



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, March 5, 2024 – 4:00 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.

OLD BUSINESS

- III. ***Proposed Action - Approve Minutes** S. DiBiasi
- February 6, 2024, Regular Meeting A

NEW BUSINESS

- IV. Hospital Board Chair Monthly Report S. DiBiasi verbal

San Gorgonio Memorial Hospital
 Board of Directors Regular Meeting
 March 5, 2024

- | | | | |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------|
| V. | CEO Monthly Report | S. Barron | verbal |
| VI. | March, April, & May Board/Committee Meeting Calendars | S. DiBiasi | B |
| VII. | Bi-Monthly Patient Care Services Report | A. Brady | C |
| VIII. | Committee Reports: | | |
| | <ul style="list-style-type: none"> • Finance Committee <ul style="list-style-type: none"> ○ February 27, 2024, regular meeting minutes * Proposed Action – Approve January 2024 Financial Statement (Unaudited)
 (Approval recommended by Finance Committee 02/27/2024) <ul style="list-style-type: none"> ▪ ROLL CALL * Proposed Action – Recommend Approval to the Healthcare District Board to enter a consulting arrangement with Craneware for provision of the Trisus Pricing Analyzer and Transparency Service <ul style="list-style-type: none"> ▪ ROLL CALL | S. DiBiasi/
D. Heckathorne | D |
| IX. | <ul style="list-style-type: none"> * Proposed Action – Recommend Approval to the Healthcare District Board of Policies and Procedures <ul style="list-style-type: none"> ▪ ROLL CALL | Staff | F |
| X. | Chief of Staff Report – Recommendations of the Medical Executive Committee – Informational | R. Sahagian, MD
Chief of Staff | G |
| XI. | Community Benefit events/Announcements/
and newspaper articles | S. DiBiasi | H |
| XII. | Future Agenda Items | | |
| | *** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION | S. DiBiasi | |
| | <ul style="list-style-type: none"> ➤ Proposed Action - Recommend approval to Healthcare District Board - Medical Staff Credentialing
<i>(Health & Safety Code §32155; and Evidence Code §1157)</i> ➤ Receive Quarterly Infection Prevention and Control Report
<i>(Health & Safety Code §32155)</i> ➤ Telephone conference with legal counsel – Pending litigation
<i>(Government Code § 54956.9(d)(1))</i>
<i>Desert Anesthesia Consultants, LP v. San Gorgonio Memorial Hospital, et al. (Case No. RIC2000609)</i> | | |
| XIII. | ADJOURN TO CLOSED SESSION | | |

San Gorgonio Memorial Hospital
Board of Directors Regular Meeting
March 5, 2024

*** 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

XIV. **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.

I certify that on March 1, 2024, 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 March 1, 2024



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

February 6, 2024

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, February 6, 2024, in Modular C meeting room, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Perry Goldstein, Shannon McDougall, Ron Rader, Steve Rutledge, Randal Stevens, Lanny Swerdlow

Members Absent: Darrell Petersen, Dennis Tankersley

Required Staff: Steve Barron (CEO), Raffi Sahagian, MD (Chief of Staff), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), Angie Brady (CNE), John Peleuses (VP Ancillary and Support Services), Karan P. Singh, MD (CMO), Sal Sanchez (Director of Plant Operations), Ronnie Mitchell and Reuben Gonzales (RBG Advertising)

AGENDA ITEM		ACTION / FOLLOW-UP
Call To Order	Chair, Susan DiBiasi, called the meeting to order at 4:00 pm.	
Public Comment	No public comment.	
GENERAL TOPIC		
RBG Advertising Presentation	Reuben Gonzales with RBG Advertising gave a brief presentation about the progress that has been made regarding marketing the stroke program at SGMH.	
OLD BUSINESS		
Proposed Action - Approve Minutes January 2, 2024, regular meeting.	Chair, Susan DiBiasi, asked for any changes or corrections to the minutes of the January 2, 2024, regular meeting. There we none.	The minutes of the January 2, 2024, regular meeting will stand correct as presented.
NEW BUSINESS		
Hospital Board Chair Monthly Report	No formal report.	
CEO Monthly Report	Steve Barron, CEO, reported that Envision Physician Services has filed for bankruptcy and will be terminating their services in California. That said, we will need to begin the RFP process for a smooth transition to a new ED group.	

AGENDA ITEM		ACTION / FOLLOW-UP																				
February, March, & April Board/Committee meeting calendars	Calendars for February, March, and April were included on the board tablets.																					
Annual Completion of FPPC Statement of Economic Interest (Form 700) for 2023 (complete forms due back by March 11, 2024)	Chair DiBiasi noted that the FPPC Statement of Economic Interest Form 700 for 2023 is due back to Ariel Whitley by March 11, 2024.																					
Proposed Action – Approve 2024 Environment of Care Plans	<p>Sal Sanchez briefly reviewed the 2024 Environment of Care Plans as included on the board tablets.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 835 1253 1012"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Absent</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Absent	Motion carried.		M.S.C., (Stevens/McDougall), the SGMH Board of Directors approved the 2024 Environment of Care Plans as presented.
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Absent	Motion carried.																				
COMMITTEE REPORTS:																						
Community Planning Committee Report	The Community Planning Committee Report was included on the board tablets/packets. A copy of the January 17, 2024, meeting minutes was also included.																					
Human Resources Committee Report – Informational	The Human Resources Committee Report was included as informational. A copy of the January 17, 2024, meeting minutes was also included.																					
Finance Committee Proposed Action – Approve December 2023 Financial Statement (Unaudited).	<p>Dan Heckathorne, CFO, reviewed the Executive Summary of the December 2023 Financial report which was included on the board tablet. A copy of the Finance Committee’s January 30, 2024, meeting minutes were also included on the board tablet. It was noted that the Finance Committee recommends approval of the December 2023 Financial report as presented.</p> <p>It is noted that approval is recommended by the Finance Committee.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1696 1253 1873"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Absent</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Absent	Motion carried.		M.S.C., (Rader/Swerdlow), the SGMH Board of Directors approved the December 2023 Financial Statement as presented.
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Absent	Motion carried.																				

AGENDA ITEM		ACTION / FOLLOW-UP																				
<p>Proposed Action – Recommend approval to the Healthcare District Board that the CEO be authorized to approve SPC and NPC Construction documents and the Material Testing and Condition Assessment Program (MTCAP)</p>	<p>Phase 2 of the Seismic Retrofit Project includes the development of construction documents for the SPC and NPC portions of the project. The future construction will be phased to maintain the operations of the facility and could begin as early as July 2025 or as late as January 2026. This portion of the project is not to exceed \$600K.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="386 573 1255 747"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Absent</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Absent	Motion carried.		<p>M.S.C., (Rutledge/Rader), the SGMH Board of Directors voted to recommend approval to the Healthcare District Board that the CEO be authorized to approve SPC and NPC Construction documents and the Material Testing and Condition Assessment Program (MTCAP) not to exceed \$600K.</p>
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Absent	Motion carried.																				
<p>Proposed Action – Approve Policies and Procedures</p>	<p>There were eleven (11) policies and procedures included on the board tablets presented for approval by the Board.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="386 1045 1255 1220"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Absent</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Absent	Motion carried.		<p>M.S.C., (Rader/McDougall), the SGMH Board of Directors approved the policies and procedures as submitted.</p>
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Absent	Motion carried.																				
<p>Chief of Staff Report</p> <p>Proposed Action – Approve Recommendations of the Medical Executive Committee</p>	<p>Raffi Sahagian, MD, Chief of Staff, briefly reviewed the Medical Executive Committee report as included on the board tablets/packets.</p> <p>Proposed Approval Item(s):</p> <ul style="list-style-type: none"> Medical Staff Bylaws – Language (Correction) – Dr. Sahagian stated the Medical Staff Bylaws – Language would not be presented as it is scheduled for JCC on February 21, 2024. No action was taken but it is was noted that this item should be corrected and submitted to the appropriate Governing Board. 2024 Annual Approval of Policies and Procedures – there were thirty (30) policies presented for approval – Approved. OB Hemorrhage Order Set – Approved. <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="386 1745 1255 1877"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> </table>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	<p>M.S.C., (Rutledge/Stevens), the SGMH Board of Directors approved the 2024 Annual Approval of Policies and Procedures and the OB Hemorrhage Order Set as it was presented.</p>				
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			

AGENDA ITEM			ACTION / FOLLOW-UP
	Tankersley	Absent	Motion carried.
Community Benefit events/Announcements/and newspaper articles	Miscellaneous information was included on the board tablets.		
Future Agenda Items	<ul style="list-style-type: none"> • None 		
Adjourn to Closed Session	<p>Chair, DiBiasi reported the items to be reviewed and discussed and/or acted upon during Closed Session will be:</p> <ul style="list-style-type: none"> ➤ Recommend approval to the Healthcare District Board – Medical Staff Credentialing ➤ Receive 2023 Annual Environment of Care Evaluations ➤ Receive Quarterly Performance Improvement/Risk Management Report ➤ Receive Quarterly Emergency Preparedness/Environment Safety Report ➤ Receive Quarterly Corporate Compliance Committee Report <p>The meeting adjourned to Closed Session at 5:23 pm.</p>		
Reconvene to Open Session	<p>The meeting adjourned from closed session at 6:00 pm.</p> <p>Chair DiBiasi reported on the actions taken/information received during the Closed Session as follows:</p> <ul style="list-style-type: none"> ➤ Recommended approval to the Healthcare District Board – Medical Staff Credentialing with the exception of one individual for further review and a recommendation from the MEC. ➤ Received 2023 Annual Environment of Care Evaluations ➤ Received Quarterly Performance Improvement/Risk Management Report ➤ Received Quarterly Emergency Preparedness/Environment Safety Report ➤ Received Quarterly Corporate Compliance Committee Report 		
Adjourn	The meeting was adjourned at 6:01 pm.		

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 Ariel Whitley, Executive Assistant

TAB B



March 2024

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5 4:00 pm Hospital Board Meeting 6:00 pm Healthcare	6	7	8 Beaumont Chamber Breakfast @7:30AM	9
10	11	12 <i>7:30 am Calimesa Chamber Breakfast</i>	13	14	15	16
17  Happy St. Patrick's Day	18	19	20 <i>7:00 Banning Chamber Breakfast</i>	21 <i>Banning Chamber Installation Dinner</i>	22	23 Beaumont Cherry Valley Rec. and Park's Spring Fling and Egg Hunt
24	25	26 9:00 am Finance Committee 10:00 Executive Committee	27	28	29	30 <i>National Doctor's Day!</i>
31						

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

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



April 2024

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 4:00 pm Hospital Board Meeting 6:00 pm Healthcare District Board Meeting	3 <i>Women's 2024 Economic I-10 Forum Hosted by Banning Chamber</i>	4 <i>5:30 pm Taste of the Pass hosted by San G Pass Rotary Club</i>	5	6
7	8	9	10	11	12 Beaumont Chamber Breakfast @7:30 AM	13 <i>7:00 am Bogart Fishing Derby (for kids)</i>
14 <i>7:00 am Bogart Fishing Derby (for adults)</i>	15	16	17 9:00 am HR Committee Meeting <i>Administrative Professionals Day</i>	18	19	20 8:00 am Community Planning Committee—Strategic Planning Session
21	22	23	24	25	26 <i>5:30 pm Banning Chamber Regional Mixer</i>	27
28	29	30 9:00 am Finance Committee				

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

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

May 2024

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5 	6 National Nurses Day!	7 4:00 pm Hospital Board Meeting 6:00 pm Healthcare District Board Meeting	8	9	10 Beaumont Chamber Breakfast @7:30 AM	11
12 	13	14	15 5:00 Measure H Mtg 5:15 Measure A Mtg	16	17	18
19	20	21	22	23	24	25
26	27 Memorial Day! Administration is Closed!	28 9:00 am Finance Committee	29	30	31	

TAB C



Bi-Monthly Patient Care Services Report

The bimonthly patient services report aims to provide a comprehensive overview of the nursing services rendered to patients at SGMH during the months of January and February 2024.

1. Key Metrics:

- Total number of patients served in ED up until February 22, 2024: 6,039
- Ambulance Traffic: 19%
- Admitted: 440 (7.3%)

2. Patient Satisfaction:

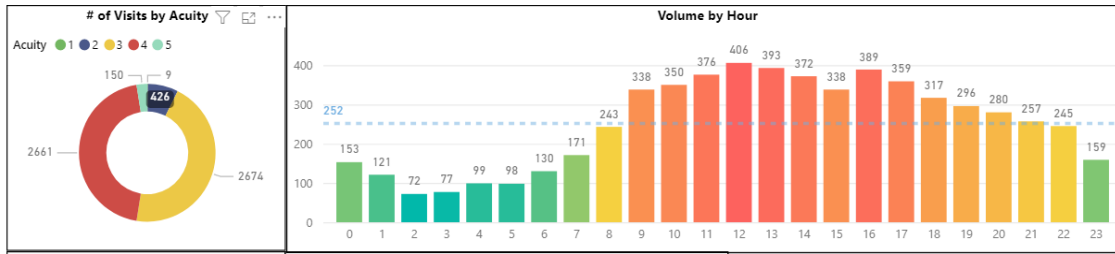
- Summary of patient satisfaction surveys:
 - Cleanliness of hospital environment is at 99th percentile.
 - Discharge information 91st percentile.
 - Opportunities: Communication, responsiveness, quietness
- Actions taken:
 - Evidence Based Practice- "Quiet Time" in the hospital. Launching hours will be 2300-0300

3. Clinical Outcomes:

- Mortality rate: 3.4% -----Benchmark 5%
- Adverse events: 0, RCA-1
- 3 Unfounded CDPH investigations

4. Operational Efficiency:

- Acuity & Volume per hour in ED



- Resource utilization:
 - Staffing levels: Maintained within optimal range.
 - Equipment usage: Monitored closely to prevent downtime.

5. Financial Performance:

- Combined Director Positions; savings of \$115K.
- Have decreased traveler contracts in ED, ICU, and OB from 7 to 2 with new grad hires.

6. Quality and Compliance:

- Quality improvement initiatives:
 - Implemented 2 PI Projects per department.
 - Conducted regular audits to ensure adherence to best practices.

7. Challenges and Opportunities:

- Challenges faced: Associate Staffing shortages in certain specialties (OB), OR Director Resignation.
- Opportunities for improvement: Associate Retention Strategies, Bed availability in units due to nursing shortage.

8. Growth Development:

- Pending One Legacy Contract for Organ Donation for Center of Excellence. Had our first successful Procurement on 2/22/24.
- TJC scheduled on-site for survey on 3/25/24. A secondary survey will be completed by REMSA (Riverside County EMS Agency).

9. Conclusion:

- Overall, nursing services have maintained a high standard of quality and patient satisfaction during the reporting period. Efforts will continue to address challenges and capitalize on opportunities for improvement.

Angela Brady, CNE/VP

2/23/24

TAB D

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
February 27, 2024

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, February 27, 2024, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Darrell Petersen, Ron Rader, Steve Rutledge

Members Absent: None

Required Staff: Steve Barron (CEO), Daniel Heckathorne (CFO), John Peleuses (VP, Ancillary & Support Services), Ariel Whitley (Executive Assistant), Angela Brady (CNE), Karan P. Singh, MD (CMO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
Call To Order	Susan DiBiasi called the meeting to order at 9:02 am.									
Public Comment	No public present.									
OLD BUSINESS										
Proposed Action - Approve Minutes January 30, 2024, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the January 30, 2024, regular meeting. There were none.	The minutes of the January 30, 2024, regular meeting will stand correct as presented.								
NEW BUSINESS										
Proposed Action - Recommend Approval to Hospital Board and District Board to enter a consulting arrangement with Craneware for provision of the Trisus Pricing Analyzer and Transparency Service	<p>As of July 1, 2024, the federal CMS law will require price transparency reporting which includes many multiples of reporting in contrast to the existing law. Craneware will be terminating the existing transparency model and has developed a much more comprehensive model needed to comply with the new CMS regulations.</p> <p>ROLL CALL:</p> <table border="1" style="margin-left: 20px;"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p> <p>Darrell Petersen joined the meeting at 9:25 am.</p>	DiBiasi	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval to enter into a consulting arrangement with Craneware for provision of the Trisus Pricing Analyzer and Transparency Service to the Hospital Board and District Board.
DiBiasi	Yes	Petersen	Absent							
Rader	Yes	Rutledge	Yes							

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
<p>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – January 2024</p>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited January 2024 finance report as included in the committee packets.</p> <p>The month of January resulted in negative \$3.04M EBIDA compared to budgeted negative EBIDA of \$1.81M vs. a negative \$4.11M Flex Budget.</p> <p>There were a few adjustments and items of note:</p> <ul style="list-style-type: none"> • Patient Days, Emergency, and Surgery volumes were all below budget. • The Average Length of Stay and Case Mix Index for all patients were over the previous January by 14.7% and 8.6% respectively. • California Paid Sick Leave (CPSL) accrued costs (including FICA) totaled \$985K in the month of January. • A Non-EBIDA \$452K donation for purchase of the C-Arm and Portable X-Ray machine was booked in January <p>ROLL CALL:</p> <table border="1" data-bbox="386 930 1211 999"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Petersen</td> <td>Yes</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Petersen	Yes	Rader	Yes	Rutledge	Yes	<p>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Unaudited January 2024 Financial report to the Hospital Board of Directors.</p>
DiBiasi	Yes	Petersen	Yes							
Rader	Yes	Rutledge	Yes							
<p>Future Agenda Items</p>	<ul style="list-style-type: none"> • None. 									
<p>Next Meeting</p>	<p>The next regular Finance Committee meeting will be held on March 26, 2024 @ 9:00 am.</p>									
<p>Adjournment</p>	<p>The meeting was adjourned at 10:11 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.



**SAN GORGONIO
MEMORIAL HOSPITAL**

**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA**

Unaudited Financial Statements

for

SEVEN MONTHS ENDING JANUARY 31, 2024

FY 2024

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.

Note: Because these reports are prepared for internal users only, they do not purport to conform to the principles contained in U.S. GAAP.

Certified by:

Daniel R. Heckathorne

Daniel R. Heckathorne

CFO

San Gorgonio Memorial Hospital

Financial Report - Executive Summary

For the Month of January, 2024 and Seven Months Ended January 31, 2024 (Unaudited)

Profit/Loss (EBIDA) Summary (MTD) Negative and (YTD) Negative (comparisons to Budget)

Month - The month of January resulted in negative \$3.04M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$1.81M vs. a negative \$4.11M Flex Budget. **YTD** - Seven months ending in January resulted in negative \$18.29M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$8.19M and a Flex Budget loss of \$12.3M.

Note: If the unaccrued Supplemental funds, projected DSH and P4P funds, along with provision for lease principal payments were booked, the YTD EBIDA would be a negative \$8.06M compared to the actual negative booked \$18.29M.

Month - Adjustments and Items of Note:

- Patient Days, Emergency, and Surgery volumes were all below budget.
- The Average Length of Stay and Case Mix Index for all patients were over the previous January by 14.7% and 8.6% respectively.
- California Paid Sick Leave (CPSL) accrued costs (including FICA) totaled \$985K in the month of January. This brings the YTD unfunded mandated CPSL cost to \$1.512M.
- A Non-EBIDA \$452K donation for purchase of the C-Arm and Portable X-Ray machine was booked in January.

Month - January's inpatient average daily census was 23.6, and under the budgeted 27.1. Conversely, the Adjusted Patient Days were 1.6% over budget (2,139 vs. 2,105), while Patient Days were 12.9% under budget (733 vs. 841). Emergency Visits were under 9.4% under budget (3,586 vs. 3,955), and Surgeries were 30% under budget (86 vs. 122).

YTD - Inpatient average daily census was 22.2. Adjusted Patient Days were .3% under budget (13,393 vs. 13,426) and Patient Days were 3.9% below budget (4,775 vs. 4,966). Emergency Visits were 10.3% under budget (24,853 vs. 27,685), and Surgeries were 20% under budget (721 vs. 901) which was 14% below the previous YTD's 839 cases.

Patient Revenues (MTD) Negative Variance (YTD) Negative Variance

Month - Net Patient Revenues in January were \$5.15M, or \$176K under budget. Other items of note included the fact that gross Inpatient Revenues were 18% (\$3.35M) under budget, while gross Outpatient Revenues were 1.4% (\$395K) over budget. As discussed in the past, Inpatient Revenues pay about 16.8% of charges, compared to Outpatient Revenues which pay about 9.6% of charges.

YTD - Net Patient Revenues through January were \$30.6M compared to budgeted \$38.4M (-20%) In November there was a \$504K favorable adjustment to Deductions from Revenues Expense to reverse estimated Medicare Outlier Repayments payable, and there was a one-time \$3.52M negative adjustment for Contractual Allowance Reserves, which was based on the latest reconciliation of cash collections compared to previously estimated collections. Finally, the impact of Surgeries being 20% below budget also has impacted the Net Patient Revenues variance.

Total Operating Revenues (MTD) Negative Variance & (YTD) Negative Variance

Month - Operating Revenue in January was \$288K under budget. This is impacted by the Net Patient Revenues being \$176K under budget and the Non-Patient Revenues being \$112K under budget.

YTD - Operating Revenue through January was \$8.35M under budget, impacted by the Net Patient Revenues being \$7.81M under budget and the Non-Patient Revenues being \$546K under budget.

Operating Expenses (MTD) Negative & (YTD) Negative Variance

Month - Operating Expenses in January were \$8.81M, which was over budget by \$940K and over the Flex Budget by \$777K. Key items that impacted Expenses were: 1) Salaries, Wages, Benefits, and Contract Labor were collectively \$1.21M over budget and \$960K over the Flex budget. This was impacted by a) Wages and Benefits being \$902K over budget, which included \$985K of California Paid Sick Leave accrual, b) the 3.0% salary increase implemented in October, and c) the Adjusted Patient Days workload being 1.6% over budget; 2) Physician Fees were \$150K over budget driven by variances of \$71K in anesthesia expense and \$25K for Radiology services; 3) Purchased Services were \$19K under budget in spite of the Legal Fees being \$61K over budget; 4) Supplies were \$345K below budget due in large part to low inpatient and surgery volumes; and 5) Repairs and Maintenance were \$56K over budget as we are preparing for the upcoming inspection; and Insurance costs were \$108K under budget due to an account reconciliation in January.

Year-to Date – Operating Expenses through January were \$53.62M and were over budget by \$1.75M and over the Flex Budget by \$2.17M. Key items that impacted Expenses were: 1) Salaries and Wages, Benefits, and Contract Labor were collectively \$2.16M over budget and \$2.02M over the Flex budget. This was driven by the following: a) The \$527K State Mandated California Paid Sick Leave program that was accrued in July plus the additional \$985K additional accrual in January; b) Contract Labor was over budget by \$526K due to several nurse staffing vacancies in OB and ER along with orientation of 2 new grads in the ER; and c) an additional \$153K increase for re-valuing the PTO bank to reflect the 3.0% Wage increase in late October; 2) Physician Fees are \$498K over budget largely impacted by the \$510K anesthesia expense reconciliation in December; 3) Purchased Services are \$470K over budget which included Legal Fees exceeding budget by \$769K; 4) Supplies are the most notable item under budget by \$1.19M, again reflected by lower than anticipated intensities of services, including Surgeries and Emergency visits being under budget; 5) Repairs and Maintenance are over budget by \$117K largely to significant maintenance work occurring in September, October, and January; and 5) Other Expenses are \$152K under budget due mostly to conservative expenditures directives.

Balance Sheet/Cash Flow

Patient cash collections in January totaled \$4.75M compared to December's \$4.59M and November's \$4.51M. Gross Accounts Receivable Days in January were 66.1 compared to December's 64.1 and November's 60.8. It is quite normal to see A/R Days increase after two holiday seasons in late November and December, and there is usually a drop in A/R days in the upcoming months.

Cash Balances were \$14.06M compared to \$6.17M in December and \$5.95M in November. The main reason for the increase was the receipt of \$9.8M for the Distressed Hospital Loan, which also increased the Long-Term Debt by the same amount. Net Accounts Receivable increased to \$9.87M compared to \$9.52M in December and \$8.54M in November. Other changes of note included receipt of over \$3.3M of District property taxes. Accounts Payable decreased to \$8.89M in January compared to \$10.08M in December and \$9.74M in November. Finally, a liability is in place \$1.5M for FY 2022 payable to Medicare for estimated overpayments for outliers and sequestration funds. The outstanding Line of Credit balance remained at \$8M at the end of January which was no change from December.

Summary

Positive takeaways:

- 1) Adjusted Patient Days exceeded budget in spite of other workloads being below budget.

Negative takeaways:

- 1) Labor costs were over budget in January, mostly due to the CPSL \$985K accrual;
- 2) Surgeries continue to lag behind budget and prior year levels;
- 3) Legal fees continue to be over budget;
- 4) January's EBIDA, adjusted for pending Supplemental Income, DSH & P4P offset by reserving for Cash Payments required for Leases was a negative \$1.57M, and the YTD is a negative \$8.06M.

SGMH JANUARY 2024 SIGNIFICANT EXTRAORDINARY ITEMS IMPACTING EBIDA

2/22/2024

EXPENSE		INCOME		GAIN/(LOSS)
SALARIES / BENEFITS/ CONTRACT LABOR		REVENUES		
TOTAL LABOR OVER BUDGET (INCLUDES \$984,717 ADDITIONAL CPSL EXPENSE)	1,213,154	NET REVENUES UNDER BUDGET	(876,148)	
OTHER EXPENSE		NET REVENUES FAVORABLE ADJUSTMENTS	700,000	
LEGAL FEES OVER BUDGET	61,110			
RADIOLOGY FEES OVER BUDGET	25,000	OTHER REVENUES		
ANESTHESIA FEES OVER BUDGET	70,540	OTHER REVENUES UNDER BUDGET	(112,246)	
REPAIRS/MAINTENANCE OVER BUDGET	56,232			
HUMAN RESOURCES ANNUAL REQUIREMENTS	50,842			
ANNUAL LICENSE CDPH	75,287			
INSURANCE EXPENSE RECONCILIATION	(110,000)			
SUPPLIES UNDER BUDGET	<u>(345,260)</u>			
EXTRAORDINARY NEGATIVE EXPENSES	<u><u>1,096,905</u></u>	EXTRAORDINARY POSITIVE (NEGATIVE) REVENUES	<u><u>(288,394)</u></u>	<u><u>(1,385,299)</u></u>

STATISTICS

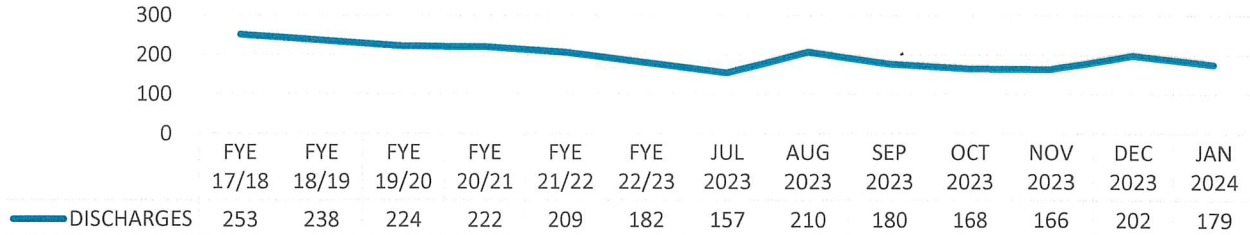
Inpatient Admissions/Discharges (Monthly Average)	Represents number of patients admitted/discharged into and out of the hospital.
Patient Days (Monthly Average)	Each day a patient stays in the hospital is counted as a patient day. This count is normally done at midnight.
Average Daily Census (Inpatient)	Equals the average number of inpatients in the hospital on any given day or month.
Average Length of Stay (Inpatient)	Represents that average number of days that inpatients stay in the hospital.
Emergency Visits (Monthly Average)	Represents the number of patients who sought services at the emergency room.
Surgery Cases - Excluding G.I. (Monthly Average)	Equals the number of patients who had a surgical procedure(s) performed.
G.I. Cases (Monthly)	Number of patients who had a gastrointestinal exam performed.
Newborn Deliveries (Monthly)	Number of babies delivered.

PRODUCTIVITY

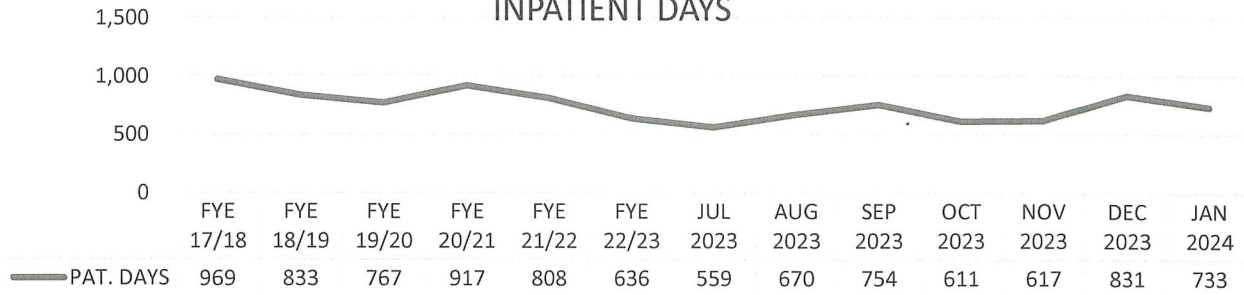
5 Worked FTEs (includes Registry FTEs)	Represents an equivalency of full-time staff worked. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours worked by the number of hours in the respective work period (40, 80, etc.) Example: 340 hours worked in an 80 hour pay period = 4.25 FTE's
Worked FTES per APD	Divides the Total Worked FTE's by the daily average of the Adjusted Patient Days.
Paid FTEs (includes Registry FTEs)	Represents an equivalency of full-time staff paid. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours paid (includes all hours paid consisting of worked hours, PTO hours, sick pay, etc.) by the number of hours in the respective work period (40, 80, etc.) Example: 500 hours paid in an 80 hour pay period = 6.25 FTE's.
Paid FTES per APD	Divides the Total Paid FTE's by the daily average of the Adjusted Patient Days.
ADJUSTED PATIENT DAYS	This is a blend of total patient days stayed in the hospital for a month, plus an equivalency factor (based on average inpatient revenue per patient day) applied to the outpatient revenues in order to account for outpatient workloads.

SAN GORGONIO MEMORIAL HOSPITAL

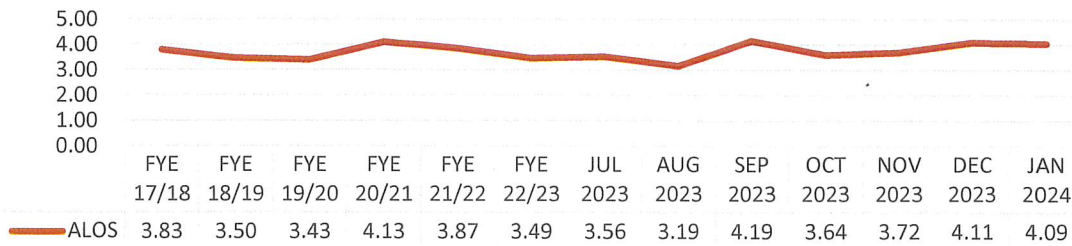
INPATIENT DISCHARGES



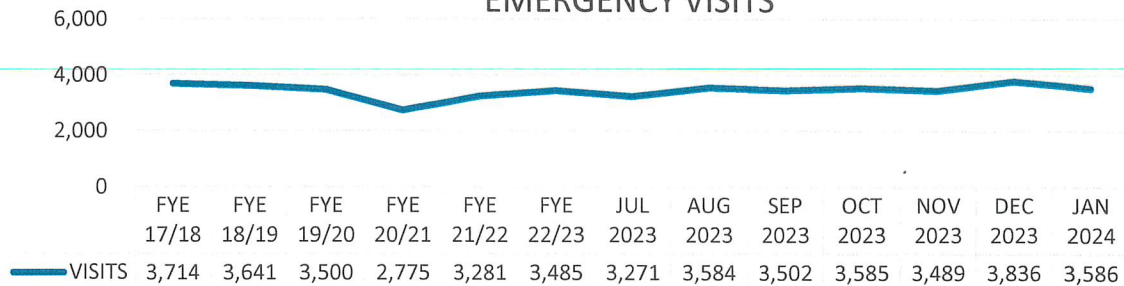
INPATIENT DAYS



AVERAGE LENGTH OF STAY

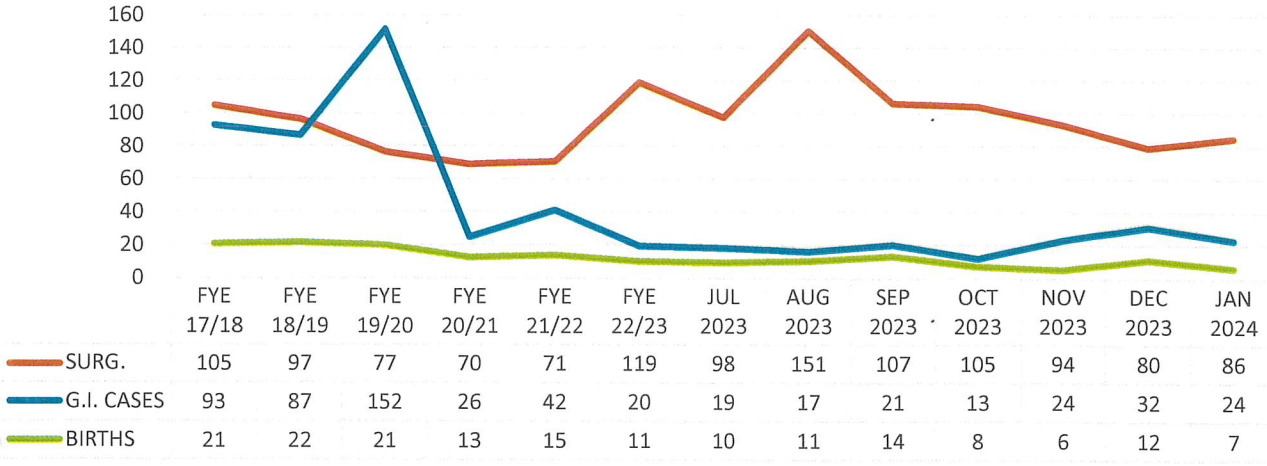


EMERGENCY VISITS

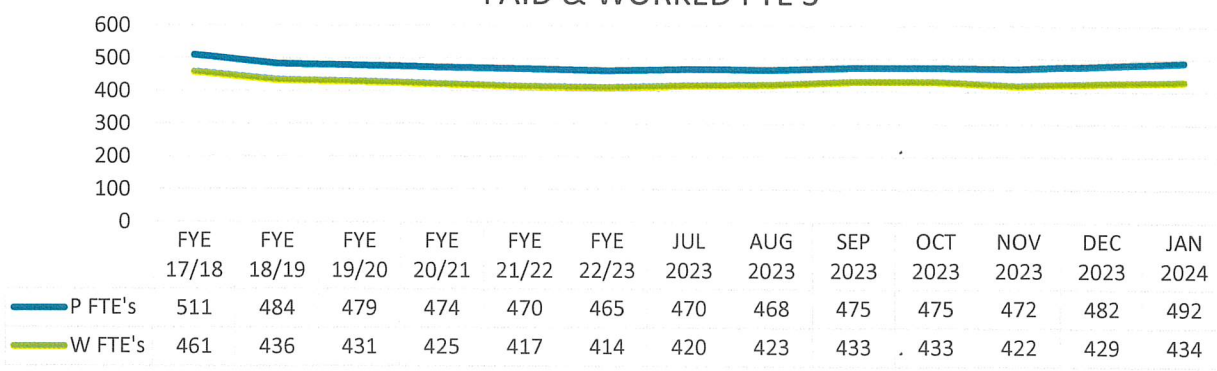


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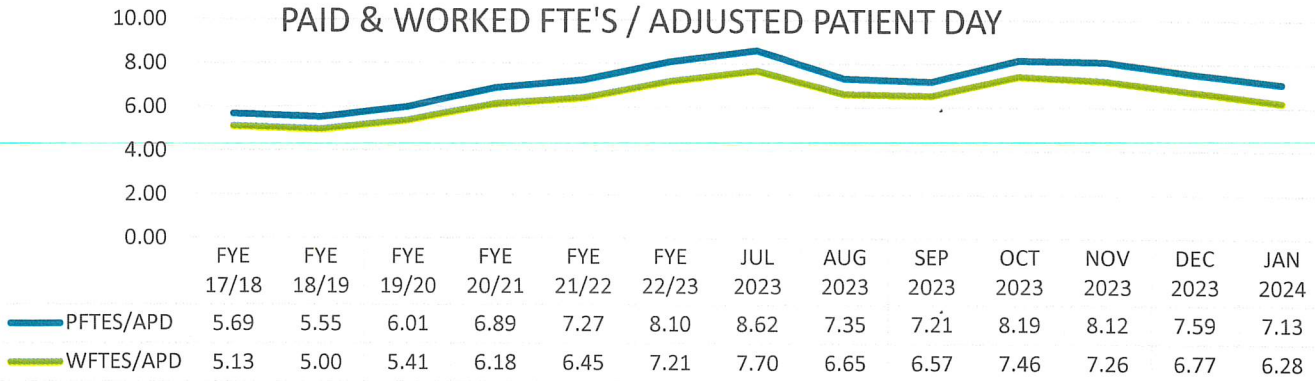
SURGERY CASES, G.I. CASES, N/B DELIVERIES



PAID & WORKED FTE'S



PAID & WORKED FTE'S / ADJUSTED PATIENT DAY

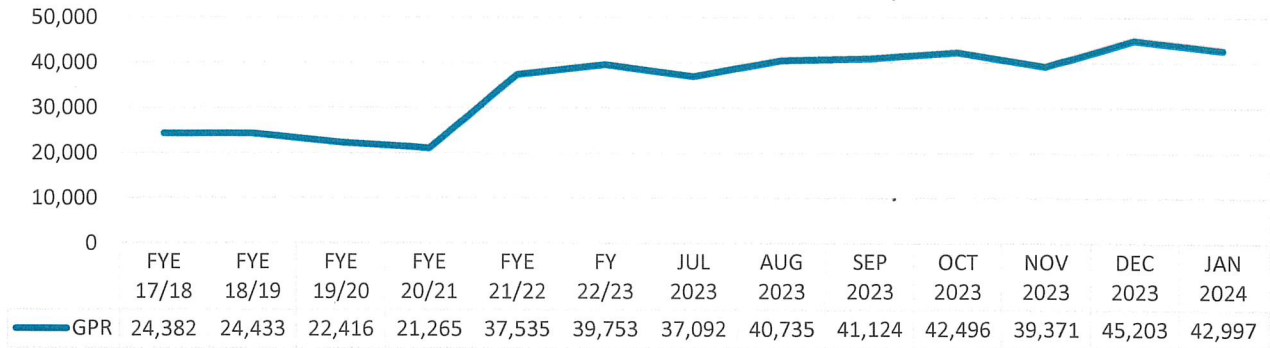


INCOME STATEMENT

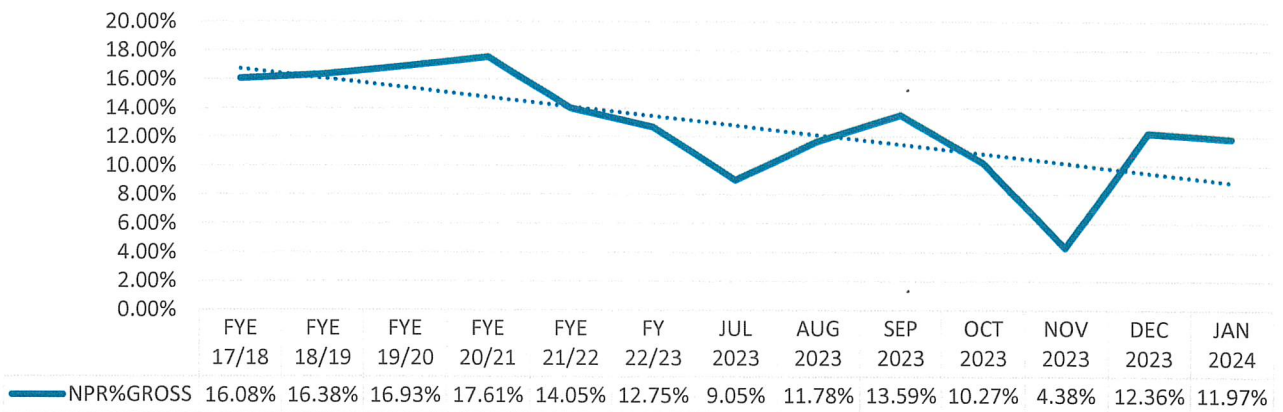
Gross Patient Revenue (000's) (Monthly Ave.)	Represents total charges (before discounts and allowances) made for all patient services provided.
Net Patient Revenue (NPR) (000's) (Monthly Ave.)	Equals the sum of all (patient) charges for services provided that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.
NPR as % of Gross	Reflects the percentage of Gross Patient Revenues (charges) that are expected to be collected. Calculated by dividing Net Patient Revenue by the Gross Patient Revenue.
Total Operating Revenue (000's) (Monthly Ave.)	This reflects all Revenues available for payment of Operating Expenses. This includes Net Patient Revenue plus all other forms of miscellaneous Revenues.
Salaries, Wages, Benefits & Contract Labor (000's) (Monthly Ave.)	Represents the total staffing expenses of the Hospital
SWB + Contract Labor as % of Total Operating Revenue	Identifies what portion the Operating Revenues are spent on staffing costs.
Total Operating Expense (TOE) (000's)(Monthly Ave.)	Operating Expense reflects all costs needed to fund the Hospital's business operations.
 TOE as % of Total Operating Revenue	Identifies the relationship that Operating Expenses have to the Total Operating Revenues.
EBIDA (000's)(Monthly Average)	Earnings Before Interest, Depreciation, and Amortization. This reflects the difference between Net Operating Revenues and Total Operating Expense. This is a quick measurement of the Hospital's ability to meet its financial obligations and have additional funds for equipment replacement and future growth of the organization.
EBIDA as % of NPR.	This measurement is a gauge of the surplus (or deficit) of funds available for operations and future growth.
Net Patient Revenue vs. Total Labor Expense	This measurement illustrates that Net Patient Revenues basically only cover Total Labor Expense, and that all of the Other Revenues and Supplemental Incomes are necessary to cover the remaining operational Expenses and EBIDA required to operate the Hospital.
Operating Revenues (Normalized), Expenses, Staffing Expenses, and EBIDA (Normalized)	This graph illustrates the "normalization" of Operating Revenues and EBIDA, by reallocating proportionate Supplemental Revenues and related Expenses into the current month and YTD results.

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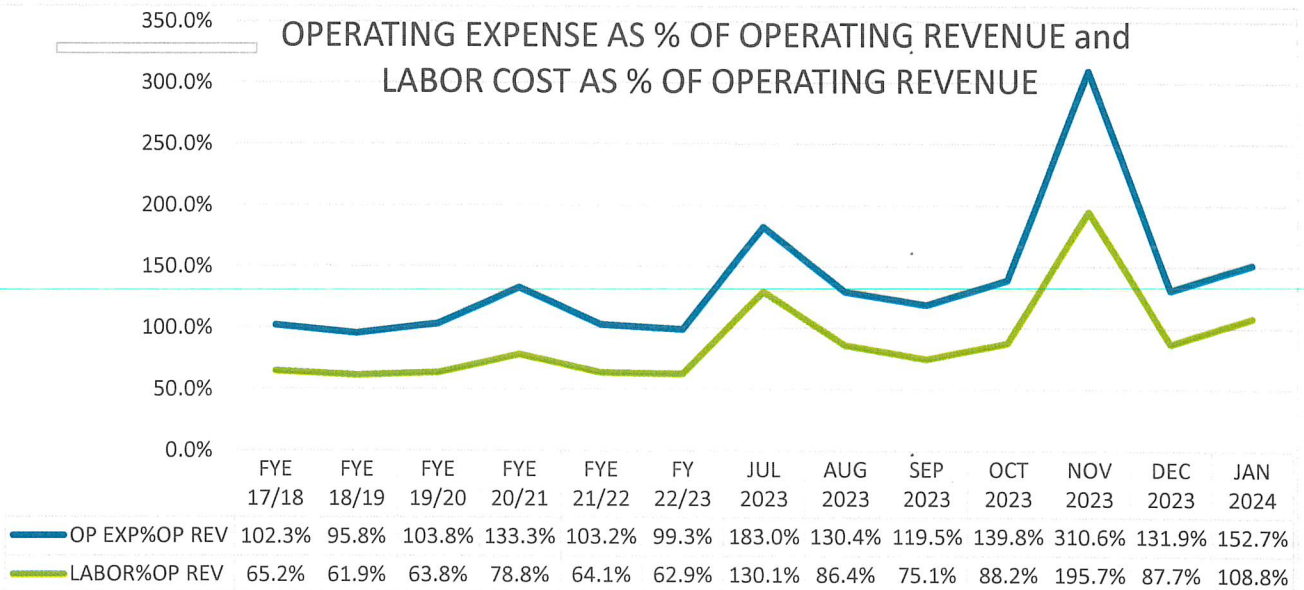
GROSS PATIENT REVENUE (000's)



NET PATIENT REVENUE AS % OF GROSS

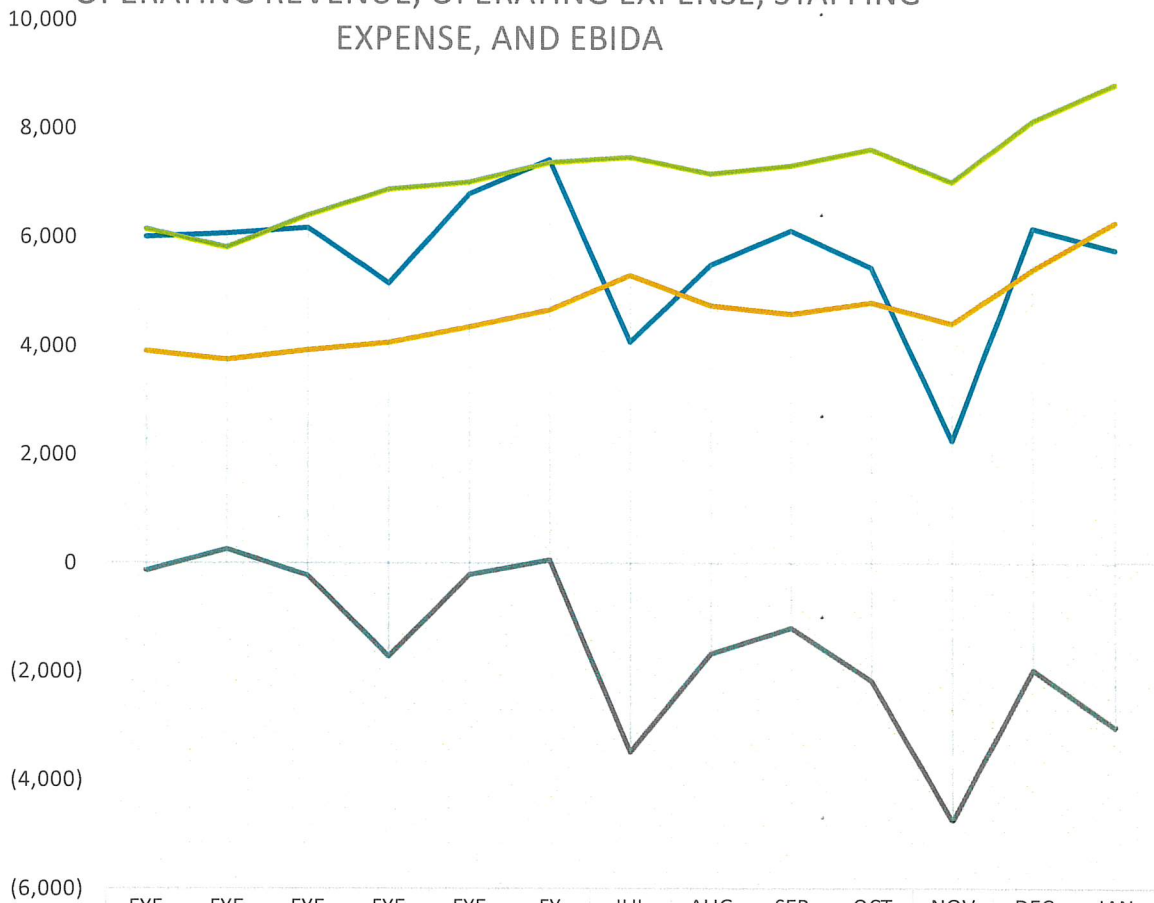


OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE



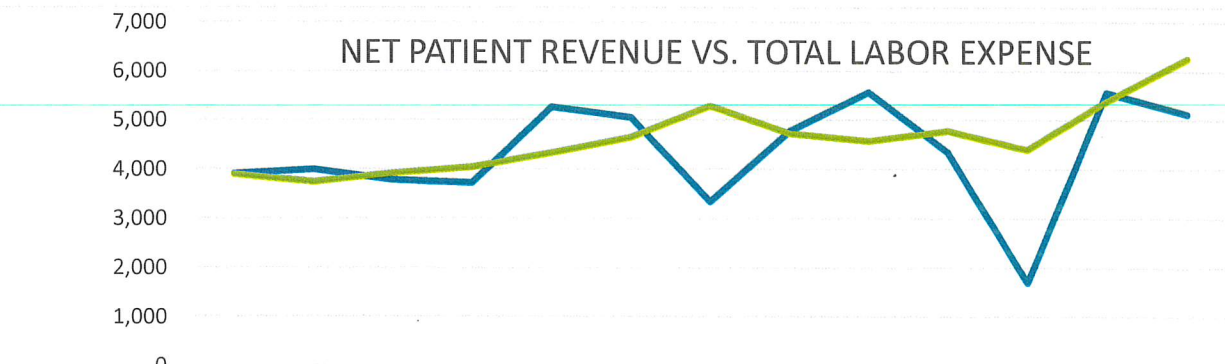
SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024
OP REV	6,006	6,069	6,165	5,160	6,791	7,425	4,078	5,495	6,118	5,442	2,256	6,167	5,772
OP EXP	6,147	5,817	6,398	6,878	7,007	7,370	7,461	7,164	7,310	7,610	7,006	8,132	8,811
STAFF EXP	3,915	3,755	3,932	4,065	4,354	4,668	5,303	4,746	4,593	4,802	4,416	5,411	6,277
EBIDA	(141)	252	(233)	(1,719)	(216)	55	(3,483)	(1,668)	(1,192)	(2,168)	(4,750)	(1,965)	(3,029)

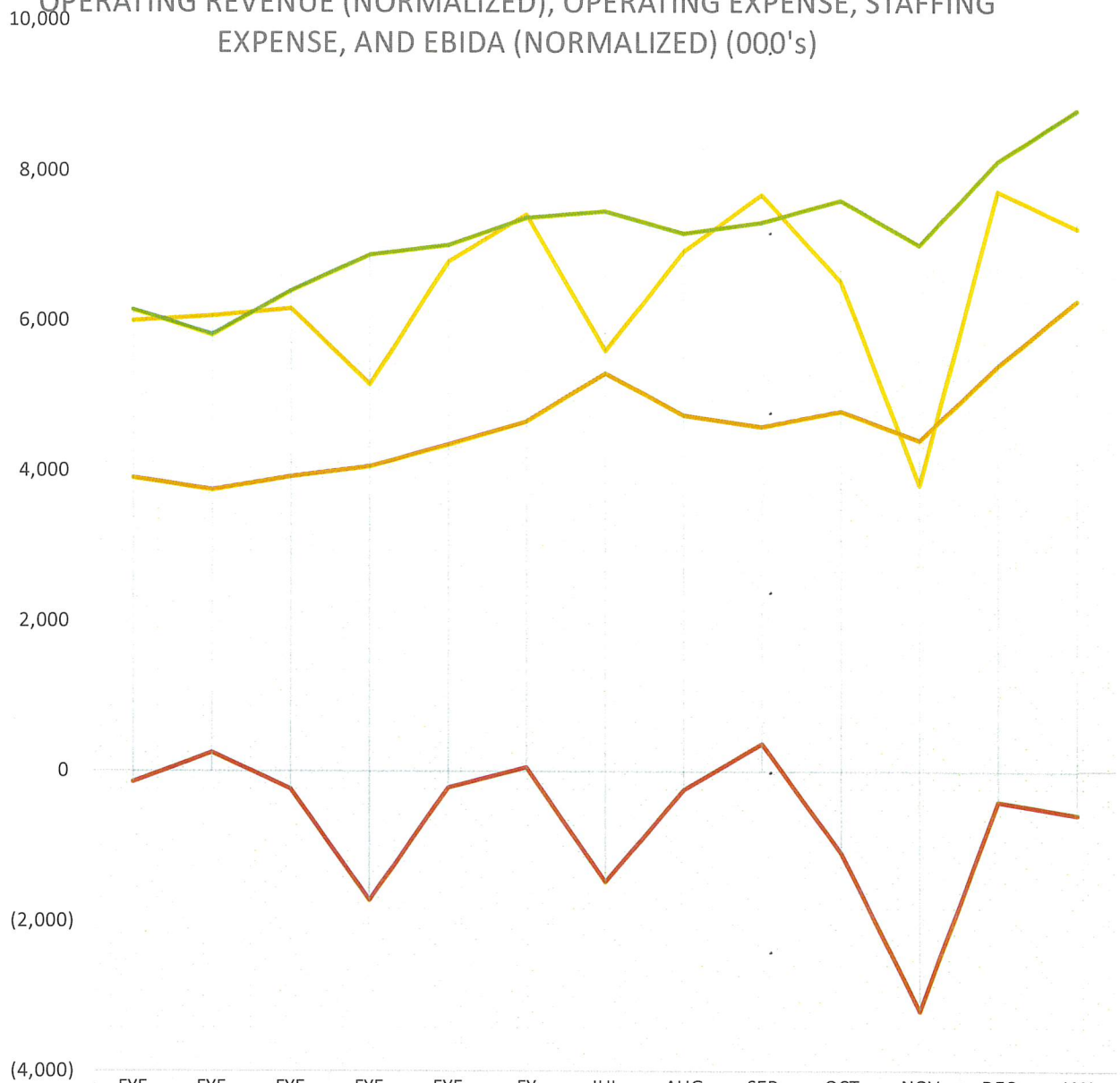
NET PATIENT REVENUE VS. TOTAL LABOR EXPENSE



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024
NET PAT REV	3,921	4,003	3,795	3,744	5,275	5,067	3,358	4,799	5,587	4,366	1,723	5,588	5,145
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,668	5,303	4,746	4,593	4,802	4,416	5,411	6,277


SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE (NORMALIZED), OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA (NORMALIZED) (000's)

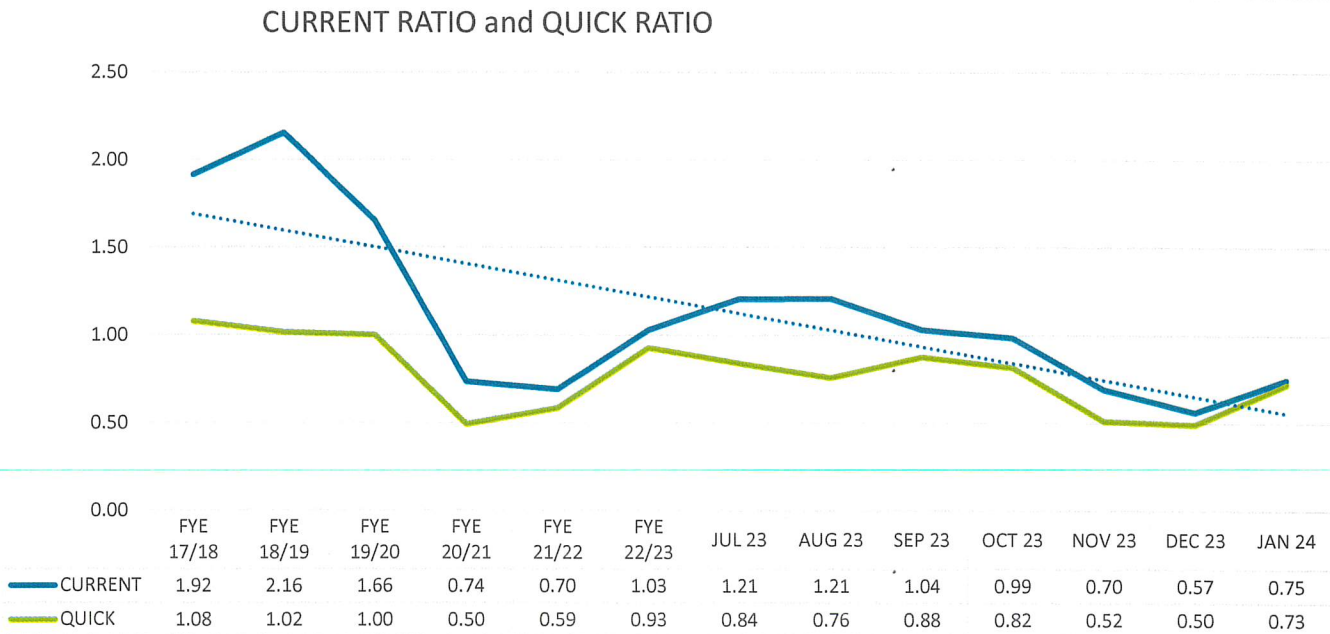
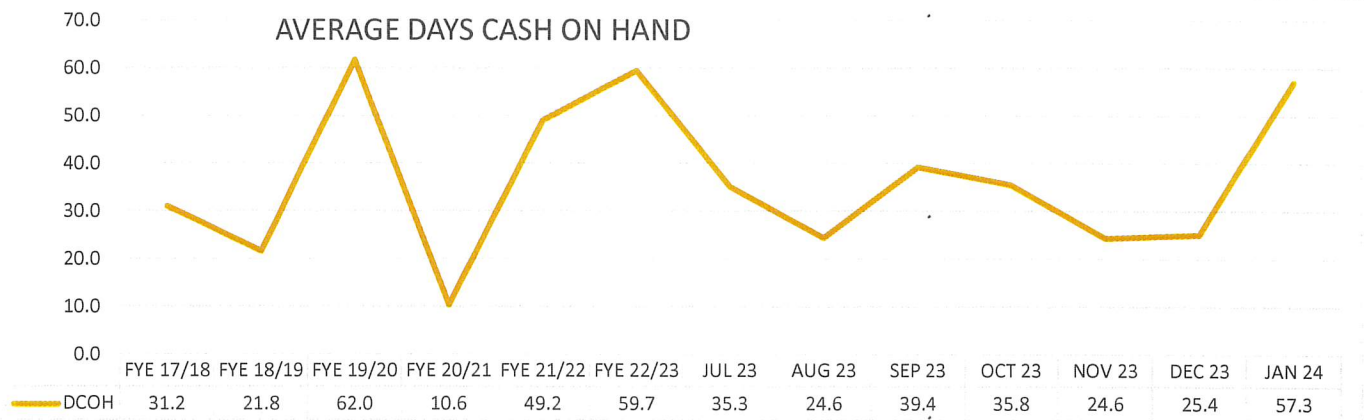
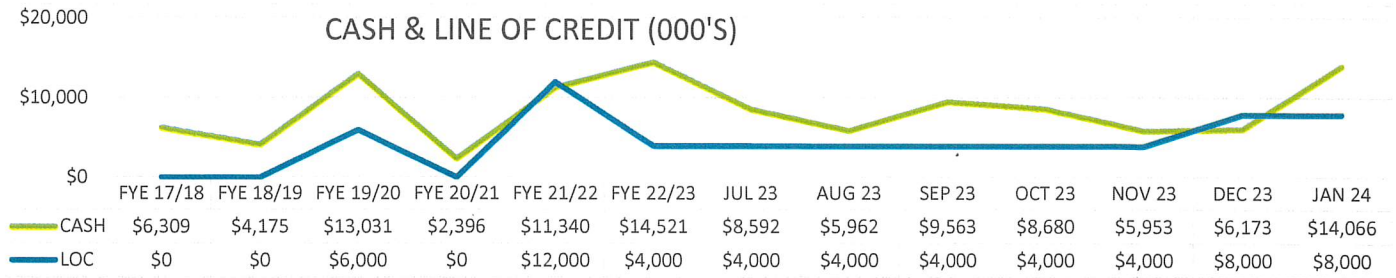


	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	JUL 2023	AUG 2023	SEP 2023	OCT 2023	NOV 2023	DEC 2023	JAN 2024
REV NORMAL	6,006	6,069	6,165	5,160	6,791	7,425	5,607	6,924	7,682	6,525	3,821	7,732	7,243
OP EXP	6,147	5,817	6,398	6,878	7,007	7,370	7,461	7,164	7,310	7,610	7,006	8,132	8,811
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,668	5,303	4,746	4,593	4,802	4,416	5,411	6,277
EBIDA NORMAL	(141)	252	(233)	(1,719)	(216)	55	(1,471)	(240)	372	(1,085)	(3,185)	(400)	(573)

BALANCE SHEET (Period End)

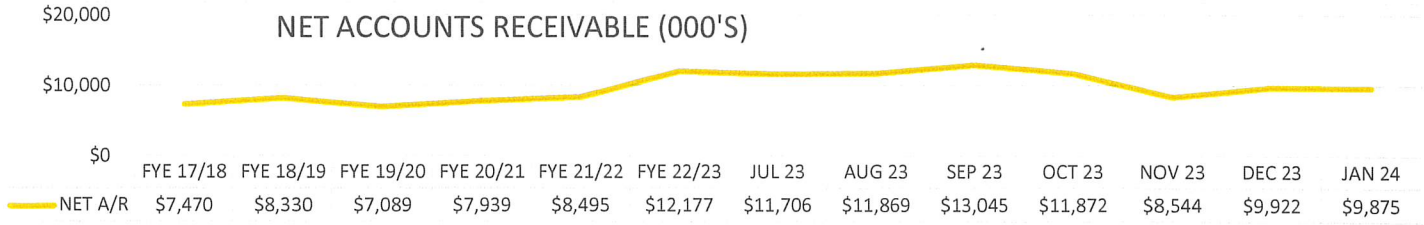
Cash (000's)	Represents all unrestricted cash in the bank at each month-end.
Days Cash on Hand	Calculated by dividing amount of Cash on Hand by the historical average daily amount of cash requirements to cover operating expenses.
Accounts Receivable - Net (000's)	Equals the sum of all (patient) accounts that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.
A/R Days - Net	This measures the average number of days it takes to collect payment of the Net Accounts Receivable. Lower values are desired.
Current Ratio (Current Assets/Current Liabilities)	A measure that illustrates the ability for the hospital to pay its obligations that come due over the course of the next year. The greater the Current Assets as compared to the Current Liabilities, the stronger position the organization is in to pay its upcoming obligations. Desired position is greater than 1:00 to 1:00, preferably at least 1:25 to 1:00 or greater.
 Quick Ratio	This measures the Cash + Net Accounts Receivable compared to the Current Liabilities. Desired ratio is greater than 1.00 : 1.00.
Accounts Payable (000's)	Reflects payment obligations of the Hospital as of a point in time. Excludes Loans, Payroll and other Debt obligations. Lower values are desired.
Accounts Payable Days	Reflects the average number of days that it takes to pay routine bills. Lower numbers are desired. Calculated by dividing the Accounts Payable amount by the historical average daily cost of routine expenses.
Line of Credit Balance (000's)	The amount that is currently borrowed from a lending institution as of a given point in time.

SAN GORGONIO MEMORIAL HOSPITAL

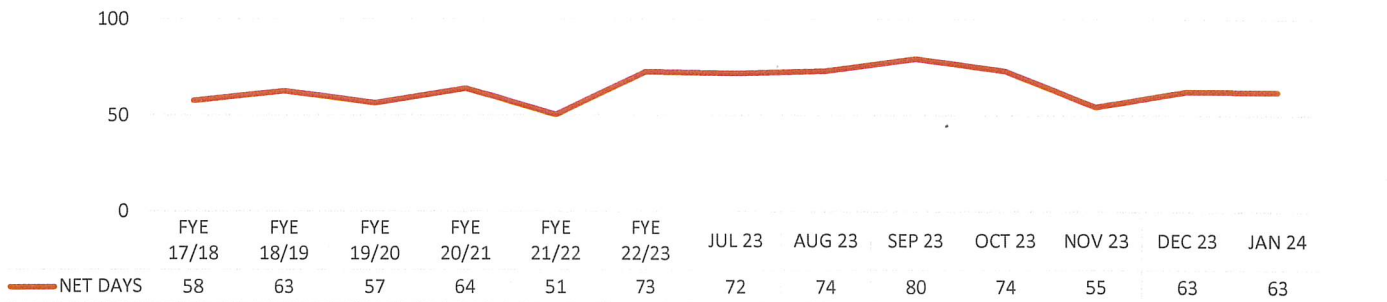


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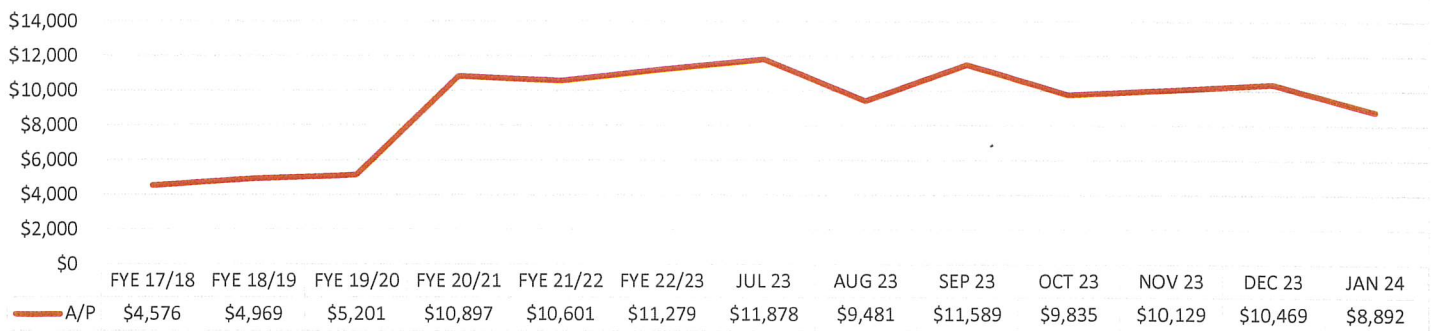
NET ACCOUNTS RECEIVABLE (000'S)



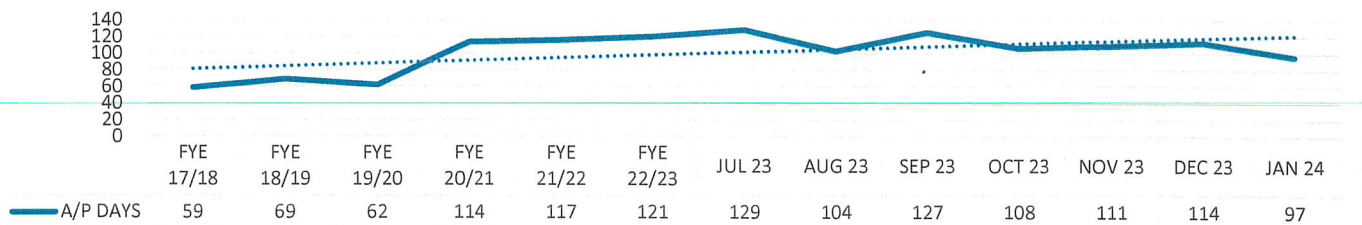
AVE. DAYS OF COLLECTIONS IN NET A/R



ACCOUNTS PAYABLE (000'S)



AVERAGE DAYS IN ACCOUNTS PAYABLE



	A	B	C	D	E	F	G	H	I	J
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL									
2	INCOME STATEMENT	JANUARY 2024 BUDGET	JANUARY 2024 ACTUAL	VARIANCE JANUARY ACTUAL TO BUDGET	VARIANCE PER CENTAGE		JANUARY 2024 YTD BUDGET	JANUARY 2024 YTD ACTUAL	VARIANCE JANUARY YTD ACTUAL TO BUDGET	YTD VARIANCE PER CENTAGE
3	NET INCOME	(1,412,538)	(3,029,281)	(1,616,743)	-114.5%		(6,353,896)	(18,551,116)	(12,197,220)	-192.0%
4	EBIDA	(1,811,470)	(3,039,390)	(1,227,920)	-67.8%		(8,192,400)	(18,291,189)	(10,098,789)	-123.3%
5										
6	TOTAL OPERATING REVENUE	6,060,111	5,771,717	(288,394)	-4.8%		43,681,589	35,328,207	(8,353,382)	-19.1%
7	NET PATIENT REVENUE	5,321,185	5,145,037	(176,148)	-3.3%		38,374,343	30,566,606	(7,807,737)	-20.3%
13	OTHER OPERATING REVENUE	738,926	626,680	(112,246)	-15.2%		5,307,246	4,761,601	(545,645)	-10.3%
21	TOTAL OPERATING EXPENSE	7,871,581	8,811,107	(939,526)	-11.9%		51,873,989	53,619,396	(1,745,407)	-3.4%
35	NON-OPERATING REVENUE & EXPENSE	1,360,428	1,092,979	(267,449)	-19.7%		8,565,694	6,560,567	(2,005,127)	-23.4%
39	TOTAL INTEREST & DEPRECIATION	961,496	1,082,870	(121,374)	-12.6%		6,727,190	6,820,494	(93,304)	-1.4%
43	Page 1 of 1	Thursday, February 22, 2024 12:00:09 PM								

16

	A	B	C	D	E	F	G	
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL							
2	BALANCE SHEET	JUNE 2023	NOVEMBER 2023	DECEMBER 2023	JANUARY 2024	VARIANCE DECEMBER TO JANUARY	VARIANCE PERCENTAGE	
3	TOTAL ASSETS	112,558,570	103,366,137	104,958,733	112,391,784	7,433,051	7.1%	
4	CURRENT ASSETS	29,638,354	20,995,007	19,794,071	24,748,448	4,954,377	25.0%	
16	ASSETS WHICH USE IS LIMITED	9,102,770	10,666,301	13,828,639	16,738,243	2,909,604	21.0%	
17	NET PROPERTY, PLANT, AND EQUIPMENT	73,452,527	71,848,905	71,482,689	71,054,280	(428,409)	-0.6%	
24	OTHER ASSETS	364,919	(144,076)	(146,666)	(149,187)	(2,521)	1.7%	
25								
26	TOTAL LIABILITIES & FUND BALANCE	112,558,570	103,366,074	104,958,668	112,391,706	(7,433,038)	-7.1%	
27	TOTAL LIABILITIES	148,421,077	160,739,918	164,602,704	175,065,023	(10,462,319)	-6.4%	
28	CURRENT LIABILITES	28,682,871	27,875,404	32,185,743	32,865,186	(679,443)	-2.1%	
39	LONG TERM LIABILITIES	119,738,206	132,864,514	132,416,961	142,199,837	(9,782,876)	-7.4%	
41	NET ASSETS	(36,108,787)	(57,373,844)	(59,644,036)	(62,673,317)	3,029,281	-5.1%	
45								
46	Page 1 of 1	Thursday, February 22, 2024 2:54:59 PM						

17

SAN GORGONIO MEMORIAL HOSPITAL

		FY23	FY 24	FY 24		FY 23	FY 24	FY 24		FY 23
		01/31/23	01/31/24	01/31/24		2023	2024	2024		2023
		ACTUAL	ACTUAL	BUDGET		7 MOS YTD ACTUAL	7 MOS YTD ACTUAL	7 MOS.YTD BUDGET		YR END TOTAL
[1]	Total Acute Patient Days	653	733	841		4,834	4,775	4,966		7,636
[2]	Average Daily Census	21.1	23.6	27.1		22.5	22.2	23.1		20.9
[3]	Average Acute Length of Stay	3.5	4.1	3.7		3.6	3.8	3.5		3.5
[4]	Patient Discharges	184	179	227		1,350	1,262	1,431		2,186
[5]	Adjusted Patient Days	1,757	2,139	2,105		12,870	13,393	13,426		21,460
[6]	Observation Days	252	349	299		1,820	2,173	2,092		3,160
[7]	Total Emergency Room Visits	3,266	3,586	3,955		25,159	24,853	27,685		41,821
[8]	Average ED Visits Per Day	105	116	128		117	116	129		115
[9]	Total Surgeries (Excluding G.I.'s)	121	86	122		839	721	901		1,433
[10]	Deliveries/Births	6	7	10		85	68	91		131

81

	A	B	C	D	E	F	G	H	I	J
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL									
2	INCOME STATEMENT	JANUARY 2024 BUDGET	JANUARY 2024 ACTUAL	VARIANCE JANUARY ACTUAL TO BUDGET	VARIANCE PER CENTAGE		JANUARY 2024 YTD BUDGET	JANUARY 2024 YTD ACTUAL	VARIANCE JANUARY YTD ACTUAL TO BUDGET	YTD VARIANCE PER CENTAGE
3	NET INCOME	(1,412,538)	(3,029,281)	(1,616,743)	-114.5%		(6,353,896)	(18,551,116)	(12,197,220)	-192.0%
4	EBIDA	(1,811,470)	(3,039,390)	(1,227,920)	-67.8%		(8,192,400)	(18,291,189)	(10,098,789)	-123.3%
5										
6	TOTAL OPERATING REVENUE	6,060,111	5,771,717	(288,394)	-4.8%		43,681,589	35,328,207	(8,353,382)	-19.1%
7	NET PATIENT REVENUE	5,321,185	5,145,037	(176,148)	-3.3%		38,374,343	30,566,606	(7,807,737)	-20.3%
8	GROSS REVENUE FROM PATIENT SERVICES	45,951,735	42,997,024	(2,954,711)	-6.4%		297,521,971	289,017,084	(8,504,887)	-2.9%
9	TOTAL INPATIENT REVENUE	18,270,190	14,920,563	(3,349,627)	-18.3%		110,486,335	103,243,349	(7,242,986)	-6.6%
10	TOTAL OUTPATIENT REVENUE	27,681,545	28,076,461	394,916	1.4%		187,035,636	185,773,735	(1,261,901)	-0.7%
11	DEDUCTIONS FROM REVENUE	(40,630,550)	(37,851,987)	2,778,563	-6.8%		(259,147,628)	(258,450,478)	697,150	-0.3%
12										
13	OTHER OPERATING REVENUE	738,926	626,680	(112,246)	-15.2%		5,307,246	4,761,601	(545,645)	-10.3%
14	OTHER REVENUE - RATE RANGE	0	0	0	0.0%		0	0	0	0.0%
15	OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	0	0.0%		434,000	481,713	47,713	11.0%
16	OTHER REVENUE - DSH	18,746	23,625	4,879	26.0%		56,236	99,536	43,300	77.0%
17	OTHER REVENUE - P4P	51,750	69,879	18,129	35.0%		138,000	206,325	68,325	49.5%
18	OTHER REVENUE - OTHER	258,603	131,682	(126,921)	-49.1%		1,810,221	996,311	(813,910)	-45.0%
19	OPERATING TAX REVENUES	409,827	401,494	(8,333)	-2.0%		2,868,789	2,977,716	108,927	3.8%
20										
21	TOTAL OPERATING EXPENSE	7,871,581	8,811,107	(939,526)	-11.9%		51,873,989	53,619,396	(1,745,407)	-3.4%
22	TOTAL LABOR EXPENSE	5,064,082	6,277,236	(1,213,154)	-24.0%		33,573,113	35,733,632	(2,160,519)	-6.4%
23	WAGES	3,938,213	5,126,248	(1,188,035)	-30.2%		25,941,700	27,775,221	(1,833,521)	-7.1%
24	EMPLOYEE BENEFITS	1,019,717	1,005,066	14,651	1.4%		7,003,592	6,805,030	198,562	2.8%
25	CONTRACT LABOR	106,152	145,922	(39,770)	-37.5%		627,821	1,153,381	(525,560)	-83.7%
26	PHYSICIAN FEES	312,187	462,618	(150,431)	-48.2%		2,185,309	2,683,384	(498,075)	-22.8%
27	PURCHASED SERVICES	955,496	936,912	18,584	1.9%		6,138,866	6,609,298	(470,432)	-7.7%
28	SUPPLY EXPENSE	993,986	648,726	345,260	34.7%		6,536,805	5,344,806	1,191,999	18.2%
29	UTILITIES	104,811	103,927	884	0.8%		751,809	694,101	57,708	7.7%
30	REPAIRS AND MAINTENANCE	85,319	141,551	(56,232)	-65.9%		578,441	695,013	(116,572)	-20.2%
31	INSURANCE	146,289	38,130	108,159	73.9%		1,024,023	916,408	107,615	10.5%
32	OTHER EXPENSES	164,037	173,637	(9,600)	-5.9%		768,005	615,512	152,493	19.9%
33	LEASE AND RENTALS	45,374	28,370	17,004	37.5%		317,618	327,242	(9,624)	-3.0%
34										
35	NON-OPERATING REVENUE & EXPENSE	1,360,428	1,092,979	(267,449)	-19.7%		8,565,694	6,560,567	(2,005,127)	-23.4%
36	OTHER NON-OPERATING REVENUE	733,075	465,626	(267,449)	-36.5%		4,174,223	2,169,096	(2,005,127)	-48.0%
37	NON-OPERATING TAX REVENUE	627,353	627,353	0	0.0%		4,391,471	4,391,471	0	0.0%
38	EXTRAORDINARY REVENUE	0	0	0	0.0%		0	0	0	0.0%
39	TOTAL INTEREST & DEPRECIATION	961,496	1,082,870	(121,374)	-12.6%		6,727,190	6,820,494	(93,304)	-1.4%
40	DEPRECIATION	522,709	640,273	(117,564)	-22.5%		3,655,681	3,969,133	(313,452)	-8.6%
41	INTEREST & AMORTIZATION	438,787	442,597	(3,810)	-0.9%		3,071,509	2,851,361	220,148	7.2%
42										
43	Page 1 of 1	Thursday, February 22, 2024 12:00:09 PM								

61

	A	B	C	D	E	F	G	H	I	J
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL									
2	INCOME STATEMENT	JANUARY 2024 FLEX BUDGET	JANUARY 2024 ACTUAL	VARIANCE JANUARY ACTUAL TO FLEX BUDGET	VARIANCE PER CENTAGE		JANUARY 2024 YTD FLEX BUDGET	JANUARY 2024 YTD ACTUAL	VARIANCE JANUARY YTD ACTUAL TO FLEX BUDGET	YTD VARIANCE PER CENTAGE
3	NET INCOME	(3,709,551)	(3,029,281)	680,270	18.3%		(10,423,860)	(18,551,116)	(8,127,256)	-78.0%
4	EBIDA	(4,111,349)	(3,039,390)	1,071,959	26.1%		(12,271,216)	(18,291,189)	(6,019,973)	-49.1%
5										
6	TOTAL OPERATING REVENUE	3,922,946	5,771,717	1,848,771	47.1%		39,182,472	35,328,207	(3,854,265)	-9.8%
7	NET PATIENT REVENUE	2,765,949	5,145,037	2,379,088	86.0%		33,532,155	30,566,606	(2,965,549)	-8.8%
8	GROSS REVENUE FROM PATIENT SERVICES	41,745,232	42,997,024	1,251,792	3.0%		285,388,386	289,017,084	3,628,698	1.3%
9	TOTAL INPATIENT REVENUE	15,543,261	14,920,563	(622,698)	-4.0%		106,841,091	103,243,349	(3,597,742)	-3.4%
10	TOTAL OUTPATIENT REVENUE	26,201,971	28,076,461	1,874,490	7.2%		178,547,295	185,773,735	7,226,440	4.0%
11	DEDUCTIONS FROM REVENUE	(38,979,283)	(37,851,987)	1,127,296	-2.9%		(251,856,231)	(258,450,478)	(6,594,247)	2.6%
12										
13	OTHER OPERATING REVENUE	1,156,997	626,680	(530,317)	-45.8%		5,650,317	4,761,601	(888,716)	-15.7%
14	OTHER REVENUE - RATE RANGE	0	0	0	0.0%		0	0	0	0.0%
15	OTHER REVENUE - OTHER SUPPLEMENTALS	455,571	0	(455,571)	0.0%		889,571	481,713	(407,858)	0.0%
16	OTHER REVENUE - DSH	18,746	23,625	4,879	26.0%		56,236	99,536	43,300	77.0%
17	OTHER REVENUE - P4P	51,750	69,879	18,129	35.0%		138,000	206,325	68,325	49.5%
18	OTHER REVENUE - OTHER	221,103	131,682	(89,421)	-40.4%		1,697,721	996,311	(701,410)	-41.3%
19	OPERATING TAX REVENUES	409,827	401,494	(8,333)	-2.0%		2,868,789	2,977,716	108,927	3.8%
20										
21	TOTAL OPERATING EXPENSE	8,034,295	8,811,107	(776,812)	-9.7%		51,453,688	53,619,396	(2,165,708)	-4.2%
22	TOTAL LABOR EXPENSE	5,317,332	6,277,236	(959,904)	-18.1%		33,712,115	35,733,632	(2,021,517)	-6.0%
23	WAGES	4,231,153	5,126,248	(895,095)	-21.2%		26,268,432	27,775,221	(1,506,789)	-5.7%
24	EMPLOYEE BENEFITS	997,578	1,005,066	(7,488)	-0.8%		6,899,277	6,805,030	94,247	1.4%
25	CONTRACT LABOR	88,601	145,922	(57,321)	-64.7%		544,406	1,153,381	(608,975)	-111.9%
26	PHYSICIAN FEES	345,520	462,618	(117,098)	-33.9%		2,218,642	2,683,384	(464,742)	-20.9%
27	PURCHASED SERVICES	939,263	936,912	2,351	0.3%		6,042,441	6,609,298	(566,857)	-9.4%
28	SUPPLY EXPENSE	886,915	648,726	238,189	26.9%		6,045,310	5,344,806	700,504	11.6%
29	UTILITIES	104,811	103,927	884	0.8%		751,809	694,101	57,708	7.7%
30	REPAIRS AND MAINTENANCE	85,139	141,551	(56,412)	-66.3%		577,500	695,013	(117,513)	-20.3%
31	INSURANCE	146,289	38,130	108,159	73.9%		1,024,023	916,408	107,615	10.5%
32	OTHER EXPENSES	163,659	173,637	(9,978)	-6.1%		764,259	615,512	148,747	19.5%
33	LEASE AND RENTALS	45,367	28,370	16,997	37.5%		317,589	327,242	(9,653)	-3.0%
34										
35	NON-OPERATING REVENUE & EXPENSE	1,360,428	1,092,979	(267,449)	-19.7%		8,565,694	6,560,567	(2,005,127)	-23.4%
36	OTHER NON-OPERATING REVENUE	733,075	465,626	(267,449)	-36.5%		4,174,223	2,169,096	(2,005,127)	-48.0%
37	NON-OPERATING TAX REVENUE	627,353	627,353	0	0.0%		4,391,471	4,391,471	0	0.0%
38	EXTRAORDINARY REVENUE	0	0	0	0.0%		0	0	0	0.0%
39	TOTAL INTEREST & DEPRECIATION	958,630	1,082,870	(124,240)	-13.0%		6,718,338	6,820,494	(102,156)	-1.5%
40	DEPRECIATION	519,843	640,273	(120,430)	-23.2%		3,646,829	3,969,133	(322,304)	-8.8%
41	INTEREST & AMORTIZATION	438,787	442,597	(3,810)	-0.9%		3,071,509	2,851,361	220,148	7.2%
42										
43	Page 1 of 1	Thursday, February 22, 2024 1:53 PM								

20

	A	B	C	D	E	F	G	
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL							
2	BALANCE SHEET	JUNE 2023	NOVEMBER 2023	DECEMBER 2023	JANUARY 2024	VARIANCE DECEMBER TO JANUARY	VARIANCE PERCENTAGE	
3	TOTAL ASSETS	112,558,570	103,366,137	104,958,733	112,391,784	7,433,051	7.1%	
4	CURRENT ASSETS	29,638,354	20,995,007	19,794,071	24,748,448	4,954,377	25.0%	
5	CASH & EQUIVALENTS	14,521,085	5,952,687	6,174,780	14,066,154	7,891,374	127.8%	
6	NET PATIENT ACCOUNTS RECEIVABLE	12,177,379	8,544,208	9,521,666	9,874,552	352,886	3.7%	
7	HOSPITAL ACCOUNTS RECEIVABLE	86,192,181	83,591,108	90,684,885	93,057,632	2,372,747	2.6%	
8	LESS: ALLOWANCE FOR BAD DEBTS	(74,014,802)	(75,046,900)	(81,163,219)	(83,183,080)	(2,019,861)	2.5%	
9	OTHER CURRENT ASSETS	2,939,890	6,498,112	4,097,625	807,742	(3,289,883)	-80.3%	
10	TAXES RECEIVABLE	2,263,620	5,324,379	3,192,397	(127,692)	(3,320,089)	-104.0%	
11	MISC RECEIVABLE	64,052	(464,212)	(693,350)	(864,269)	(170,919)	24.7%	
12	DUE FROM 3RD PARTIES	(1,097,349)	(1,229,576)	(1,188,457)	(1,180,265)	8,192	-0.7%	
13	INVENTORIES	1,311,782	1,988,621	1,952,252	2,029,198	76,946	3.9%	
14	PREPAID EXPENSES	397,785	878,900	834,783	950,770	115,987	13.9%	
15								
16	ASSETS WHICH USE IS LIMITED	9,102,770	10,666,301	13,828,639	16,738,243	2,909,604	21.0%	
17	NET PROPERTY, PLANT, AND EQUIPMENT	73,452,527	71,848,905	71,482,689	71,054,280	(428,409)	-0.6%	
18	PROPERTY, PLANT, AND EQUIPMENT	166,692,035	167,618,951	167,745,456	167,809,768	64,312	0.0%	
19	LAND & LAND IMPROVEMENTS	4,828,182	4,828,182	4,828,182	4,828,182	0	0.0%	
20	BUILDINGS & BUILDING IMPROVEMENTS	129,281,491	129,281,491	129,281,491	129,281,491	0	0.0%	
21	FIXED EQUIPMENT	29,262,127	29,142,473	29,228,687	29,253,252	24,565	0.1%	
22	CONSTRUCTION IN PROGRESS	3,320,235	4,366,805	4,407,096	4,446,843	39,747	0.9%	
23	LESS: ACCUMULATED DEPRECIATION	(93,239,508)	(95,770,046)	(96,262,767)	(96,755,488)	(492,721)	0.5%	
24	OTHER ASSETS	364,919	(144,076)	(146,666)	(149,187)	(2,521)	1.7%	
25								
26	TOTAL LIABILITIES & FUND BALANCE	112,558,570	103,366,074	104,958,668	112,391,706	(7,433,038)	-7.1%	
27	TOTAL LIABILITIES	148,421,077	160,739,918	164,602,704	175,065,023	(10,462,319)	-6.4%	
28	CURRENT LIABILITES	28,682,871	27,875,404	32,185,743	32,865,186	(679,443)	-2.1%	
29	ACCOUNTS PAYABLE	11,278,786	9,741,760	10,083,644	8,892,365	1,191,279	11.8%	
30	PAYROLL PAYABLES	6,484,769	5,879,981	5,557,165	7,099,787	(1,542,622)	-27.8%	
31	SALARIES & WAGES PAYABLE	579,682	(602,404)	(774,910)	277,264	(1,052,174)	135.8%	
32	PAYROLL TAXES & DEDUCTIONS PAYABLE	3,235,802	3,640,721	3,604,352	4,094,800	(490,448)	-13.6%	
33	ACCRUED PTO & SICK DAYS PAYABLE	2,669,285	2,841,664	2,727,723	2,727,723	0	0.0%	
34	LINE OF CREDIT	4,043,719	4,052,732	8,054,535	8,056,337	(1,802)	0.0%	
35	OTHER CURRENT LIABILITIES	6,875,597	8,200,931	8,490,399	8,816,697	(326,298)	-3.8%	
36	ACCRUED INTEREST PAYABLE	1,609,780	3,220,107	3,581,044	3,941,980	(360,936)	-10.1%	
37	OTHER CURRENT LIABILITIES	5,265,817	4,980,824	4,909,355	4,874,717	(34,638)	-0.7%	
38								
39	LONG TERM LIABILITIES	119,738,206	132,864,514	132,416,961	142,199,837	(9,782,876)	-7.4%	
40								
41	NET ASSETS	(36,108,787)	(57,373,844)	(59,644,036)	(62,673,317)	3,029,281	-5.1%	
42	NET ASSETS - UNRESTRICTED	(36,108,787)	(57,373,844)	(59,644,036)	(62,673,317)	3,029,281	-5.1%	
43	NET ASSETS - BEGINNING OF PERIOD	(33,723,881)	(44,122,201)	(44,122,201)	(44,122,201)	0	0.0%	
44	CURRENT YEAR NET GAIN/(LOSS)	(2,138,626)	(13,251,643)	(15,521,835)	(18,551,116)	(3,029,281)	19.5%	
45								
46	Page 1 of 1	Thursday, February 22, 2024 2:54:59 PM						

21

	B	C	D	E	F	G	J
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL					CASH FLOW	
2							
3						Current Month	Y-T-D
4						1/31/2024	1/31/2024
5	BEGINNING CASH BALANCES						
6		Cash: Beginning Balances- Hospital				\$ 2,394,136	\$ 10,775,913
7		Cash: Beginning Balances- District				3,780,644	2,808,453
8		Cash: Beginning Balances Totals				\$ 6,174,780	\$ 13,584,366
9							
10	Receipts						
11		Patient Collections				\$ 4,752,310	\$ 32,898,147
12		Tax Subsidies/Measure D/Prop 13				401,494	2,810,458
13		Misc Tax Subsidies				-	167,258
14		Donations/Grants/Loans				9,800,000	10,202,074
15		Supplemental Funding (Rate Range, Etc.)				-	653,536
16		Draws/(Paydown) of LOC Balances				-	-
17		Other Revenues/Receipts/Transfers				450,277	6,222,257
18	TOTAL RECEIPTS					\$ 15,404,081	\$ 52,953,730
19							
20	Disbursements						
21		Wages, Benefits, & Contract Labor				\$ 5,292,519	\$ 34,648,915
22		Other Operating Costs				2,533,871	17,929,719
23		Capital Spending				215,690	1,072,631
24		Debt Service Payments				81,000	250,983
25		Other - Changes in Accounts Payable, Other				(610,373)	(1,430,306)
26	TOTAL DISBURSEMENTS					\$ 7,512,707	\$ 52,471,942
27							
28	TOTAL CHANGE in CASH					\$ 7,891,374	\$ 481,788
29							
30	ENDING CASH BALANCES						
31		Ending Balances- Hospital				\$ (801,381)	\$ 10,154,359
32		Ending Balances- District				14,867,535	3,911,795
33		Ending Balances- Totals				\$ 14,066,154	\$ 14,066,154
34							
35							
36							
37		LOC Current Balances				\$ 8,000,000	\$ 8,000,000
38		LOC Interest Expense Incurred				7,200	80,391
39							
40							

TAB E

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for February 27, 2024 Finance Committee and March 5, 2024 Board Meetings

Proposed Action:

Recommend Approval to Enter a Consulting Arrangement with Craneware for Provision of the Trisus Pricing Analyzer and Transparency Service

Background:

San Gorgonio Memorial Hospital (SGMH) has contracted with Craneware in 2023 for the establishment of a 340b Pharmacy rebate program. The installation teams from Craneware, SGMH, and Altera have been working on this implantation weekly since last July, and all aspects of the program are expected to be in place by the end of this 2024 fiscal year.

Craneware also, via the 340b contract, has provided consultation and data gathering required to be in compliance with existing price transparency laws. However, as of July 1, the Federal CMS law will require price transparency reporting which includes many multiples of reporting in contrast to the existing law. As such, Craneware will be terminating the existing transparency model and has developed a much more comprehensive model needed to comply with the new CMS regulations.

Component 1:

This product includes the Trisus Pricing Analyzer Model Baseline Analysis which includes the development of up to five alternative pricing models such as:

- Model One: Flat price increase, possibly subject to constraints and filters
- Model Two: Market-based, model identifies areas of opportunity when compared against SGMH selected peers
- Model Three: Cost-based, model identifies areas of opportunity when considering cost
- Model Four: Fee Schedule-based, model identifies areas of opportunity when current pricing is compared against contracted fee-schedule(s) with a lesser of/than clause
- Model Five: Incorporating SGMH defined constraints, that may include items from the previous models

This includes a Reimbursement Modeling feature whereby Craneware's Reimbursement Analyst is responsible for payor reimbursement modeling during the implementation and will further perform the ongoing Reimbursement Model Maintenance Service. The Reimbursement Analyst will perform specific duties or leverage additional Craneware experts in specialized fields to:

- Collaborate with SGMH to define and model payor reimbursement that supports the Trisus Pricing Analyzer & Transparency application. This will encompass the payors necessary to achieve compliance.
- Modeling will be completed for language specific to the customer's agreed upon payor contracts.
- Partner to complete payor mapping between contract profile to claims data.

Component 2:

The Rule also requires hospitals and similar providers, including SGMH, to publish online, in a machine-readable file, SGMH's payer-specific negotiated rates for 300 "Shoppable Services" (70 of which are specified and must be included if the services are provided by SGMH), and the hospital's "Standard Charges," which must include the 2024 OPSS Final Rule for Price Transparency machine-readable file requirements, including, without limitation, the gross charge (e.g., what is reflected in SGMH's chargemaster), payer-specific standard charge methods and negotiated rates (e.g., the payer plan contract data), the discounted cash price (e.g., the discounted rate SGMH would charge individuals who pay cash), and both the de-identified minimum and maximum negotiated charge (e.g., the lowest and highest charges SGMH has negotiated with all third-party payers for an item or service).

The Trisus[®] Pricing Analyzer & Transparency (“TPAT”) is a hosted service designed to assist hospitals such as SGMH in complying with the Rule’s requirements, as interpreted by Craneware, to publish the rational and defensible prices based on payer contracts into a standardized, as defined by CMS in its then-current regulations, machine-readable file (“Machine Readable File”) and a consumer-friendly display of 300 common “shoppable” services derived from the machine-readable file grouping those services that are customarily accompanied by the provision of ancillary services, where appropriate.

Key Terms of the Service:

- 1) Craneware to start immediately working with SGMH staff to comply with July 1 requirements.
- 2) Cost for the Service: Year 1 (Prorated + Installation) = \$26,510, and beginning April 7, 2024 years 2 – 5 = \$41,278 with a 3% CPI Cap for a total projected cost of \$204,380 plus applicable taxes.

Recommended Action:

To approve the Craneware Pricing Analyzer & Transparency service as outlined.

Craneware Pricing Analysis - Trisus Pricing Analyzer & Transparency and Reimbursement Model

(Update February 29, 2024)

Subscription Period	Subscription and Service Fee	Implementation /Training	Annual CPI plus 3% **	Total Expected Fee (Excluding Taxes)
March 8, 2024 - April 6, 2024	\$ 3,326	\$ 23,184	0.00%	\$ 26,510
April 7, 2024 - April 6, 2025	\$ 41,278	\$ -	0.00%	\$ 41,278
April 7, 2025 - April 6, 2026	\$ 41,278	\$ -	6.10%	\$ 43,796
April 7, 2026 - April 6, 2027	\$ 41,278	\$ -	6.10%	\$ 46,468
April 7, 2027 - April 6, 2028	\$ 41,278	\$ -	6.10%	\$ 49,302
Projected Total Cost	\$ 168,438	\$ 23,184		\$ 207,353

** CPI is subject to change each year

Includes up to 20 contracts (we have approximately 22 contracts); If there are significantly more than 20 contracts, the extra cost would be up to \$5,000 per year.

ORDER FORM #4

This Order Form #4 (this "Order Form") is entered into by and between Craneware, Inc., a Florida corporation, on behalf of itself and its parent company, Craneware plc, a corporation organized under the laws of the United Kingdom and all of its direct and indirect subsidiaries, including but not limited to Sentry Data Systems, Inc. ("Sentry"), a Florida corporation, and Agilum Healthcare Intelligence, Inc. ("Agilum"), a Tennessee corporation (collectively, "The Craneware Group™" or "Craneware") and **San Gorgonio Memorial Hospital** ("Customer") pursuant to and subject to the terms of the parties' April 7, 2023 *Craneware Master Agreement*.

WHEREAS, Customer desires to add Craneware's Trisus Pricing Analyzer & Transparency and Reimbursement Model Maintenance applications, replacing the presently licensed Trisus Pricing Transparency applications effective as of the Start Date of this Order Form.

NOW, THEREFORE, this Order Form provides for the following:

1. **ORDER FORM TERM.** Unless earlier terminated in accordance with this Order Form, this Order Form shall commence on March 8, 2024 ("Start Date") and shall be coterminous with Order Form #1, entered into pursuant to the Craneware Master Agreement dated April 7, 2023, which, unless renewed pursuant to the Agreement or extended by written agreement of the parties, will expire on April 6, 2028 (the "Order Form Initial Term"), and shall terminate at 11:59 PM Eastern Standard Time on the last day of the Order Form Initial Term.

2. **TERMINATION OF ORDER FORM.** The termination of Order Form #3 dated April 7, 2023, for Trisus Pricing Transparency, effective as of the Start Date of this Order Form.

3. **SERVICES.** Customer is hereby granted permission, subject to the terms of the Agreement, to utilize or receive the Services, to be used solely for the benefit of the Facilities listed on the attached Services Schedule, provided in accordance with any applicable Scope(s) of Work and/or additional terms, each of which (if attached) are incorporated herewith.

Agreed to by the parties hereto:

SIGNED ON BEHALF OF CRANEWARE		SIGNED ON BEHALF OF CUSTOMER	
SIGNATURE		SIGNATURE	
PRINT NAME		PRINT NAME	
TITLE		TITLE	
DATE		DATE	

CRANEWARE REPRESENTATIVE: Damon Christensen
DATE REVISED: February 21, 2024
RECIPIENT NAME: Steven Barron
RECIPIENT TITLE: CEO

SERVICES SCHEDULE

• **Part 1. Customer Facilities**

Services Purchased							
	Medicare Provider Number	CAH Facility	Shares File	Patient Accounting System	Trisus® Pricing Analyzer & Transparency	Trisus® Pricing Transparency - Analysis	Trisus® Pricing Transparency - Hosting
Facilities (Name and address of all facilities possessing a Medicare Provider Number that have a subscription to use the services identified within this table)							
San Gorgonio Memorial Hospital 600 N Highland Springs Ave Banning, CA 92220 (HCA195) County: Riverside	050054	N		Allscripts	X		
Services Removed (Removed from Services Schedule - Identified by individual facility) Effective March 8, 2024*							
San Gorgonio Memorial Hospital	050054					X	X

* Customer shall be allowed access to Trisus Pricing Transparency for the above facilities through their transition to the newly licensed TPAT application but no later than June 30, 2024.

Abbreviations: **CAH** - Critical Access Hospital and **TPAT** – Trisus Pricing Analyzer & Transparency

- **Part 2. Fees**

Services	Number of Facilities	Description	Annual Subscription Fee	Implementation & Training Fees* (one-time fee)	Annual Recurring Service Fee*
Trisus® Pricing Analyzer	1		\$32,728	\$23,184	
Reimbursement Model Maintenance		20 contracts per TPAT entity			\$8,550
License and Implementation Fee Total:			\$32,728	\$23,184	\$8,550

* Training and implementation and recurring service plans are outlined in attached Scope of Work.

- **Part 3. Payment Schedule**

Subscription Period	Annual Subscription Fee & Annual Recurring Service Fee ¹	Implementation & Training	Payment Due Date
March 8, 2024 to April 6, 2024	\$3,326*	\$23,184	Upon contract signature
April 7, 2024 to April 6, 2025	\$41,278		April 7, 2024
April 7, 2025 to April 6, 2026	\$41,278		April 7, 2025
April 7, 2026 to April 6, 2027	\$41,278		April 7, 2026
April 7, 2027 to April 6, 2028	\$41,278		April 7, 2027

* The Annual Subscription Fee & Annual Recurring Service Fee have been prorated for the Subscription Period March 8, 2024 to April 6, 2024 to allow subsequent invoicing on April 7th annually.

¹ Annual Fees and Professional Services Fees shall increase once per year during the Term of this Order Form and any Renewal Term. Increases shall be equal to C.P.I. and 3%. For purposes of the foregoing, "C.P.I." shall mean the Consumer Price Index for All Urban Consumers, U.S. City Average, published by the U.S. Bureau of Labor Statistics of the U.S. Department of Labor (base year 1982-84=100), as of the most recent calendar month for which the Index is published prior to the Agreement anniversary month.

Increases to any Annual Fee due to application of the foregoing provision, as well as any additional sums owed for Sales Taxes as per § 3(b) of the Agreement ("Sales Tax") shall be owed in addition to the Annual Fees listed on each Order Form.

ADDITIONAL TERMS AND CONDITIONS FOR TPAT™ SERVICES

These Additional Terms and Conditions for TPAT™ Services (the “TPAT Ts&Cs”), including all applicable Scope(s) of Work, are hereby made a part of each Order Form under which TPAT Services are purchased.

WHEREAS, in November 2019, the Centers for Medicare & Medicaid Services promulgated a rule which took effect on January 1, 2021, and was subsequently updated, including the 2024 OPPS File Rule effective January 1, 2024, requiring, among other things, for hospitals to establish, update, and make public a list of their standard charges for the items and services they provide (herein, the “Price Transparency Final Rule” or “the Rule”).²

WHEREAS, the Rule requires hospitals and similar providers, including Customer, to publish online, in a machine-readable file, Customer’s payer-specific negotiated rates for 300 “Shoppable Services” (70 of which are specified and must be included if the services are provided by Customer), and the hospital’s “Standard Charges,” which must include the 2024 OPPS Final Rule for Price Transparency machine-readable file requirements, including, without limitation, the gross charge (e.g., what is reflected in Customer’s chargemaster), payer-specific standard charge methods and negotiated rates (e.g., the payer plan contract data), the discounted cash price (e.g., the discounted rate Customer would charge individuals who pay cash), and both the de-identified minimum and maximum negotiated charge (e.g., the lowest and highest charges a hospital has negotiated with all third-party payers for an item or service).

WHEREAS, Trisus® Pricing Analyzer & Transparency (“TPAT”) is a hosted service designed to assist hospitals such as Customer in complying with the Rule’s requirements, as interpreted by Craneware, to publish the rational and defensible prices based on payer contracts into a standardized, as defined by CMS in its then-current regulations, machine-readable file (“Machine Readable File”) and a consumer-friendly display of 300 common “shoppable” services derived from the machine-readable file grouping those services that are customarily accompanied by the provision of ancillary services, where appropriate.

WHEREAS, Craneware is willing to provide TPAT to Customer during the Order Form Term.

1. **GRANT OF LICENSES AND SCOPE OF AGREEMENT.** Craneware grants Customer a non-exclusive, limited, non-transferable, non-assignable, non-source code license to use TPAT during the Order Form Term. No underlying title to TPAT shall pass by the Order Form and the rights of Customer are limited to those expressly granted herein. Customer may use TPAT at and only for the benefit of the specified locations (each a “Facility”) set-forth herein. TPAT may only be used by the Customer’s employees, officers, and directors in the quantities set-forth on the applicable Order Form. Customer may only use TPAT for its own administrative, accounting and management purposes, but in no event may TPAT be utilized for the benefit of any non-Customer. TPAT will be delivered to Customer solely by electronic means. Both the machine-readable output file and the list of shoppable services are Craneware’s intellectual property protected by copyright, to which Customer has a license to use only during the Order Form Term and only for purposes of ensuring its own compliance with the Rule and not that of any other hospital or healthcare provider.
2. **AMENDMENT OF AGREEMENT; REVISIONS TO TPAT; TERMINATION.** It is understood and accepted by the parties hereto that the Rule and laws pursuant to which the Rule was promulgated are subject to change through administrative or Congressional action, are subject to subsequent agency interpretation, and are the subject of ongoing legal (including appellate court) challenges. Accordingly:
 - a. Craneware may issue to Customer revisions to TPAT (each an “Update”) that shall be made available to Customer. To permit improved security, regulatory or other legal compliance, or to preserve data integrity, Craneware can require Customer to adopt such Update.

² 84 Fed Reg. 65524

- b. Customer agrees that Craneware is not providing legal advice, that the Rule has been recently promulgated, is subject to amendment and different interpretations, and that Customer is solely responsible for ensuring its own compliance with the Rule.
 - c. These TPAT Ts&Cs shall be interpreted in a manner consistent with the Rule and applicable laws, to the extent possible. Where necessary to be compliant with the Rule, HIPAA, HITECH, or any other applicable law or regulation, Craneware will provide Customer with a proposed amendment to the Agreement and Customer agrees it will consider such amendment.
 - d. Should Craneware conclude that TPAT is not or is no longer consistent with the Rule (due to additional changes in the Rule's interpretation, amendment, subsequent appellate court ruling, or otherwise), Craneware may cease to provide a solution that complies with the Rule as revised.
 - e. Craneware may terminate TPAT services under the Order Form without cause upon 180 days' prior Notice to Customer.
3. ERRORS, INDEMNIFICATION, AND LIMITATIONS ON LIABILITY. Customer acknowledges and agrees that TPAT is an application designed to assist hospitals such as Customer to comply with the Rule. Accordingly:
- a. Each party will be responsible for the acts and omissions of itself and its employees, directors, officers, contractors, and agents. Except as otherwise set forth herein, the Order Form, including these TPAT Ts&Cs, will not be construed to create a contractual obligation for either party to indemnify the other for loss or damage resulting from any act or omission of the other party or its employees, directors, officers and agents, but this section will not constitute a waiver by any party of any right of indemnity, contribution, or subrogation to which a party may have by operation of applicable law or equity.
 - b. Customer understands and agrees that, presently, regulatory monitoring of Customer compliance will include, but not be limited to, reviewing complaints that individuals or entities submit to CMS regarding hospitals' non-compliance with the Rule, and that regulatory actions against Customer may range from a written warning, to a corrective action plan to address the non-compliance, or to issuing what the Rule calls a "civil monetary penalty" ("CMP").
 - c. Customer acknowledges and agrees: (i) compliance with the Rule is subject to interpretation by CMS and possibly other regulatory bodies, and Craneware neither represents nor guarantees all regulatory bodies will interpret the Rule in a manner consistent with TPAT's performance; and (ii) Customer will be solely responsible for compliance with the Rule.
 - d. Neither party will be liable to the other party for any punitive, exemplary, or consequential damages or regulatory fines, whether based on breach of contract, warranty, tort, product liability, or otherwise, regardless of whether a party has been advised of the possibility of such damage. TPAT is not meant to replace professional judgment. In no event shall Craneware be responsible for damages or injuries to Customer or third parties related to Customer's use of TPAT. Customer agrees to remain vigilant and to regularly monitor TPAT and the webpages supported by or related to TPAT to ensure no inaccurate, inappropriate, or illegal data is published. Customer agrees that, with regard to any penalty or assessment or liability associated with any violation of the Rule, Craneware's maximum liability for any breach arising from or related to the TPAT services or negligence will be any CMP imposed on Customer for a total period of noncompliance not to exceed three days, but this limitation of liability shall not apply to Craneware's gross negligence or willful misconduct.
 - e. ALL WARRANTIES AND REPRESENTATIONS, OTHER THAN THOSE EXPRESSLY STATED HEREIN ARE HEREBY DISCLAIMED INCLUDING, BUT NOT LIMITED TO (1) ANY IMPLIED WARRANTY UNDER ANY STATE OR FEDERAL STATUTE OR REGULATION OR COMMON LAW DOCTRINE (2) ANY WARRANTY OF ERROR-FREE OR UNINTERRUPTED SERVICE (3)

ANY WARRANTY PERTAINING TO THE PERFORMANCE OF SOFTWARE OR HARDWARE DELIVERED TO CUSTOMER BY ANY PARTY OTHER THAN CRANEWARE (4) ANY WARRANTY THAT TPAT WILL MEET CUSTOMER'S REQUIREMENTS (CUSTOMER IS SOLELY RESPONSIBLE FOR THE SELECTION OF TPAT) (5) ANY WARRANTY OF INTEROPERABILITY WITH PRODUCTS NOT DELIVERED TO CUSTOMER BY CRANEWARE (6) ANY WARRANTY OF MERCHANTABILITY AND (7) ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

4. **CUSTOMER'S OBLIGATIONS.** TPAT is designed to streamline meeting the regulatory requirements of publishing pricing and charge data through a technical analysis of 837, 835, payer methodologies and chargemaster data, providing the methodology of the technical analysis, and recommendations regarding 300 shoppable services to enable a publication meeting regulatory requirements. This section describes, in general, the actions Customer will be required to take, along with those described in a Scope of Work Craneware will provide to Customer following execution hereof.
 - a. **Executive Sponsor, Project Manager, and Information Technology Data Extract Contacts.** Customer shall designate within 10 days of execution of the Order Form: (i) an "Information Technology Data Extract Contact" with the authority to resource, define, create and deliver the "Data Requirements" described herein and assure timely delivery of all data files; (ii) an Executive Sponsor (typically Customer's CEO, CFO, Vice President of Revenue Integrity, or head of Revenue Cycle department); and (iii) a Project Manager having the authority, staff and other resources reasonably necessary to oversee the project, the preparation of data files, and any required training. The Project Manager will be available on reasonable notice. S/he will provide Craneware with an address, phone, and e-mail where s/he can be reached during normal business hours.
 - b. **Customer's Duty to Provide Data in Proper Form.** Customer will transmit electronically data files to Craneware necessary for Craneware to perform its obligations under the Order Form, including these TPAT Ts&Cs and the applicable Scope(s) of Work. Customer acknowledges that its data must be delivered to Craneware in a form that is compatible with the proper operation of the TPAT. Craneware will provide Customer with general guidelines for the composition and preparation of Customer's data (the "*Trisus Pricing Analyzer & Transparency Starter Pack*," including data) and transmit this information to the Customer's Project Manager. Thereafter, any risk and expense associated with Customer's delay in taking any necessary steps to complete composition and preparation of its data and provision to Craneware shall be assumed and absorbed solely by Customer.
 - c. **Initial Valid Data Feed.** Customer shall complete an Initial Valid Data Feed in accordance with Craneware's specified format(s) within 15 days of execution of the Order Form.
 - d. **Recurring Data Feed.** Upon completion of the Initial Data Feed, Customer shall thereafter supply subsequent contiguous, valid data feeds in a consistent format with the Initial Data Feed according to the *Monthly Data Submission Schedule* set-forth in Sec. 10.
5. **SERVICE AGREEMENT.** During the Order Form Term, Craneware will provide fifteen (15) hours of support every weekday of the year except for U.S. federal holidays. The fifteen (15) hour period in effect during weekdays will begin at 4:00 a.m. Eastern Standard Time ("E.S.T.") and end at 7:00 p.m. (E.S.T.) No support is provided on December 25, December 26, or January 1. Craneware will provide eight and one-half (8.5) hours of support on other U.S. federal holidays. The eight and one-half (8.5) hour support period will be at 4:00 a.m. (E.S.T.) and end at 12:30 p.m. (E.S.T.) Craneware will provide support through e-mail and a toll-free number. Customer will receive a response to e-mail or phone inquiries within eight (8) working hours. Craneware reserves the right to make minor practical adjustments to its obligations under this section if necessary in its reasonable judgment to provide high-quality user support, but such adjustments shall maintain substantially the same level of general user support.

6. CRANWARE DELIVERABLES: MACHINE-READABLE OUTPUT FILE AND TPAT WEBPAGE DESIGN AND HOSTING. Customer will provide data to Craneware in the required format as outlined in the Trisus® Pricing Analyzer & Transparency Starter Pack. Craneware will provide Customer a proprietary machine-readable output file intended to be compliant with the Rule, as well as a file that also contains information regarding shoppable services. Then, Craneware will provide the URL (Uniform Resource Locator, also known as a web address) to a Customer-specific webpage to Customer so they can embed the URL into their Organization/Facility website(s) for access by the public. Craneware would then, at Customer's option, make available on a public-facing webpage the content pertaining to the final list of shoppable services and related information to fulfill Craneware's current interpretation of the Price Transparency Requirement.
7. PUBLICITY. Craneware shall be permitted to disclose certain aspects of the Order Form to the extent it deems necessary to comply with Craneware's regulatory and financial reporting obligations (including reports to stock analysts and regulators) and obligations to report "users" to third-party content providers (including, but not limited to, the American Medical Association). Craneware may only utilize Customer's trademarks and logos for inclusion in the publicly-accessible website on which Customer's Shoppable Services and Standard Charges are published as described in § 6.
8. MONTHLY DATA SUBMISSION SCHEDULE.
 - Customer must provide Institutional and physician claims, HIPAA 5010 837 claim files split by Facility, HIPAA 5010 835 remittance files split by Facility, itemized patient claims, and a copy of their current Chargemaster ("CDM"), as outlined in the starter packet.
 - Customer must establish ongoing daily data submission of final clearinghouse 837i sent files and 835 data split by facility.

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SCOPE OF WORK

Trisus Pricing Analyzer & Transparency Implementation

Purpose: This document outlines the Scope of Work designed to assist Customer in maximizing its immediate return on investment from the Craneware® Trisus Pricing Analyzer & Transparency. All while establishing an effective business process in the ongoing use of the application. This application is designed to streamline the process to meet the regulatory requirements and to provide the Customer with a facility specific website where the organization's pricing and charge data can be published with the ability to download a machine-readable file. Then Craneware's Professional Services team will complete the pricing baseline of initial models and provide education on utilizing the software for sustainable price optimization, market-based pricing competitiveness and transparent pricing. This Scope of Work shall be completed according to defined deliverables and budgeted hours.

Customer Roles:

Executive Sponsor: Customer shall designate an Executive Sponsor for the project. The Executive Sponsor is typically the CEO, CFO or business office administrator. The Executive Sponsor will be kept apprised of all progress with the project, as well as have responsibility for signing off on key stages of project completion. The Executive Sponsor may become involved in the project if necessary, to address barriers to a timely implementation.

Project Manager: Customer will need to designate a Project Manager for the application that will have the authority, staff and other resources reasonably necessary to oversee the go live of the application(s), as well as the preparation of any data or software files, and the training of Customer employees in the use of Craneware products. The Project Manager will be available on reasonable notice. He or she will provide Craneware with an address, phone and e-mail where he or she can be reached during normal business hours.

Part I. Data Gathering

1. Project Kick-off and Data Requirements:

The purpose of the project kick-off is to ensure all stakeholders have a complete understanding of the project scope, data requirements and accountabilities. Project kick-off call(s) include:

- Introductory call with Executive Sponsor to discuss high-level project plan and identify senior leadership's objectives for the project.
- Introductory call with Project Manager to determine project timeline and identify key stakeholders.
- Technical requirements/data gathering call with facility IT staff to discuss required data extracts and file delivery method/requirements

The discussion during the meetings will be based on materials provided to Customer's Project Manager, including but not limited to the starter pack. Customer's Project Manager is accountable for distribution and review of the appropriate project materials to the project team prior to the kick-off call with IT.

Craneware Deliverables

- Starter Pack including data and technical specifications
- Trisus Pricing Transparency Discovery Document

Customer Deliverables

- Ensure availability of required staff for all project kick-off meeting(s) and related calls
- Completion and delivery of 12 months of final clearinghouse 837i sent files and 835 data split by facility
- Establish ongoing daily data submission of final clearinghouse 837i sent files and 835 data split by facility so that data can be refreshed and analysis updated as needed.
- Current copy of Customer CDM as outlined in the starter pack
- Delivery of 12 months of detailed patient claims outlined in the starter pack and establish an ongoing monthly feed
- Provide payor contract information for necessary contract payors

2. Establishing Connectivity:

In preparation for implementation of the Trisus Pricing Analyzer & Transparency, the Customer must provide Institutional and physician (when appropriate) claims, HIPAA 5010 837 claim files, HIPAA 5010 835 remittance files, itemized patient claims and a copy of their current Chargemaster, as outlined in the starter packet. The transfer of claims files must occur over a secure connection between Craneware and the Customer.

- File transfer procedures: A technical resource from the Craneware Support Team will be made available to discuss the configuration of the SFTP connection and file delivery methodology with the Customer. Customer will be required to provide Craneware with the IP address of the computer from which the files will be transmitted

Craneware Deliverables:

- Establish process with customer to load files into the appropriate folders in SFTP
- Azure/SFTP connection configuration

Customer Deliverables:

- Ensure availability of IT team member and assure proper network permissions and SFTP configuration are allowed file delivery
- Work with Craneware Support to ensure required data submission(s) are transferring successfully

Part II. Reimbursement Modeling

3. Reimbursement Build

Craneware's Reimbursement Analyst is responsible for payor reimbursement modeling during the implementation and will further perform the ongoing Reimbursement Model Maintenance Service. The Reimbursement Analyst will perform specific duties or leverage additional Craneware experts in specialized fields to:

- Collaborate with the Customer to define and model payor reimbursement that supports the Trisus Pricing Analyzer & Transparency application. This will encompass the payors necessary to achieve compliance.
- Modeling will be completed for language specific to the customer's agreed upon payor contracts.
- Partner to complete payor mapping between contract profile to claims data

Craneware Deliverable:

- Contract Matrix summarizing completed reimbursement modeling
- Delivering of initial payor mapping file

Customer Deliverable:

- Assignment of a key contact
- Validation of payor modeling and mapping

Part III. Transparency Technical Analysis and Training

4. Trisus Pricing Transparency Deliverable: Technical Analysis of 837 and 835 Data Submitted

Craneware will conduct a technical analysis of Customer's 837, 835 and chargemaster data to identify the most commonly provided services. In an effort to accelerate the Customer's selection of 300 shoppable services, Craneware will make recommendations for what those services should be and provide a thorough description of the technical analysis methodology used to make those recommendations. All technical analysis recommendations will be delivered to the customer through the application. Shoppable Service Selection will also be made solely by the customer through the application.

Craneware Deliverable

- Conduct one (1), one (1) hour meeting with the Customer to provide an overview of the completed Pricing Transparency Technical analysis and answer questions
- Review methodology used for the technical analysis and Shoppable Service recommendations
- Output File Delivered in a Machine-Readable Format
 - One file delivered per hospital contracted

Customer Deliverable

- Ensure availability of required staff to interact with the technical analysis recommendations and make required selections via the application
- Selection of the final list of Shoppable Services that customer intends to publish by facility(s)

Part IV. Transparency Hosting Service

5. Trisus Pricing Transparency Hosting Service Deliverables

Craneware will make available, on a public facing website, the shoppable services as selected in the application. Once the customer chooses to publish, a specific website URL will become available in the application. The customer can embed the URL into their Organization/Facility website(s) for access by the public.

Craneware Deliverable (Separate for each hospital covered by the Contract):

- URL of public facing website(s)
- Customer Access to website(s)
- Web hosting analytics on traffic within your hosted website

Customer Deliverable

- Publish Selected Shoppable Services through the application
- Customer responsible to review and approve the website(s) content via the application
- Customer responsible to publish the website(s) address for users/patients to access via their own public website(s)
- Update selection of Shoppable Service and Publish when applicable

Part IV. Trisus Pricing Analyzer Model Baseline Analysis

6. Develop Alternative Pricing Models

The Professional Services Consultant will create up to five (5) types of alternative price models and create an impact summary of each:

- Model One: Flat price increase, possibly subject to constraints and filters
- Model Two: Market-based, model identifies areas of opportunity when compared against Customer selected peers
- Model Three: Cost-based, model identifies areas of opportunity when considering cost
- Model Four: Fee Schedule-based, model identifies areas of opportunity when current pricing is compared against contracted fee-schedule(s) with a lesser of/than clause
- Model Five: Incorporating Customer defined constraints, that may include items from the previous models

Craneware Deliverable:

- Documented report of baseline price structure variables.

Customer Deliverable:

- Identification of flat increase percentage, delivery of fee schedules, selection of market peers and other constraints as appropriate.

Part V. Training and Implementation

7. Training and Process Design for Trisus Pricing Analyzer and Model Review

This work will be completed during a two-day training event.

Day One: User training will be conducted utilizing each of the selected models navigating within Trisus Pricing Analyzer and each of its core functions. The following users will be included in the training: CDM Manager, Revenue Cycle, Managed Care, and Finance.

Craneware Deliverable:

- Training and documented Trisus Pricing Analyzer process.

Customer Deliverables:

- Ensure staff availability and participation in all training. Provide designated training space, if onsite training event. Participate in creation of customer specific Trisus Pricing Analyzer process.

Day Two: The Professional Services Consultant will present the financial impact of each of the selected models. A primary user will be identified during this meeting. This person along with a designated back-up will be trained on the price transfer functions of the Trisus Pricing Analyzer.

Craneware Deliverable:

- Review the pros and cons of three identified pricing models.

Customer Deliverable:

- Ensure availability of key department staff.

8. Delivery of Final Report

Final report will include:

- Summary of analysis of overall data including identification of high opportunity areas, revenue and payer graphs.
- Identified process for achieving sustainable results utilizing Trisus Pricing Analyzer.

Craneware Deliverable:

- Final report including documentation of recommended process.

Customer Deliverable:

- Hospital(s) is responsible for identifying its team to implement process and create an action plan from information in final report.

Reimbursement Model Maintenance Service

Purpose: The objective of Craneware's Reimbursement Model Maintenance Service is to ensure successful adoption of Trisus Pricing Analyzer & Transparency through accurate reimbursement modeling of Customers' payor contracts to achieve compliance and perform Net Revenue calculations. Craneware's Reimbursement Model Maintenance Service is separate and distinct from implementation services. Craneware's Reimbursement Analyst is responsible for payor reimbursement modeling during the Trisus Pricing Analyzer & Transparency implementation and will further perform the ongoing Reimbursement Model Maintenance Service. The Reimbursement Analyst will perform specific duties or leverage additional Craneware experts in specialized fields to:

1. Collaborate with the Customer to define and model payor reimbursement that supports the Trisus Pricing Analyzer & Transparency application. This will encompass payors necessary to achieve compliance
2. Establish best practices for Customer delivery of new and modified payor reimbursement language to Craneware for reimbursement model maintenance to ensure optimal and accurate net patient revenue calculations and CMS compliance.
3. Team with internal Customer staff to facilitate seamless Reimbursement Model Maintenance assuring all Customer tasks meet established targets.
4. Educate Executive Project Sponsor(s) and Trisus Pricing Analyzer & Transparency users of implemented payor reimbursement additions and adjustments.

Duration:

Reimbursement Model Maintenance shall commence upon completion of the software implementation for the facility(s) named in the Trisus Pricing Analyzer & Transparency Implementation Scope of Work and continue for the duration of the initial Term of the Agreement.

MAJOR TASK SUMMARY:

Craneware's Reimbursement Analyst will maintain the Customer's reimbursement models to ensure timely and accurate payor reimbursement adjustments to the above defined commercial payor language. This will entail:

- Payor Contract Additions – When a new payor contract is negotiated, the payor and specific language above defined will be modeled into the application.
- Existing Payor Contract Adjustments – When there is a requirement to adjust an existing model reimbursement rate it will be edited to the new reimbursement rates.
- Payor Contract Removal – At the customer's request, removal of a specific payor.
- Maintenance activities will be completed in a commercially reasonable and timely manner.

Craneware Deliverable:

- Provide the necessary support and service to ensure payor reimbursement is modeled accurately and in a timely manner.
- Ensure customer is aware of any changes to payor reimbursement models.

Customer Deliverable:

- Ensure necessary reimbursement language is provided timely to maintain the most accurate and current models within Reimbursement Modeling on Trisus.
- Assure availability of key staff members to answer questions regarding reimbursement language.
- Validate accuracy of reimbursement models

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TAB F

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board Meeting March 5, 2024

	Title	Policy Area	Owner	Workflow Approval
1	2024 Environment of Care Security Management Plan	Emergency Preparedness	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors
2	Admission of Patients for Diagnostic Imaging Procedures	Diagnostic Imaging	Chamberlin, Krystal: Director Diagnostic Imaging	Ariel Whitley for Hospital Board of Directors
3	Advance Directive (Patient Self-Determination Act)	Administration	Brady, Angela: Chief Nursing Executive	Ariel Whitley for Hospital Board of Directors
4	Clinical Lab Specimen Collection and Labeling	Clinical Laboratory	Hazley, Byron: Director Laboratory	Ariel Whitley for Hospital Board of Directors
5	Guest Trays	Dietary	Hawthorne, Lakeisha: Director Food and Nutrition	Ariel Whitley for Hospital Board of Directors
6	Holiday and Door Decorations	Environment of Care	Sanchez, Salvador: Director of Engineering	Ariel Whitley for Hospital Board of Directors
7	Parking Policy - Security	Security	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors
8	Security Awareness and Theft Policy	Security	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors
9	Support for the Caregiver After an Adverse/Harm Event	Risk	Valdez, Ana: Director of Risk and Quality Assurance	Ariel Whitley for Hospital Board of Directors

TAB G

SAN GORGONIO MEMORIAL HOSPITAL

Medical Staff Services Department

M E M O R A N D U M

DATE: February 21, 2024

TO: Chair
Governing Board

FROM: Raffi Sahagian, M.D., Chairman
Medical Executive Committee

SUBJECT: MEDICAL EXECUTIVE COMMITTEE REPORT

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

Approval Item(s):

Medical Staff Ballot

Approval of attached amendment.

2024 Annual Approval of Policies & Procedures

The attached list of policies & procedures is recommended for approval (See attached).

San Geronio Memorial Hospital

MS Bylaws

Chief Medical Officer Definition showing changes from 2014 version to version approved November 2023.

14

CHIEF OF MEDICAL OFFICER (CMO) means a California State licensed M.D. or D.O. Medical Staff Member with recognized clinical experience expertise that is appointed by the Hospital and approved by the Governing Body to perform certain tasks deemed by the administration to be necessary for the proper operation of the Hospital. ~~(Need to define Practitioner see 3.8) Based on this disclosure, it is understood that the Chief Medical Officer may serve on and be a voting member of Medical Staff Committees and/or may serve as Chairman of any such Medical Staff Committees. He/she may not be a member of the Medical Staff and thus not eligible to practice medicine at San Geronio Memorial Hospital. The Chief Medical Officer may serve as an ex officio member without vote on all committees of the Medical Staff, except for the Joint Conference Committee on which he/she may serve as a voting member.~~

SAN GORGONIO MEMORIAL HOSPITAL

2024 ANNUAL APPROVAL

POLICIES & PROCEDURES

Title	Policy Area	Revised?
2024 Patient Safety Program	Performance Improvement	Revised
2024 Performance Improvement (PI) Plan	Performance Improvement	Revised
Animal Bites	Emergency Department	Revised
Adult Sepsis Screening and Nursing Sepsis Standardized Procedure	Nursing	Revised
Diet Instructions	Dietary	Revised
Infant Baptism	Obstetrics	Revised
Monitoring of Patients Via Remote Camera and Communication with Nurse	Critical Care Services	Revised
Ordering Diagnostic Imaging Tests	Diagnostic Imaging	Revised
Rapid Response Team (RRT) - Standardized Procedure	Nursing	Revised
Sentinel Lymph Node Biopsy - Breast Lymphoscintigraphy	Diagnostic Imaging	Unchanged

TAB H

CEO MESSAGE | 08 FEB 2024

Staff Proposal for Affordability Target Misses the Mark

In just a little more than a month, the public comment period for a staff-proposed 3% annual growth target for health care spending in California will close, and the board members of the **Office of Health Care Affordability** (OHCA) will consider approving that target.

For background, OHCA was established by legislation in 2022 with a dual mandate: to improve the affordability of health care and to do so without sacrificing access to, or the quality of, health care.

The 3% growth target is the office's **first venture into establishing a metric aimed at reducing the rate of growth in health care spending** and is proposed at that level for each of the next five years.

Importantly, the office is measuring and seeking to control growth in total spending for insurance and insurance-related costs to consumers — not the rate of growth in the cost of care. However, this insurance spending target will likely be used by the office to limit providers' cost growth in a few years when targets become enforceable across health care sectors.

voice to a growing chorus calling for preservation of access to quality care.

Hospitals are eager to work with the new office on strategies to reduce health care spending growth — the affordability of care is a problem that must be addressed.

But that goal can't be achieved if access to care is sacrificed. Here's how a 3% target might play out for hospital care in California: While it's difficult to project what the future would hold, if California hospitals had adhered to a 3% growth cap for the **past five years**, \$60 billion would have been drained from the resources hospitals use to care for patients, an amount that translates to a whopping 58,000 health care jobs lost by the end of the five years.

CHA's most [recent letter to the board](#) noted significant concerns with the 3% target, notably that it:

- Fails to strike a balance between promoting affordability and maintaining access to high-quality, equitable care
- Ignores external factors that influence health care costs, such as inflation and California's aging population
- Sets California apart as a radical outlier from other states with spending targets

The proposal also avoids addressing several key factors, including a failure to account for new health care policies that drive up costs, such as the enactment of a \$25 per hour minimum wage or an estimated \$100 billion in seismic construction mandates by 2030.

While OHCA continues to work through the early stages of its mission, hospitals continue to be a strong voice for both more affordable patient care and for protecting access to that care.

These goals are not mutually exclusive, and California can achieve both if we choose a pragmatic, achievable, and sustainable strategy.

This item appears in

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CHA Will Host 2024 Hospital Finance and Reimbursement Seminar

NEWS RELEASE

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CHA Webinar to Explore OHCA's Spending Target in Depth

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Spotlight on Business

March 2024



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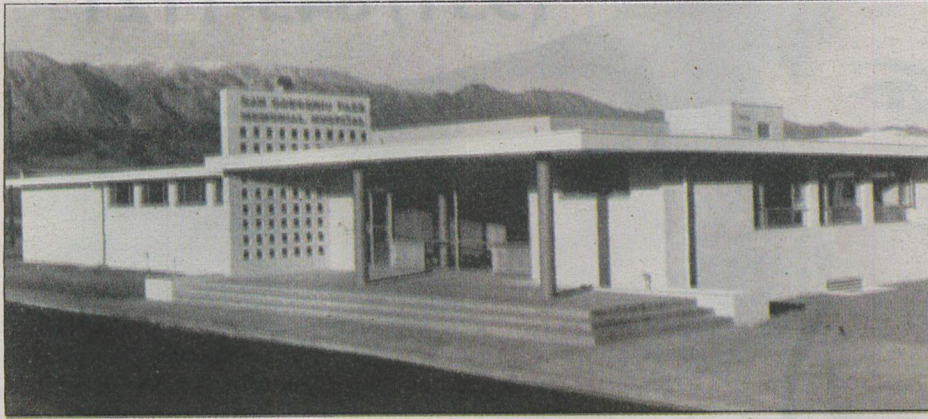
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Spotlight on Business

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San Gorgonio Memorial Hospital – history of healthcare excellence



Photos courtesy of San Gorgonio Memorial Hospital

In 1944, a group of civic-minded Banning and Beaumont citizens met to establish a living memorial to the veterans who had died during world wars I and II. A letter writing campaign began, and in 1947 the mayors from the two cities each appointed five community leaders to form the San Gorgonio Pass Memorial Hospital District Central Committee.

The official dedication of the San Gorgonio Pass Memorial Hospital took place on March 4, 1951. The 30,000-square-foot hospital included 34 medical and surgical beds and 10 maternity beds. In January, just prior to the opening of the hospital, a group of 40 women met to formulate plans for an organization dedicated to assist the hospital — and the auxiliary was formed in March 1951.



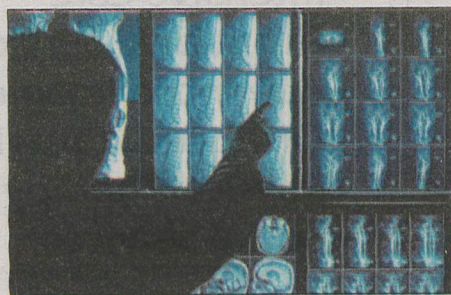
From 1951 to 1981, several expansion projects increased the size of the hospital to 41,000 square feet. The hospital offered an intensive care unit, emergency department, laboratory, radiology, nuclear medicine, physical therapy, dietary services, housekeeping, and purchasing and maintenance. By 1981, 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 first 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 members, 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.



In 1991 the hospital celebrated its 40th birthday with a re-dedication to all who have died in wars since WWII. The word "Pass" was dropped from the name, and the facility became known as San Gorgonio Memorial Hospital (SGMH).

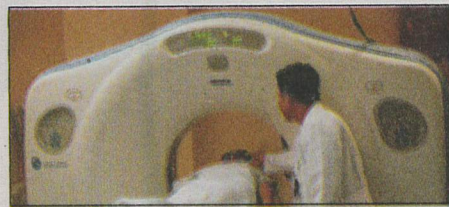


In 1999, the surgical suites and med/surg rooms were remodeled, complete with new air conditioning units, furniture and wall coverings. Vision '97 began by expanding the emergency department to include two urgent care rooms and reconfiguring the registration area. The next year, 16 medical and surgical beds were

relicensed as a transitional care unit.

The Diagnostic Imaging Center underwent a complete remodeling in 2000. New equipment included a digital radiographic/fluoroscope system with a dual-slice spiral CT scanner, bringing state-of-the-art equipment to the area.

The 15,000-square-foot Women's Center opened in 2003 with 15 patient beds, bringing the total number of beds at SGMH to 79. The Women's Center offers obstetrics and many other gynecological services.



In March 2006, the community overwhelmingly passed a general obligation bond for \$108 million that will fund the construction of a new emergency department and intensive care unit, helicopter pad, central plant and other services.

A 64-slice CT scanner including a picture archiving and communication system (PACS) was installed in January of 2008. This replaced the 2-slice CT scanner that was purchased in 2000.

Also, in January 2008, SGMH installed the first phase of a new electronic health record (EHR) system throughout the hospital. This system gave the capability such as but not limited to: a voice-recognition transcription system in radiology, nursing dictation, pharmaceutical records to reduce medication errors, and a billing process for timely and accurate billing.

Construction of the much-needed San Gorgonio Memorial Hospital helipad began in April 2007. Air ambulance helicopters previously used Highland Springs



Avenue as a landing area to deliver and pickup patients in critical condition. The helipad is on the east side of the hospital property near the Emergency Department. The structure is about eight feet above ground and has a spiral walkway, ensuring patients are transported safely to and from the hospital. The project was approved by the Caltrans Aeronautical Division.

SGMH's first patient was careflighted out on Feb. 29, 2008.

The construction began on the emergency department and intensive care unit building in winter 2010 and was finished in winter 2012. SGMH began to see patients in the new ED/ICU in spring 2013. The new ED more than doubles the number of available beds — from 10 to 23. The number of ICU beds nearly tripled — from 6 to 16. The new ED has private rooms, and the ICU, which occupies the second floor, has rooms large enough for families to stay overnight.

San Gorgonio Memorial Hospital continues to expand and diversify its services to better meet the needs of its communities in the ever-changing healthcare environment.

SGMH is well-equipped to continue to serve a diverse population, ranging from those giving birth to the frail elderly.

Its staff members provide healthcare for each patient, addressing and answering patient's needs individually as valued members of the community.

SGMH ensures the local availability of quality, primary, community healthcare.



Spotlight on Business

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