Debt Retirement Fund	6,717,923	6,722,985	7,481,734	7,481,734	(758,749)	8,867,208	(2,144,223)
[15] Trustee Held Funds	0	0	0	0	0	0	0
[16] Funded Depreciation	0	0	0	0	0	0	0
[17] Board Designated Funds	0	0	0	0	0	0	0
[18] Other Limited Use Assets	0	0	0	0	0	0	0
Total Limited Use Assets	6,717,923	6,722,985	7,481,734	7,481,734	(758,749)	8,867,208	(2,144,223)
Property, Plant, and Equipment							
[19] Land and Land Improvements	6,686,845	6,686,845	4,820,671	4,820,671	1,866,174	4,820,671	1,866,174
[20] Building and Building Improvements	127,399,218	127,399,218	129,283,884	129,283,884	(1,884,666)	129,283,884	(1,884,666)
[21] Equipment	26,004,552	26,004,552	25,869,670	25,869,670	134,882	25,586,875	417,676
[22] Construction In Progress	8,391,329	8,391,329	8,391,329	8,391,329	0	8,390,249	1,080
[23] Capitalized Interest	0	0	0	0	0	0	0
[24] Gross Property, Plant, and Equipment	168,481,944	168,481,944	168,365,553	168,365,553	116,391	168,081,679	400,265
[25] Less: Accumulated Depreciation	(74,590,452)	(74,590,452)	(74,087,997)	(74,087,997)	(502,454)	(71,114,751)	(3,475,700)
[26] Net Property, Plant, and Equipment	93,891,492	93,891,492	94,277,556	94,277,556	(386,064)	96,966,928	(3,075,436)
Other Assets							
[27] Unamortized Loan Costs	1,457,974	1,457,974	1,459,634	1,459,634	(1,660)	1,522,444	(64,470)
[28] Assets Held for Future Use	0	0	0	0	0	0	0
[29] Investments in Subsidiary/Affiliated Org.	12,153,929	0	0	0	0	0	0
[30] Other	0	0	0	0	0	0	0
[31] Total Other Assets	13,611,903	1,457,974	1,459,634	1,459,634	(1,660)	1,522,444	(64,470)
[32] TOTAL UNRESTRICTED ASSETS	117,774,750	139,432,223	\$140,063,999	\$140,063,999	(\$631,776)	134,638,048	\$4,794,175
Restricted Assets							
[33] TOTAL ASSETS	\$117,774,750	\$139,432,223	\$140,063,999	\$140,063,999	(\$631,776)	\$134,638,048	\$4,794,175

Balance Sheet - Liabilities and Net Assets
SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
SEVEN MONTHS ENDING JAN 31, 2020

	District Only		LIABILITIES AND FUND BALANCE			Curr vs Prior YE
	Current Month 01/31/2020	Current Month 01/31/2020	Prior Month 12/31/2019	Positive/ (Negative) Variance	Prior Year End 06/30/2019	Positive/ (Negative) Variance
Current Liabilities						
[1] Accounts Payable	\$219,897	\$5,861,902	\$5,162,622	\$699,280	\$4,436,438	\$1,425,465
[2] Notes and Loans Payable (Line of Credit)	0	10,000,000	\$9,000,000	1,000,000	\$0	10,000,000
[3] Accounts Payable- Construction	0	0	\$0	0	\$0	0
[4] Accrued Payroll Taxes	0	2,831,634	\$3,739,532	(907,897)	\$3,844,094	(1,012,460)
[5] Accrued Benefits	0	80,541	\$78,111	2,430	\$76,513	4,028
[6] Accrued Benefits Current Portion	0	0	\$0	0	\$0	0
[7] Other Accrued Expenses	0	0	\$0	0	\$0	0
[8] Accrued GO Bond Interest Payable	(0)	(0)	\$2,020,229	(2,020,229)	\$2,049,304	(2,049,304)
[9] Malpractice Payable	0	0	\$0	0	\$0	0
[10] Due to Third Party Payers (Settlements)	0	0	\$0	0	\$0	0
[11] Advances From Third Party Payers	0	0	\$0	0	\$0	0
[12] Current Portion of LTD (Bonds/Mortgages)	2,335,000	2,335,000	\$2,335,000	0	\$0	2,335,000
[13] Current Portion of LTD (Leases)	0	0	\$0	0	\$0	0
[14] Other Current Liabilities	0	35,579	35,579	(0)	15,758	19,820
Total Current Liabilities	2,554,897	21,144,656	22,371,073	(1,226,417)	10,422,106	10,722,549
Long Term Debt						
[15] Bonds/Mortgages Payable (net of Cur Portic	108,292,586	108,292,586	108,308,339	(15,753)	112,856,547	(4,563,961)
[16] Leases Payable (net of current portion)	0	0	0	0	0	0
[17] Total Long Term Debt (Net of Current)	108,292,586	108,292,586	108,308,339	(15,753)	112,856,547	(4,563,961)
Other Long Term Liabilities						
[18] Deferred Revenue	0	0	0	0	0	0
[19] Accrued Pension Expense (Net of Current)	0	0	0	0	0	0
[20] Other	0	0	0	0	0	0
[21] Total Other Long Term Liabilities	0	0	0	0	0	0
TOTAL LIABILITIES	110,847,482	129,437,242	130,679,411	(1,242,170)	123,278,653	6,158,588
Net Assets:						
[22] Unrestricted Fund Balance	7,297,586	10,844,398	\$10,844,398	0	10,416,645	427,754
[23] Temporarily Restricted Fund Balance	0	0	0	0	0	0
[24] Restricted Fund Balance	0	0	0	0	0	0
[25] Net Revenue/(Expenses)	(370,318)	(849,417)	(1,459,810)	610,393	942,750	(1,792,167)
[26] TOTAL NET ASSETS	6,927,268	9,994,981	9,384,588	610,393	11,359,394	(1,364,413)
[27] TOTAL LIABILITIES AND NET ASSETS	\$117,774,750	\$139,432,223	\$140,063,999	(\$631,776)	\$134,638,048	\$4,794,175
	\$0	\$0	\$0.00		\$0	

**BANNING, CALIFORNIA
SEVEN MONTHS ENDING JAN 31, 2020**

		CASH FLOW			
HEALTHCARE SYSTEM MINI CASH FLOW		Current			
		Month		Year-To-Date	
		01/31/2020		01/31/2020	
BEGINNING CASH BALANCES					
[1]	Cash: Beginning Balances- HOSPITAL	12/31	\$1,690,920	06/30>	1,049,179.00
[2]	Cash: Beginning Balances- DISTRICT	12/31	936,775	06/30>	3,126,083
[3]	Cash: Beginning Balances TOTALS	12/31	\$2,627,695	06/30>	\$4,175,262
Receipts					
[4]	Pt Collections		4,039,564		28,592,256
[5]	Tax Subsidies Measure D		1,277,623		1,455,407
[6]	Tax Subsidies Prop 13		331,795		738,858
[7]	Tax Subsidies County Supplemental Funds		104,181		104,181
[8]	IGT & other Supplemental (see detail below)		0		491,807
[9]	Draws/(Paydown) of LOC Balances		1,000,000		10,000,000
[10]	Other Misc Receipts/Transfers		241,049		1,814,534
	TOTAL RECEIPTS		6,994,212		43,197,044
Disbursements					
[11]	Payroll/ Benefits		5,432,658		28,279,135
[12]	Other Operating Costs		2,374,945		16,063,130
[13]	Capital Spending		20,000		303,874
[14]	Debt serv payments (Hosp onlyw/ LOC interest)		46,712		484,157
[15]	Other (increase) in AP /other bal sheet		(738,756)		(394,889)
[16]	TOTAL DISBURSEMENTS		7,135,559		44,735,407
[17]	TOTAL CHANGE in CASH		(141,347)		(1,538,362)
ENDING CASH BALANCES					
[18]	Ending Balances- HOSPITAL	1/31	\$604,026	1/31	\$604,026
[19]	Ending Balances- DISTRICT	1/31	2,108,145	1/31	2,108,145
[20]	Ending Balances- TOTALS	1/31	\$2,712,171	1/31	\$2,712,171
ADDITIONAL INFO					
[21]	LOC CURRENT BALANCES		10,000,000		10,000,000
[22]	LOC Interest Expense Incurred		46,712		172,760

SUPPLEMENTAL CASH FLOW SUMMARY		Current		Current	
(By Program)		Month		Year-To-Date	
		01/31/2020		01/31/2020	
IGT/SUPPLEMENTAL CASH INFLOWS					
[24]	HQAF Managed Care Funds		0		(148,928)
[25]	Prime IGT		0		525,000
[26]	Rate Range Managed Care IGTs		0		0
[27]	AB 113		0		0
[28]	HQAF FFS Direct Grants		0		503,027
[29]	IEHP MCE Bed Funds		0		48,792
[30]	MediCal Outpatient SRH Program		0		50,977
[31]	Foundation Contributions		0		52,112
[32]	AB 915 newly Eligible		0		0
[33]	Cost Report Settlements		0		35,514
[34]	Medi-CAL DSH		0		153,191
[35]	TOTALS (see line 8 above)		0		1,219,685

Patient Statistics

SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA
SEVEN MONTHS ENDING JAN 31, 2020

Line Ref #				STATISTICS	Year-To-Date			YTD % VAR Vs Bud	YTD % VAR Vs Prior Yr
	Actual 01/31/20	Budget 01/31/20	Prior Year 01/31/19		Actual 01/31/20	Budget 01/31/20	Prior Year 01/31/19		
Discharges									
[1]	243	338	284	Acute	1,669	1,752	1,646	-4.73%	1.40%
[2]	3.60	2.98	3.00	O/P Adjustment Factor	3.35	3.29	3.28	1.89%	1.99%
[3]	876	1,005	852	Adjusted Acute Discharges	5,590	5,759	5,406	-2.93%	3.42%
[4]	18	27	17	Newborn	162	157	174	3.18%	-6.90%
[5]	261	365	301	Total Discharges	1,831	1,909	1,820	-4.08%	0.60%
Patient Days:									
[6]	801	1,018	958	Acute	5,514	5,835	5,493	-5.50%	0.38%
[7]	36	54	41	Newborn	324	314	328	3.18%	-1.22%
[8]	837	1,072	999	Total Patient Days	5,838	6,149	5,821	-5.06%	0.29%
Average Length of Stay (ALOS)									
[9]	3.30	3.02	3.37	Acute	3.30	3.33	3.34	-0.81%	-1.00%
[10]	2.0	2.0	2.4	Newborn ALOS	2.0	2.0	1.9	0.00%	6.10%
Average Daily Census (ADC)									
[11]	25.8	32.8	30.9	Acute	25.6	27.1	25.5	-5.50%	0.38%
[12]	1.2	1.7	1.3	Newborn	1.5	1.5	1.5	3.18%	-1.22%
Emergency Dept. Statistics									
[13]	240	300	250	ED Visits - Admitted	1,515	1,558	1,440	-2.74%	5.21%
[14]	1,836	1,589	1,512	ED Visits - Higher Acuity Ops	10,948	10,980	11,125	-0.29%	-1.59%
[15]	2,169	1,939	1,925	ED - Rapid Care Visits Ops	13,492	12,874	12,659	4.80%	6.58%
[16]	4,245	3,828	3,687	Total ED Visits	25,955	25,412	25,224	2.14%	2.90%
[17]	5.65%	7.84%	6.78%	% of ER Visits Admitted	5.84%	6.13%	5.71%	-4.77%	2.25%
[18]	98.77%	88.91%	88.03%	ER Admissions as a % of Total	90.77%	88.91%	87.48%	2.10%	3.76%
Other Key Statistics:									
[19]	4,923	4,659	4,371	Total Outpatients Visits	30,319	30,745	29,873	-1.39%	1.49%
[20]	216	209	189	Observation Bed Days	1,073	1,197	1,184	-10.36%	-9.38%
[21]	21.2%	17.0%	16.5%	Obs. Bed Days as a % of Total	16.3%	17.0%	17.7%	-4.30%	-8.14%
[22]	489	563	591	Behavioral Health Visits	3,220	3,739	3,894	-13.88%	-17.31%
[23]	26	42	42	IP Surgeries	287	240	229	19.58%	25.33%
[24]	40	69	63	OP Surgeries	298	460	457	-35.22%	-34.79%
[25]	173	222	91	Outpatient Scopes	1,288	1,475	616	-12.68%	109.09%
Productivity Statistics:									
[26]	438.01	455.70	430.45	FTE's - Worked	435.61	455.70	421.94	-4.41%	3.24%
[27]	479.06	489.60	472.60	FTE's - Paid	472.97	489.60	461.56	-3.40%	2.47%
[28]	4.70	4.78	4.64	Worked FTE's per AOB	5.07	4.78	5.03	6.08%	0.84%
[29]	5.14	5.13	5.10	Paid FTE's per AOB	5.51	5.13	5.50	7.32%	0.09%
[30]	1.3061	1.2621	1.2621	Case Mix Index - Medicare	1.3015	1.2621	1.2621	3.12%	3.12%
[31]	1.0685	1.0419	1.0419	Case Mix Index - All payers	1.0647	1.0419	1.0419	2.19%	2.19%

A/R & CASH FLOW TRENDS

GROSS ACCTS RECEIVABLE BY PAYOR		FY 20		Prior Year		Monthly Trends			
		31-Jan-20		FY 19		FY 20	FY 20	FY 20	FY 20
		ACTUAL	JUNE (Fiscal year-end)	OCT	NOV	DEC	JAN		
1	Blue Shield	296,045	233,330	445,469	197,194	260,000	296,045		
2	Blue Cross	1,929,945	1,946,555	2,466,779	2,362,250	2,042,815	1,929,945		
3	MediCal	2,663,483	1,701,380	2,004,927	2,620,067	2,960,419	2,663,483		
4	IEHP /Other MediCal HMO	8,381,821	6,301,624	10,120,703	10,725,297	7,816,990	8,381,821		
5	Champus /Other Govt	3,475,736	2,835,303	3,207,902	3,336,047	3,446,635	3,475,736		
6	HMO/PPO/Commercial	7,778,951	7,323,981	7,151,105	7,428,094	7,351,542	7,778,951		
7	Medicare	6,474,602	8,498,471	4,639,186	5,404,188	6,097,723	6,474,602		
8	Self Pay/Credit Bals	6,279,471	6,670,232	6,566,405	6,353,626	6,599,688	6,279,471		
9	Senior HMO	13,719,027	13,054,309	13,521,960	14,295,098	14,385,596	13,719,027		
10	Workers Comp	315,858	645,516	663,846	590,275	657,837	315,858		
11	TOT GROSS AR	51,314,939	49,210,701	50,788,281	53,312,136	51,619,247	51,314,939		

PATIENT CASH COLLECTIONS		FY 20		FY 19		FY 20	FY 20	FY 20	FY 20
		Year-To Date		Year-To Date		OCT	NOV	DEC	JAN
		12	Blue Shield	283,578	278,505	50,083	41,747	31,126	35,033
13	Blue Cross	1,291,231	1,342,396	237,896	158,720	235,167	159,365		
14	Medi-Cal	1,506,835	1,602,152	189,620	147,499	207,989	249,807		
15	IEHP /Other MediCal HMO	4,686,198	4,586,156	538,887	623,078	896,604	695,028		
16	Champus /Other Govt	724,518	509,518	96,420	108,046	84,421	84,804		
17	HMO/PPO/Commercial	5,155,294	4,990,229	731,274	627,155	694,023	622,792		
18	Medicare	5,462,236	4,392,788	1,354,209	547,789	815,339	707,683		
19	Self Pay/Credit Bals	921,261	876,502	134,403	132,685	86,896	154,365		
20	Senior HMO	7,958,488	6,942,104	1,331,627	977,299	1,077,650	1,314,028		
21	Workers Comp	102,598	122,937	10,609	11,220	12,446	16,660		
22	TOT CASH COLLECTIONS	27,808,658	25,643,288	4,675,028	3,375,239	4,141,663	4,039,564		
23	Percent Change vs. Prior>								
23	% change vs. Prior yr.>		8.4%	105.8%	116.0%	115.7%	115.4%		

GROSS DAYS IN AR BY PAYOR		FY 20	FY 19	TARGET	FY 20	FY 20	FY 20	FY 20
		Year-To Date	06/30/2019	10/31/2016	OCT	NOV	DEC	JAN
		24	Blue Shield	43.3	30.7	60.4	51.9	30.4
25	Blue Cross	58.4	55.6	44.6	64.2	62.4	55.6	58.4
26	MediCal	76.1	57.0	66.3	60.4	81.5	94.5	76.1
27	IEHP /Other MediCal HMO	36.6	27.3	27.5	44.1	46.6	33.7	36.6
28	Champus /Other Govt	173.6	147.6	132.2	127.8	167.1	159.7	173.6
29	HMO/PPO/Commercial	93.2	96.0	86.4	82.2	86.2	88.1	93.2
30	Medicare	54.7	58.0	36.3	38.8	47.1	51.8	54.7
31	Self Pay/Credit Bals	105.9	82.5	80.5	111.2	111.8	113.9	105.9
32	Senior HMO	66.0	64.5	59.5	64.2	67.1	69.8	66.0
33	Workers Comp	42.5	111.6	136.2	116.9	93.3	82.7	42.5
34	TOT GROSS DAYS IN AR	64.10	59.00	53.9	62.20	66.31	64.44	64.10

SAN GORGONIO HEALTH CARE SYSTEM
BANNING, CALIFORNIA
BASED on RECENT IGT UPDATE
Statement of Revenue and Expense

"TOP LINE" Year-end PROJ UPDATE

	First 6 months			Last 6 months			Projected Year-end			NET Improvement
	FY 20			JAN- JUNE			BEFORE			
	YTD ACT			BUDGET			PROJECTIONS			
	12/31/2019	JAN- JUNE	FYE 2020	12/31/2019	JAN- JUNE	FYE 2020	12/31/2019	JAN- JUNE	FYE 2020	
Gross Patient Revenue										
1 Inpatient Revenue	\$44,287,193	\$52,578,884	\$96,866,077	\$44,287,193	\$50,578,884	\$94,866,077	\$44,287,193	\$50,578,884	\$94,866,077	
8 Outpatient Revenue	\$102,235,480	\$106,488,591	\$208,724,072	\$102,235,480	\$106,988,591	\$209,224,072	\$102,235,480	\$106,988,591	\$209,224,072	
Total Gross Patient Revenue	146,522,673	159,067,475	305,590,148	146,522,673	157,567,475	304,090,148	146,522,673	157,567,475	304,090,148	
Deductions From Revenue										
10 Discounts and Allowances	(\$115,976,695)	(\$126,381,408)	(\$242,358,103)	(\$115,976,695)	(\$124,718,958)	(\$240,695,653)	(\$115,976,695)	(\$124,718,958)	(\$240,695,653)	
11 Bad Debt Expense	(\$4,799,863)	(\$5,331,167)	(\$10,131,030)	(\$4,799,863)	(\$5,161,674)	(\$9,961,537)	(\$4,799,863)	(\$5,161,674)	(\$9,961,537)	
12 GI HMO Discounts	0	(364,693)	(\$364,693)	0	(133,402)	(\$133,402)	0	(133,402)	(\$133,402)	
12 Charity Care	(\$474,420)	(\$312,771)	(\$787,191)	(\$474,420)	(\$510,182)	(\$984,602)	(\$474,420)	(\$510,182)	(\$984,602)	
Total Deductions From Revenue	(121,250,978)	(132,390,039)	(253,641,017)	(121,250,978)	(130,524,215)	(251,775,193)	(121,250,978)	(130,524,215)	(251,775,193)	
Net Patient Revenue	82.75% 25,271,695	83.23% 26,677,436	83.00% 51,949,131	82.75% 25,271,695	82.75% 27,043,260	82.80% 52,314,955	82.75% 25,271,695	82.75% 27,043,260	82.80% 52,314,955	
Non- Patient Revenues										
14.4 IGT/DSH Revenues	\$8,512,144	\$9,920,830	\$18,432,974	\$8,512,144	\$12,203,868	\$20,716,012	\$8,512,144	\$12,203,868	\$20,716,012	
14 Grants & Other Op Revenues	\$1,457,673	\$1,577,323	\$3,034,996	\$1,457,673	\$1,457,673	\$2,915,345	\$1,457,673	\$1,457,673	\$2,915,345	
15 Clinic Net Revenues	\$115,813	\$166,516	\$282,328	\$115,813	\$115,813	\$231,625	\$115,813	\$115,813	\$231,625	
32.0 Tax Subsidies Measure D	\$1,118,750	\$1,346,104	\$2,464,854	\$1,118,750	\$1,346,104	\$2,464,854	\$1,118,750	\$1,346,104	\$2,464,854	
35 Tax Subsidies Prop 13	\$667,500	\$808,877	\$1,476,377	\$667,500	\$808,877	\$1,476,377	\$667,500	\$808,877	\$1,476,377	
36 Tax Subsidies County Supplemental Funds	\$0	\$195,000	\$195,000	\$0	\$195,000	\$195,000	\$0	\$195,000	\$195,000	
Non-Patient Revenues	\$11,871,880	\$14,014,650	\$25,886,530	\$11,871,880	\$16,127,334	\$27,999,214	\$11,871,880	\$16,127,334	\$27,999,214	
Total Operating Revenue	37,143,575	40,692,086	77,835,661	37,143,575	43,170,594	80,314,169	37,143,575	43,170,594	80,314,169	2,478,508

TAB I

The logo for WIPFLI, consisting of the word "WIPFLI" in white, bold, sans-serif capital letters on a blue rectangular background.

Wipfli LLP
505 Fourteenth Street
Fifth Floor
Oakland, CA 94612-1912
510.768.0066
fax: 510.768.0044
www.wipfli.com

February 25, 2020

David Recupero, CFO
San Geronio Memorial Hospital
600 N Highland Springs Ave
Banning, CA 92220

Dear Mr. Recupero:

We are pleased to serve as the independent auditors for San Geronio Memorial Hospital (the "Hospital") for the year ended June 30, 2020. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement.

We will audit the Hospital's financial statements, the related notes to the financial statements, and, if applicable, supplementary information.

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of the Hospital, the fee for this engagement will be \$45,000. The fees for the preparation of IRS Form 990 and the applicable state form will be \$3,500. In addition, expenses are billed for reimbursement as incurred. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are estimated at \$5,000.

Audit Objective

The objective of our audit is the expression of an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States (GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States (GAAS) and will include tests of the Hospital's accounting records and other procedures we consider necessary to enable us to express such an opinion.

We cannot perform management functions or make management decisions on behalf of the Hospital. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Audit Procedures, Limitations, and Independence

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Because of the inherent limitations of an audit combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there exists an unavoidable risk that some material misstatements may exist and not be detected even though our audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of law or government regulations that do not have a direct and material effect on the financial statements. However, we will inform the Hospital's management and you of any material errors that come to our attention and any fraud, material or not, that comes to our attention. We will also inform the Hospital's management and you of any violations of law or government regulations that come to our attention unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

The supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, in accordance with GAAS, and our auditor's report will provide an opinion on it in relation to the financial statements as a whole.

Supplementary Information:

1. Combining Statements of Financial Position
2. Combining Statements of Activities and Changes in Net Assets

We will issue a written report upon completion of our audit of the Hospital's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with the Hospital's management and you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Professional and certain regulatory standards require us to be independent, in both fact and appearance. Any discussions that you have with Wipfli LLP personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

In order for us to remain independent, professional and regulatory standards require us to maintain certain respective roles and relationships with you with respect to any nonattest services we may be asked to perform. Prior to performing such services in conjunction with our audit, management must acknowledge its acceptance of certain responsibilities.

Responsibilities of Management

Management is responsible for the financial statements and underlying financial records and for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with GAAP. Management is also responsible for making all financial records and related information available to us, for the accuracy and completeness of that information, and for providing us with (a) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the Hospital from whom we determine it necessary to obtain audit evidence.

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

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the Hospital involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Hospital received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the Hospital complies with applicable laws and regulations.

As required by GAAS, at the close of the audit we will request from management certain written confirmation concerning oral and written representations made to us in connection with the audit in order to indicate and document the continuing appropriateness of such representations and reduce the possibility of misunderstanding.

If the Hospital intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. The Hospital agrees to compensate Wipfli for the time associated with such review.

The Hospital acknowledges and agrees that any advice, recommendations, information, or work product provided to the Hospital by Wipfli in connection with this engagement is for the sole use of the Hospital and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by the Hospital's personnel, including the preparation of schedules and analysis of accounts, will be discussed with you. Timely completion of this work will facilitate the completion of our engagement.

Other

Jeffrey M. Johnson, CPA, will be your audit engagement partner.

Annual Information/Tax Services

Our engagement will include the preparation of the Federal Form 990, *Return of Organization Exempt From Income Tax*, and related state information returns or charitable renewals/registration statements. If during the course of our engagement we become aware of additional filing requirements, we will prepare those filings. Preparation of any additional filings, other returns and reports, and accounting assistance as directed by management are not part of the fees for this engagement and will be billed at our standard hourly rate.

We will use our judgment in resolving questions where the tax law is unclear or where there may be conflicts between the taxing authorities' interpretations of the law and other supportable positions. Unless otherwise instructed by you, we will resolve such questions in your favor whenever possible.

We do not perform a review or audit of the information that you provide us as it relates to your Form 990. It is your organization's responsibility to comply with all Internal Revenue Code (IRC) requirements including IRC §501(r) requirements and rules surrounding tax-exempt bonds, excess benefits, and unrelated business income tax classification, as well as other areas that are represented on the Form 990. Since these areas can have substantial noncompliance penalties (including revocation of exempt purpose), you should carefully review the final return to confirm that it accurately represents your organization.

Management is responsible for assuming all management responsibilities and for overseeing these services by designating an individual, preferably within senior management, with suitable skill, knowledge, and/or experience. Management is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for them.

Management is also responsible for establishing and maintaining internal controls including monitoring ongoing activities. In addition, management has the final responsibility for the Form 990 and information returns; therefore, management should review the form and information returns carefully before they sign and file them.

If an extension of time is required to file any of your returns, any unrelated business income or excise tax that may be due with these returns must be paid with the extensions. Any amounts not paid by the filing deadline are subject to interest and late payment penalties when those amounts are actually paid. Furthermore, failure to file returns or filing returns late may subject you to filing penalties and interest.

The law also provides various penalties that may be imposed when taxpayers understate their tax liability and engage in certain related-party excess benefit transactions, prohibited investments, or taxable expenditures prohibited under the IRC. If you would like information on the amount or circumstances of these penalties, please contact us.

The IRC and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a return and on the organization. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those annual information/tax positions that may increase the risk of exposure to penalties and any recommended disclosures with you before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit the disclosure, we reserve the right to withdraw from the annual information/tax services portion of your engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of withdrawal. Our annual information/tax engagement with you will terminate upon our withdrawal.

The Internal Revenue Service permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Please note that any person or entity subject to the jurisdiction of the United States having a financial interest in or signature or other authority over bank accounts, securities, or other financial accounts having a value exceeding \$10,000 in a foreign country is required by law to report such a relationship. Filing requirements also apply to taxpayers that have direct or indirect control over a foreign or domestic entity with foreign financial accounts, even if the taxpayer does not have foreign accounts. For example, a corporate-owned foreign account would require filings by the corporations and by the individual corporate officers with signature authority. Failure to disclose the required information to the U.S. Department of the Treasury may result in substantial civil and/or criminal penalties.

If you have a financial interest in any foreign accounts, you are responsible for providing our firm with all the information necessary to prepare appropriate form required by the U.S. Department of the Treasury. If you do not provide our firm with information regarding any interest you may have in a foreign account, we will not be able to prepare any of the required disclosure statements.

In addition, the Internal Revenue Service requires information reporting related to foreign interests and transfers of property outside of the United States under applicable Internal Revenue sections and related regulations. The respective IRS tax forms are typically due

when your income tax return is due, including extensions. The IRS reporting requirements are in addition to the Department of Treasury reporting requirements listed above. If you have interests in foreign assets, you transferred property abroad, or you received foreign property, you may be required to file the applicable forms. By submitting your tax information, you accept responsibility for informing us of any ownership interest, or office or director role, in a foreign entity, any transfers outside of the United States, and/or receipt of foreign gifts.

Your returns may be selected for review by the taxing authorities. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of such government tax examination, we will be available upon request to represent you and will render additional invoices for the time and expenses incurred.

Our fee for the returns and registrations listed above and shown on page 1 is based upon timely and accurate completion of our Client Assistance Memo (CAM). Failure to fully complete the CAM in a timely manner may result in additional fees at our standard hourly rates.

Our work in connection with preparation of your Form 990 and information returns does not include any procedures designed to discover defalcations or other irregularities, should any exist. Our work in connection with preparation of your Form 990 and information returns also does not include any procedures beyond questions posed in the CAM designed to discover whether there have been any excess benefit transactions, self-dealing transactions, prohibited investments, or taxable expenditures, should any have occurred.

You authorize Wipfli to directly access your accounting system(s) when requested by you or as deemed necessary by Wipfli to render services under this letter. You agree to provide Wipfli a unique username and password to facilitate such access.

On June 21, 2018, the United States Supreme Court decided Wayfair, a South Dakota sales tax nexus case that overturned the physical presence requirement mandated in Quill v. North Dakota 26 years ago, with the result that many taxpayers may have additional state filing obligations. It is important that you understand your obligations because under the new law states will be more aggressive in pursuing out-of-state non-filers. We recommend that you undertake a state nexus study to understand your state tax filing obligations in the various states under the new law. Such a study is not part of this engagement. If you would like us to conduct a nexus study, please advise us of that fact. We will determine an appropriate scope and fee and issue a separate engagement letter. If you choose not to conduct a nexus study, you should advise us if you believe you may have incurred new state filing obligations for the current year, otherwise we will assume you intend to file in the same states as in prior years.

Responsibilities of the Hospital

Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accompanying schedules and statements are true, correct, and complete to the best of his or her knowledge. The Hospital is responsible for understanding and agreeing with the various amounts, computations, and statements made in the tax returns and accepts responsibility for the results of the tax services rendered. In addition, the Hospital accepts responsibility for reviewing tax notices, assessments, and other tax correspondence. Wipfli's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Hospital. Wipfli will not perform any management functions or make management decisions for the Hospital in connection with this engagement.

The Hospital is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Wipfli assumes no responsibility of liability for the Hospital's failure to maintain adequate documentation.

Responsibilities of Wipfli LLP

Wipfli's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. Wipfli's tax advice is limited to the tax law as it exists at the time. Wipfli is not required to notify the Hospital of subsequent changes to applicable law.

The Hospital acknowledges and agrees that any advice, recommendations, information, or work product provided to the Hospital by Wipfli in connection with this tax engagement is for the sole use of the Hospital and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this tax engagement.

Terri Rexrode, Director, will be the engagement partner for the tax services specified in this Letter. Her responsibilities include supervising the firm's tax services performed as part of this engagement.

If the above terms are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

David Recupero, CFO
San Gorgonio Memorial Hospital
Page 9
February 25, 2020

We look forward to our continued association with you and management and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Sincerely,



Wipfli LLP

ACCEPTED: SAN GORGONIO MEMORIAL HOSPITAL

By: _____

David Recupero, CFO

Date: _____

JMJ/lgg
Enc.
(02/25/20)

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter (“Engagement Letter”) to which these Terms and Conditions are attached, and the Engagement Letter’s other appendixes, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties’ intent. In the event of a direct conflict between the Terms and Conditions and the provisions of an Engagement Letter issued by Wipfli, the Engagement Letter will apply.

2. Commencement and Term

An Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Fee Estimates and Change Orders

Wipfli’s Engagement Letter may set forth certain ranges for Wipfli’s fees charged on any project or work. Wipfli provides fee estimates as an accommodation to Client. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli’s actual fees may vary from its fee estimates.

If, during the course of Wipfli’s engagement, Wipfli determines that more work will be required than initially estimated, Wipfli will discuss, as soon as possible, the reasons with Client. Work that falls outside the agreed-upon scope of Wipfli’s engagement shall be covered by a Change Order. Service completion times are estimated and subject to change. Where applicable, all such estimates assume that Client’s hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Such estimates also include necessary and reasonable cooperation from client personnel.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the services will be charged in addition to Wipfli’s professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

4. Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client’s balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, work may be suspended if Client’s account becomes overdue and will not be resumed until Client’s account is paid in full. Client acknowledges and agrees that we are not required to continue work in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli

stops work or withdraws from this engagement as a result of Client’s failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli will not be liable to Client for any damages that occur as a result of our ceasing to render services.

In the event Client requests us to, or we are required to, respond to a subpoena, court order, government regulatory inquiries, or other legal process against Client or management for the production of documents and/or testimony relative to information Wipfli obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs that we incur.

5. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

6. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any Engagement Letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

7. Privacy and Engagement Staffing

From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned Indian subsidiary) or any of their respective affiliates. These entities and their personnel may be located within or outside the United States. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client’s information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information (“Personal Data”) and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the engagement letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the engagement letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or professional standards. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes.

For additional information related to client personal information, please see Wipfli’s Privacy Statement located at www.wipfli.com/privacy-statement.

Wipfli LLP
Engagement Letter
Terms and Conditions – Attest Engagements

8. Wipfli Owners

Some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

9. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all information provided or developed throughout the duration of this engagement. Any use of this material, other than for the stated purposes in this Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

10. Governing Law

All agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

11. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

12. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

13. Termination

An Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in an Engagement Letter (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of an Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement, at our discretion, if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

14. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

AUDIT 2020 Recommendation

December 2019
January 2020

Submitted and distributed RFP
Received 3 proposals

Recommended Choice

Base Bid \$\$

Comment

WIPFLI LLP

\$ 45,000

Includes Audit for District and Hospital and 990 preparation
middle bid for a 3 year proposal

Pros

Excellent references from similar smaller District Hospitals
/CFO/Clarke & Associates favorable impression

Cons

\$12.5K PER YEAR HIGHER THAN LOWEST BID

Lack of similar size District Hospital experience

References**Person Spoke with**

- 1) El Centro Reg. Med. Center
- 2) Northern Inyo District Hosp.
- 3) District Hospital Leadership Forum

Mark Nellis , CFO
John Tremble, CFO
Steven Clarke, Partner
Sherreta Lane VP

Smaller rural Hospital in So. California
District Hospital in California District SNF) Hospital
Reimbursement consultants for District Hospitals

Other Proposals considered

Dingus Zaracore & Associates
Moss Adams

\$ 32,500

Prior auditor years 2009-2014

\$ 79,000

Performed SGMH cost report in 2014

Also prepares Redlands Community Hospital Audit

Proposed Fees

We are providing estimated fees for a three-year period. Our proposed fees, on a not-to-exceed basis, for audit and tax services are as follows:

<i>June 30,</i>	2019	2020	2021
Audit of the combined financial statements of San Gorgonio Health Care System	\$ 45,000	\$ 46,500	\$ 47,900
Preparation of Federal and State tax returns	3,500	3,700	3,900
Management letter and meeting with Board of Directors	Included	Included	Included
Routine communication throughout the year	Included	Included	Included
Clerical and travel costs (not to exceed)	5,000	5,100	5,200
Total fees (not to exceed)	\$ 53,500	\$ 55,300	\$ 57,000

If it is determined that a single audit under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance") is required with Federal expenditures in excess of \$750,000, we will provide an additional estimated fee based on the scope of the Federal Awards Program Specific Requirements (i.e., the "Compliance Supplement").

The above includes consideration of the organizational structure and accounting pronouncements that are in effect for the Health Care System as of the date of this proposal. Additional fees associated with auditing the adoption and implementation of new accounting pronouncements or significant organizational changes will be agreed upon as part of the annual audit planning and engagement process.

As previously stated above, routine telephone calls throughout the year are included in the proposed fees. However, from time to time, requests for additional services may involve additional fees being charged. Fees for other accounting and consulting services are based upon the staff level of our professionals providing such services. Currently, our approximate hourly billing rates are:

Partner	\$325 - \$425
Manager/Director	\$150 - \$300
Senior	\$145 - \$175
Staff	\$110 - \$135

Similar Engagements

Wipfli has a long history of serving health care organizations. Below is a list of hospitals we currently provide ongoing audit, tax, or reimbursement consulting services to:

Facility Name	City	State
Barton Healthcare System*	South Lake Tahoe	CA
El Centro Regional Medical Center* (GASB)	El Centro	CA
Mayers Memorial Hospital (GASB)	Fall River Mills	CA
Mountains Community Hospital District (GASB)	Lake Arrowhead	CA
Northern Inyo County Hospital* (GASB)	Bishop	CA
Orchard Hospital	Gridley	CA
Gritman Medical Center	Moscow	ID
Lakewood Health System*	Staples	MN
Beartooth Billings Clinic	Red Lodge	MT
Granite County Medical Center (GASB)	Philipsburg	MT
Livingston Healthcare	Livingston	MT
Shodair Children's Hospital	Helena	MT
Grover C. Dils Medical Center (GASB)	Caliente	NV
Pershing General Hospital (GASB)	Lovelock	NV
Morrow County Hospital District, dba Pioneer Hospital (GASB)	Heppner	OR
Mason General Hospital (GASB)	Shelton	WA
Aspirus, Inc.*	Wausau	WI
Bay Area Medical Center*	Marinette	WI
Beloit Health System*	Beloit	WI
Divine Savior Health Care*	Portage	WI
Fort Healthcare, Inc.*	Fort Atkinson	WI
Mercy Health Corporation*	Janesville	WI
Osseo Area Hospital and Nursing Home, Inc. - Mayo Health System	Osseo	WI
The Monroe Clinic*	Monroe	WI
ThedaCare, Inc.*	Appleton	WI
United Hospital System, Inc.*	Kenosha	WI

* Hospitals similar in size or larger than San Geronio Health Care System

Although Wipfli has historically provided accounting and audit service in the California market from our Minneapolis, Minnesota, and Spokane, Washington offices, we have expanded our footprint into California through our merger with HFS Consulting in Oakland, California, in August 2016. As a result, we are able to leverage that health care knowledge and expertise specific to the California market in further expanding our audit and accounting services new and existing clients.

References

**El Centro Regional Medical Center
An Enterprise Fund of the City of El Centro**
El Centro, California
Mark Nellis, CFO *
760.370.3774

Barton Healthcare System
South Lake Tahoe, California
Kelly Neiger, CFO *
530.541.3420

Northern Inyo Healthcare District
Bishop, California
John Tremble, CFO *
760.873.2030

Aspirus
Wausau, Wisconsin
Sidney Sczygelski, Senior VP of Finance *
715.847.2000, Ext 50315

Bellin Health
Green Bay, Wisconsin
Jim Dietsche, Exec VP/CFO
920.433.3796
Julie Graceffa, Director of Finance *
920.445.7296

Froedtert South, Inc.
Kenosha, Wisconsin
Thomas Kelley, VP/CFO
262.577.8113
Jens Emerson, VP Finance *
262.256.2711

Mercy Health Corporation
Janesville, Wisconsin
John Cook, CFO
608.756.6642
Shannon Dunphy-Alexander, Sr. Finance Director *
608.757.3126

*Primary audit contact.



Wipfli LLP
505 Fourteenth Street, Fifth Floor
Oakland, CA 94612
510.768.0066
fax 510.768.0044
www.wipfli.com

January 30, 2020

David Recupero, CFO
San Gorgonio Memorial Hospital
600 N Highland Springs Ave
Banning, CA 92220
Email: drecupero@sgmh.org

Dear Mr. Recupero:

Wipfli LLP ("Wipfli") is pleased to present this proposal to provide audit and tax services for the years ending June 30, 2020, 2021, and 2022 to San Gorgonio Health Care System comprised of the San Gorgonio Memorial Hospital and the San Gorgonio Memorial Healthcare District (the "Health Care System"), as detailed in the request for proposal provided on January 15, 2020. By selecting Wipfli, the Health Care System will be served by a consistent team of health care professionals who work hard to provide a high-quality audit, minimize the disruption to your staff, and serve as a resource throughout the year.

Although Wipfli has historically provided accounting and audit service in the California market from our Minneapolis, Minnesota, and Spokane, Washington offices, we have expanded our footprint into California through our merger with HFS Consulting in Oakland, California, in August 2016. As a result, we are able to leverage that health care knowledge and expertise specific to the California market.

You will find that what sets Wipfli apart from other firms our size is that our professionals are familiar with the health care industry because their responsibilities are focused primarily on health care clients from their first day on the job. This focus, when coupled with the industry-specific training we provide and our high success rate of retaining employees, enables us to provide clients with the high-quality service experience they have a right to expect.

This proposal is a firm and irrevocable offer valid for 90 days from the date of this letter to perform the services described above for the year ended June 30, 2020. All accounting pronouncements effective through January 30, 2020, have been considered within the audit fee estimate. Any additional pronouncements effective after that date will need to be considered and addressed based on their respective relevance and materiality.

We are confident we can meet your needs and want you to understand San Gorgonio Health Care System will be a very important client for our firm. Our goal will be to exceed your expectations and to work closely with you throughout the year. Our commitment is to ensure that you will always feel like the highly-valued client that you are.

If you have any questions, please contact me at 509.232.2498 or jjohnson@wipfli.com.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey M. Johnson".

Jeffrey Johnson, CPA
Partner
Enc.

San Geronio Health Care System

Banning, California



Proposal for Audit Services
January 2020

WIPFLI LLP
CPAs and Consultants
HEALTH CARE PRACTICE

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Proposed Fees

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Staff	\$110 - \$135

Profile of the Firm

Wipfli brings together the best of both worlds - the resources of a large firm and the commitment to personal service found in smaller firms. Since our firm's founding in 1930, it has been our mission to be the firm of choice in the markets we serve. Today, Wipfli is fulfilling its mission and serving health care clients throughout the nation.

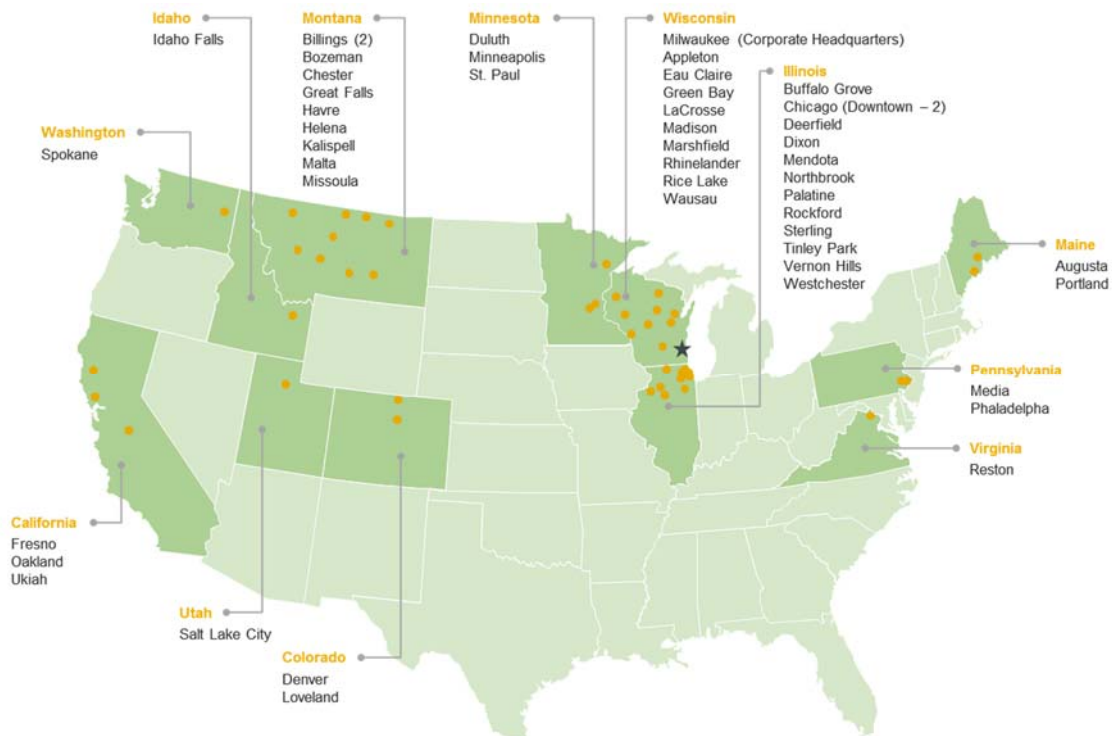
Our industry-focused approach means that we are continually refining our understanding of emerging industry issues, leading practices, and developing trends to provide well-informed and practical advice for clients in the health care industry. Wipfli works with all provider types including:

- Hospitals and health systems
- Independent Physician practices
- Senior living organizations

To anticipate and fulfill the needs of our diverse client base, Wipfli has grown into a multidiscipline professional services firm. Services include a wide range of financial and operational consulting services, and the firm has created specialized industry and business unit practices including:

- Health care
- Nonprofit
- Manufacturing and distribution
- Financial institutions
- Construction and real estate
- Information technology
- Human resources
- Retirement plan services

Wipfli continually evolves to meet the needs of our 60,000+ clients, growing from a local firm nearly 90 years ago, to a multifaceted national professional services firm employing more than 2,000 associates in 48 U.S. offices and 2 India offices.



Industry Expertise

Wipfli has a robust health care practice with services ranging from traditional audit and accounting, tax, and reimbursement to strategic planning, financial advisory, revenue cycle, and a host of other services to address the critical business needs of health care organizations. Some key facts about Wipfli's health care practice are outlined below.



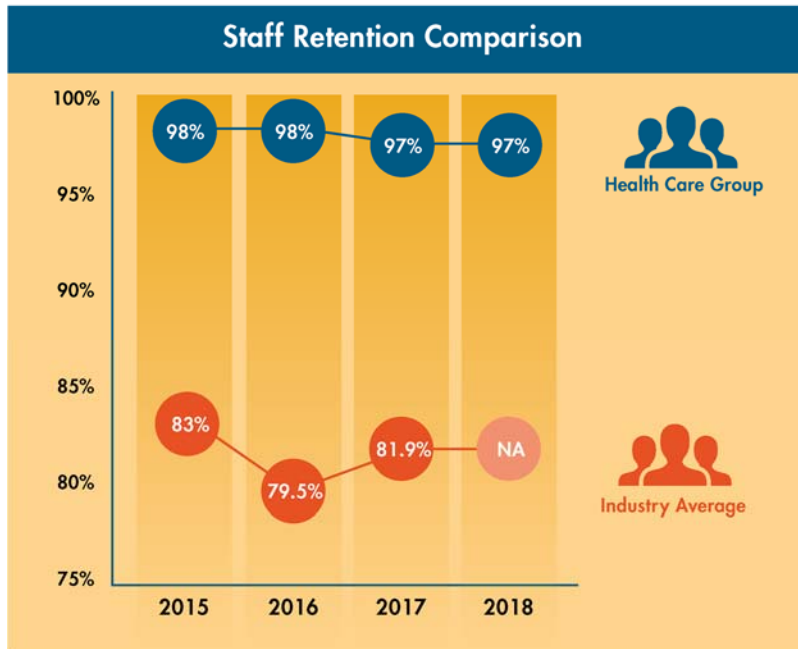
In addition to our health care expertise, Wipfli has a nationally recognized nonprofit and governmental practice to serve the needs of grant funded organizations. Wipfli has served as an advisor to several governmental organizations in the development of audit guides and audit systems, routinely works with state and federal regulatory bodies and agencies and hosts a national nonprofit and governmental conference each year which is attended by over 1,000 nonprofit leaders from across the nation.

Engagement Team Approach

With some of our competitors, you may be served by a partner and possibly a manager with health care industry knowledge. Usually, however, senior accountants and staff assigned to the engagement are not knowledgeable about the health care industry and rotate each year.

At Wipfli, we staff engagement with partners, managers, senior accountants, and even staff accountants who are dedicated to the health care industry. Our “top-to-bottom” industry specialization enables us to bring consistent staff to your engagement year after year. In addition, because our staff at all levels know you and know the health care industry, we work efficiently, utilize less of your valuable time, and make more meaningful observations and recommendations for process improvement.

Wipfli enjoys a very high level of employee retention with average employee retention over the past four years in the health care practice exceeding 97% compared to industry average approximating 84%. This significantly enhances our ability to provide consistent engagement staffing to our clients.



Source: The Rosenberg Survey

Commitment to the Community

On our annual Community Day, each September, Wipfli closes all offices to allow our associates and partners to volunteer in local communities. We challenge other firms to follow our lead in the quest to make our communities a better place to live and work.

“I am proud that Wipfli feels a sense of responsibility to the community that sustains our business,” said Kate Atkins, Wipfli associate. “I enjoy the days we volunteer together, like Community Day, because we can accomplish so much working together for various nonprofit organizations.”



Your Engagement Team

With Wipfli, the Health Care System gains the significant resources of a large accounting and consulting firm while enjoying the personal service generally only available from a smaller firm. Our firm has coined the phrase the “Wipfli Way” to provide guiding principles in how we interact with each other and how we serve our clients. We sincerely hope the Health Care System has experienced the difference that the “Wipfli Way” makes in how we serve your organization and the relationships we build with each of our clients.

Clients tell us our associates are a pleasure to work with, and they appreciate the time our associates take to understand their individual circumstances. Our partners also commit significant efforts to engagements, further ensuring client satisfaction. Team members often arrive at Wipfli with considerable experience and knowledge, and they continue to develop their skills through continuing professional education. Recognizing the critical importance of engaged and satisfied associates, we regularly monitor and work to improve the engagement level of all associates.

Wipfli understands that audits of any kind can be stressful for you, your organization, and your employees. We take extreme pride in ourselves in providing efficient and effective work during on-site visits, and it is our promise to treat you as a valued business client.

Our proposal includes a commitment to exceptional service provided by a team of health care experts. We have included a combination of team members who are dedicated to the health care industry and who bring governmental accounting knowledge to the engagement.

Our proposed engagement team available to serve the Health Care System is as follows:

Jeffrey M. Johnson, CPA, is a health care partner in Wipfli’s Oakland, California office. He has over 25 years of dedicated health care experience, including working nearly 6 years in an integrated delivery system environment. Jeff leads the West Coast health care audit and reimbursement practice teams and has overall audit responsibility for many of our Western U.S. hospital clients. He has consulted on various health system management issues, including operational, strategic financial planning, third-party reimbursement issues, and physician/hospital relations. Jeff is a frequent speaker for national organizations dealing with hospital (including critical access hospitals) and rural health clinic reimbursement issues. He will serve as the lead audit partner and relationship executive for the Health Care System.

Corina (Cori) Schoenke, CPA, is a partner in Wipfli’s Health Care practice with over 25 years of experience in the health care industry. Prior to joining Wipfli, Cori spent 10 years with a Big Four firm and prior to that served 9 years in various accounting/finance roles in the health care industry. Cori has worked with large integrated hospital systems, standalone hospitals, critical access hospitals, multispecialty physician groups, nursing homes and continuing care communities, home health and DME companies, insurance companies, religious institutions, and community and private foundations. She is also a member of Wipfli’s Health Care Audit and Accounting Technical Committee and Wipfli’s Employee Benefit Plan Technical Committee. Cori will provide the partner quality review process and be available to consult on technical audit issues as they arise.

Terri Rexrode, CPA, is the director of tax services in Wipfli's health care practice. Terri has more than 20 years of expertise in tax planning and compliance. By exclusively focusing her practice in the area of health care tax issues, Terri is centered on maintaining a state-of-the-art knowledge base in this ever-changing arena. She is able to provide clients with the most up-to-date information available, assisting them in making essential business decisions with longstanding tax implications. Terri has the experience necessary to deal with both tax-exempt and for-profit issues and will involve other specialists in Wipfli's tax function as needs are identified. She will oversee tax filing and compliance for the Health Care System.

Wes Thew, CPA is a health care Senior Manager and serves as the manager in-charge for many of our community hospital client audits. He focuses on audits and attestation, Medicare and Medicaid cost reporting, and financial feasibility study projects. He will serve as the day-to-day contact for your staff on this engagement. Wes is also a member of the AICPA and Healthcare Financial Management Association. He will be your day-to-day contact person and serve as the primary manager on the financial statement audit.

David Imus, CPA, is a manager and has served noncommercial entities for over six years in various industries such as health care, nonprofit, higher education, and state and local government. David focuses on audit and compliance services, especially for organizations that require single audits. His specialization is performing accounting services for special districts and special-purpose governmental facilities.

The aforementioned Wipfli personnel are all certified public accountants who maintain the required continuing education credits to meet professional licensing criteria. These key team members will be assisted by other Wipfli associates. The senior accountants selected to serve on the the Health Care System engagement spend 100 percent of their time working with our health care clients.

Our health care partners, managers and senior accountants receive extensive training on audit, accounting, and operational issues related to the health care industry. WipfliU is a corporate university that is intended to drive excellence for our associates. We focus on both lifelong learning for the associate and improved business growth for our firm. WipfliU provides our associates "the right training at the right time for the right focus." In other words, it is customized to develop the skill sets demanded by our clients, with a curriculum focused on industry expertise. Additional training is also incorporated from outside sources, such as the state CPA societies, the AICPA, and industry-specific conferences.

As an important Wipfli client, the Health Care System will receive priority on the staffing of your engagement.

Audit Approach

the Health Care System is a unique organization; therefore, no cookie-cutter audit would be appropriate for the results you expect. That's why Wipfli has developed state-of-the-art audit tools and methodologies that identify your risk areas and focus your services accordingly. We instruct staff to exercise professional judgment to conduct an audit that's specific to each organization rather than simply completing an audit "checklist."

Our staff is trained to develop practical suggestions for improvements or recommend alternatives where opportunities exist. We work hard to make the audit process a value-added experience which highlights operational areas that are working well and areas and controls that could be improved.

Risk Areas Receiving Emphasis.

One of the cornerstones of our risk assessment process is obtaining a thorough understanding of your current and long-term business issues and goals and analyzing the business challenges you face, how those issues influence financial statement items, and how risks are managed in each of those areas. In addition, by gaining an in-depth understanding of your organization's internal controls, operations, and accounting procedures, we can effectively analyze their impact on the specific business issues you face. We identify those concerns that are affecting your financial results, and we design, plan, and perform a risk-based audit tailored to your organization. We do not expect to spend significant time on insignificant account balances or on nonessential audit procedures. Our extensive experience will allow us to conduct this exercise in a timely manner.

Our audits are a four-step process.



Step 1: Understanding the Audit Strategy and Environment (e.g., April)

Our understanding of the audit strategy and environment phase encompasses the following:

- Through our knowledge of the Health Care System, the local and regional community, the California reimbursement and regulatory environment, and the health care industry and governmental arena, we update our understanding of the operating environment.
- We update our understanding of regulatory changes, including provisions of the Financial Accounting Standards Board (FASB).
- We review the nature of prior audit adjustments and our assessment of the effectiveness of internal controls to assess financial statement, regulatory, and other risks.
- We have discussions with the management team and the oversight committee to ensure that we have a clear understanding of:
 - the Health Care System's expectations of Wipfli as its independent auditors.
 - Significant accounting issues or questions.
 - Significant changes in operations for the organization.
 - Timing for interim work, audit fieldwork, and final reporting.
- We assign and schedule our engagement team.

Step 2: Planning and Optional Interim Fieldwork (e.g., May and June)

During the planning and optional interim fieldwork phase of the audit, we deepen our understanding of changes which have occurred during the year by performing the following:

- Understand, document, and test the implementation of significant internal controls related to:
 - Entity-level oversight.
 - Information technology.
 - Financial reporting.
 - Significant estimates.
 - Billing and cash receipts.
 - Cash disbursements.
 - Payroll.
 - Regulatory matters.
- Accumulate information gathered in the above steps to:
 - Assess risk areas and any control deficiencies.
 - Link risk areas to specific procedures in our audit programs.
 - Develop the nature (substantive or control approach), timing, and scope of our audit procedures, including review of our proposed procedures by the audit manager and partner.
- Test key reports expected to be used to support accounts receivable and contractual allowance balances.
- Test a sample of manual journal entries recorded by management.
- Test cash disbursements, payroll transactions, and cash receipts to gain audit assurance and to meet governmental and regulatory requirements.
- Analytically review account balances to identify areas of audit risk and to identify specific transactions and balances for further audit consideration.
- Perform audit procedures on selected other account balances to minimize the time and effort necessary during year-end fieldwork.
- Utilize these procedures to identify areas of opportunity to improve internal controls, enhance efficiency, and modify the audit process for greater effectiveness and eliminate unnecessary audit procedures to ensure we are appropriately utilizing the Health Care System staff resources.

Step 3: Year-End Fieldwork (e.g., August, or timing based on your needs)

Year-end fieldwork encompasses numerous procedures including:

- Audit support for material account balances.
 - Sampling Approach – Wipfli samples balances in accounts where scoping does not meet testing thresholds, and when analytical procedures are not practical.
 - Analytical Procedures – Wipfli may use simple analytical procedures, like account fluctuations to assess reasonableness of year-to-year changes; however, for substantive audit procedures, we typically compare accounts balances to other statistical information. For instance, payroll expenses can often be compared to FTE's, and revenue can be compared to visits or procedures.
- Ensure significant and sensitive estimates are appropriately stated.
- Finalize testing of cash disbursements, payroll transactions, and cash receipts.
- Review documentation supporting financial statement amounts and disclosures.
- Review subsequent events and transactions for potential impact on year-end statements.

Step 4: Reporting and Wrap-Up (e.g., September and October)

We place a significant priority on providing management and the Audit Committee and Board of Directors with key information. Timely and effective communication of the results of our efforts is a key to our effectiveness as a business advisor. Any suggestions we have, including those relating to financial operations and internal control, will be communicated as soon as they are identified. After the completion of fieldwork, we will hold an exit conference with management and discuss all significant findings of the audit.

At the conclusion of our audit, we present the results of the audit to the Audit Committee and Board of Directors. In these presentations, we report items that are required by our professional standards to be communicated and any suggestions related to significant accounting, operational, or internal control issues identified during the audit.

We customize our presentation for the needs and expectations of each client. We will also, if desired, take the opportunity to address the following types of items:

- Financial overview and trending
- Key business issues affecting your organization
- Updates on health care reimbursement and regulatory issues
- New accounting pronouncements affecting the industry
- Industry updates on national, state, and local issues

The presentations to the Audit Committee and the Board of Directors is anticipated to occur in October or November (based on an agreed upon time).

Tax Services: Plan and preparation of the tax filings will begin following audit fieldwork portion of the engagement and will be completed based on the due date, unless an extension is requested by the Health Care System.

Smooth Transition

We understand the time commitment and at times anxiety that can accompany a change in public accounting firms. As a result, we will work as hard as we can to make the transition to a new audit firm as smooth as possible.

We first take into consideration any concerns you may have regarding a change of auditors. The decision to change external auditing firms is an important one. It requires careful planning, coordination, and timely communication to ensure minimal disruption of your operations.

Our professionals have significant experience in coordinating and conducting accounting firm transitions. We use this extensive experience to tailor an effective approach for your organization and complete a smooth, seamless transition. This proven approach draws on our ability to quickly gain an understanding of your organization, enabling us to complete the transition without making excessive demands on your personnel.

At the beginning of the transition process, we will set up an onsite visit for our initial preliminary audit procedures. During this time, we will arrange a visit with the prior accounting firm to review workpapers so that we can determine what procedures and assistance were previously provided in the past to the Health Care System. This will allow us to continue to build on these procedures as well as informing management and the staff of the Health Care System of any planned changes to the audit process.

Following the initial meeting, we will supply management and the team with a detailed work plan and timeline for the audit, as well as provide regular checkpoints for exchange of information prior to the final audit meeting. Wipfli will absorb first-year audit procedure fees as an indication of our commitment to the Health Care System. We consider this our investment in the Health Care System.

Independence

There are no relationships or services provided which jeopardize Wipfli's independence in providing audit services to the Health Care System, or that create any conflicts of interest.

Tenets of Communication

Our audit approach and communication cornerstones are founded in transparent and proactive communication with management, the Audit Committee and the Board of Directors.

Throughout the audit process, we communicate findings, misstatements, and recommendations to the management team as they are identified to ensure there are "no surprises." In addition, we hold a comprehensive exit conference with management to review all journal entries, unadjusted amounts, audit findings, and recommendations. We also practice full and transparent communication with the Audit Committee and Board of Directors regarding journal entries, unadjusted amounts, and significant findings and recommendations related to the Health Care System's internal controls and processes.

We believe in planning and communicating throughout the year. We find this helps us be a more valuable partner and a more effective and efficient auditor. Keys to our ongoing communication include:

- Our industry expertise and experience which ultimately enable us to achieve better results year-round for the Health Care System compared to other firms.
- You will hear from us throughout the year. We will call you periodically to check in and will send information we believe is pertinent to the Health Care System. We will provide relevant articles and education to help you run your business, and personally make you aware of any webinars and learning opportunities that are relevant to the Health Care System. All of this is included in our relationship at no additional charge.
- We want your questions on technical and other matters throughout the year. You can be assured that a call to a Wipfli professional for a routine question or technical advice will not result in a bill. You will hear from us and we want to hear from you throughout the year.
- We will include, at no charge, a midyear face-to-face meeting with key the Health Care System leaders to discuss technical and other issues and avoid surprises during the audit. This meeting will be used as a communication and educational tool for changes in accounting standards, reimbursement updates, and strategies.

This communication process is critical to building strong client relationships which enable us to openly communicate and bring forward value-added recommendations in a nonthreatening way.

Similar Engagements

Wipfli has a long history of serving health care organizations. Below is a list of hospitals we currently provide ongoing audit, tax, or reimbursement consulting services to:

Facility Name	City	State
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Northern Inyo County Hospital* (GASB)	Bishop	CA
Orchard Hospital	Gridley	CA
Gritman Medical Center	Moscow	ID
Lakewood Health System*	Staples	MN
Beartooth Billings Clinic	Red Lodge	MT
Granite County Medical Center (GASB)	Philipsburg	MT
Livingston Healthcare	Livingston	MT
Shodair Children's Hospital	Helena	MT
Grover C. Dils Medical Center (GASB)	Caliente	NV
Pershing General Hospital (GASB)	Lovelock	NV
Morrow County Hospital District, dba Pioneer Hospital (GASB)	Heppner	OR
Mason General Hospital (GASB)	Shelton	WA
Aspirus, Inc.*	Wausau	WI
Bay Area Medical Center*	Marinette	WI
Beloit Health System*	Beloit	WI
Divine Savior Health Care*	Portage	WI
Fort Healthcare, Inc.*	Fort Atkinson	WI
Mercy Health Corporation*	Janesville	WI
Osseo Area Hospital and Nursing Home, Inc. - Mayo Health System	Osseo	WI
The Monroe Clinic*	Monroe	WI
ThedaCare, Inc.*	Appleton	WI
United Hospital System, Inc.*	Kenosha	WI

* Hospitals similar in size or larger than San Geronio Health Care System

Although Wipfli has historically provided accounting and audit service in the California market from our Minneapolis, Minnesota, and Spokane, Washington offices, we have expanded our footprint into California through our merger with HFS Consulting in Oakland, California, in August 2016. As a result, we are able to leverage that health care knowledge and expertise specific to the California market in further expanding our audit and accounting services new and existing clients.

References

**El Centro Regional Medical Center
An Enterprise Fund of the City of El Centro**
El Centro, California
Mark Nellis, CFO *
760.370.3774

Barton Healthcare System
South Lake Tahoe, California
Kelly Neiger, CFO *
530.541.3420

Northern Inyo Healthcare District
Bishop, California
John Tremble, CFO *
760.873.2030

Aspirus
Wausau, Wisconsin
Sidney Sczygelski, Senior VP of Finance *
715.847.2000, Ext 50315

Bellin Health
Green Bay, Wisconsin
Jim Dietsche, Exec VP/CFO
920.433.3796
Julie Graceffa, Director of Finance *
920.445.7296

Froedtert South, Inc.
Kenosha, Wisconsin
Thomas Kelley, VP/CFO
262.577.8113
Jens Emerson, VP Finance *
262.256.2711

Mercy Health Corporation
Janesville, Wisconsin
John Cook, CFO
608.756.6642
Shannon Dunphy-Alexander, Sr. Finance Director *
608.757.3126

*Primary audit contact.

Quality Assurance

To maintain a high level of quality and fulfill the trust our clients place in us, Wipfli conducts an in-house inspection of sample assurance engagements for each partner to ensure that the firm's quality control standards are being met. We update our internal quality control guidance whenever new auditing requirements are enacted. Wipfli is also subject to an independent peer review every three years under AICPA standards. In our last peer review, Wipfli received an unqualified opinion (**see Appendix D for latest peer review report.**) Wipfli is also registered with the Public Company Accounting Oversight Board and, accordingly, Wipfli is subject to triennial reviews related to the work we do for public companies.

Wipfli's health care practice also maintains a standing Health Care Audit and Accounting Technical Issues Committee to analyze and ensure compliance with new and/or changing audit, accounting, and financial statement presentation requirements affecting our health care clients as they are issued. Members of your engagement team are on this committee.

In Closing

Passion. People. Purpose

These are just a few of the words the Health Care System uses to describe itself on its website. These same words describe the way Wipfli approaches our professional services and our relationships with our clients.

We hope, after reviewing our proposal, you choose to allow us to provide the Health Care System with the value-added outstanding service you deserve and have come to expect.

Appendixes

Appendix A – Other Health Care Services

The Wipfli professionals who provide health care consulting services routinely interact with and educate our audit associates about aspects of the health care industry which affect our clients. Even when our audit clients do not use our consulting services, this enhances our ability to provide high-quality, value-added audit services.

Below is a brief summary of the type of assistance we provide other clients:

Cost Reporting and Reimbursement Consulting. Wipfli professionals have been able to increase clients' reimbursement significantly by finding, for instance, errors resulting from the fiscal intermediaries' incorrect interpretation of Medicare regulations. Often, even a simple review of fiscal intermediary adjustment reports has resulted in our clients recovering thousands of dollars.

Price Sensitivity Analysis Services. This analysis is an assessment of net revenue, including Medicare reimbursement and impact of pricing increases, and should be conducted at both the department level and individual charge element level. In the latter case, the shift in departmental Medicare utilization resulting from changes in pricing at the charge level also affect cost reimbursement.

Strategic Planning Services. Industry consolidation has forced health care organizations to become more competitive. Expanding services and market share calls for the right strategy. Wipfli professionals have experience in helping our clients develop and implement sound strategic plans. Our proven approach starts with an assessment of the current environment by analyzing market share, service lines, historical growth, and identifying current issues. From this process, we help our clients either validate or redefine their mission and vision, leading to development of new service line strategies and practical implementation plans to meet their strategic objectives. Our planning process includes strategic financial planning that provides achievable targets based on organizational needs to achieve desired results.

Physician/Hospital Integration Assistance. This assistance includes assessing and evaluating opportunities for a hospital and a clinic to work more collaboratively to create efficiencies and take advantage of opportunities to increase reimbursement. This includes analyzing the financial impact of provider-based physicians and could also include an analysis of provider-based rural health clinic options for existing or new clinical practices to a hospital's operations.

Board Education. We educate the Board on the state of the health care industry. For example, we can provide regular updates on rural health care issues, industry trends, government regulations, and information technology. With this knowledge, the Board can make informed and strategic decisions for the future.

Market Research Consulting. For organizations considering adding additional service lines, increasing or decreasing capacity, or performing a campus reconfiguration, a market research study is vital in giving the information to make an informed decision as you determine the best options.

Our studies provide detailed information, including:

- Analyses of demographic data
- Information on competitive facilities in your market area
- Your position in your market area
- Market trends specific to your market area
- Community needs, by service line, for the short term and long term
- Assessments of market risks related to options under consideration

Charge Master Evaluation. An accurate hospital chargemaster is the foundation to a well-functioning hospital revenue cycle. Incorrect payments and/or the rejection of claims are often the result of inappropriate CPT/HCPCS and/or revenue code utilization and reporting. In addition, system issues often result in less than optimal coding or billing of services provided. Wipfli reviews chargemasters on a line-by-line basis and analyzes the CPT/HCPCS codes, UB-04 revenue coding, and service line-item charging protocols relative to Medicare regulations for all hospital service departments. We determine CPT/HCPCS and UB-04 revenue code relationships according to Centers for Medicare & Medicaid Services (CMS) guidelines recommending the following:

- CPT/HCPCS codes that accurately describe services rendered
- UB-04 revenue codes per CMS requirements
- Service descriptions that match the service rendered and the CPT/HCPCS code utilized

Debt-Financing/Feasibility Study Services. The Wipfli health care group has assisted a significant number of clients with issuing both tax-exempt and taxable bonds and evaluating the financial viability of new or changing service offerings. Services include preparation of feasibility studies, debt coverage analysis, and advice regarding financing alternatives and requirements. Wipfli works closely with state financing authorities, law firms specializing in bonds, and investment banking firms.

IT and Business Process Improvement. Our IT and business process improvement professionals have led many of our health care clients through the processes of systems selection, infrastructure design and implementation, HIPAA security compliance, and IT strategic planning, as well as performance management and business process evaluation and design.

Human Resources Services. Wipfli's human resource experts can show you how to attract, retain, and motivate the most valuable employees with the right mix of compensation, benefits, and human resource programs. Wipfli uses the Predictive Index® and the Predictive Leadership Series™ as the foundations for improving the effectiveness of people at all levels of an organization. We help clients align their workforces with their goals, using our results-driven consulting process, tools, and programs, with services such as:

- Strategic planning and visioning
- Organizational development
- Growth and change implementation
- Succession planning
- Professional coaching
- Employee handbooks
- Compensation design and benchmarking

Accounts Receivable Services. Wipfli offers services to assist providers in successfully collecting their accounts receivable. We will customize the scope of services to meet each organization's unique needs.

- Claims submission for Medicare, Medicare Advantage, Medicaid, and private insurance
- Temporary accounts receivable staffing
- Medicare and Medicaid software training
- On-site or remote business office training
- Accounts receivable management
- Business office and revenue cycle assessment

Operational and Clinical Improvement. As former directors of nursing, administrators, and facility therapy providers, Wipfli's professionals understand that financial reimbursement and operational efficiencies must be balanced with the provision of care. Our consultants add value by assisting with the following clinical and operational services:

- Corporate compliance programs
- Operational assessments
- Clinical system reviews
- Staffing by acuity
- Clinical forms, Policies and Procedures, and Documentation Systems Analysis and Design
- Education and Training
- Traditional and Quality Indicator Mock Surveys
- Wound care assistance
- Customer service assistance

Appendix B – Publications and Events

Our website wipfli.com is a robust resource for disseminating information to our clients on relevant industry topics. There you will find articles we have published, our thought leadership papers with information and best practices for improving and maximizing performance on issues and challenges faced by health care organizations, notices of upcoming webinars, and links to other relevant, industry-related websites.

Wipfli sponsors several nationally recognized conferences in locations across the nation for health care and nonprofit governmental professionals. Our largest conference, in its eighteenth year, is attended each year by over 1,000 individuals from across the nation. This must-attend conference is geared toward all types of professionals. Breakout session topics at this conference include:

- Software Use and Selection
- Community Presence and Impact
- Disaster Planning
- Finance, Accounting, and Tax
- Reimbursement Compliance
- Uniform Guidance
- Health and Welfare Plans
- Leading an Organization of the Future
- Risk and Technology
- Talent Management

In addition, for the past 15 years, the health care professionals at Wipfli have delivered a Critical Access Hospital Knowledge Workshop in Minnesota, Nevada, and Missouri. Some of the high impact workshops included the following topics:

- Medicare Reimbursement Principles and Advanced Strategies
- 340B Drug Pricing Program Participation and Compliance
- How to Create Effective Incentives within a Physician Compensation Plan
- Evaluating Strategic Opportunities Using Data from the Medicare Cost Report
- HIPAA Risk Management: Leveraging the Benefits of Health Information Trust Alliance
- Strategic Pricing
- Post-Acute Strategies for Successful Care Transitions and End-of-Life Care
- Patient Care Redesign: A Journey
- Key Strategies for Meeting the Challenges of New Health Care Business Models

Perspective Newsletter is a monthly publication consisting of in-depth articles focused on important topics in the health care industry. We have included select recent articles below for your review.



The Behavioral Shift Necessary to Achieve Value-Based Care



Is your organization ready to meet the challenge to achieve value-based care by next year? Discover [six key behavioral shifts](#) that can help propel your strategy and move your organization toward value-based, collaborative care across the continuum of providers.

The Fundamentals of an Incident Response Management Plan



When it comes to a cyberattack, a missing or stolen laptop, or a curious vendor who helps himself to PHI files, does your organization have a swift, practiced, and updated response plan? Learn how to build your own [incident response plan](#).

Top Ten Questions Regarding Provider-Based Clinic



Provider-based clinics are under more scrutiny than ever before, so it is important for facilities to ensure their clinics are meeting CMS criteria. Learn about the most common questions regarding [provider-based clinics](#) and the filing of an attestation.

UPCOMING EVENTS

Crash Coding Course for ICD 10 CM – For Nursing Homes

Webinar (three part series)
[August 28 | 1:00-2:30 pm CST](#)
[September 2 | 1:00-2:30 pm CST](#)
[September 8 | 1:00-2:30 pm CST](#)

Recruiting Today

Webinar
[September 1 | 1:00-2:00 pm \(CST\)](#)

Compensation Systems

Webinar
[September 9 | 1:00-2:00 pm CST](#)

Wipfli's Annual Critical Access Hospital and Rural Health Clinic Conference

Reno, Nevada
[September 15-17](#)

Wipfli offers dozens of live events and webinars on numerous health care topics. Visit the [event page](#) for a full listing.



In addition to health care, general business, and accounting and audit newsletters, Wipfli's health care practice hosts live events and webinars. Recently held events included training on the following topics:



Root Cause Analysis: How to Implement in Your Facility for Successful Outcomes - Workshop
Choose from four dates and locations!

Managing Managed Care - Webinar
August 03; 1:00 p.m. to 2:30 p.m. (CST)

Post-Acute Strategies for Acute Care Providers - Webinar
August 26; 1:00 p.m. to 2:00 p.m. (CST)
Coming soon!

Crash Coding Course for ICD 10 CM - Webinar series

Join us for a webinar series that will review coding, conventions, and coding practice from one end of the manual to the other. The first session will cover chapters 1-6, the second will cover chapters 8-14, and the final will cover chapters 17-21, and allow time for questions and in-depth coding scenarios. These webinars will take place at the end of August and early September. Contact Caryn Adams at cadams@wipfli.com for more information.



HR-Related Webinar:

Recruiting Today
September 1 1:00 p.m. to 2:00 p.m. (CST)

Appendix C – Professional Profiles



Jeffrey M. Johnson
Health Care Partner

Current Position and Responsibilities

Jeff Johnson is the firm's Western U.S. geographic market leader with more than 25 years of in-depth experience in providing audit, reimbursement, and consulting services to a variety of health care organizations across the country. Specifically, he provides strategic and financial solutions to hospitals, medical practices, and other health care providers through Wipfli's Oakland office. Jeff is a frequent speaker for regional and national health care associations on finance, reimbursement and operational matters.

Certifications:

Certified Public Accountant

Specializations

- Hospital audit and cost reporting (including critical access hospitals)
- Strategic financial planning
- Hospital/physician integration
- Operational reviews
- Reimbursement analysis
- Medical practice management/performance reporting
- Fee schedule analysis
- Physician compensation development and design
- Medicare-certified rural health clinic and federally qualified health center development and compliance reviews
- Board governance education
- Financial feasibility studies for facility replacements/renovations, new services and programs
- OMB Circular A-133 audit services

Past Experience

- Worked at a nationally recognized Midwest medical center and was responsible for Medicare and other third-party reimbursement analysis and reporting requirements, including directing financial statement and operational related issues; instrumental in the integration of clinic and hospital ancillary service departments by creating financial planning models that aligns with organizational strategic financial plans including modeling cost and benefit analysis.

Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) – Member
- CPA Licensed – Minnesota, Washington, Idaho, Oregon (including Municipal auditor license), Alaska, and Hawaii
- Medical Group Management Association (MGMA) – Member
- Healthcare Financial Management Association (HFMA) – Member
- Washington Rural Health Association – Past Board Member and Past President
- National Association of Rural Health Clinics – Member
- National Association of Community Health Centers – Member
- National CPA Health Care Advisor Association – Member

Education

- Iowa State University
- Bachelor's degree in accounting

Contact Information:

Please contact Jeff in our Oakland office.

Office: 509.232.2498

E-mail: jjohnson@wipfli.com



Corina R. Schoenke
Partner

Current Position and Responsibilities

Cori Schoenke is a certified public accountant with over 20 years of experience in the health care and nonprofit industries. Her primary focus is on planning, conducting, and overseeing financial statement audits of health care and nonprofit organizations. Cori has worked with large hospital systems, standalone hospitals, multispecialty physician groups, home health agencies, nursing homes and continuing care facilities, community and private foundations, social services organizations, insurance companies, and religious institutions.

Specializations

- Audits and reviews for health care and nonprofit organizations
- Employee benefit plan audits
- Compliance audits
- Statutory audits
- Tax-exempt financing assistance

Past Experience

- External auditor with a Big Four accounting firm for ten years
- Regional controller for a large public company
- Accounting supervisor for a local health care provider
- Lead trainer for various accounting and auditing topics related to the health care, nonprofit, and employee benefit plan arenas
- Lead recruiter for a major university

Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) - Member
- Wisconsin Institute of Certified Public Accountants (WICPA) - Member
- Healthcare Financial Management Association (HFMA) - Member
- Hope House of Milwaukee - Treasurer
- Our Shepherd Lutheran Church of Greendale - Treasurer
- Food Pantry of Waukesha County - Past treasurer

Education

University of Wisconsin-Parkside

- Bachelor of science degree in accounting

Certifications:

Certified Public Accountant

Contact Information:

Please contact Cori in our
Milwaukee office.

Office: 414.259.6730

E-mail: cschoenke@wipfli.com



Wes A. Thew
Manager

Current Position and Responsibilities

Wes Thew is a manager in Wipfli LLP's Spokane office. He focuses on audits and attestation, Medicare and Medicaid cost reporting, preparation of IRS Form 990s, and feasibility study projects.

Specializations

- Audits of financial statements
- Medicare cost reporting
- Medicaid cost reporting
- IRS Form 990 preparation and review
- Feasibility studies

Experience

- Joined Wipfli LLP in 2008

Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) - Member
- Washington Society of Certified Public Accountants (WSCPA) - Member
- Healthcare Financial Management Association (HFMA) - Member

Education

Eastern Washington University

- Bachelor degree in accounting with an emphasis in finance and economics

Certifications:

Certified Public Accountant

Contact Information:

Please contact Wes in our
Spokane office.

Office: 509.489.4524

E-mail: wthew@wipfli.com



Terri L. Rexrode
Director, Health Care

Current Position and Responsibilities

Terri Rexrode, a director in Wipfli LLP's health care practice, is responsible for coordinating the preparation and review of nonprofit and for-profit returns related to the health care industry. Leveraging more than 25 years of experience, she provides clients with up-to-date tax information and assists nonprofit and for-profit organizations with making essential business decisions.

Specializations

- Health care for-profit and nonprofit taxation
- Form 990 compliance issues and training
- Charitable status challenges
- Unrelated business tax analysis
- Structural analysis
- IRS and state audit assistance

Past Experience

- KPMG tax practice
- Regional accounting firm

Professional Memberships and Activities

- American Health Lawyers Association (AHLA) - Member
- American Institute of Certified Public Accountants (AICPA) - Member
- Wisconsin Institute of Certified Public Accountants (WICPA) - Member
- Healthcare Financial Management Association (HFMA) - Member

Education

Marquette University

- Bachelor of science degree - Graduated summa cum laude

Washington School of Law

- Master of science degree in taxation - Graduated with honors

Certifications:

Certified Public Accountant

Master of Science in
Taxation

Contact Information:

Please contact Terri in our
Green Bay office.

Office: 920.662.2831

E-mail: trexrode@wipfli.com



David Imus
Manager

Current Position and Responsibilities

David Imus is a manager in Wipfli's Spokane office. He has served noncommercial entities for over six years in various industries such as health care, nonprofit, higher education, and state and local government. David focuses on audit and compliance services, especially for organizations that require single audits. His specialization is performing accounting services for special districts and special-purpose governmental facilities.

Specializations

- Yellow Book audits
- Employee benefit audits
- 990 preparation and review
- Uniform Guidance audits
- Financial accounting and reporting
- Governmental Accounting Standards Board (GASB)-compliant reporting
- Tribal- and Indian Health Service (IHS)-funded facilities

Professional Memberships and Activities

- American Institute of Certified Public Accountants (AICPA) - Member
- Washington Society of Certified Public Accountants (WSCPAA) - Member

Education

Eastern Washington University

- Bachelor of science degree in business administration with an emphasis on professional accounting
- Bachelor of arts degree in economics

Certifications:

Certified Public Accountant

Contact Information:

Please contact David in our
Spokane office.

Office: 509.232.2711

E-mail: david.imus@wipfli.com

Appendix D – Peer Review Report



System Review Report

To the Partners of Wipfli LLP
and the National Peer Review Committee of the AICPA

We have reviewed the system of quality control for the accounting and auditing practice of Wipfli LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based upon our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under FDICIA, and examinations of service organizations [Service Organizations Control (SOC) 1 and 2 engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Wipfli LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Wipfli LLP has received a peer review rating of *pass*.

A handwritten signature in black ink that reads "Weaver and Tidwell, LLP". The signature is written in a cursive, flowing style.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
September 23, 2016

December 8, 2016

Rick E Dreher
Wipfli LLP
10000 W Innovation Dr Ste 250
Milwaukee, WI 53226

Dear Mr. Dreher:

It is my pleasure to notify you that on December 8, 2016 the National Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2019. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,



Michael Fawley
Chair—National PRC
nprc@aicpa.org 919 4024502

cc: Terrence Everett Ford; Daniel T Szidon

Firm Number: 10077210

Review Number 462502

Letter ID: 1131944A

TAB J

SAN GORGONIO MEMORIAL HOSPITAL

Medical Staff Services Department

M E M O R A N D U M

DATE: February 19, 2020

TO: Susan DiBiasi, Chair
Governing Board

FROM: Steven Hildebrand, M.D., Chairman
Medical Executive Committee

SUBJECT: MEDICAL EXECUTIVE COMMITTEE REPORT

At the Medical Executive Committee held this date, the following items were recommended for approval by the Governing Board:

Approval Item(s):

**Infection Control -
Infection Control Risk Assessment 2020**

The 2020 Infection Control Risk Assessment Plan was presented for approval (See attached). As part of the commitment to quality care and services, SGMH conducts a periodic assessment of the risk(s) for transmission and acquisition of infectious agents.

Policies & Procedures

The following policies and procedures are recommended for approval:

1. **Sepsis Identification & Management**
The purpose of this policy is emergent identification of Sepsis Patients (See Item XIV of Board packet).
2. **Infection Control Plan 2020**
The Infection Prevention & Control Program is designed to fulfill the basic purposes of prevention, control, surveillance and reporting of the spread of infections and infectious diseases within the hospital (See Item XIV of Board packet)
3. **Preparedness Plan for Influenza Pandemic 2019 - 2020**
This Preparedness Plan for Influenza Pandemic was established to lessen the impact of an influenza pandemic on the patients, staff, contracted services and visitors of the hospital (See Item XIV of Board packet).

**Pharmacy & Therapeutics -
MERP Plan 2020**

The purpose of the MERP Plan is to promote safe and effective medication use through the reduction of preventable medication-related errors and adverse events (See attached).

Policies & Procedures

The following policies and procedures are recommended for approval:

1. **Antibiotic Stewardship Program**

To establish an organization-wide program which promotes the appropriate use of antimicrobial agents at SGMH. The goal is to optimize clinical outcomes while minimizing the unintended consequences of inappropriate antimicrobial use (See attached).

2. **Peripheral Saline Lock in the Emergency Department Waiting Room**

In an effort to expedite Emergency Department patient care, patient turnaround, and improve ED throughput, peripheral saline locks (IVs) may be established for blood collection and intravenous access on patients that will be returning to the ED waiting room pending further medical treatment and/or a bed assignment (See Item XIV of Board packet).

Addition to the Hospital Formulary

Sodium Zirconium Cyclosilicate (Lokelma)

The aforementioned drug was approved by the FDA in October 2016 for the treatment of hyperkalemia in adults (See attached).

2020 Annual Approval of Departmental Policies & Procedures

The following policies & procedures are recommended for approval (See attached and Item XIV of Board packet).

The purpose of the Medication Error Reduction and Prevention Plan (MERP Plan) is to promote safe and effective medication use through the reduction of preventable medication-related errors and adverse events.

MERP 2020



January 29, 2020



San Gorgonio Memorial Hospital

Medication Error Reduction Plan: 2020 Plan & Goals

Plan Purpose and Overview:

The purpose of the Medication Error Reduction and Prevention Performance Improvement Plan (MERP Plan) is to promote safe and effective medication use through the reduction of preventable medication-related errors and adverse events.

Medication Error Reduction and Prevention Strategies focus on the core procedures and systems of the medication management process; prescribing; prescription order communication; product labeling, packaging and nomenclature; compounding; dispensing; distribution; administration; education; monitoring and medication use.

The MERP Plan is updated on an ongoing basis in consideration of the changing needs of patients, staff, quality management and performance improvement, and risk management processes. Modifications to the plan are assessed for effectiveness.

The effectiveness of the MERP Plan is reviewed **annually**. The methodology used to assess the effectiveness of the plan should provide objective and relevant evidence that informs policy decision makers in the evaluation and development of corrective actions to effectively prevent and reduce medication errors.

The (MERP Plan) includes:

- Creating and embracing an accountable non-punitive culture for identifying and reporting medication errors and near miss events.
- Utilizing a “systems” approach to understanding and eliminating medication errors through multidisciplinary involvement.
- Using organization-wide quality assurance and performance improvement (QAPI) data to identify and analyze medication errors and, near miss events.
- Implementing system changes to minimize the likelihood of future medication errors and near misses.
- Involvement of multidisciplinary teams and committees to direct and monitor the medication safety and performance improvement effort.



San Gorgonio Memorial Hospital

Medication Error Reduction Plan: 2020 Plan & Goals

Scope:

The MERP Plan is applicable to all patients receiving care within the facility or under the licensure of the facility, including both inpatients and outpatients. The MERP Plan pertains to all areas in which medications are prescribed, prescription orders are communicated, products are labeled, packaged and nomenclature used, compounded, dispensed, stored, distributed, administered, monitored and used.

Objectives:

- Improve error detection, reporting and analysis of data and use of information to improve medication safety.
 - Evaluate on-line reporting and enhance active reporting.
 - Enhance awareness of on-line reporting tools and methodologies for capturing data and tracking medication related events.
 - Orient and educate staff on processes for reporting medication events. Re-orient staff on a regular basis.
 - Establish a system to encourage staff to report medication errors, participate in identifying system-based causes, make recommendations to improve the system, and facilitate necessary changes.
 - Create methods to enhance error detection by capturing medication errors and near misses through computer surveillance and trigger events, Medication Administration Records (MAR) reconciliation, pharmacy interventions and competency assessment processes. Use the data to identify additional opportunities to improve medication processes.
- Emphasize an accountable non-punitive reporting process that encourages staff to report potential or actual medication safety risks.
 - Widely communicate the organization's commitment to medication safety in specific terms and with concrete examples in staff newsletters and educational programs.
 - Develop methods to obtain frontline staff feedback about medication/patient safety issues.
 - Review *ISMP Medication Safety Alert* and disseminate information to staff involved in the medication management process.
 - Establish a blame-free environment for responding to errors.



San Gorgonio Memorial Hospital Medication Error Reduction Plan: 2020 Plan & Goals

- Involve staff in Root Cause Analysis and Failure Mode Effect Analysis to assist in evaluation of systems and procedures that have or may contribute to errors.
- Incorporate patient safety tenets in evaluation of employee competence and performance evaluations. (Do not include the absence or presence of errors as a criterion.)
- Evaluate and utilize technology to reduce the risk of medication errors.
 - Maintain an up-to-date compendium of system capabilities and reporting functionalities. Set standards for medication safety alerts and educate staff on functionality.
 - Collect and analyze data to identify areas needing improvement and implement appropriate strategies for medication error reduction.
- Reduce the risk of errors with high-alert medications prescribed and administered to high-risk patient populations or at vulnerable periods of transfer through the health care system.
- :
- Establish maximum safe doses for high-alert medications and enter them into the order entry system to electronically alert staff to potentially toxic doses.
- Evaluate the storage and safe use of high-alert medications and look-alike/sound-alike medications in the hospital and initiate safe practice recommendations.
- Establish standard order sets for the use of high-alert medications, as appropriate.
- Standardize drug concentrations of high alert medications and medications used in high-risk patient populations such as pediatrics and ICU.
- Establish a consistent process for a cognitive, independent double check for defined high-alert medications.
- Implement safe practice recommendations from nationally recognized organizations such as ISMP, Joint Commission Sentinel Event Alerts and California Institute for Health Systems Performance.
- Ensure continuous compliance with medication management safety strategies recognized by professional and accreditation standards. Compliance measures may include:



San Gorgonio Memorial Hospital

Medication Error Reduction Plan: 2020 Plan & Goals

- Self-assessment tools and gap analysis
- Survey preparation assessments
- Medication Safety Checklist

Organization:

Hospital leadership is committed to maintaining an environment that emphasizes patient safety and supports ongoing error prevention and reduction activities. Hospital leaders actively encourage medication error identification and reporting by all staff. Preventing and reducing medication errors is a high priority. Errors are analyzed and processes, functions and services are established, or procedures and systems are changed to prevent recurrence and reduce risk to patients.

Process of the Plan:

➤ Plan Development:

A multidisciplinary group comprised of MERP Plan members from the Medication Safety and Improvement Team (MSIT) is responsible for development of the MERP Plan. The core team is also responsible for recommending the MERP Plan's approval through the Medication Committee, Quality and Patient Safety Council (or equivalent), Medical Executive Committee and the Board of Directors.

Members of the MERP Plan core team includes but is not limited to:

- Director of Pharmacy: Pharmacists, Technicians
- Director of Quality Management and Medical Staff Services or Designee
- Director of Risk Management
- Director of Nursing Departments: CNO, MS, DOU, OB, ED, OR, RT, AS
- Informatics Analyst
- Laboratory



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➤ Plan Implementation and Assessment:

The MSIT provides primary oversight of MERP Plan. The team/committee's role is to guide and direct others within the organization towards; the provision of safe medication use; the prevention and reduction of medication errors and the improvement of medication management processes /procedures and systems.

The MSIT works collaboratively with the hospital and medical staff leadership, medical staff, and hospital staff; working across interdepartmental boundaries as needed, to address medication safety issues and to assess the effectiveness of the MERP Plan.

Methodology used to evaluate each of the eleven medication management procedures or systems to identify weakness or deficiencies that could contribute to medication errors may include but are not limited to:

- Evaluation of external alerts (e.g. ISMP Alert, FDA Alerts, etc.)
- Observation of medication pass
- QAPI studies
- FMEA studies
- Medication Use Evaluations
- Analysis of medication error reports to identify system vulnerabilities
- Root Cause Analysis
- Monitoring and adjusting implementations of practices/process changes to evaluate and enhance effectiveness
- Technology upgrade feasibility is reviewed when needed, but at least annually.
- GAP analysis of the plan is performed, and priorities are established annually.

➤ Improvement Strategies:

Current literature is reviewed on an ongoing basis for the development and ongoing review and revision of the MERP Plan's improvement strategies. The literature includes publications from the Institute of Medicine (IOM), Institute for Safe Medication Practices (ISMP), American Society of Health System Pharmacists (ASHP), the Joint Commission and other publications/organizations as appropriate.

Medication use systems and procedures are identified to include both current and future improvement strategies.



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➤ Implementation Strategies:

Annually, improvement strategies are evaluated, and resultant implementation strategies are identified. Strategies include both technology and non-technology approaches.

- Review the effectiveness of the existing plan, and adjust, when needed, to improve the plan.
- Implement medication use safe practice recommendations
- Optimize medication error prevention and reduction potential of technology systems
- Respond rapidly and effectively to potential errors of, and errors caused by workflow processes

➤ Education and Awareness:

Entity specific core curriculums are created to support the MERP Plan initiative. The following methodology will be used to assist with identifying and reporting medication errors with the goal of reducing their incidence:

- An annual medication safety assessment will be used to identify needs.
- Systems will be reviewed to identify current practice and compared to nationally recognized safe medication practices to identify gaps.
- Expected outcomes and measures of success will be defined for identification and reporting of medication errors and to identify process changes for error reduction and prevention.
- Clinical education will include medication safety core curriculum during orientation and annual competency reviews for pharmacy, nursing and other allied health professionals.
- The medical staff will be informed of MERP Plan progress via the Medical Executive Committee (MEC) through the Pharmacy and Therapeutics Committee.

Monitoring:

The MSIT will monitor multiple data sources that may include:

- Adverse drug event review (medication errors, near misses, adverse drug reaction and incompatibilities).
- Concurrent chart reviews and audits (e.g. Medication Use Evaluations). Warfarin, Heparin, PACU,



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- Computerized surveillance (e.g. Trigger drug utilization, Automated Dispensing Cabinet (ADC) Reports, Bar-Code Medication Verification (BMV) data reports, etc.

Reporting:

- Findings and recommendations from the MSIT are first reported to the P&T Committee, which through its representative reports to the MEC.
- The MSIT also presents its findings to the Quality and Patient Safety Council, which are comprised of leadership from the facility's functional departments when appropriate.
- If findings or recommendations have an *immediate* impact on patient safety, focused memos and direct communication to affected functional areas is utilized.

Annual Review:

The MERP Plan is reviewed annually and modified as needed to focus efforts to reduce medication related errors. The analysis will consist of both concurrent and retrospective review of patterns and trends of clinical care, weakness and deficiencies, and focus on procedure and system related opportunities for improvement. Individual performance issues will not be addressed during an annual review.

The annual assessment of the effectiveness of the MERP Plan will include, but not be limited to, a comprehensive review of prescribing, prescription order communication, labeling, packaging, nomenclature, compounding, dispensing, distribution, administration, patient and staff education, monitoring tools and overall medication use.

Annual review of the MERP Plan will be a function of the MSIT and will be reported to the Medication Committee, the Quality and Patient Safety Council, the Medical Executive Committee and the Board of Directors.



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
Prescribing								
<p>Electronic Health Record: Paper and Electronic records both being used</p> <p>Medication Reconciliation completion rate ~80%</p>	<ul style="list-style-type: none"> ▪ Medication Safety ▪ Quality Audits ▪ BOP on high alert med rec profile 	<ul style="list-style-type: none"> ▪ 12/2016 	<ul style="list-style-type: none"> ▪ CPOE orders around 50% completion ▪ Implementation of fully function electronic health record 11/19 ▪ Ongoing education and education to pharmacy and nursing staff, ancillary departments as implementation is underway. ▪ All Scripts on site meetings ▪ Possibility of creating a position for a Med Rec. Pharmacy Technician or intern with budgeted hours to complete the process. 	<ul style="list-style-type: none"> ▪ Medical Staff ▪ Nursing ▪ Pharmacy ▪ Information Technology ▪ Administration 	<ul style="list-style-type: none"> ▪ 11/2019 	<ul style="list-style-type: none"> ▪ Go live date 7/2020 ▪ Review BOP regulation on med rec for 100bed hospitals ▪ Sub-group formed to see where improvement is needed and how we can accomplish goals 	<ul style="list-style-type: none"> ▪ Quality Assurance & Performance Improvement (QAPI) Reports ▪ Pharmacy Reports ▪ Information Technology reports ▪ Improvement in complete medication histories 	<ul style="list-style-type: none"> ▪ Ongoing process



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
Antimicrobial Stewardship	<ul style="list-style-type: none"> ▪ Antimicrobial Stewardship Program ▪ P&T Committee ▪ Infection Control 	<ul style="list-style-type: none"> ▪ 01/2017 	<ul style="list-style-type: none"> ▪ Develop guidelines for use of antimicrobial agents ▪ Identification Technology tools to enhance program ▪ Revised ASP P&P ▪ Change in ASP RPh ▪ More RPh's involved ▪ Implemented a Decentralized Model with an ICU RPh 	<ul style="list-style-type: none"> ▪ Pharmacy ▪ Microbiology ▪ Infection Control ▪ Quality ▪ Risk ▪) ▪ Medical Staff ▪ Administration 	<ul style="list-style-type: none"> ▪ 1/2015 	<ul style="list-style-type: none"> ▪ Post op prophylaxis measure goal not met for 2019 ▪ Provide education at medical staff meetings ▪ Rewrite surgical order sets ▪ Antibiogram published every 6 months 	<ul style="list-style-type: none"> ▪ Prime Reports ▪ Tracking Clinical Interventions ▪ No 	<ul style="list-style-type: none"> ▪ Appropriate prescribing of empiric antibiotic therapy ▪ Appropriate treatment changes based on culture reports ▪ Appropriate discontinuation of post op antibiotics for ortho cases ▪ Decrease in the use of Meropenem, Zosyn, and Vancomycin ▪ Antibiogram patterns of resistance



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
Fentanyl Patch Transdermal Order	<ul style="list-style-type: none"> Nursing/ Pharmacy 	<ul style="list-style-type: none"> 01/2017 8/17 	<ul style="list-style-type: none"> Pharmacists to ensure patients receiving Fentanyl Patch are meeting the criteria 	<ul style="list-style-type: none"> Nursing Pharmacy Medical Staff 	<ul style="list-style-type: none"> 01/2017 	<ul style="list-style-type: none"> Ongoing Process All RPh's have CURES access 	<ul style="list-style-type: none"> Pharmacy Audits 	<ul style="list-style-type: none"> Appropriate patient receiving appropriate therapy
Prescription Order Communication								
CPOE Compliance Rate	<ul style="list-style-type: none"> ISMP 	<ul style="list-style-type: none"> 01/2017 	<ul style="list-style-type: none"> Order Set Development needed for CPOE Order Sets updated regularly based on Current Guidelines and approved by Medication Committee and MEC CPOE Compliance Rate Staff Education Ongoing process to reach 100% Compliance 	<ul style="list-style-type: none"> Nursing Pharmacy Medical Staff IT 	<ul style="list-style-type: none"> 01/2017 	<ul style="list-style-type: none"> Orders sets sent to All Scripts for conversion to EHR All prescribers E-prescribing once Go live date 	<ul style="list-style-type: none"> Pharmacy Reports MD Compliance with E-Prescribing 	<ul style="list-style-type: none"> Increased compliance with data order entry by MDs Improve CPOE Compliance Rate
Medication Shortages	<ul style="list-style-type: none"> Nursing Pharmacy Practitioners ASHP drug shortage list FDA alerts 	<ul style="list-style-type: none"> 06/2018 	<ul style="list-style-type: none"> EHR will include clinical decision support with information on medications Emergent communication (email/phone calls) as needed as shortages or unavailability of medications arise. 	<ul style="list-style-type: none"> Pharmacy 	<ul style="list-style-type: none"> 06/2018 	<ul style="list-style-type: none"> Ongoing Process Continue to navigate and look for substitutions and alternatives 	<ul style="list-style-type: none"> Surveillance 	<ul style="list-style-type: none"> Improved communication into key shortages to help streamline ordering process



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
Product Labeling, Packaging, and Nomenclature								
Compounded sterile products with correct auxiliary label	<ul style="list-style-type: none"> BOP Regulations 	<ul style="list-style-type: none"> 10/2017 	<ul style="list-style-type: none"> Educating Staff Pharmacist verification of label requirements prior to approving meds 	<ul style="list-style-type: none"> Pharmacy 	<ul style="list-style-type: none"> 10/2017 	<ul style="list-style-type: none"> Ongoing Process 	<ul style="list-style-type: none"> Pharmacy audits of compounding logs Audits 	<ul style="list-style-type: none"> Ongoing Process
Compounding								
Annual Potency and Sterility Testing	<ul style="list-style-type: none"> USP 797 Board of Pharmacy 	<ul style="list-style-type: none"> 1/2017 	<ul style="list-style-type: none"> Sending two random compounds quarterly and sending them to Labs to be tested for Potency and Sterility 	<ul style="list-style-type: none"> Pharmacy 	<ul style="list-style-type: none"> 1/2017 	<ul style="list-style-type: none"> Ongoing Process 	<ul style="list-style-type: none"> Pharmacy Reports CSP Quality Assurance 	<ul style="list-style-type: none"> Ongoing Process Pharmacy providing quality CSP to patients
NIOSH List	<ul style="list-style-type: none"> USP 800 NIOSH lit 	<ul style="list-style-type: none"> 04/2018 	<ul style="list-style-type: none"> Review NIOSH List in Med Safety Meeting Formulate plan with key leaders (administration, nursing, RX) 	<ul style="list-style-type: none"> Pharmacy Nursing Administration 	<ul style="list-style-type: none"> 2018 	<ul style="list-style-type: none"> Identify prior to leaving RX Inform nursing during safety fair Identify on eMAR Develop affidavit for 	<ul style="list-style-type: none"> Complete List Employee competencies required for departments that handle HD 	<ul style="list-style-type: none"> Ongoing Process
Dispensing								
Anesthesia Tray Dispensing	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 6/2017 	<ul style="list-style-type: none"> Provide drug stock to OR Pharmacy department not available 24/7 to replenish trays r 	<ul style="list-style-type: none"> OR Nursing Pharmacy Staff Education 	<ul style="list-style-type: none"> 8/2019 	<ul style="list-style-type: none"> Ongoing Process Will work with ANES groups 	<ul style="list-style-type: none"> Surveillance Medication trays are complete for 	<ul style="list-style-type: none"> N/A



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
						<p>in future prior to starting cases, review ANES formulary.</p> <ul style="list-style-type: none"> ▪ Continue same process of providing drug stock ▪ Eliminated use of narc boxes ▪ ADC for surgery suites in quote for admin review 	cases	
Crash Cart Ingredients	<ul style="list-style-type: none"> ▪ Code Blue meetings 	<ul style="list-style-type: none"> ▪ 04/2018 	<ul style="list-style-type: none"> ▪ Put visible labels on crash carts of medications in cart (or <i>not</i> in cart) ▪ Crash Cart tackle boxes ▪ Recommendation to add ready to use syringes if possible 	<ul style="list-style-type: none"> ▪ Pharmacy ▪ Nursing 	<ul style="list-style-type: none"> ▪ 04/2018 	<ul style="list-style-type: none"> ▪ Ongoing Process ▪ Discussed at code blue meetings 	<ul style="list-style-type: none"> ▪ Surveillance ▪ Monthly audit for expiration date ▪ Decreases in carts that were opened for meds 	<ul style="list-style-type: none"> ▪ Ongoing
Distribution								



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
End of life for ADC	<ul style="list-style-type: none"> Medication Safety Meeting 	<ul style="list-style-type: none"> 01/2017 	<ul style="list-style-type: none"> Review of notice of termination and disable access to Acudose Searched for alternative vendors 	<ul style="list-style-type: none"> Pharmacy Medical Staff IT 	<ul style="list-style-type: none"> 1/2017 	<ul style="list-style-type: none"> Ongoing Process Schedule demos 2020 Provide EXE team 	<ul style="list-style-type: none"> Surveillance Daily Report 	<ul style="list-style-type: none"> Ongoing Process
Storage and Distribution of Controlled Substances	<ul style="list-style-type: none"> BOP quarterly CII audit DEA Biennial inventory Monthly RPH audit 	<ul style="list-style-type: none"> 07/2017 	<ul style="list-style-type: none"> NarcStation is used to distribute narcotics to nursing floors 	<ul style="list-style-type: none"> Pharmacy Nursing Admin 	<ul style="list-style-type: none"> January 2014 	<ul style="list-style-type: none"> Implementing January 2018 	<ul style="list-style-type: none"> Surveillance All discrepancies have resolution 	<ul style="list-style-type: none"> Ongoing process
Administration								
Medication Administration	<ul style="list-style-type: none"> Medication Committee Med Errors/ 	<ul style="list-style-type: none"> 01/2019 	<ul style="list-style-type: none"> Ensure administration of the right drug at the right time Updated med admin times in paragon 	<ul style="list-style-type: none"> Nursing Pharmacy Medical Staff 	<ul style="list-style-type: none"> 1/2017 	<ul style="list-style-type: none"> Ongoing Process Medication administration times adjusted in Paragon to correlate with hourly schedule Educate remote service 	<ul style="list-style-type: none"> Surveillance Daily Report Audits of 	<ul style="list-style-type: none"> Ongoing Process Decrease in delay of therapy errors



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
						on med admin times		
IV Push List	<ul style="list-style-type: none"> ▪ Lexicomp ▪ Trissels ▪ ISMP 	<ul style="list-style-type: none"> ▪ 1/2014 	<ul style="list-style-type: none"> ▪ Updated the IV push list and contents approved by medical staff 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪ Developed a list of common ED antibiotics for use IVP when administering incompatible infusions ▪ Developed list of LR compatibilities 	<ul style="list-style-type: none"> ▪ Decrease delays in therapy when IVF and ABX are not compatible ▪ Nursing use of IV Push list 	<ul style="list-style-type: none"> ▪ Ongoing process
Education								
Pharmacy Provides Education to Clinical Staff: Pharmacy Newsletters	<ul style="list-style-type: none"> ▪ Medical staff secretary orientation ▪ Clinical Pharmacy Practice brochure 	<ul style="list-style-type: none"> ▪ 7/2017 	<ul style="list-style-type: none"> ▪ New prescriber is oriented in pharmacy department with list of pharmacy services, hours, drug formulary requests and contact information 	<ul style="list-style-type: none"> ▪ Nursing ▪ Pharmacy ▪ Medical Staff 	<ul style="list-style-type: none"> ▪ 6/2019 	<ul style="list-style-type: none"> ▪ IT, medical secretary 	<ul style="list-style-type: none"> ▪ DOP contacted for pharmacy requests and questions ▪ Inquiries sent to staff pharmacist 	<ul style="list-style-type: none"> ▪ Ongoing Process



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implemented Date	2019 Status	Measure of Success	Outcome
Nursing Education Compounding	<ul style="list-style-type: none"> USP 799 CA BOP Compounding Reg 		<ul style="list-style-type: none"> Pharmacist educates nursing staff on basic principles of IV admixture Competency in LMS 	<ul style="list-style-type: none"> Pharmacy Nurse educator Nursing 	1/2018	60/60 RN completed orientation and	Decrease in nursing IV admixture errors	Ongoing process
Nursing Education NIOSH	<ul style="list-style-type: none"> NIOSH List 2016 Safety Fair HD Affidavit 	1/2017	<ul style="list-style-type: none"> Nursing Skills day poster identifying NIOSH drugs on SGMH formulary HD education at new hire orientation 	<ul style="list-style-type: none"> Pharmacy Nursing educator 	9/2018	558/630 employees received intro to NIOSH	Awareness of staff that work with HD	Staff involved in HD contact complete LMS
Monitoring								
Renal Dose report	<ul style="list-style-type: none"> Renal Dose adjustment protocol 	1/2017	<ul style="list-style-type: none"> RPH Review of renal dosing reports generated by paragon Antibiotics, anticoagulants, 	<ul style="list-style-type: none"> Nursing Pharmacy Medical Staff 	1/2017	Ongoing Process	<ul style="list-style-type: none"> Surveillance Pharmacy Report 	Ongoing Process
Warfarin/ INR Vancomycin/ Aminoglycosides Renal Dosing	<ul style="list-style-type: none"> MERP HSAG Reporting Clinical Pharmacy Practice 	1/2017	<ul style="list-style-type: none"> Monitoring and Dosing Warfarin, Vancomycin and Aminoglycosides Renal Dosing reports Anticoagulation administration audit 	<ul style="list-style-type: none"> Pharmacy Staff Medical Staff Nursing Staff 	1/2017	<ul style="list-style-type: none"> Ongoing Process Pharmacy review of med reconciliation , high alert meds DC 	<ul style="list-style-type: none"> Surveillance Pharmacy Report Audits Decreases in elevated labs 	<ul style="list-style-type: none"> Ongoing Process Anticoag Stewardship Program will be considered for 2020



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Weakness	Methodology	Date Identified	2019 Process	Responsible Parties	Implement- ed Date	2019 Status	Measure of Success	Outcome
Technology Elements								
Smart Pumps Conversions and Update	<ul style="list-style-type: none"> ▪ ISMP ▪ Audits of Single sheets 	<ul style="list-style-type: none"> ▪ 07/2017 	<ul style="list-style-type: none"> ▪ Review of drug library ▪ Addition of medications to library contents ▪ 	<ul style="list-style-type: none"> ▪ Pharmacy ▪ Nursing ▪ Bio Med services ▪ 	Ongoing	<ul style="list-style-type: none"> ▪ Capital Budget request 2020 more pumps ▪ Schedule update after implementation of EHR 	<ul style="list-style-type: none"> ▪ Decrease in infusion related errors ▪ Safe administration of medication to the patient 	<ul style="list-style-type: none"> ▪ Pending



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This plan was approved by:

Director of Pharmacy

Chief Nursing Officer

Chief of Quality and Medical Staff Services

Pharmacy & Therapeutics

Medical Executive Committee

Date: _____

ANTIBIOTIC STEWARDSHIP PROGRAM

Purpose

To establish an organization wide program called the antibiotic stewardship program which promotes the appropriate use of antimicrobial agents at San Geronio Memorial Hospital. The goal of the ASP is to optimize clinical outcomes while minimizing the unintended consequences of inappropriate antimicrobial use including:

1. The development of antibiotic resistance and antibiotic resistance infections
2. The selection of other pathogenic organisms such as C. difficile
3. Medication toxicity
4. Excess healthcare costs

Policy

Antimicrobial stewardship is an essential component of patient safety and quality of care. As such the development of ASPs has been endorsed by a number of professional organizations, including CDPH and CDC.

In addition, the establishment of an institutional ASP is best practice process that complies with the following mandates:

1. California Senate Bill 1311 which require that "general acute care hospitals develop a process for evaluating the judicious use of antibiotics.
2. CMS COP § 482.42(b) Standard: Antibiotic Stewardship Program Organization and Policies

The ASP will implement policies and practices aimed at reducing the risk of transmitting multi-drug resistant organisms. These policies and practices meet regulatory requirements and are aligned with evidence-based standards.

The Antibiotic Stewardship Committee oversees the organization wide effort to promote and evaluate the appropriate use of antimicrobial agents. The ASP is a multidisciplinary group that includes the following core members.

1. Director of Pharmacy
2. ~~Infectious Disease Medical Consultant~~ Chief Quality Medical Officer
3. Infection Control Nurse
4. Nursing Directors
5. Clinical Microbiologist
6. Information System specialist
7. Nurse Education

8. Performance Improvement

Procedures

Antibiotic Stewardship Committee shall:

1. Develop and review policies and clinical guidelines related to the appropriate use of antibiotics.
2. Monitor compliance with policies and clinical guidelines
3. Evaluate effectiveness of intervention efforts including monitoring of antimicrobial utilization and clinical outcomes.
4. Review trends in antibiotic resistance patterns. Develop a system for routine monitoring of antibiotics resistance rates to detect significant increases or outbreaks and to identify areas where additional interventions or resources are needed.
5. Review current literature with respect to appropriate antimicrobial utilization on an ongoing basis and incorporate strategies into practice as indicated.
6. Assure that policies and interventions are consistent with regulatory requirements and state law.
7. Use National and State Standards such as CDPH Toolkit and CDC guidelines to collect and present quality improvement to hospital committees.
8. The ASP will meet quarterly and maintain a record of its proceedings and shall submit reports of its activities and recommendations to the Pharmacy and Therapeutics Committee, Medical Executive Committee and Performance Improvement Committee for review action and quality improvement.

~~The purpose of this program is to evaluate the judicious use of antibiotics; in order to minimize harm to patients and improve overall patient care and outcomes.~~

ASP Practices include:

1. ANTIBIOGRAM
 - a. The Clinical Laboratory provides an annual antiprogram for all physicians, pharmacist and nursing staff and the trend in antibiotic effectiveness is reviewed at Pharmacy and Therapeutic Committee (P&T) annually.
2. MDRO & POSITIVE CULTURE REPORTING
 - a. The microbiologist daily reports all critical value and positive cultures to including multi-drug resistant organism to the clinicians and Public Health Departments as required.

- b. The pharmacy receives all antibiotics cultures results daily from the microbiologist and utilizes this report in daily antibiotics review.

3. AUTOMATIC STOP ORDERS

- a. The hospital implements automatic antibiotic stop order. All antibiotics are reviewed daily by the clinical pharmacist on ICU rounds and the physicians are required to renew the antibiotics after 7 days or they are discontinued after seven days unless the physicians indicates that they should be continued.

4. ANTIBIOTIC DOSING

- a. Vancomycin and Aminoglycosides are reviewed and monitored daily by clinical pharmacist for dosing, renal dose adjustment and toxicity adjustment as necessary and recommendations communicated to the ordering physicians.
- b. Pharmacist are involved in per-pharmacy dosing of some antibiotics e.g. Pippereacilin/tazobactam, Vancomycin and Aminoglycosides.
- c. Antibiotics will be adjusted according to renal function

5. QUALITY IMPROVEMENT

- a. Monitor process measures including adherence to facility-specific guidelines and best practice standards.
- b. ~~Reduce amount of HAI C. difficile, reduce amount of broad spectrum antibiotic therapies, collect data on total number of days of antibiotic therapy and analyze trends.~~

Antibiotic Stewardship Program Pharmacist Duties

- ~~1. The clinical pharmacist shall run the antibiotic stewardship report daily.~~
- ~~2. The Antimicrobial Stewardship report shall be reviewed for potential organism and antimicrobial agent mismatches, whereby a change in therapy may be warranted. The report may also be reviewed for ongoing therapies that have no active culture data, de-escalation, no signs/symptoms (S/Sx) of existing infection, restricted anti-infective agents, and/or optimization based on available results.~~
- ~~3. The Clinical Pharmacist shall then contact the Prescriber for antimicrobial regimen changes, additions, modifications, D/C therapy, to obtain further cultures/sensitivities, etc. An intervention form shall be kept on file in Pharmacy detailing whether or not the recommendation was accepted and acted upon. Interventions will be documented and presented at committee meetings.~~
- ~~4. Daily rounding with the critical care multi-disciplinary team and pharmacist will occur. Cases will be discussed and may include those on antibiotics in which the patient is afebrile, has a normal WBC, negative cultures, normal procalcitonin levels (where applicable), and no other existing S/Sx of infection. In these cases the ASP pharmacist shall contact prescriber discontinue in an effort to curb inappropriate use and excess~~

patient morbidity. Excludes ID consults endocarditis, neutropenic fever, osteomyelitis, immune-compromised patients (i.e. HIV), CNS infections, etc. whereby prolonged courses of antibiotics (i.e. > 10 days) may be required to successfully eradicate infective organisms.

5. The Clinical Pharmacist shall then keep a record of ASP recommendations, and follow-up daily to ensure that appropriate action and/or response has/has not been documented.

6. In the absence of ID consult, the Antibiotic Stewardship Program Physician Chair may be contacted for further case review and recommendation for antimicrobial alternatives as needed, acting as an intermediary with the medical staff.

De-escalation protocols

The clinical pharmacist in the course of performing pharmacokinetic monitoring may recommend with de-escalation based on the following:

- a. Culture at the site of infection shows an organism with sensitivity to an antibiotic with a narrower spectrum of activity.
- b. Final culture results are negative.

c. The patient based on indication has received an adequate course of therapy.

Culture at the site of infection shows an organism with sensitivity to an antibiotic with a narrower spectrum of activity

- a. If the final report shows staph aureus that is MSSA susceptible, then the vancomycin will be discontinued and nafcillin will be started at 1g q 4 hours IV will be recommended
- b. This de-escalation will exclude meningitis and endocarditis.

Final Culture results are negative

- A. If a patient is still exhibiting signs and symptoms of infection (ie. elevated WBC, temperature, PCT, patient report etc.
- B. The current regimen will be continued, and the treating physician may be contacted to suggest add on or alternative therapy.
- C. If the patient is no longer exhibiting signs and symptoms of infection and the patient has received an adequate course of therapy. Pharmacist will contact prescriber and recommend discontinuing the aminoglycoside or vancomycin.

Reference: SB 1311: Health and Safety Code 1288.8 (a)



Sodium Zirconium cyclosilicate (Lokelma)	Sodium polystyrene Sulfonate (Kayexalate)
<ul style="list-style-type: none"> ● FDA approved in October 2016 for the treatment of hyperkalemia in adults: Potassium Binder antidote for hypokalemia <ul style="list-style-type: none"> ○ Binding of potassium reduces the concentration of free potassium in the gastrointestinal lumen, lowering serum potassium levels; eliminated in stool ○ Should not be used as emergency treatment for life threatening hyperkalemia : use in combination with IV fluid therapy and or IV insulin for acute hypokalemia ● Dose: 10 mg PO TID x up to 48 hours then 10 mg daily <ul style="list-style-type: none"> ○ Packet is dissolved in 45mls of water ○ Maintenance 5mg every other day to -15mg daily ● Onset: 1-6 hours ● ADRs: edema, UTI, GI <ul style="list-style-type: none"> ○ Monitor weight, fluid and sodium intake ○ May need to increase dose of diuretic ● Cost: \$17 per dose ● Pharmacology: binds K+ in GI lumen in exchange for Na+ and H+ <ul style="list-style-type: none"> ○ Specific to binding K+ only ○ Transiently increase gastric pH <ul style="list-style-type: none"> ■ Administer other PO med 2 hours or more before or after Lokelma ● Better used acutely (as compared to Veltassa and Kayexalate) ● RCH uses Lokelma as standard treatment for hypokalemia if patient can tolerate PO ● No contraindications 	<ul style="list-style-type: none"> ● Dose: 15-60 g PO or 50 g in 150 mL of tap water PR for 30-60 mins ● Onset: 2-6 hours ● Duration of action: variable ● Cost: \$7 per dose ● Pharmacology: Cation-exchange resin (Na+ for K+) <ul style="list-style-type: none"> ○ Elimination of K+ via stool ○ Non-selective K+ binding- also binds Ca2+ and Mg2+ ● PO more effective and better tolerated ● Monitoring: Sodium, volume overload <ul style="list-style-type: none"> ○ May also cause hypocalcemia and hypomagnesemia ● FDA recommended against formulations with sorbitol <ul style="list-style-type: none"> ○ Intestinal necrosis ● ADRs: GI events; Intestinal Necrosis

<p>Patiomer (Veltassa)</p>	<ul style="list-style-type: none"> ● FDA approved in October 2015; Requested by Nephrology Group ● Used for chronic treatment (non-acute) ● Pharmacology: Binds K+ in GI lumen in exchange for Ca2+ <ul style="list-style-type: none"> ○ Increase fecal K+ excretion ○ Selective K+ binds but also binds Mg2+ ● Dosing: 8.4g PO daily with food <ul style="list-style-type: none"> ○ Max 25.2 g/day ● Onset: 7-48 hours <ul style="list-style-type: none"> ○ Preferred for chronic treatment ● ADRs: GI (constipation, nausea), hypomagnesemia ● DDIs: binds to orally administered drugs **New FDA warning** <ul style="list-style-type: none"> ○ Administer other orally drugs 3 or more hours before or after patiomer ○ Based on in-vitro binding studies with patiomer binding seen with 50% of PO
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SGMH 2020 ANNUAL APPRC OF POLICIES AND PROCEDURES

Title	Policy Area	Expiration	Step Description	Revised?
Acceptable History for Blood Bank Patients and their Testing	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Activities Unlicensed Laboratory Personnel May Or May Not Perform	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Acuity and Staffing Plan for Nursing	Nursing	12/05/2019	Medical Executive Committee	Revised
Analyzer Operator ID and L.I.S. Security	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Autologous Blood Transfusion—Paul Gann Act	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Back-Up Testing During Equipment Failure	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Biological Product Deviation Reporting(BPDR)	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Blood Bank Armbanding	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Centrifuges, Refrigerators, Freezers and Safety Eyewash	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Clinical Duties of the General Supervisor	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Clinical Duties of the Medical Director	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Clinical Duties of The Technical Consultant	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Clinical Responsibilities Of The Testing Personnel	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Code Crimson: Emergent Transfusion	Clinical Laboratory	08/19/2022	Medical Executive Committee	Unchanged
Communication of Equipment Failure	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Corrective actions for Deficiencies Identified Through Quality Control Measures	Clinical Laboratory	05/07/2022	Medical Executive Committee	Revised
Critical Test Results for Clinical Departments	Administration	12/08/2018	Medical Executive Committee	Revised
CT Contrast Policy and Protocol	Diagnostic Imaging	05/06/2020	Medical Executive Committee	Revised
Equipment Management Plan	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged

Evaluation and Selecting Reference Laboratories	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Expanded Scope of Practice (Standardized Procedure)	Nursing	12/05/2019	Medical Executive Committee	Revised
Expiration Dates in the Clinical Laboratory	Clinical Laboratory	05/07/2022	Medical Executive Committee	Revised
Expired Drugs	Pharmacy	02/02/2019	Medical Executive Committee	Unchanged
Expired Laboratory Reagents and Collection Tubes	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
Exposure to Blood Borne Pathogens	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
General Specimen Rejection	Clinical Laboratory	05/07/2022	Medical Executive Committee	Unchanged
IV Push/Infusion Drug List	Pharmacy	11/19/2020	Medical Executive Committee	Unchanged
Master Formula for Sterile and Nonsterile Compounding	Pharmacy	08/14/2022	Medical Executive Committee	Revised
Medication Administration	Pharmacy	12/16/2022	Medical Executive Committee	Unchanged
Nurse Collected Specimens	Clinical Laboratory	N/A	Medical Executive Committee	New
Patient Drug Profiles: Allergies, Adverse Drug Reaction, Sensitivities	Pharmacy	04/03/2021	Medical Executive Committee	Revised
Skin and Wound Care Guidelines	Nursing	02/06/2021	Medical Executive Committee	Revised
Transfer of Hospitalized Patients to Another Acute Hospital – Higher Level of Care or for Services Not Available at SGMH	Case Management	04/30/2020	Medical Executive Committee	Unchanged

TAB K

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval
1	Acceptable History for Blood Bank Patients and their Testing	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
2	Activities Unlicensed Laboratory Personnel May or May Not Perform	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
3	Access, Labeling and Shut off of the Piped Medical Gas System	Environment of Care	Dan Mares, Director Engineering	Bobbi Duffy for Hospital Board of Directors
4	Acuity and Staffing Plan for Nursing	Nursing	Gayle Freude, Director Nursing	Bobbi Duffy for Hospital Board of Directors
5	Administration of Departments - In Department Representatives Absence	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
6	Administrative Manual, Purpose and Use of	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
7	Administrator on Call (AOC)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
8	Analyzer Operator ID and L.I.S. Security	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
9	Annual Evaluation of Performance - Hospital Board	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
10	Attorney, Contacting Legal Counsel	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
11	Autologous Blood Transfusion - Paul Gann Act	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
12	Back-Up Testing during Equipment Failure	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
13	Biological product Deviation Reporting (BPDR)	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
14	Blood Bank Armbanding	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
15	Blood and Blood Products Transfusions	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval
16	Board Meetings - Public Comments (Healthcare District)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
17	Board Meetings - Public Comments (Hospital)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
18	Board of Director's Duties and Responsibilities (Healthcare District)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
19	Board of Director's Duties and Responsibilities (Hospital)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
20	Board of Directors Guidelines for Conduct (Healthcare District)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
21	Board of Directors Guidelines for Conduct (Hospital)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
22	Capital Expenditure Request	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
23	Centrifuges, Refrigerators, Freezers and Safety Eyewash	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
24	CEO Designee	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
25	Chief Executive Officer (CEO) Responsibilities	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
26	Clinical Duties of the General Supervisor	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
27	Clinial Duties of the Medical Director	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
28	Clinical Duties of the Technical Consultant	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
29	Clinical Responsibilities of the Testing Personnel	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
30	Code Carts - Adult and Pediatric	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Hospital Board of Directors
31	Code Brimson: Emergent Transfusion	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval	
32	Communicating with Non-English Speaking, Limited English Proficiency, Visually or Hearing Impaired Patients and Visitors	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Board of Directors	Hospital
33	Communication of Equipment Failure	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Board of Directors	Hospital
34	Complimentary Meals	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital
35	Conflict Management and Chain of Command	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital
36	Conflict of Interest (Associates)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital
37	Contracts, Licenses and Other Legally Binding Agreements	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital
38	Corrective actions for Deficiencies Identified through Quality Control Measures	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Board of Directors	Hospital
39	Cooling down and Reheating Foods	Dietary	Lakeisha Hawthorne, Director Food & Nutrition	Bobbi Duffy for Board of Directors	Hospital
40	Critical Test Results for Clinical Departments	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Board of Directors	Hospital
41	CT Contrast Policy and Protocol	Diagnostic Imaging	Krystal Chamberlin, Director for Diagnostic Imaging	Bobbi Duffy for Board of Directors	Hospital
42	Destruction of Hospital Property	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital
43	Diagnostic Imaging - Radiology Disaster Plan	Emergency Preparedness	Joey Hunter, Director Emergency Preparedness, EOC & Security	Bobbi Duffy for Board of Directors	Hospital
44	Donated Funds from Outside Organizations (Healthcare District)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital
45	Donated funds from outside Organizations (Hospital)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Board of Directors	Hospital

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval
46	Eating Areas	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
47	Equipment Management Plan	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
48	Evaluating and Selecting Reference Laboratories	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
49	Expanded Scope of Practice (Standardized Procedure)	Nursing	Gayle Freude, Director Nursing	Bobbi Duffy for Hospital Board of Directors
50	Expiration Dates in the Clinical Laboratory	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
51	Expired Drugs	Pharmacy	Joey Lopez, Director Pharmacy	Bobbi Duffy for Hospital Board of Directors
52	Expired Laboratory Reagents and Collection Tubes	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
53	Exposure to Blood Borne Pathogens	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
54	Fecal Occult Blood Test	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
55	Frozen Foods	Dietary	Lakeisha Hawthorne, Director Food & Nutrition	Bobbi Duffy for Hospital Board of Directors
56	Garbage Control and Disposal	Dietary	Lakeisha Hawthorne, Director Food & Nutrition	Bobbi Duffy for Hospital Board of Directors
57	General Specimen Rejection	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
58	Gifts to Hospital for Official Business	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
59	Governing Board Background Screening	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
60	Governing Board Conflict of Interest	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
61	Hospital Board of Director Selection	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval
62	Hospital Vehicles (Authorization and Use)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
63	Identification Badges (Associates)	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
64	Infection Control Plan 2020	Infection Control	Susan Sommers, Director Infection Control	Bobbi Duffy for Hospital Board of Directors
65	Intensive Care Unit/Definitive Observation Unit Disaster Plan`	Emergency Preparedness	Joey Hunter, Director Emergency Preparedness, EOC & Security	Bobbi Duffy for Hospital Board of Directors
66	Internal Construction Requests	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
67	IV Push / Infusion Drug List	Pharmacy	Jose Lopez, Director Pharmacy	Bobbi Duffy for Hospital Board of Directors
68	Journals and Books	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Hospital Board of Directors
69	Levels of Authorization - Healthcare District	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
70	Levels of Authorization - Hospital	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
71	Lost and Found Articles	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
72	Master Formula for Sterile and Nonsterile Compounding	Pharmacy	Jose Lopez, Director Pharmacy	Bobbi Duffy for Hospital Board of Directors
73	Materials Management Disaster Plan	Emergency Preparedness	Joey Hunter, Director Emergency Preparedness, EOC & Security	Bobbi Duffy for Hospital Board of Directors
74	Media Inquiries	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
75	Medication Administration	Pharmacy	Jose Lopez, Director Pharmacy	Bobbi Duffy for Hospital Board of Directors
76	Memorial Flowers	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval
77	Non-Punitive Reporting	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Hospital Board of Directors
78	Nurse Collected Specimens	Clinical Laboratory	Byron Hazley, Director Clinical Laboratory	Bobbi Duffy for Hospital Board of Directors
79	Organizational Ethics	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
80	Organizational process/Structure	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
81	Orientation and Continuing Education for Members of the Governing Board	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
82	Overhead Paging	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
83	Patient Drug Profiles: Allergies, Adverse Drug Reaction, Sensitivities	Pharmacy	Jose Lopez, Director Pharmacy	Bobbi Duffy for Hospital Board of Directors
84	Peripheral Saline Lock in the Emergency Department Waiting Room	Emergency Department	Angela Brady, Director Emergency	Bobbi Duffy for Hospital Board of Directors
85	Philosophy	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
86	Policy Creating, Review, Revision and Approval	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
87	Preparedness Plan for Influenza Pandemic - 2019 - 2020	Infection Control	Susan Sommers, Director Infection Control	Bobbi Duffy for Hospital Board of Directors
88	Product Evaluation and Review	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Hospital Board of Directors
89	Purchasing Authority	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
90	Purchasing Guidelines	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
91	Room Reservation / Catering	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
92	Sepsis Identification & Management	Nursing	Gayle Freude, Director Nursing	Bobbi Duffy for Hospital Board of Directors

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board meeting of March 3, 2020

	Title	Policy Area	Owner	Workflow Approval
93	Skin and Wound Care Guidelines	Nursing	Gayle Freude, Director Nursing	Bobbi Duffy for Hospital Board of Directors
94	Smoke Free Campus	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
95	Social Media	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
96	Solicitation, Distributions and Postings	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
97	Transfer of Hospitalized Patients to Another Acute Hospital - Higher Level of Care or for Services Not available at SGMH	Case Management	Marvin Mitchell, Director Case Management	Bobbi Duffy for Hospital Board of Directors
98	Vendor / Contractor Visitation	Administration	Bobbi Duffy for Administration	Bobbi Duffy for Hospital Board of Directors
99	Visitation Guidelines	Administration	Pat Brown, CNO for Administration	Bobbi Duffy for Hospital Board of Directors
100	Volunteer Credentialing Process & Labor Pool	Emergency Preparedness	Joey Hunter, Director Emergency Preparedness, EOC & Security	Bobbi Duffy for Hospital Board of Directors

TAB L



Library Hosts Panel on Drug Treatment

As the second event of the Book to Action Program the Beaumont Library in partnership with San Geronio Memorial Hospital and Riverside University Health System will host a discussion panel on drug treatment programs in the area.

WHEN: Tuesday February 18, 2020

TIME: 6:30-7:30PM

WHERE: Laura May Stewart Room @ the Library

Refreshments will be served.

Come with questions, concerns or just listen.

For questions or more information call the library at:

951-845-1357



Congratulations to **San Gorgonio Memorial Hospital** and Health Care District boards, administration, nurses, doctors, and staff on the outstanding performance on quality measures for the Department of Health Care Services PRIME program!

A few of the quality measures that had extraordinary performance:



Exceptionally low readmission rates



Outstanding antibiotic prescribing practices



Over 1,000,000 hand washing events annually

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Hospital ratings: San G falls in some, scores well in others

BY DAVID JAMES HEISS
Record Gazette

San Gorgonio Memorial Hospital has been awarded three stars out of five recently by U.S. News & World Report for “Patient Experience,” and earned a “High Performing” rating when it comes to knee replacements, though it was rated “Average” for hip replacement, heart failure and chronic obstructive pulmonary disease.

Denver-based Healthgrades Inc. which offers user-friendly data compilation of doctors, dentists and hospitals that depict satisfaction survey results from the input of more than 100 million users, portrays patients giving a 71 percent “patient experience” rating for San Gorgonio Memorial Hospital, with another 68 percent claiming that they “Would definitely recommend” the hospital, both of which are 2 percent higher than the national average, as defined by Healthgrades.

When it comes to hospital staffing, the Leapfrog Group gave San Gorgonio a “D” during its twice a year safety rankings released last fall, and also gave low grades for safe medication administration, communication about medicines, collapsed lung and dangerous blood clot situations, and clostridium difficile infections, a bacterial infection that can arise after administration of certain antibiotics.

Yet when it comes to overall patient experience and quality of care, our local hos-



Photo by David James Heiss

The entrance to San Gorgonio Memorial Hospital.

pital gets a three-star rating out of five from the Centers for Medicare & Medicaid Services Hospital Compare program.

So what is a potential patient to think when it comes to how the world views the quality and safety of a hospital, and how should they determine whether — insurance notwithstanding — they should go there for their needs when their livelihood depends on it?

These are just a few of the ratings organizations the Record Gazette has selected to focus on for this report, since there are a variety of others that provide data and

satisfaction reviews such as Vitals, Rate MDs and even Yelp.

Each of the three major ratings systems has their strengths and disadvantages, so it depends on which program one wishes to pay closest attention to.

Hospitals are not always excited to receive rankings, and sometimes avoid publicity regarding them altogether; and conversely are quick to tout them when ratings are exceptional.

When questioned about San Gorgonio Memorial Hospital’s latest D safety rating, CEO Steve Barron said that his hospital “does not

participate in the Leapfrog survey,” claiming that “Fewer than 50 percent of the hospitals in the U.S. do. They still give us a grade, but it’s based on incomplete information.”

Barron prefers to pay attention to CMS’s Hospital Compare program instead, since “All hospitals participate in this, and the information — unlike Leapfrog — is actually audited and verified,” Barron said, pointing out that instead of a D rating, CMS, which awards stars, gave San G three out of five.

Bill Hobbs, a Banning resident who occasionally attends San Gorgonio’s hospital board (See HOSPITAL, page 3)

HOSPITAL

(continued from page 1)

meetings, has heard Barron’s response to Leapfrog ratings before and doesn’t buy it.

“I’ve done research on the Leapfrog Group and I’m impressed with the nonprofit’s reporting of safety issues among our hospitals,” Hobbs says. “San G did get an F several years ago, followed with two C ratings. I remember Steve Barron fall of last year defending the rating by stating that not all answers are submitted” at Leapfrog’s request. “Well, that is a poor excuse. If other hospitals can do it, why not San G? Redlands Community Hospital received an A, in addition to other small hospitals.”

Journal examines equity in the ratings processes

In August 2019 the New England Journal of Medicine Catalyst, a peer-reviewed bimonthly publication of the Massachusetts Medical Society, assessed the reporting parties in a study, “Rating the Raters: An Evaluation of Publicly Reported Hospital Quality Rating Systems.”

In its report, their article



Photo by David James Heiss

Loma Linda University Medical Center’s campus has been growing at a solid pace.

points out that “there are several issues” limiting each rating system, such as data limitation, “lack of robust data audits, composite measure development, measuring diverse hospital types together, and lack of formal peer review of their methods.”

Further, the journal concedes that there are conflicting ratings: “Hospitals rated highly on one publicly reported hospital quality system are

often rated poorly on another.”

Since each of the ratings systems offer their insights to care and outcomes at Redlands Community Hospital, Loma Linda University Medical Center and San Gorgonio Memorial Hospital, the Record Gazette has put together this limited report — as there is a lot of data to analyze and compare between each institution, bro-

ken down into various categories by each rating system.

The journal outlined its methodology and criteria for evaluating the ratings systems, and received reviews of factual information from each rating system.

It offered its own ratings of the raters it analyzed, and noted that no one received an A or an F. The highest grade issued was a B to U.S. News & World Report and D+ to

Healthgrades from the New England Journal of Medicine.

Its six-member evaluation team remarked in its conclusions that “We qualitatively agreed that the U.S. News rating system had the least chance of misclassifying hospital performance.”

Further, the journal noted, “Each rating system had unique weaknesses that led to potential misclassification of hospital performance, ranging from inclusion of flawed measures, use of proprietary data that are not validated, and methodological decisions.”

Lumping all hospitals together can unfairly penalize smaller hospitals, since they cannot adequately be identified as poor or good performers, and may not reflect needs for improvement, and the ratings can be misleading to patients, the journal warns.

In an article, the New England Journal of Medicine Catalyst outlined “Common Issues Across Most Rating Systems,” exploring deficiencies in the processes encountered when rating hospitals.

Administrative data collected for billing rather than clinical purposes have their shortcomings, the journal explained, and sometimes data is “limited to those 65

(See HOSPITAL, page 5)

HOSPITAL

(continued from page 3)

and older who participate in the Medicare Fee-for-Service program" that do not necessarily gauge valid risk adjustment.

Rating systems are generally not peer-reviewed — unlike articles that would appear in the journal — and there are those that are potentially biased when hospitals pay rating systems to be able to allow for use of ratings in marketing and advertising campaigns, the journal points out.

The journal notes that "Rating systems often have difficulty handling outcomes measurement at smaller hospitals, which have lower volumes and therefore less reliable performance estimates."

Some methods of rating systems were lauded for being equal when it comes to assessing readmissions and mortality rates.

CMS Hospital Compare's star ratings have sway because "they are put forth by a federal agency and the largest payer in the country, NEJM notes. It does not monetize is rating system. Its website is "commended for usability and facilitating comparisons between hospitals."

On the other hand, "A major shortcoming in many current rating systems continues to be the lack of external peer review and validation of the methods," and "there is likely a high rate of misclassifying hospital performance given the inclusion and comparison of a heterogeneous collection of hospitals into a single group."

Also, according to NEJM, "the weighting appears fairly arbitrary," and "there are few, if any, diagnosis- or procedure-specific measures for elective conditions."

The field needs better data that is not reliant on self-reported information, and not gleaned heavily from Medicare claims; rather, the journal states, should insist on using "all-payer data."

Ratings systems, the journal insisted, need "meaningful audits" and "external peer review."

The ratings systems need to better leverage data to create "quality measures that are valid, valuable, and timely," the journal urged, rather than relying on currently available measures that "fall far short in many domains and suffer from inadequate risk adjustment, questionable relationship outcomes, and unacceptable lag times."

Further, the journal concedes, there are areas of quality missing from the ratings systems such as collection, analysis and patient-reported outcomes, which are distinct from patient experience measures."

Also, the journal notes,

there are no long-term measures included, such as cancer recurrence and survival.

The journal's ratings for the raters

Healthgrades: D+

Healthgrades is praised for having "procedure- and condition-specific rankings that offer more granular information to patients in selecting a hospital, and to hospitals seeking to identify improvement targets," the New England Journal of Medicine Catalyst reports.

Healthgrades, which portrays 71 percent of patients who have used San Gorgonio Memorial Hospital giving it a 9 or 10 out of 10 patient experience rating, gets kudos for

confidence interval is employed to identify outliers on individual measures," and "Healthgrades also evaluates all hospital types together, leading to misclassification concerns."

Healthgrades also had inconsistencies in the codes counted as "complications," many of which would be unrelated to primary diagnoses or procedures, according to the journal.

For Healthgrades, the journal rates "Pros" for: procedure- and condition-specific rankings; data-based weighting of performance; and notes that Healthgrades has become more transparent over time.

Cons for Healthgrades from the journal: less transparent than other systems; no public information on how

Centers for Medicare and Medicaid Services (CMS) Star Ratings "carry considerable weight as they are put forth by a federal agency and the largest payer in the country."

CMS gave four stars across the board in almost every category from infections and patient safety to emergency department care and value of care for hip and knee replacements to Redlands Community Hospital, whereas Loma Linda University and San Gorgonio Memorial Hospital consistently received three stars in those same categories.

CMS sets a standard, the journal notes, as its ratings "have an important influence on other rating systems."

The journal credits CMS's code as accessible and easily replicated for others to analyze; they do not monetize their rating system, and its website is lauded for "usability and facilitating comparisons between hospitals."

However, according to the journal, CMS has "several weaknesses" when it comes to its star ratings: "There is a likely high rate of misclassifying hospital performance," "weighting appears fairly arbitrary," and "there are few — if any — diagnosis- or procedure-specific measures for elective conditions," noting that "many of the disease-specific measures are for non-elective admissions like myocardial infarction" (essentially referring to heart attacks) which patients do not have the luxury of comparing hospitals for ahead of time.

Also, "CMS continues to use several measures that other rating systems have deemed not valid for comparing hospital quality and excluded from their rating system" that can face statutory limitations.

Among those reasons, the journal claims, "There is considerable opportunity and need to improve multiple aspects of the highly visible and influential federal rating system from the largest rating system in the country."

The journal's "Pros" for CMS Hospital Compare Star Ratings: compiled by largest payer in U.S.; incorporates

process, outcomes and patient experience measures; there are some data integrity checks in place to determine anomalous data; they have assembled multiple technical expert panels of diverse stakeholders; data and statistical code is made available for some ability to replicate analysis; extensive methodology description; and no monetization of the ratings.

"Cons" reported by the journal include: transparency in how all measures are weighted; unclear rationale for some methodological decisions; concerns regarding incorporation of feedback in recent literature and from technical expert panels; measures lead to paradoxical misclassification; concerns over the way it utilizes National Healthcare Safety Network measures; attempts to measure diverse hospital types together; no inclusion of clinical registry measures; inclusion of "relatively unimportant imaging measures"; no robust data audit process; data lag can be up to three years behind collection to release; few elective condition- or procedure-specific measures.

Leapfrog Group: C-

Leapfrog was lauded by the New England Journal of Medicine Catalyst for taking "a balanced measurement approach" to quality, incorporating structure, process, outcomes, and patient experience, and hospitals "receive a calculator to replicate or predict scores."

No other process, the journal concedes, has a rating system that "includes an assessment of the culture of safety."

For the period surveyed from July 1, 2016 to June 30, 2018 Leapfrog Group assigned low scores to San Gorgonio Memorial Hospital of a 5 rating (the best performing hospitals receive a rating of 100) in administering doctors' orders of medications via computer, safe medication administration, and access to specially trained doctors providing care in the intensive care unit.

(See HOSPITAL, page 6)

Overall and Criteria-Specific Grades for the Hospital Quality Rating Systems			
	Average Grade	Grade Range	
		High	Low
CMS Hospital Quality Star Ratings			
Overall Grade	C	B	C
Potential for Misclassification	D	C	D
Importance/Impact	C+	B	C
Scientific Acceptability	C+	B	C
Iterative Improvement	C-	B	D
Transparency	B	A	B
Usability	B	A	B
Healthgrades Top Hospitals			
Overall Grade	D+	C	D
Potential for Misclassification	D	C	F
Importance/Impact	B	A	C
Scientific Acceptability	D+	C	D
Iterative Improvement	C	B	D
Transparency	D+	B	D
Usability	C	C	C
U.S. News & World Report Best			
Overall Grade	B	B	B
Potential for Misclassification	B	B	B
Importance/Impact	B	A	B
Scientific Acceptability	B	B	B
Iterative Improvement	B+	A	B
Transparency	B	A	C
Usability	B	B+	C
Leapfrog Safety Score and Top			
Overall Grade	C-	B	D
Potential for Misclassification	C-	C	D
Importance/Impact	C+	B	C
Scientific Acceptability	C	B	D
Iterative Improvement	B-	A	C
Transparency	C	B	D
Usability	C+	B-	C

Notes: The "Overall Grade" for a rating system was a separate category assigned by each rater; not an average of the individual criteria for a rating system. "Potential for Misclassification" refers to the likelihood that the rating system incorrectly estimates true hospital performance.
Source: The Authors.
NEJM Catalyst (catalyst.nejm.org) © Massachusetts Medical Society.

insisting on using its own analyses instead of regurgitating data from others.

The journal had concerns about Healthgrades' composite measure, pointing out that it only contains outcome measures and omits other components that measure quality; further, some data was only available for certain states, rather than nationally.

The journal claimed that Healthgrades' "methods are not sufficiently described to allow replication and evaluation. An arbitrary 90 percent

they monetize their product, and inadequate information to judge validity and appropriateness of methodological decisions; evaluates all hospital types together; many measures lead to paradoxical misclassification; some complications are not related or relevant to the procedure being rated.

CMS Star ratings: C

The journal credits the

HOSPITAL

(continued from page 5)

San Gorgonio Memorial Hospital board member Georgia Sobiech, a retired nurse, reiterated her institution's stance on the Leapfrog ratings: "We do not participate in the Leapfrog survey. They don't conduct surveys as others do, and they don't let the public know when a hospital (and there are several) doesn't choose to participate."

Leapfrog's rating systems' Safety Survey, used to designate their Safety Scores and Top Hospitals designations, is self-reported and "there is not a robust audit in place," and that the audits that have been done, were performed on "very few hospitals," NEJM Catalyst claims.

In the journal's interviews with Leapfrog leadership, it learned that only five of 2,600 hospitals received a formal audit, and only 72 underwent an electronic audit.

"Concerns were also raised about the value of the many of the items on the survey, as they may not truly reflect patient safety efforts, or be meaningful to stakeholders," the journal reported.

Aspects of quality are excluded from Leapfrog's ratings, such as mortality, as "their team believes it is 'not a safety metric,'" the journal declared.

The journal took issue with Leapfrog lumping all hospital types together for the Safety Score, and that patient reported outcomes, which the journal deems are "important measures of successful healthcare management ... are completely absent from all publicly available hospital quality rating systems."

Another concern to the journal's reporters was the fact that Leapfrog could not adequately assess hospitals that do not respond to its Safety Survey, which Leapfrog then resorts to secondary sources to fill in those blanks.

According to the journal, approximately 50 percent of hospitals respond to Leapfrog's surveys, "so a good deal of the rankings are based on missing or inconsistent data."

The journal notes, "Leapfrog uses unadjusted, internally developed central line infection and urinary tract infection measures

rather than other more standard measures rather than other more standard measures. While flawed for hospital quality comparisons, the (National Healthcare Safety Network) measures are at least somewhat standardized and have some minimal risk adjustment."

The journal also found it "antithetical" to include mortality as a component in Leapfrog's Top Hospitals list, since it appeared to be a subjective component for an objective hospital quality rating.

The journal's listing of "Pros" for Leapfrog Group: focus on safety; includes assessment of culture of safety; incorporates process, structural outcomes, and patient experience measures; scientifically rigorous com-

advancements and other stakeholders; concerns about handling of hospitals that do not respond to surveys, and the corresponding missing data; the inclusion of hospitals that do not respond to surveys; high potential for misclassification based on issues with self-reported Leapfrog survey, and some outcomes subject to surveillance bias and ascertainment issues; administrative data not rigorously audited; measures lead to paradoxical misclassifications; use of non-risk adjusted infection measures; Leapfrog's audits "sample a very small number of hospitals annually"; and voluntary, self-reported survey data account for 100 percent of scores for Top Hospitals, but survey data are not rigorously validated or relevant.

fantastic scores for its knee replacement program, particularly when it comes to preventing prolonged hospitalizations and blood transfusions.

The journal appreciated the fact that U.S. News & World Report "eliminated National Healthcare Safety Network measures and most patient safety indicators, weighting volume for proportion of Medicare Advantage patients, improving outcome measures with exclusion of external transfers, and adding risk adjustment for sociodemographic factors."

The journal also lauds U.S. News & World Report's inclusion of reputation between medical facilities for comparison by patients, in which respondents can compare between five hospitals simul-

information where there is a lack of more granular measures capturing the same concept; adjusts volume in each specialty to account for regional differences in Medicare Advantage enrollment; has been responsive generally to feedback from stakeholders and scientific advances; most responsive of the rating systems to changes in measurement science, recent literature and stakeholder feedback; ranking for specific specialty or condition will not be shown if data are missing; least likely of the major rating systems to misclassify hospital performance.

The journal's list of cons for U.S. News & World Report: frequently releases changes without opportunity for public comment well in advance; some rankings are based on "reputation" only; concerns regarding adequacy of risk adjustment with administrative data; patient experience measures used only for procedures and conditions rankings; concerns in their "reputation" measurement methodology with respect to sampling and ranking own institution; limited use of registry data, except to give credit for participation in certain registries (but missing other major registries); hospitals missing patient safety data are assigned median patient safety score patient safety indicators for all hospitals; some metrics developed in-house have not been scientifically vetted; and risk adjustment is different between procedures and conditions; there is no comparison tool, making it difficult to compare hospitals; with so much data U.S. News & World Report offers patients to sift through, hospital data is not shown in a user-friendly format.

Highlights from the raters

Like San Gorgonio, Loma Linda University Medical Center received a three-star patient rating from the latest U.S. News & World Report rankings, and received "High Performing" marks for gastroenterology and gastrointestinal specialization, and high performance ratings for procedures and conditions including aortic valve surgery, chronic obstructive pulmonary disease, heart failure and colon and heart bypass surgeries, and high marks for bariatric and weight control services.

Redlands Community Hospital was given a three-star patient experience rating by U.S. News & World Report, which gives Redlands kudos for its neonatal intensive care unit; and Redlands was given "High Performing" ratings in hip and knee replacements.

Redlands was rated

(See HOSPITAL, page 7)

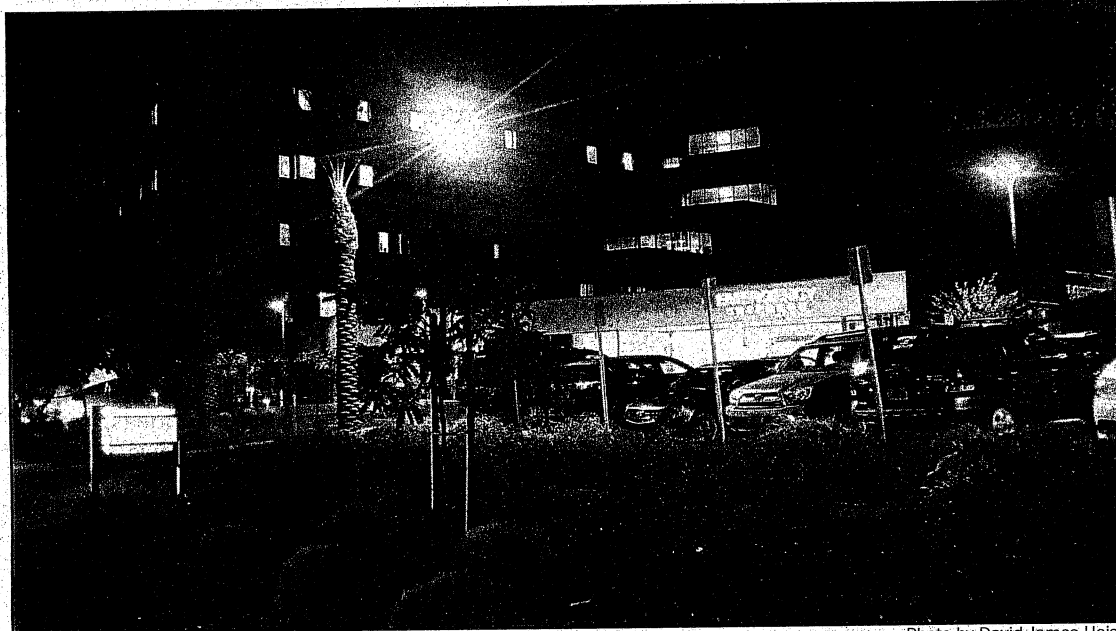


Photo by David James Heiss
Redlands Community Hospital

U.S. News & World Report: B

The New England Journal of Medicine Catalyst had more faith in U.S. News & World Report's Best Hospitals Specialty Rankings, believing that its system is "the most responsive to changes in measurement science and feedback from stakeholders."

"They revise their rating system annually to address measurement issues that have come to their attention from experts, the literature, hospitals, or their internal investigations," the journal says.

U.S. News & World Report gave San Gorgonio Memorial Hospital just two stars out of five for overall patient experience, but gave the hospital

taneously when comparing ophthalmology, psychiatry, rehabilitation and rheumatology.

It includes volume as a quality measure, and specialty- and procedure-specific rankings, as well as high-acuity, high-complexity conditions and procedures, and incorporates Society of Thoracic Surgeons registry data into its rankings, as well as components that focus on cardiothoracic surgery, the journal notes.

However, the journal had concerns about "opportunities for bias and gaming of the survey," and was concerned that U.S. News & World Report does not make its Reputation Survey data publicly available for analysis and outside validation.

The journal's "Pros" for U.S. News & World Report include: overall, specialty and procedure/condition rankings are helpful; rating system is "useful and rigorous"; high-complexity and high-acuity measures where quality tends to vary, but also focuses on more common procedure area; measures generally have high face validity; incorporates structure, process, outcomes, reputation; reputation measure offers some

posite methodology; impact score for weighting approach is available and equally applied based on expert evaluation of impact, opportunity, and evidence base of measure; calculator available to hospitals to replicate measures, scores and weights; Top Hospitals ratings separates peer groups; some data integrity checks are in place to determine anomalous data; Safety Grade uses national expert panel; Top Hospitals uses technical and content experts for measure selection; public information available on website about how they monetize their product.

The journal's cons for Leapfrog: concerns over lack of responsiveness to the issues raised by their expert panel, hospitals, scientific

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“Average” for abdominal aortic aneurysm repairs, chronic obstructive pulmonary disease, colon and lung cancer surgeries, and heart failure.

According to U.S. News & World Report, Redlands and Loma Linda received four stars for patients’ overall satisfaction with their hospital experiences, while San Gorgonio Memorial Hospital received 3.

The Centers for Medicare and Medicaid Services (CMS) Star ratings gave San Gorgonio and Loma Linda three-star ratings, while Redlands Community Hospital received four stars out of five across the board in areas such as sepsis care, cataract surgery outcomes, pregnancy and delivery care, and heart attack care.

Healthgrades gave Loma Linda and San Gorgonio a one out of five star clinical rating for gastrointestinal bleeds, cranial neurosurgery procedures and strokes.

All three were given three stars by Healthgrades for diabetic emergencies and pulmonary embolisms, though only Loma Linda score three stars for respiratory failure, whereas San Gorgonio and Redlands only scored one.

The Leapfrog Group, despite working without input from San Gorgonio Memorial Hospital, gave San G low marks when it comes to communication with doctors and nurses, and responsiveness

from hospital staff; above average scores when it comes to patient falls and injuries, and air or gas bubbles in blood; low marks for safe medication administration and communication about medicines, but high marks for communication about discharges; when it comes to surgeries at San Gorgonio, Leapfrog gave an average rating for surgical wound splits open, poor rankings for collapsed lungs and dangerous blood clots, and high marks for serious breathing problems and accidental cuts and tears. Leapfrog also gave San Gorgonio a low mark for c.diff infection and a high mark for treatments of urinary tract infections.

Dr. Lud Cibelli, a former San Gorgonio Memorial Hospital district board member who practiced at the hospital for 20 years as an emergency medicine practitioner before moving on to work at an emergency room in Lake Arrowhead, says that “Where I practice now, they do not publicize the rating systems to us physicians. Generally I think they were very important and need to be reckoned with,” Cibelli says. “In the mountains, our hospital is a critical access hospital — the only one in town. We have a Measure each year on the ballot to continue tax funds,” which is at the moment the only real measure they have of their patients’ confidence in their hospital. “I think the hospital and the doctors should be paying much more attention.”

Bill Hobbs, a Banning resi-

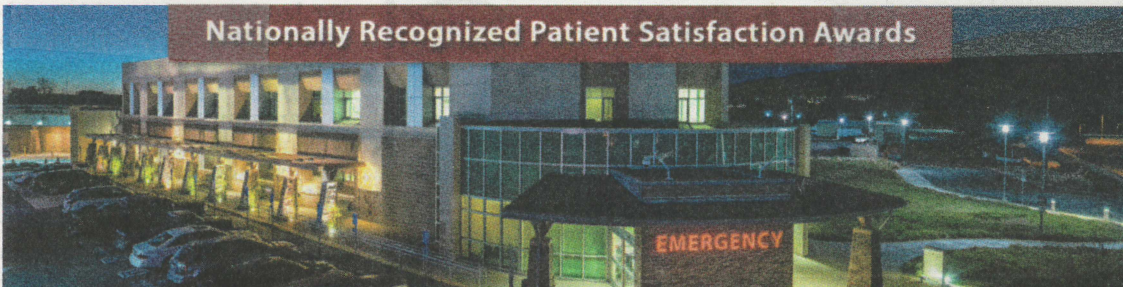
dent who pays close attention to San Gorgonio Memorial Hospital board meetings, says “During my 16 years in Banning, the hospital has gone through turmoil in CEOs and in confidence by our residents.”

He takes issue with CEO Steve Barron’s dismissal of Leapfrog Group safety ratings.


“Barron can’t keep making excuses” about low safety ratings, regardless of the source, Hobbs says. “All property owners, me included, pay out for two San G bonds per residence, and I own two properties. We expect better ratings, and yes, I do want our residents to have more confidence in our local hospital.”

If other small hospitals can achieve an “A” safety rating from Leapfrog, “Why not San G?” Hobbs asks.

Staff Writer David James Heiss may be reached at dheiss@recordgazette.net, or by calling (951) 849-4586 x114.



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Carolyn Vivian Benson

Carolyn Vivian Benson passed away on Jan. 27 at Cherry Valley Health Care in Banning. She was 78.

Carolyn was born on July 4, 1941 in Minneapolis, Minn.

Banning was her hometown for 21 years.

Carolyn loved working for Ramona Alessandro Elementary School. She retired in 2004.

After retiring, she enjoyed traveling, going on bus trips, cruises, and looked forward to her weekly Bingo games.

She also had a passion for



reading.

She loved the mountains and beaches. Her zest for life was ongoing.

Carolyn was very passionate about volunteering at San Geronio Hospital in Banning.

She continued to volunteer at the hospital for over 10 years. Never hesitated to come in when they needed her.

She loved making new friends, meeting new people and helping those who needed help; and did this with all smiles.

When her health took a toll on her body she sadly could no longer continue to volunteer.

Carolyn fought off cancer with every fight she could muster and held on as long as she could. She still had so much life in her. God had other plans.

She never stopped worrying about her children and making sure they were going to be okay. She loved each of them to the very end.

Carolyn was a devoted wife and mother. She loved all of her grandchildren and great-grandchildren.

Being around family, friends, and even strangers made her so happy.

A very generous soul, and supportive to many individuals and groups.

Carolyn will be dearly missed by her family, friends, coworkers and her dogs.

No more worries, no more pain, no more suffering and no more fights with this horrible disease cancer.

Free to live with the angels and fly with the butterflies.

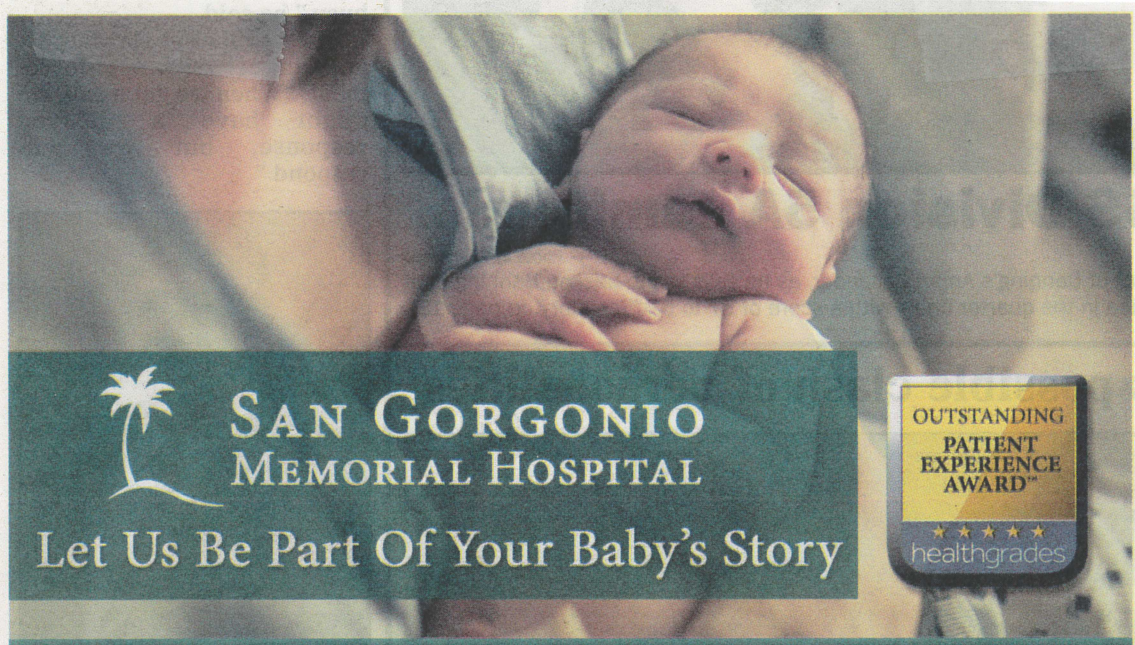
We hope you meet up with the love of your life, your husband Vern, who is waiting to dance and hold you again.

You will truly be missed, but you will forever be in our hearts.

Carolyn is preceded in death by her husband Vern Benson, father Merle Mallam, mother Marie Betzold.

She is survived by her children Vickey Ann Anaya of Alta Loma, Carol Lorraine Farren of Sun City, Ariz., Sandra Lynn Benson of Apple Valley, Darrell Edward Benson of Longview, Wash., Vernon F. Benson of Ehumclaw, Wash., Duane Andrew Benson of Banning; 13 grandchildren; four great-grandchildren.

A private ceremony will be held at Riverside National Cemetery.



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San Gorgonio Memorial Hospital — proud to serve the community

Community is everything we do since 1951, whether it's in the facilities we build or the services we provide.

Community is the life of San Gorgonio Memorial Hospital — your health and well-being is our focus.

From 1951 to 1981, several expansion projects increased the size of the hospital to 41,000 square feet.

The hospital offered an intensive care unit, emergency department, laboratory, radiology, nuclear medicine, physical therapy, dietary services, housekeeping, and purchasing and maintenance.

By 1981, there were 62 beds. A feasibility study recommended a 72,000-square-foot hospital was needed to handle the healthcare needs of the community through 1990. Another expansion began.



For the 1st 39 years, the independent San Gorgonio Pass Memorial Healthcare District operated the hospital through a 5-member, elected district board.

In 1990, the hospital operations were assumed by the newly formed San Gorgonio Memorial Hospital Corporation, a nonprofit public benefits entity.

The corporate board of 13 mem-

bers, including the 5-member district board, was formed.

The San Gorgonio Memorial Healthcare District remained as the owner of facilities leased to the nonprofit operating corporation.

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