



## AGENDA

### REGULAR MEETING OF THE FINANCE COMMITTEE A COMMITTEE OF THE BOARD OF DIRECTORS

Tuesday, January 28, 2023 – 9:00 AM  
Classroom B

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) 769-2101. **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
- II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Finance Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee. 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 Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee 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/Committee 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/Committee’s part; a response will be forthcoming.

## OLD BUSINESS

- III. \* Proposed Action – Approval of Minutes S. DiBiasi
- January 31, 2023, regular meeting A

## NEW BUSINESS



**TAB A**

REGULAR MEETING OF THE  
SAN GORGONIO MEMORIAL HOSPITAL  
BOARD OF DIRECTORS

FINANCE COMMITTEE  
Tuesday, January 31, 2023

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, January 31, 2023, in Classroom B, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi, Ron Rader, Steve Rutledge, Dennis Tankersley

Members Absent: None

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Ariel Whitley (Executive Assistant), Karan P. Singh, MD (CMO), John Peleuses (Project Manager)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Call To Order</b>	Susan DiBiasi called the meeting to order at 9:00 am.	
<b>Public Comment</b>	No public present.	
<b>OLD BUSINESS</b>		
<b>Proposed Action - Approve Minutes December 27, 2022, regular meeting</b>	Susan DiBiasi asked for any changes or corrections to the minutes of the December 27, 2022, regular meeting. There were none.	<b>The minutes of the December 27, 2022, regular meeting will stand correct as presented.</b>
<b>NEW BUSINESS</b>		

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of Professional Services Agreement with Walter P. Moore to constitute critical and mandatory steps toward obtaining seismic compliance beyond 2030.</b></p>	<p>Balram Gupta with Walter P. Moore gave a presentation that detailed the importance of engaging in structural engineering professional services for seismic compliance.</p> <p>San Geronio Memorial Healthcare District and Hospital are mandated by the State of California to submit a plan for mitigation of potential damage from a major earthquake by January 1<sup>st</sup>, 2024. The scope of services covers NPC-3 Evaluation of NPC-2 Buildings.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 659 1214 730"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	<p><b>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of a Professional Services Agreement with Walter P. Moore to constitute critical and mandatory steps toward obtaining seismic compliance beyond 2030 to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes							
Rutledge	Yes	Tankersley	Yes							
<p><b>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – December 2022</b></p>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited December 2022 finance report as included in the committee packets.</p> <p>The month of December resulted in negative \$747K EBIDA compared to budgeted EBIDA loss of \$1.365M. Adjustments and items of note include:</p> <ul style="list-style-type: none"> <li>• The December Patient Days were the highest month for this fiscal year.</li> <li>• Salaries, Benefits, and Contract Labor were over budget by \$114K, which was impacted by \$512K plus benefits, offset by 238K from the State Covid “Matching” Recognition program.</li> <li>• An accrual of \$900K was recorded to Non-Patient Revenues Grant Income for recently earned IEHP Pay for Performance Incentive Earnings.</li> <li>• A YTD software lease adjustment of \$139,377 was re-classed from Purchased Services Expense to Amortization and Interest Expenses and reflected in December’s monthly operations.</li> </ul> <p>It was noted that approval is recommended to the Hospital Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 1640 1214 1711"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	<p><b>M.S.C. (Tankersley/Rader), the SGMH Finance Committee voted to recommend approval of the Unaudited December 2022 Financial report to the Hospital Board of Directors.</b></p>
DiBiasi	Yes	Rader	Yes							
Rutledge	Yes	Tankersley	Yes							

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Informational Report – Robotics DaVinci Surgical Program 9-Months Ended December 31, 2022</b>	Dan Heckathorne, CFO, gave a summary of the Robotics DaVinci Surgical Program activities for 9 months ended December 31, 2022.	
<b>Future Agenda Items</b>	<ul style="list-style-type: none"> <li>• Decision Support Software RFP’s</li> <li>• Update on Altera Upgrade</li> <li>• Audit Partners</li> </ul>	
<b>Next Meeting</b>	The next regular Finance Committee meeting will be held on February 28, 2023 @ 9:00 am.	
<b>Adjournment</b>	The meeting was adjourned 10:23 am.	

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

Minutes respectfully submitted by Ariel Whitley, Executive Assistant

**TAB B**



**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**

**Unaudited Financial Statements**

**for**

**SEVEN MONTHS ENDING JANUARY 31, 2023**

**FY 2023**

**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, 2023 and Seven Months Ended January 31, 2023 (Unaudited)

### **Profit/Loss (EBIDA) Summary (MTD) Negative and (YTD) Negative**

The month of January resulted in negative \$822K Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA loss of \$912K.

YTD – The YTD January results were a negative \$7.16M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA loss of \$8.01M.

### **Month – Adjustments and Items of note:**

- The January Patient Days dropped to 653 compared to 910 in December.
- Emergency visits and Surgery cases were also below projections.
- Labor Costs were under budget by \$417K, partially reflecting the low patient volumes.
- A YTD operating lease adjustment of \$121K was reclassified from Purchased Services Expense to Amortization and Interest Expenses.
- A \$100K YTD reduction in the Altera (Allscripts) fee was made to conform with the contract.

January's inpatient average daily census was 21.1. Adjusted Patient Days were 25.8% under budget (1,757 vs. 2,367) which includes the Patient Days which were 45% below budget (653 vs. 1,189). Emergency Visits were 8.4% under budget (3,266 vs. 3,564), and overall Surgeries were under budget by 9% (121 vs. 133).

YTD - Inpatient average daily census was 22.5. Adjusted Patient Days were 8.3% under budget (12,869 vs. 14,020) and Patient Days were 31% below budget (4,834 vs. 7,043). Emergency Visits were 8% over budget (25,159 vs. 23,258), and overall Surgeries were 3.6% under budget (839 vs. 870).

### **Patient Revenues (MTD) Negative (YTD) Negative**

Month - Net Patient Revenues in January were \$1.05M (19.2%) below budget. This continues to be impacted by the Deductions from Revenues consisting of the higher-than-expected mix of Outpatient Revenues (compared to Inpatient Revenues), which generally pay about 10% of charges compared to Inpatient Revenues which generally pay about 18% of charges. This also directly relates to the much lower-than-expected count of Inpatient Days. The Residency Program recovery was \$41K and is included in the Deductions from Revenues.

YTD – Net Patient Revenues were \$4.35M (12%) below budget. This is markedly impacted by the Deductions from Revenues consisting of the higher-than-expected mix of Outpatient Revenues (compared to Inpatient Revenues), which generally pay about 10% of charges compared to Inpatient Revenues which generally pay about 18% of charges. This also directly relates to the lower-than-expected Inpatient Days. The Deductions are favorably offset by \$328K Residency Program recovery.

### **Total Operating Revenues (MTD) Negative & (YTD) Negative**

Month – Operating Revenue in January was \$823K under budget. This is mostly impacted by the Net Patient Revenues being \$1.05M under budget and the Non-Patient Revenues being \$227K over budget.

YTD - Operating Revenue was \$4.12M below budget. This was impacted by the \$4.35M negative variance in Net Patient Revenues for the seven months and a \$226K positive variance in Other Income.

### **Operating Expenses (MTD) Positive & (YTD) Positive**

Month - Operating Expenses in January were \$7.09M and were under budget by \$913K. Key items that impacted overall Expenses were as follows: 1) Salaries and Wages, Benefits, and Contract Labor were collectively \$471K under budget, however, this included an unfavorable Contract Labor variance of \$119K primarily from Med-Surg and OB; 2) Purchased Services were \$219K below budget which included a) a favorable \$100K YTD adjustment to the Altera (Allscripts) fees, a \$50K reclass of

cybersecurity services to Non-Operating Expense, along with favorable variances in I/T, Administration legal fees, Dialysis, and Plant Operations; 3) Supplies were under budget by \$247K, which can be attributed to a) lower than expected Inpatient Admissions, b) no covid surges, and c) not experiencing the full impact of inflation which is expected to accelerate over the remainder of the year. Large variances included Drugs (\$124K) and general Medical Supplies (\$154K); 4) Other Expense had a negative variance of \$40K which was largely impacted by the annual \$75K licensure payment to the Department of Public Health; 5) Leases and Rentals were \$62K under budget due to a) reclassification of \$121K Shared Imaging operating lease to the Balance Sheet, Interest& Depreciation, and b) recording of \$52K for robotic lease expense which was missed in previous months' reports.

**YTD – Operating Expenses** were \$49.1M and were under budget by \$4.98M. Key items that impacted overall Expenses were as follows: 1) Salaries, Benefits, and Contract Labor were a combined \$1.44M under budget which was impacted by the PTO Flex-Down variance during the summer months along with the much lower than expected Patient Days workloads; 2) Physician fees were \$341K under budget and a significant portion of the variance relates to the Residency Program (\$207K) and Anesthesia fees (\$66K); 3) Purchased Services showed a favorable variance of \$1.25M due to Allscripts/Navigant (\$659K), I/T (238K) Dialysis (\$159K), along with various other Service Agreements being lower than expected; 4) Supplies were under budget by \$2.05M, which included Drugs (\$1.2M) and General Medical Supplies ((\$718K) and can be attributable to a) much lower than expected Inpatient Admissions, b) no covid surges thus far, and c) not experiencing the full impact of inflation which is expected to accelerate over the remainder of the year. Note: Although there has been success in controlling expenses and there are some significant favorable variances, it is important to remember that there may be some expenses which have not fully materialized in the first 7 months of the year, and this could have some impact on future months' expenses.

### **Non-Operating Revenue and Expense**

Cybersecurity Event – The January books included a reclass of \$50K (that was previously recorded as Purchased Services) into this “Non-Operating” section, and \$71K of new costs were also booked in January related to this event, bringing the current costs to date to \$121K. There is a \$50K insurance deductible for this claim, so expected insurance recoveries of \$71K were also booked as a receivable.

### **Balance Sheet/Cash Flow**

Patient cash collections in January jumped to \$6.03M compared to December's \$4.11M. The Gross A/R Days decreased to 74.1 in January compared to 76.2 in December. A/R collections are still negatively impacted by the I/T system down-time in November, the Christmas holiday time, and complications from the Altera 22.1 E.H.R upgrade in early January.

Cash balances were \$7.98M compared to \$3.83M in December. Additional receipts included \$1.7M for Measure H funds and \$2.6M from the 2023 QIP loan. Accounts Payable basically remained unchanged at \$11.3M, and the Line of Credit balance remained at \$6M. Other items of note included a liability of \$1.17M payable to Medicare for outliers, sequestration, and loss of low volume status (up from \$960K which was “netted” in the December Accounts Receivable balance).

### **Concluding Summary**

#### **Positive takeaways:**

- 1) Overall EBIDA was better than expected by \$90K;
- 2) If the prorated expected Supplemental Pay had been accrued through January, the YTD EBIDA (including allowance for payment of operating/software leases) would be \$1.87M.

**Negative takeaways:** Inpatient Days were significantly below expectations for a “normal” January.

## 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

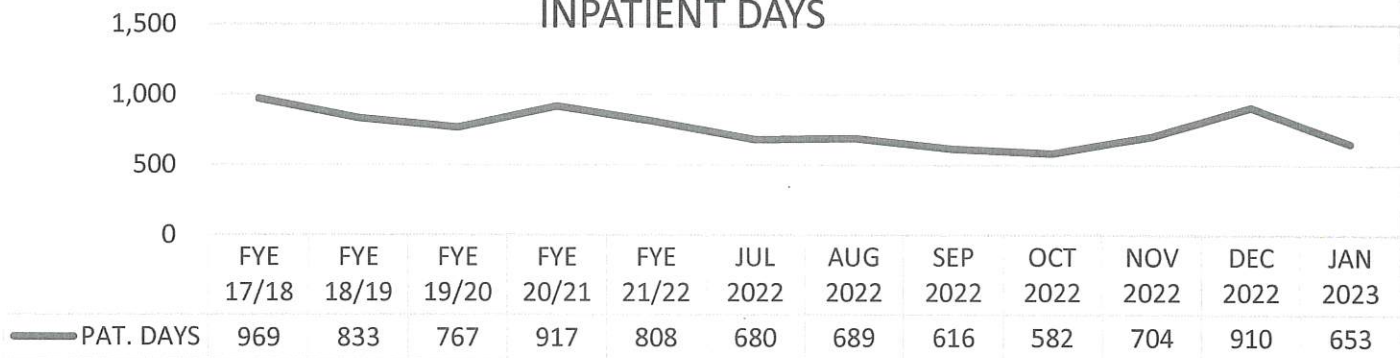
3-4 Worked FTEs ( includes Registry FTEs)	Represents an equivalency of full-time staff worked. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours worked by the number 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

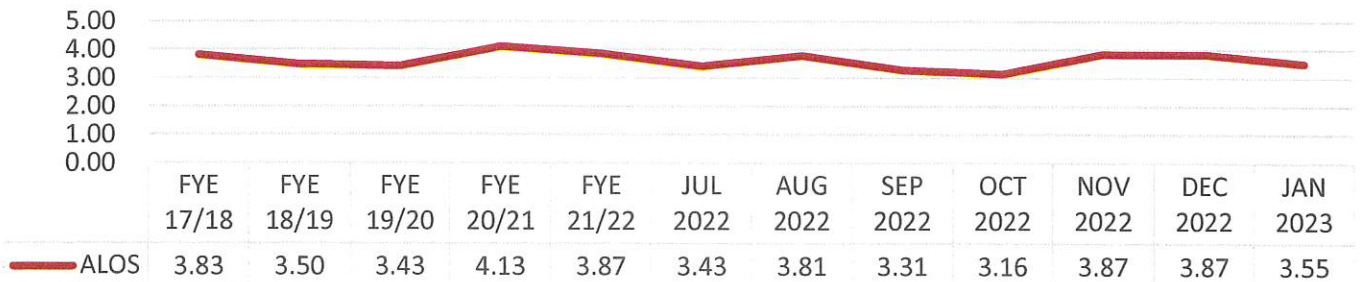
## INPATIENT DISCHARGES



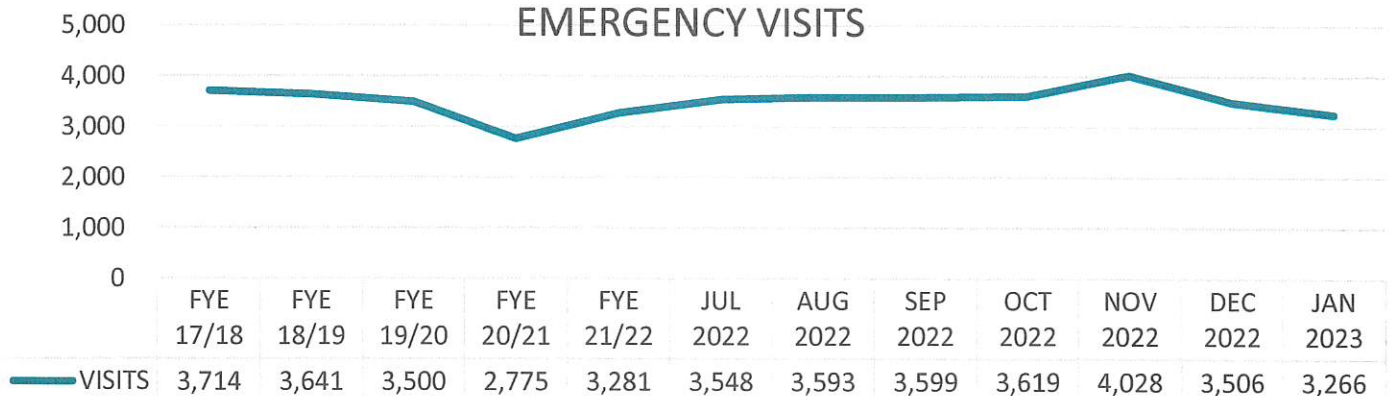
## INPATIENT DAYS



## AVERAGE LENGTH OF STAY



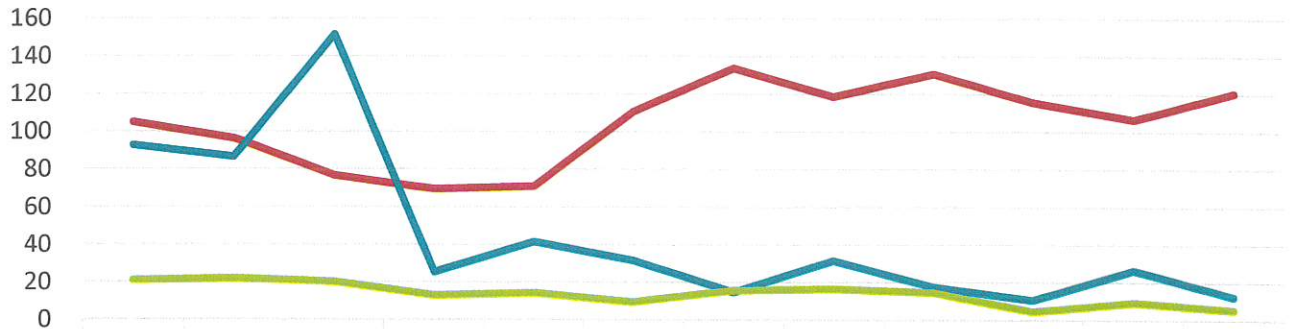
## EMERGENCY VISITS



3-B

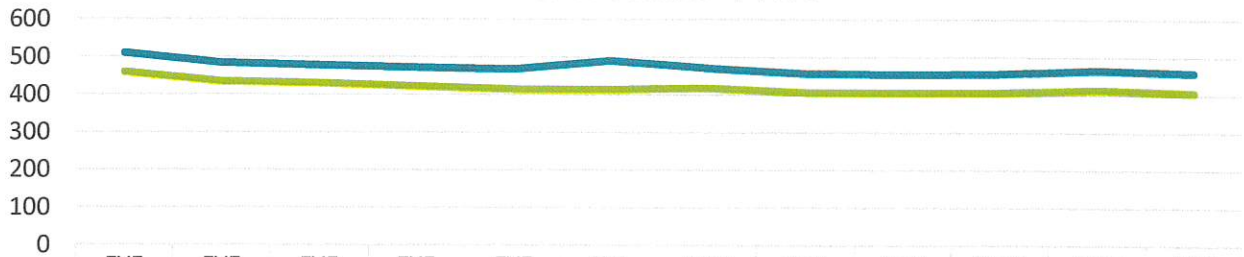
# SAN GORGONIO MEMORIAL HOSPITAL

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



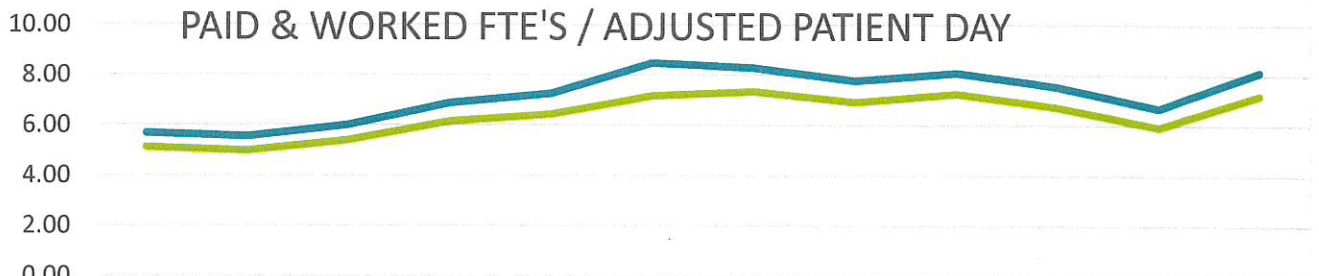
	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023
— SURG.	105	97	77	70	71	111	134	119	131	116	107	121
— G.I. CASES	93	87	152	26	42	32	15	32	18	11	27	13
— BIRTHS	21	22	21	13	15	10	16	17	15	5	10	6

## PAID & WORKED FTE'S



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023
— P FTE's	511	484	479	474	470	491	473	459	457	458	468	462
— W FTE's	461	436	431	425	417	416	419	409	409	409	416	409

## PAID & WORKED FTE'S / ADJUSTED PATIENT DAY



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023
— PFTES/APD	5.69	5.55	6.01	6.89	7.27	8.49	8.31	7.80	8.11	7.56	6.70	8.15
— WFTES/APD	5.13	5.00	5.41	6.18	6.45	7.18	7.37	6.94	7.27	6.76	5.96	7.22

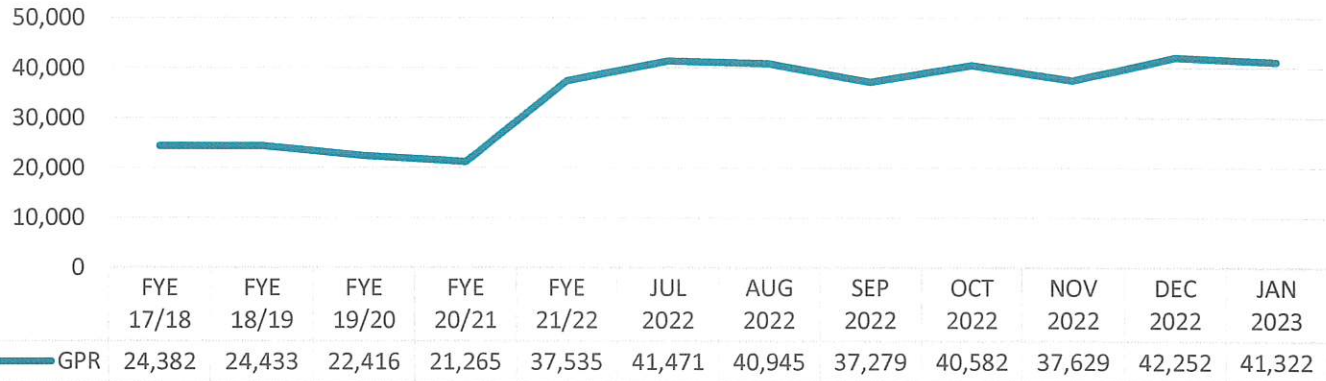
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## INCOME STATEMENT

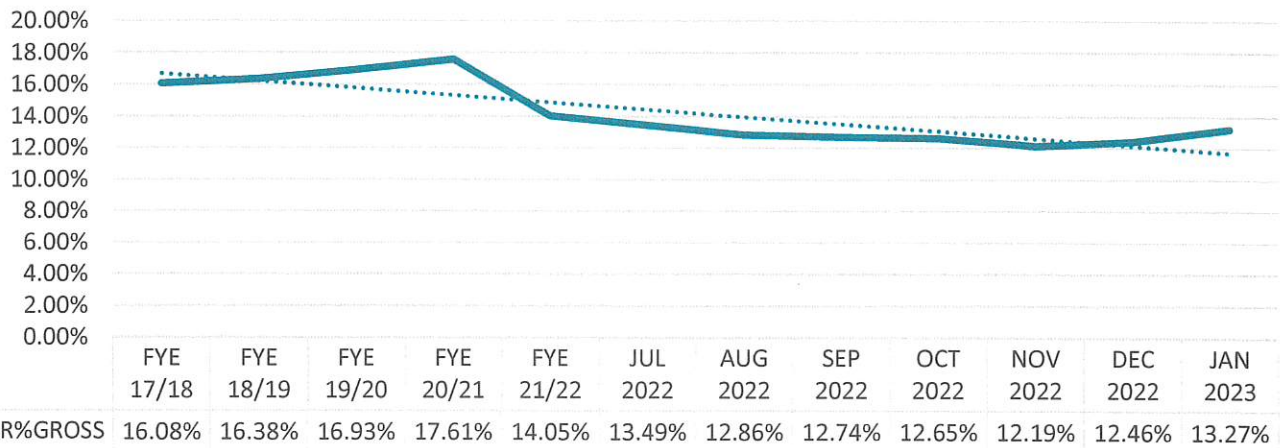
Gross Patient Revenue (000's) (Monthly Ave.)	Represents total charges (before discounts and allowances) made for all patient services provided.
Net Patient Revenue (NPR) (000's) (Monthly Ave.)	Equals the sum of all (patient) charges for services provided that are due to the hospital, less estimated adjustments 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.

# SAN GORGONIO MEMORIAL HOSPITAL

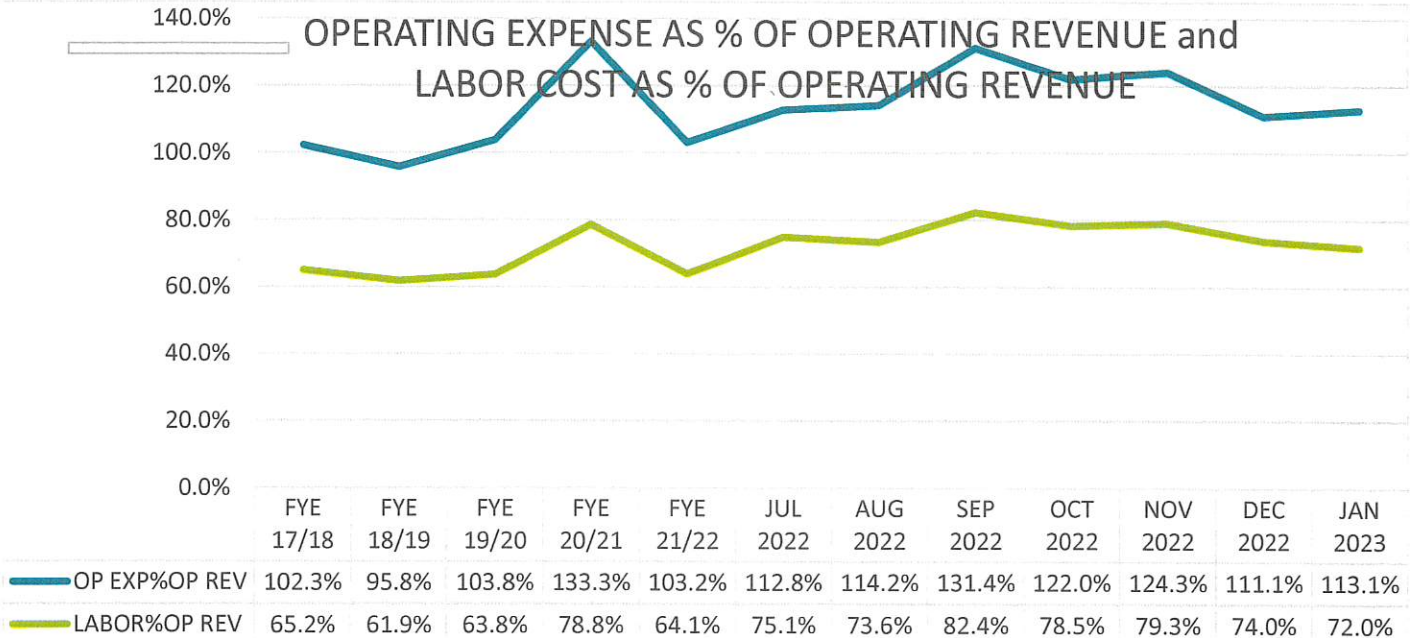
## GROSS PATIENT REVENUE (000's)



## NET PATIENT REVENUE AS % OF GROSS

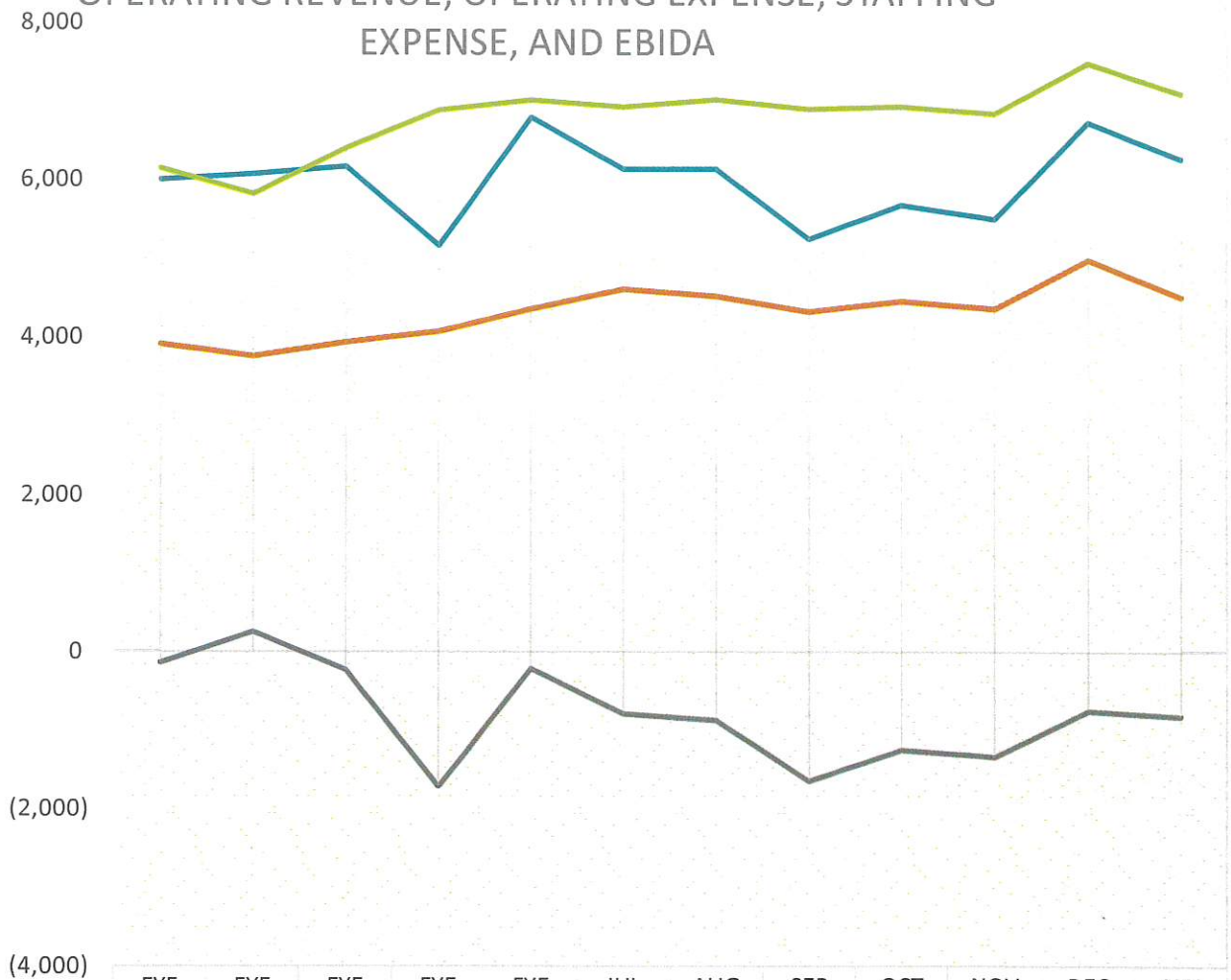


## OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE

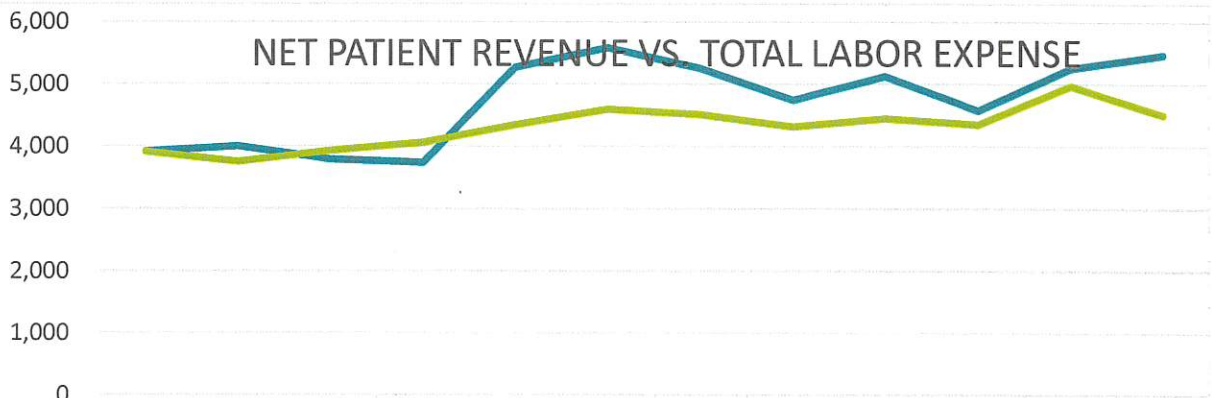


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## SAN GORGONIO MEMORIAL HOSPITAL OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023
OP REV	6,006	6,069	6,165	5,160	6,791	6,132	6,137	5,246	5,674	5,499	6,728	6,269
OP EXP	6,147	5,817	6,398	6,878	7,007	6,920	7,010	6,893	6,923	6,834	7,475	7,091
STAFF EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359	4,980	4,513
EBIDA	(141)	252	(233)	(1,719)	(216)	(788)	(873)	(1,648)	(1,249)	(1,335)	(747)	(822)



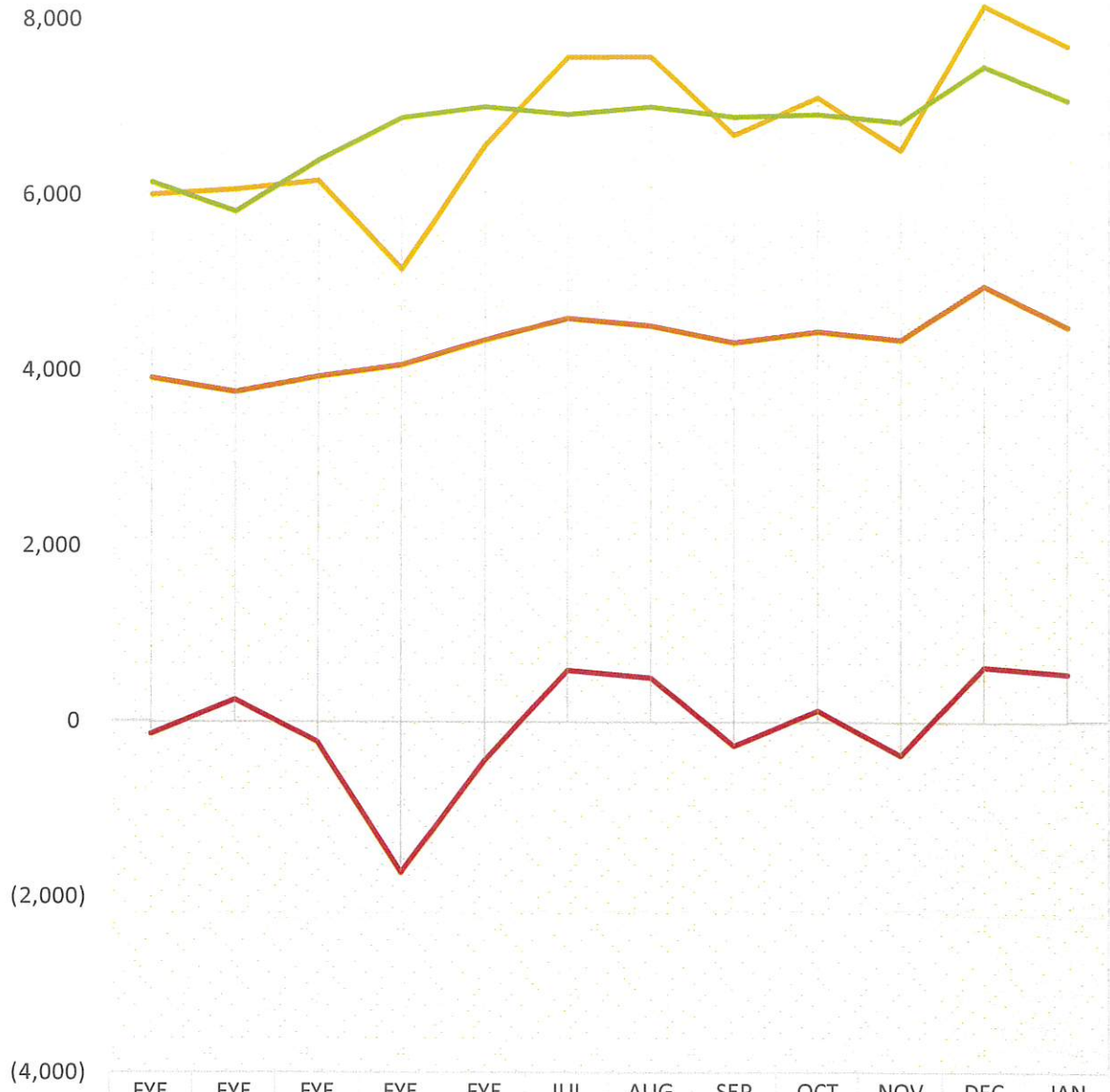
	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023
NET PAT REV	3,921	4,003	3,795	3,744	5,275	5,594	5,267	4,751	5,134	4,585	5,266	5,485
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359	4,980	4,513

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# 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	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022	DEC 2022	JAN 2023
REV NORMAL	6,006	6,069	6,165	5,160	6,569	7,574	7,578	6,687	7,116	6,520	8,169	7,711
OP EXP	6,147	5,817	6,398	6,878	7,007	6,920	7,010	6,893	6,923	6,834	7,475	7,091
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359	4,980	4,513
EBIDA NORMAL	(141)	252	(233)	(1,719)	(438)	588	503	(272)	126	(380)	629	554



**SAN GORGONIO HEALTHCARE DISTRICT & HOSPITAL - BANNING, CA**  
**5 Year Monthly Averages and 12 Rolling Months Ended 12/31/2023**

	FYE17/18	FYE18/19	FYE19/20	FYE 20/21	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 22/23	FYE 22/23	FYE 22/23	Reclass/ Adjust.	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	
	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	2/28/2022	3/31/2022	4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022		10/31/2022	11/30/2022	12/31/2022	1/31/2023	
<b>Gross Patient Revenue</b>																			
Inpatient Revenue	\$ 8,652,325	\$ 7,667,883	\$ 7,401,282	\$ 9,331,371	\$ 16,603,390	\$ 16,023,727	\$ 14,009,575	\$ 12,985,480	\$ 12,699,299	\$ 13,219,644	\$ 15,793,211	\$ 16,241,100	\$ 13,156,157		\$ 13,207,417	\$ 14,560,451	\$ 17,505,552	\$ 15,327,216	
Inpatient Psych/Rehab Revenue	0	0	0	0	0	-	-	-	-	-	-	-	-		-	-	-	-	
Outpatient Revenue	15,730,069	16,765,365	15,067,104	11,933,682	20,932,075	18,699,730	22,781,003	22,348,929	21,153,874	23,646,523	25,672,092	24,753,736	24,122,862		27,374,507	23,068,968	24,746,141	\$ 25,994,869	
Long Term Care Revenue	0	0	0	0	0	-	-	-	-	-	-	-	-		-	-	-	-	
Home Health Revenue	0	0	0	0	0	-	-	-	-	-	-	-	-		-	-	-	-	
<b>Total Gross Patient Revenue</b>	<b>24,382,394</b>	<b>24,433,247</b>	<b>22,468,386</b>	<b>21,265,053</b>	<b>37,535,465</b>	<b>34,723,457</b>	<b>36,790,578</b>	<b>35,334,409</b>	<b>33,853,172</b>	<b>36,866,167</b>	<b>41,465,303</b>	<b>40,994,836</b>	<b>37,279,019</b>	0	<b>40,581,924</b>	<b>37,629,419</b>	<b>42,251,693</b>	<b>41,322,085</b>	
<b>Deductions From Revenue</b>																			
Discounts and Allowances	(19,635,639)	(19,588,148)	(17,845,730)	(16,635,734)	(31,267,149)	(28,951,935)	(29,655,536)	(27,674,758)	(26,569,751)	(36,229,684)	(34,966,058)	(34,797,135)	(30,986,845)	124,810	(34,683,286)	(32,035,399)	(35,904,405)	(35,468,343)	
Bad Debt Expense	(806,002)	(858,023)	(653,280)	(824,395)	(1,045,570)	(1,097,242)	(1,207,381)	(1,432,016)	(1,104,585)	2,536,474	(883,157)	(813,947)	(1,113,485)		(734,463)	(971,962)	(1,015,237)	(353,998)	
GI HMO Discounts	0	0	0	0	0	0	0	0	0	-	-	-	-		-	-	-	-	
Charity Care	(80,410)	(56,168)	(86,517)	(41,362)	(136,947)	(29,837)	(22,283)	(25,690)	(887,352)	(59,144)	(28,117)	(66,596)	(427,789)		(29,952)	(36,715)	(65,555)	(14,815)	
<b>Total Deductions From Revenue</b>	<b>(20,522,051)</b>	<b>(20,502,339)</b>	<b>(18,585,527)</b>	<b>(17,501,490)</b>	<b>(32,449,666)</b>	<b>(30,079,014)</b>	<b>(30,885,200)</b>	<b>(29,132,464)</b>	<b>(28,561,688)</b>	<b>(33,752,355)</b>	<b>(35,877,331)</b>	<b>(35,677,679)</b>	<b>(32,528,120)</b>	124,810	<b>(35,447,702)</b>	<b>(33,044,076)</b>	<b>(36,985,198)</b>	<b>(35,837,156)</b>	
<b>Net Patient Revenue</b>	<b>3,860,343</b>	<b>3,930,908</b>	<b>3,882,859</b>	<b>3,763,563</b>	<b>5,085,799</b>	<b>4,644,443</b>	<b>5,905,378</b>	<b>6,201,945</b>	<b>5,291,484</b>	<b>3,113,812</b>	<b>5,587,972</b>	<b>5,317,157</b>	<b>4,750,899</b>	124,810	<b>5,134,222</b>	<b>4,585,343</b>	<b>5,266,495</b>	<b>5,484,928</b>	
<b>Non- Patient Revenues</b>																			
IGT/DSH Revenues	1,530,975	1,485,337	1,157,326	869,707	501,407	0	0	0	-	-	-	-	-		-	-	-	-	
Grants & Other Op Revenues	193,507	205,590	750,434	505,190	725,065	1,025,766	1,404,234	404,979	1,221,031	2,657,264	136,873	468,018	93,358		138,568	512,304	1,059,520	383,032	
Clinic Net Revenues	20,106	22,382	15,743	0	0	0	0	0	-	-	-	-	-		-	-	-	-	
Tax Subsidies Measure D	174,852	196,524	199,469	209,744	229,405	233,333	233,333	233,333	233,333	186,194	246,994	246,994	246,994		246,994	246,994	246,994	246,994	
Tax Subsidies Prop 13	105,376	115,388	114,061	142,552	146,104	150,000	150,000	150,000	150,000	103,245	154,500	154,500	154,500		154,500	154,500	154,500	154,500	
Tax Subsidies County Supplmt Funds	16,858	16,159	9,064	16,163	25,561	0	0	0	-	306,727	-	-	-		-	-	-	-	
<b>Non-Patient Revenues</b>	<b>2,041,675</b>	<b>2,041,381</b>	<b>2,246,097</b>	<b>1,743,355</b>	<b>1,627,542</b>	<b>1,409,099</b>	<b>1,787,567</b>	<b>788,312</b>	<b>1,604,364</b>	<b>3,253,430</b>	<b>538,367</b>	<b>869,512</b>	<b>494,852</b>	0	<b>540,062</b>	<b>913,798</b>	<b>1,461,014</b>	<b>784,626</b>	
<b>Total Operating Revenue</b>	<b>5,902,018</b>	<b>5,972,289</b>	<b>6,128,956</b>	<b>5,506,919</b>	<b>6,713,341</b>	<b>6,053,542</b>	<b>7,692,944</b>	<b>6,990,257</b>	<b>6,895,848</b>	<b>6,367,242</b>	<b>6,126,339</b>	<b>6,186,669</b>	<b>5,245,751</b>	124,810	<b>5,674,284</b>	<b>5,499,141</b>	<b>6,727,509</b>	<b>6,269,454</b>	
<b>Operating Expenses</b>																			
Salaries and Wages	3,000,485	2,941,226	3,104,224	3,125,159	3,420,974	3,024,051	3,508,794	3,443,890	3,522,753	3,245,290	3,566,637	3,581,670	3,344,149		3,505,628	3,406,624	\$ 3,976,933	\$ 3,389,453	
Fringe Benefits	784,204	702,477	752,708	856,889	830,599	851,149	828,985	886,002	755,019	790,636	898,552	868,467	904,958		895,221	926,984	\$ 921,667	\$ 923,548	
Contract Labor	130,625	106,628	59,516	114,886	99,977	(76,550)	145,598	244,817	39,673	50,991	138,575	64,443	72,561		50,991	25,244	\$ 81,713	\$ 199,814	
Physicians Fees	211,630	246,631	331,858	350,783	330,533	318,078	437,958	497,575	195,777	243,800	273,621	277,977	350,634	57,575	308,777	291,979	\$ 352,767	\$ 359,584	
Purchased Services	581,239	513,857	691,337	772,336	892,521	992,328	1,036,315	966,521	912,287	792,287	829,624	848,417	945,477	(57,575)	802,604	890,157	\$ 746,115	\$ 797,016	
Supply Expense	699,167	685,518	751,025	903,883	995,446	907,500	1,024,948	1,455,590	683,784	1,026,266	698,214	888,903	823,019	(57,575)	895,128	735,602	\$ 839,353	\$ 987,328	
Utilities	74,205	75,471	80,680	92,287	111,192	130,260	102,218	114,367	99,273	114,902	104,925	97,819	113,507		99,363	120,651	\$ 115,611	\$ 96,716	
Repairs and Maintenance	53,574	58,325	58,592	139,712	77,524	58,986	37,984	183,195	73,948	63,450	74,098	124,767	51,558		111,348	66,765	\$ 98,149	\$ 83,712	
Insurance Expense	86,537	85,267	103,277	110,683	112,745	119,850	122,460	115,996	29,026	120,427	137,478	127,547	133,709		119,141	122,505	\$ 118,248	\$ 114,116	
All Other Operating Expenses	68,153	70,922	160,745	148,752	101,142	50,537	67,757	75,734	194,597	208,464	97,102	53,610	47,279		84,177	189,078	\$ 143,484	\$ 139,122	
IGT Expense	217,249	58,743	109,484	172,366	0	0	0	0	-	-	-	-	-		-	-	-	-	
Leases and Rentals	57,507	76,150	79,233	79,424	37,952	51,487	69,694	113,459	112,625	(408,504)	101,241	76,060	106,555		51,072	58,251	\$ 80,559	\$ 765	
1206 (b) CLINIC	80,927	98,810	94,628	34,096	0	0	0	0	-	-	-	-	-		-	-	-	-	
<b>Total Operating Expenses</b>	<b>6,045,502</b>	<b>5,720,023</b>	<b>6,377,306</b>	<b>6,901,255</b>	<b>7,010,605</b>	<b>6,427,676</b>	<b>7,382,712</b>	<b>8,097,148</b>	<b>6,618,763</b>	<b>6,307,616</b>	<b>6,920,067</b>	<b>7,009,680</b>	<b>6,893,407</b>	0	<b>6,923,449</b>	<b>6,833,839</b>	<b>7,474,599</b>	<b>7,091,173</b>	
<b>EBIDA</b>	<b>(143,485)</b>	<b>252,266</b>	<b>(248,351)</b>	<b>(1,394,337)</b>	<b>(297,264)</b>	<b>(374,133)</b>	<b>310,232</b>	<b>(1,106,891)</b>	<b>277,085</b>	<b>59,626</b>	<b>(793,729)</b>	<b>(823,011)</b>	<b>(1,647,656)</b>	124,810	<b>(1,249,165)</b>	<b>(1,334,698)</b>	<b>(747,090)</b>	<b>(821,719)</b>	
<b>Interest, Depreciation, and Amortization</b>																			
Depreciation and Amortization	512,466	497,808	506,497	494,721	472,317	504,865	504,865	504,865	504,865	114,286	550,044	406,450	406,450		446,580	426,319	648,869	661,981	
Interest Expense	432,490	418,193	422,094	447,994	391,606	591,013	393,056	374,425	452,092	159,730	427,682	571,834	409,794		394,794	419,794	625,830	491,596	
<b>Total Interest, Depr, &amp; Amort.</b>	<b>944,956</b>	<b>916,000</b>	<b>928,591</b>	<b>942,715</b>	<b>863,923</b>	<b>1,095,878</b>	<b>897,921</b>	<b>879,290</b>	<b>956,957</b>	<b>274,016</b>	<b>977,726</b>	<b>978,283</b>	<b>816,243</b>	0	<b>841,374</b>	<b>846,112</b>	<b>1,274,500</b>	<b>1,153,577</b>	
<b>Non-Operating Revenue:</b>																			
Contributions & Other	14,354	7,745	27,759	7,121	25,068	186,373	9,437	183,295	52,869	(175,971)	1,387,913	2,599	3,065		2,068	3,065	307,953	(48,783)	
Tax Subsidies for GO Bonds - M-A	652,487	692,457	666,966	598,410	616,059	613,966	613,966	613,966	613,966	639,084	627,353	627,353	627,353		627,353	627,353	627,353	627,353	
<b>Total Non Operating Revenue/(Expense)</b>	<b>666,841</b>	<b>700,202</b>	<b>694,725</b>	<b>605,531</b>	<b>641,127</b>	<b>800,339</b>	<b>623,403</b>	<b>797,260</b>	<b>666,835</b>	<b>463,113</b>	<b>2,015,266</b>	<b>629,952</b>	<b>630,418</b>	0	<b>629,421</b>	<b>630,418</b>	<b>935,307</b>	<b>578,570</b>	
<b>Total Net Surplus/(Loss)</b>	<b>(421,599)</b>	<b>36,467</b>	<b>(482,217)</b>	<b>(1,731,521)</b>	<b>(520,060)</b>	<b>(669,672)</b>	<b>35,714</b>	<b>(1,188,921)</b>	<b>(13,037)</b>	<b>248,723</b>	<b>243,811</b>	<b>(1,171,342)</b>	<b>(1,833,481)</b>	124,810	<b>(1,461,118)</b>	<b>(1,550,393)</b>	<b>(1,086,283)</b>	<b>(1,396,726)</b>	
Change in Interest in Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	
Extra-ordinary Loss on Financing	0	0	(689,574)	(650)	(284,792)	0	0	0	0	(3,417,500)	0	0	0		0	0	0	0	
<b>Increase/(Decrease in Unrestricted Net / \$</b>	<b>(421,599)</b>	<b>\$ 36,467</b>	<b>\$ (1,171,791)</b>	<b>(1,732,171)</b>	<b>\$ (804,852)</b>	<b>\$ (669,672)</b>	<b>\$ 35,714</b>	<b>\$ (1,188,921)</b>	<b>\$ (13,037)&lt;/</b>										

**BALANCE SHEET (Period End)**

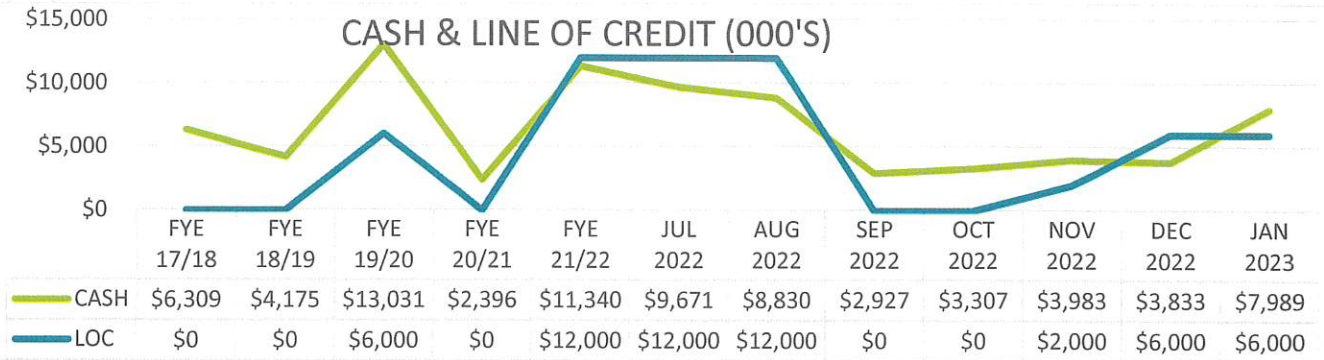
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Cash (000's)	Represents all unrestricted cash in the bank at each month-end.
Days Cash on Hand	Calculated by dividing amount of Cash on Hand by the historical average daily amount of cash requirements to cover operating expenses.
Accounts Receivable - 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.

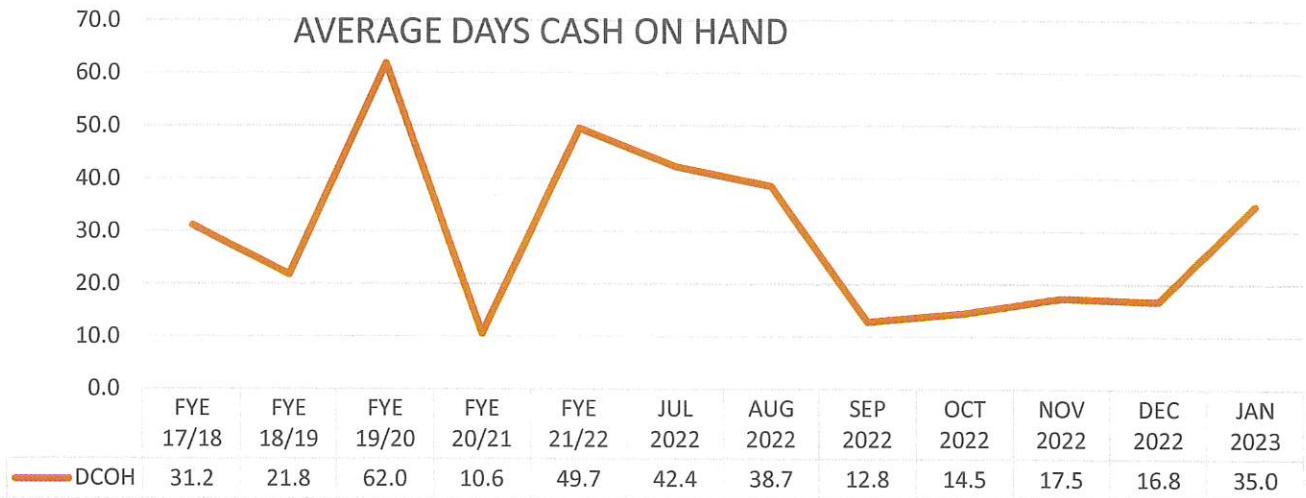
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# SAN GORGONIO MEMORIAL HOSPITAL

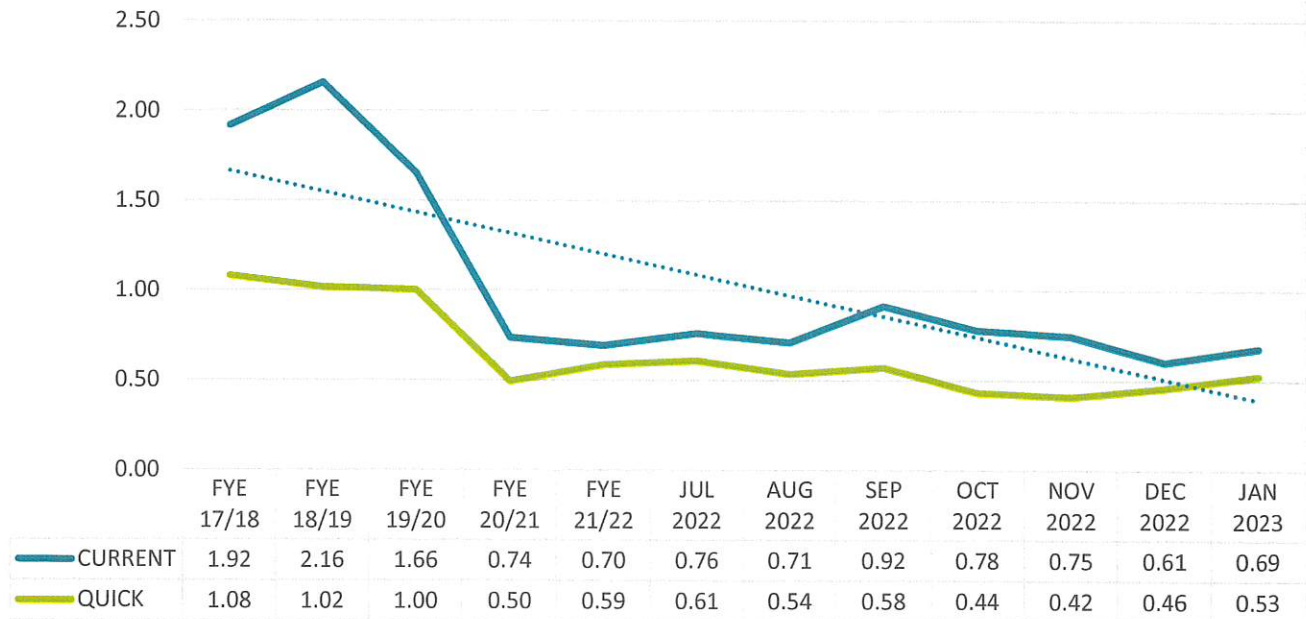
## CASH & LINE OF CREDIT (000'S)



## AVERAGE DAYS CASH ON HAND



## CURRENT RATIO and QUICK RATIO



3-K

# SAN GORGONIO MEMORIAL HOSPITAL

## NET ACCOUNTS RECEIVABLE (000'S)



## AVE. DAYS OF COLLECTIONS IN NET A/R



## ACCOUNTS PAYABLE (000'S)



## AVERAGE DAYS IN ACCOUNTS PAYABLE



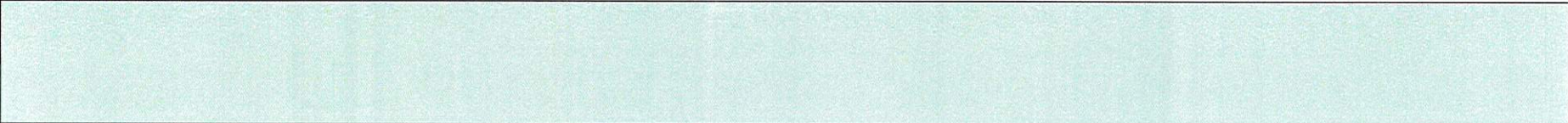
**SAN GORGONIO MEMORIAL HOSPITAL**  
**EXECUTIVE FINANCIAL SUMMARY**  
**SEVEN MONTHS ENDING JANUARY 31, 2023**

<b>STATEMENT OF REVENUE AND EXPENSES - MONTH &amp; YTD</b>						
REF LINE#		01/31/23 ACTUAL	01/31/23 BUDGET	YTD ACTUAL	YTD BUDGET	YTD DIFFERENCE
	<b>Revenue:</b>					
[1]	Gross Patient Revenues	\$ 41,322,085	\$ 50,072,515	\$ 281,418,599	\$ 311,970,828	\$ (30,552,229)
[2]	Deductions From Revenue	(35,837,156)	(43,536,939)	(245,050,692)	(271,251,699)	26,201,008
[3]	Net Patient Revenues	<b>5,484,928</b>	<b>6,535,576</b>	<b>36,367,907</b>	<b>40,719,129</b>	<b>(4,351,222)</b>
[4]	IGT Revenue	-	-	-	-	-
[5]	Other Operating Revenue	784,526	557,030	5,602,131	5,376,397	225,734
[6]	<b>Total Operating Revenues</b>	<b>6,269,454</b>	<b>7,092,606</b>	<b>41,970,038</b>	<b>46,095,525</b>	<b>(4,125,488)</b>
	<b>Expenses:</b>					
[7]	Salaries, Benefits	4,313,000	4,849,212	31,110,490	32,648,752	1,538,262
	Contract Labor	199,814	81,072	633,340	534,234	(99,106)
	Physicians Fees	359,584	365,231	2,215,339	2,556,617	341,278
	Other Purchase Services	797,016	1,016,002	5,859,411	7,110,506	1,251,095
[8]	Purchased Serv. & Physician Fees	1,356,414	1,462,304	8,708,090	10,201,357	1,493,268
[9]	Supply Expenses	987,328	1,234,739	5,867,547	7,917,207	2,049,659
[10]	Other Operating Expenses & Clinic Loss	434,431	458,306	3,448,332	3,345,761	(102,571)
[11]	Supplimental and Grant Expense	-	-	-	-	-
[12]	<b>Total Expenses</b>	<b>\$ 7,091,173</b>	<b>\$ 8,004,561</b>	<b>\$ 49,134,459</b>	<b>\$ 54,113,078</b>	<b>\$ 4,978,619</b>
						<b>0</b>
[13]	<b>EBIDA</b>	<b>\$ (821,719)</b>	<b>\$ (911,955)</b>	<b>\$ (7,164,421)</b>	<b>\$ (8,017,553)</b>	<b>\$ 853,131</b>
						<b>0</b>
[14]	Depreciation & Interest Expense	1,153,577	1,111,637	6,899,571	7,374,870	475,299
[15]	Non-Operating Revenue/(Exp.)	578,570	1,092,982	6,049,352	7,650,872	(1,601,520)
[16]	<b>TOTAL NET SURPLUS (LOSS)</b>	<b>\$ (1,396,726)</b>	<b>\$ (930,610)</b>	<b>\$ (8,014,641)</b>	<b>\$ (7,741,551)</b>	<b>\$ (273,090)</b>

**SAN GORGONIO MEMORIAL HOSPITAL**  
**EXECUTIVE FINANCIAL SUMMARY**  
**SEVEN MONTHS ENDING JANUARY 31, 2023**

<b>BALANCE SHEET</b>			
		<b>YTD</b>	<b>Prior FYE</b>
		<b>1/31/2023</b>	<b>6/30/2022</b>
<b>ASSETS</b>			
[1]	Current Assets	\$ 24,769,685	\$ 23,401,085
[2]	Assets Whose Use is Limited	11,763,103	12,704,494
[3]	Property, Plant & Equipment (Net)	75,251,366	73,514,801
[4]	Other Assets	587,094	503,000
[5]	<b>Total Unrestricted Assets</b>	<b>112,371,249</b>	<b>110,123,380</b>
[6]	Restricted Assets	0	0
[7]	<b>Total Assets</b>	<b>\$ 112,371,249</b>	<b>\$ 110,123,380</b>
<b>LIABILITIES AND NET ASSETS</b>			
[8]	Current Liabilities	\$36,072,360	\$33,649,575
[9]	Long-Term Debt	113,184,784	105,323,946
[10]	Other Long-Term Liabilities	4,852,624	2,231,626
[11]	<b>Total Liabilities</b>	<b>\$ 154,109,768</b>	<b>\$ 141,205,147</b>
[12]	Net Assets	\$ (41,738,519)	\$ (31,081,767)
[13]	<b>Total Liabilities and Net Assets</b>	<b>\$ 112,371,249</b>	<b>\$ 110,123,380</b>





**KEY STATISTICS AND RATIOS**

	<b>12/31/22 ACTUAL</b>	<b>01/31/23 ACTUAL</b>	<b>01/31/23 BUDGET</b>	<b>2023 YTD</b>	<b>2022 YR END TOTAL</b>
	<b>FY 23</b>	<b>FY 23</b>	<b>FY 23</b>	<b>FY 23</b>	<b>FY 22</b>
[1] Total Acute Patient Days	910	653	1,189	4,834	9,689
[2] Average Daily Census	29.4	21.1	38.4	22.5	26.5
[3] Average Acute Length of Stay	3.9	3.5	4.1	3.6	3.9
[4] Patient Discharges	235	184	293	1,350	2,502
[5] Observation Days	302	266	261	1,834	2,775
[6] Total Emergency Room Visits	3,506	3,266	3,564	25,159	39,374
[7] Average ED Visits Per Day	113	105	115	117	108
[9] Total Surgeries (Excluding G.I.'s)	107	121	133	839	855
[10] Deliveries/Births	10	6	12	79	175

**Statement of Revenue and Expense**  
**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**  
**SEVEN MONTHS ENDING JANUARY 31, 2023**

	DISTRICT ONLY	CURRENT MONTH			Positive (Negative) Variance	Percentage Variance
		ACTUAL 01/31/23	FY 23 ACTUAL 01/31/23	FY 23 CUR MO BUD 01/31/23		
<b>Gross Patient Revenue</b>						
[1] Inpatient Revenue	\$ -	\$ 15,327,216	\$ 25,745,523	\$ (10,418,307)	-68.0%	
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	-	
[3] Outpatient Revenue	-	25,994,869	24,326,992	1,667,877	6.4%	
[4] Long Term Care Revenue	-	-	-	-	-	
[5] Home Health Revenue	-	-	-	-	-	
[6] Total Gross Patient Revenue	\$ -	\$ 41,322,085	\$ 50,072,515	\$ (8,750,431)	-21.2%	
<b>Deductions From Revenue</b>						
[7] Discounts and Allowances	-	(35,468,343)	(41,682,911)	\$ 6,214,567	-17.5%	
[8] Bad Debt Expense	-	(353,998)	(1,763,309)	1,409,311	-398.1%	
[9] Prior Year Settlements	-	-	\$ -	-	-	
[10] Charity Care	-	(14,815)	(90,719)	75,904	-512.4%	
[11] Total Deductions From Revenue	-	(35,837,156)	(43,536,939)	\$ 7,699,782	-21.5%	
[12]		86.7%	-86.9%			
[13] Net Patient Revenue	\$ -	\$ 5,484,928	\$ 6,535,576	\$ (1,050,648)	-19.2%	
<b>Non Patient Operating Revenues</b>						
[14] IGT/DSH Revenues	-	-	\$ -	\$ -	0.0%	
[15] Grants & Other Op Revenues	-	383,032	\$ 144,286	238,746	62.3%	
[16] Clinic Net Revenues	-	-	\$ -	-	-	
[17] Tax Subsidies Measure D	246,994	246,994	\$ 246,994	(0)	0.0%	
[18] Tax Subsidies Prop 13	154,500	154,500	\$ 154,500	-	0.0%	
[19] Tax Subsidies County Supplemental Funds	-	-	\$ 11,250	(11,250)	0.0%	
Non- Patient Revenue	\$ 401,494	\$ 784,526	\$ 557,030	\$ 227,496	29.0%	
<b>Total Operating Revenue</b>	\$ 401,494	\$ 6,269,454	\$ 7,092,606	\$ (823,152)	-13.1%	
<b>Operating Expenses</b>						
[20] Salaries and Wages	-	3,389,453	3,915,640	\$ 526,188	15.5%	
[21] Fringe Benefits	-	923,548	933,571	10,024	1.1%	
[22] Contract Labor	-	199,814	81,072	(118,742)	-59.4%	
[23] Physicians Fees	-	359,584	365,231	5,647	1.6%	
[24] Purchased Services	8,794	797,016	1,016,002	218,985	27.5%	
[25] Supply Expense	-	987,328	1,234,739	247,411	25.1%	
[26] Utilities	1,625	96,716	97,492	777	0.8%	
[27] Repairs and Maintenance	9,800	83,712	75,564	(8,148)	-9.7%	
[28] Insurance Expense	-	114,116	122,979	8,862	7.8%	
[29] All Other Operating Expenses	8	139,122	99,325	(39,797)	-28.6%	
[30] Supplemental and Grant Expense	-	-	0	-	0.0%	
[31] Leases and Rentals	-	765	62,946	62,181	8123.0%	
[32] Clinic Expense	-	-	0	-	0.0%	
[33] Total Operating Expenses	\$ 20,227	\$ 7,091,173	\$ 8,004,561	\$ 913,388	12.9%	
[34] <b>EBIDA</b>	\$ 381,267	\$ (821,719)	\$ (911,955)	\$ 90,236	-11.0%	
<b>Interest Expense and Depreciation</b>						
[35] Depreciation	406,450	661,981	625,347	\$ (36,634)	-5.5%	
[36] Interest Expense and Amortization	355,547	491,596	486,290	(5,306)	-1.1%	
[37] Total Interest & depreciation	761,996	1,153,577	1,111,637	(41,940)	-3.6%	
<b>Non-Operating Revenue:</b>						
[38] Contributions & Other	2,030	(48,783)	466,744	(515,528)	1056.8%	
[39] Tax Subsidies for GO Bonds - M-A	627,353	627,353	626,237	1,116	0.2%	
[40] Total Non Operating Revenue/(Expense)	629,383	578,570	1,092,982	\$ (514,412)	-88.9%	
[41] Total Net Surplus/(Loss)	\$ 248,654	\$ (1,396,726)	\$ (930,610)	\$ (466,117)	33.4%	
[42] Extra-ordinary loss on Financing	-	-	-	-	-	
[43] Increase/(Decrease in Unrestricted Net Assets	\$ 248,654	\$ (1,396,726)	\$ (930,610)	\$ (466,117)	33.4%	
[44] Total Profit Margin	61.93%	-22.28%	-13.12%			
[45] EBIDA %	94.96%	-13.11%	-12.86%			

**Statement of Revenue and Expense**  
**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**  
**SEVEN MONTHS ENDING JANUARY 31, 2023**

	YEAR-TO-DATE				
	DISTRICT ONLY			Positive (Negative) Variance	Percentage Variance
	Actual 01/31/23	Actual 01/31/23	Budget 01/31/23		
<b>Gross Patient Revenue</b>					
[1] Inpatient Revenue	\$ -	\$ 105,911,518	\$ 153,175,072	\$ (47,263,554)	-44.6%
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	-
[3] Outpatient Revenue	-	175,507,081	\$ 158,795,756	16,711,324	9.5%
[4] Long Term Care Revenue	-	-	-	-	-
[5] Home Health Revenue	-	-	-	-	-
[6] Total Gross Patient Revenue	\$ -	\$ 281,418,599	\$ 311,970,828	\$ (30,552,229)	-10.9%
<b>Deductions From Revenue</b>					
[7] Discounts and Allowances	-	(238,494,902)	\$ (259,700,399)	\$ 21,205,497	8.9%
[8] Bad Debt Expense	-	(5,886,250)	\$ (10,986,086)	5,099,836	86.6%
[9] Prior Year Settlements	-	-	\$ -	-	-
[10] Charity Care	-	(669,540)	\$ (565,214)	(104,325)	-15.6%
[11] Total Deductions From Revenue	-	(245,050,692)	(271,251,699)	\$ 26,201,008	10.7%
[12]		87.1%	-86.9%		
[13] Net Patient Revenue	\$ -	\$ 36,367,907	\$ 40,719,129	\$ (4,351,222)	-12.0%
<b>Non Patient Operating Revenues</b>					
[14] IGT/DSH Revenues	-	-	\$ -	\$ -	0.0%
[15] Grants & Other Op Revenues	-	2,791,674	\$ 1,682,130	1,109,544	39.7%
[16] Clinic Net Revenues	-	-	\$ -	-	-
[17] Tax Subsidies Measure D	1,728,957	1,728,957	\$ 1,728,957	(0)	0.0%
[18] Tax Subsidies Prop 13	1,081,500	1,081,500	\$ 795,000	286,500	26.5%
[19] Tax Subsidies County Supplemental Funds	-	-	\$ 1,170,310	(1,170,310)	0.0%
Non- Patient Revenue	\$ 2,810,457	\$ 5,602,131	\$ 5,376,397	\$ 225,734	4.0%
<b>Total Operating Revenue</b>	\$ 2,810,457	\$ 41,970,038	\$ 46,095,525	\$ (4,125,488)	-9.8%
<b>Operating Expenses</b>					
[20] Salaries and Wages	-	24,771,093	\$ 26,205,349	\$ 1,434,257	5.8%
[21] Fringe Benefits	-	6,339,397	\$ 6,443,403	104,006	1.6%
[22] Contract Labor	-	633,340	\$ 534,234	(99,106)	-15.6%
[23] Physicians Fees	-	2,215,339	\$ 2,556,617	341,278	15.4%
[24] Purchased Services	149,032	5,859,411	\$ 7,110,506	1,251,095	21.4%
[25] Supply Expense	-	5,867,547	\$ 7,917,207	2,049,659	34.9%
[26] Utilities	14,150	748,592	\$ 820,066	71,474	9.5%
[27] Repairs and Maintenance	69,854	610,397	\$ 528,946	(81,451)	-13.3%
[28] Insurance Expense	-	867,244	\$ 860,852	(6,392)	-0.7%
[29] All Other Operating Expenses	159,379	753,852	\$ 695,273	(58,579)	-7.8%
[30] Supplemental and Grant Expense	-	-	\$ -	-	0.0%
[31] Leases and Rentals	-	468,248	\$ 440,625	(27,623)	-5.9%
[32] Clinic Expense	-	-	\$ -	-	0.0%
[33] Total Operating Expenses	\$ 392,415	\$ 49,134,459	\$ 54,113,078	\$ 4,978,619	10.1%
[34] <b>EBIDA</b>	\$ 2,418,042	\$ (7,164,421)	\$ (8,017,553)	\$ 853,131	-11.9%
<b>Interest Expense and Depreciation</b>					
[35] Depreciation	2,988,742	3,558,248	\$ 4,240,997	\$ 682,749	19.2%
[36] Interest Expense and Amortization	2,647,307	3,341,323	\$ 3,133,873	(207,450)	-6.2%
[37] Total Interest & depreciation	5,636,049	6,899,571	7,374,870	475,299	6.9%
<b>Non-Operating Revenue:</b>					
[38] Contributions & Other	1,398,709	1,657,880	\$ 3,267,210	(1,609,330)	-97.1%
[39] Tax Subsidies for GO Bonds - M-A	4,391,472	4,391,472	\$ 4,383,662	7,810	0.2%
[40] Total Non Operating Revenue/(Expense)	5,790,181	6,049,352	7,650,872	(1,601,520)	-26.5%
[41] Total Net Surplus/(Loss)	\$ 2,572,174	\$ (8,014,641)	\$ (7,741,551)	\$ (273,090)	3.4%
[42] Extra-ordinary loss on Financing	-	-	-	-	-
[43] Increase/(Decrease in Unrestricted Net Assets)	\$ 2,572,174	\$ (8,014,641)	\$ (7,741,551)	\$ (273,090)	3.4%
[44] Total Profit Margin	91.52%	-19.10%	-16.79%		
[45] EBIDA %	86.04%	-17.07%	-17.39%		

**Balance Sheet - Assets**

**SAN GORGONIO MEMORIAL HOSPITAL**

**BANNING, CALIFORNIA**

**SEVEN MONTHS ENDING JANUARY 31, 2023**

		ASSETS				
		DISTRICT ONLY				
		Current Month 1/31/2023	Current Month 1/31/2023	Prior Month 12/31/2022	Positive/ (Negative) Variance	Prior Year End 6/30/2022
<b>Current Assets</b>						
[1]	Cash and Cash Equivalents	3,457,405	\$7,988,678	\$3,833,449	\$ 4,155,229	\$ 11,340,002
[2]	Gross Patient Accounts Receivable	\$0	\$97,807,725	\$100,229,411	\$ (2,421,686)	77,594,807
[3]	Less: Bad Debt and Allowance Reserves	\$0	(\$86,625,874)	(\$88,818,067)	\$ 2,192,194	(69,099,845)
[4]	Net Patient Accounts Receivable	\$0	\$11,181,852	\$11,411,344	\$ (229,493)	8,494,961
[5]	Taxes Receivable	\$3,403,511	\$3,403,511	\$3,978,247	\$ (574,736)	1,178,859
[6]	Other Receivables (includes advances)	660,465	\$736,402	\$821,304	\$ (84,902)	738,141
[7]	Inventories	\$0	\$2,440,789	\$2,384,635	\$ 56,155	2,297,204
[8]	Prepaid Expenses	126,169	\$1,069,933	\$822,748	\$ 247,185	1,197,395
[9]	Due From Third Party Payers-DSH	\$0	(\$2,051,479)	(\$1,332,477)	\$ (719,002)	(1,845,477)
[10]	Malpractice Receivable	\$0	\$0	\$0	\$ -	-
[11]	Supplimental Receivables	\$0	\$0	(\$0)	\$ 0	-
	<b>Total Current Assets</b>	<b>7,647,550</b>	<b>24,769,685</b>	<b>21,919,249</b>	<b>\$ (736,481)</b>	<b>\$ 23,401,085</b>
<b>Assets Whose Use is Limited</b>						
[12]	Cash					
[13]	Investments					
[14]	Bond Reserve/Debt Retirement Fund	\$11,763,103	\$11,763,103	\$11,732,131	\$ 30,973	12,704,494
[15]	Trustee Held Funds					
[16]	Funded Depreciation					
[17]	Board Designated Funds					
[18]	Other Limited Use Assets					0
	<b>Total Limited Use Assets</b>	<b>11,763,103</b>	<b>11,763,103</b>	<b>11,732,131</b>	<b>\$ (223,324)</b>	<b>\$ 12,704,494</b>
<b>Property, Plant, and Equipment</b>						
[19]	Land and Land Improvements	4,828,182	4,828,182	4,828,182	\$ -	\$ 4,828,182
[20]	Building and Building Improvements	129,281,491	129,281,491	129,281,491	\$ -	129,281,491
[21]	Equipment	27,119,506	29,994,174	29,877,793	\$ 116,381	26,856,789
[22]	Construction In Progress	2,354,778	2,354,778	2,353,203	\$ 1,576	1,694,007
[23]	Capitalized Interest					
[24]	Gross Property, Plant, and Equipment	163,583,958	166,458,626	166,340,669	\$ 117,957	162,660,469
[25]	Less: Accumulated Depreciation	(\$91,207,260)	(\$91,207,260)	(\$90,800,810)	\$ (406,450)	(89,145,667)
[26]	<b>Net Property, Plant, and Equipment</b>	<b>72,376,698</b>	<b>75,251,366</b>	<b>75,539,859</b>	<b>\$ (475,050)</b>	<b>\$ 73,514,801</b>
<b>Other Assets</b>						
[27]	Unamortized Loan Costs	\$627,385	\$587,094	\$589,683	\$ (2,589)	\$ 614,440
[28]	Assets Held for Future Use		\$0	\$0	\$ -	485
[29]	Investments in Subsidiary/Affiliated Org.	\$26,205,242	\$0	\$0	\$ -	(111,925)
[30]	Other					
[31]	<b>Total Other Assets</b>	<b>26,832,626</b>	<b>587,094</b>	<b>589,683</b>	<b>\$ (2,589)</b>	<b>\$ 503,000</b>
[32]	<b>TOTAL UNRESTRICTED ASSETS</b>	<b>118,619,978</b>	<b>112,371,249</b>	<b>109,780,922</b>	<b>\$ 2,590,327</b>	<b>\$ 110,123,381</b>
<b>Restricted Assets</b>						
		0	0	0	0	0
[33]	<b>TOTAL ASSETS</b>	<b>\$118,619,978</b>	<b>\$112,371,249</b>	<b>\$109,780,922</b>	<b>\$ 2,590,327</b>	<b>\$ 110,123,381</b>

**Balance Sheet - Liabilities and Net Assets**  
**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**  
**SEVEN MONTHS ENDING JANUARY 31, 2023**

	DISTRICT ONLY	LIABILITIES AND FUND BALANCE			
	Current Month 1/31/2023	Current Month 1/31/2023	Prior Month 12/31/2022	Positive/ (Negative) Variance	Prior Year End 6/30/2022
<b>Current Liabilities</b>					
[1] Accounts Payable	\$ 506,662	\$ 11,298,723	\$ 11,309,352	\$ 10,628	\$ 10,600,622
[2] Notes and Loans Payable (Line of Credit)	-	6,000,000	6,000,000	\$ -	12,000,000
[3] Accounts Payable- Tax advance	-	-	-	\$ -	-
[4] Accrued Payroll Taxes	-	6,146,096	5,112,316	\$ (1,033,780)	5,597,527
[5] Accrued Benefits	-	-	-	\$ -	-
[6] Accrued Benefits Current Portion	-	-	-	\$ -	-
[7] Other Accrued Expenses	-	-	-	\$ -	-
[8] Accrued GO Bond Interest Payable	2,550,184	2,550,184	2,183,248	\$ (366,936)	2,526,756
[9] Lease Liabilities	-	3,738,925	3,803,595	\$ 64,670	4,259
[10] Due to Third Party Payers (Settlements)	-	3,417,500	3,417,500	\$ -	-
[11] Advances From Third Party Payers	-	-	-	\$ -	-
[12] Current Portion of LTD (Bonds/Mortgages)	2,335,000	2,335,000	2,335,000	\$ -	2,335,000
[13] Current Portion of LTD (Leases)	-	-	-	\$ -	-
[14] Other Current Liabilities	-	585,931	585,671	(260)	585,411
<b>Total Current Liabilities</b>	<b>5,391,846</b>	<b>36,072,360</b>	<b>34,746,682</b>	<b>\$ (1,325,678)</b>	<b>33,649,575</b>
<b>Long Term Debt</b>					
[15] Bonds/Mortgages Payable (net of Cur Portion)	96,487,744	\$101,432,619	\$ 101,878,428	\$ 445,809	\$ 103,030,598
[16] Leases Payable (net of current portion)	\$11,752,165	\$11,752,165	\$11,765,791	\$ 13,626	\$2,293,348
[17] <b>Total Long Term Debt (Net of Current)</b>	<b>108,239,909</b>	<b>113,184,784</b>	<b>113,644,219</b>	<b>\$ 459,435</b>	<b>105,323,946</b>
<b>Other Long Term Liabilities</b>					
[18] Deferred Revenue	-	-	-	-	-
[19] Accrued Pension Expense (Net of Current)	-	-	-	-	-
[20] Other-Bridge Loan	0	4,852,624	2,231,628	\$ (2,620,996)	2,231,628
[21] <b>Total Other Long Term Liabilities</b>	<b>0</b>	<b>4,852,624</b>	<b>2,231,628</b>	<b>(2,620,996)</b>	<b>2,231,628</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 113,631,755</b>	<b>\$ 154,109,768</b>	<b>\$ 150,622,528</b>	<b>\$ 3,487,240</b>	<b>\$ 141,205,148</b>
<b>Net Assets:</b>					
[22] Unrestricted Fund Balance	2,416,049	(33,723,878)	\$ (33,723,878)	\$ -	\$ (25,347,940)
[23] Temporarily Restricted Fund Balance	-	-	-	-	-
[24] Restricted Fund Balance	-	-	-	-	-
[25] Net Revenue/(Expenses)	2,572,174	(8,014,641)	(7,117,728)	(896,913)	(5,733,827)
[26] <b>TOTAL NET ASSETS</b>	<b>4,988,223</b>	<b>(41,738,519)</b>	<b>\$ (40,841,606)</b>	<b>\$ (896,913)</b>	<b>\$ (31,081,767)</b>
[27] <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 118,619,978</b>	<b>\$ 112,371,249</b>	<b>\$ 109,780,922</b>	<b>\$ 2,590,327</b>	<b>\$ 110,123,381</b>
	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ -

## Statement of Cash Flows

### SAN GORGONIO MEMORIAL HOSPITAL BANNING, CALIFORNIA SEVEN MONTHS ENDING JANUARY 31, 2023

		CASH FLOW	
		Current Month 1/31/2023	
<b>HEALTHCARE SYSTEM CASH FLOW</b>			
<b>BEGINNING CASH BALANCES</b>			
[1]	Cash: Beginning Balances- HOSPITAL	\$	376,059
[2]	Cash: Beginning Balances- DISTRICT		3,457,405
[3]	Cash: Beginning Balances TOTALS	\$	3,833,464
<b>Receipts</b>			
[4]	Pt Collections	\$	6,032,937
[5]	Tax Subsidies Measure D/Prop 13		1,436,174
[6]	Misc Tax Subsidies		-
[7]	Donations/Grants		-
[8]	IGT & other Supplemental (Net)		-
[9]	Draws/(Paydown) of LOC Balances		-
[10]	Other Misc Receipts/Transfers		3,004,028
	<b>TOTAL RECEIPTS</b>	<b>\$</b>	<b>10,473,139</b>
<b>Disbursements</b>			
[11]	Payroll/ Benefits	\$	4,313,000
[12]	Other Operating Costs		1,842,906
[13]	Capital Spending		0
[14]	Debt serv payments (Hosp onlyw/ LOC interest)		
[15]	Other (increase) in AP /other bal sheet		164,028
[16]	<b>TOTAL DISBURSEMENTS</b>	<b>\$</b>	<b>6,317,925</b>
[17]	<b>TOTAL CHANGE in CASH</b>	<b>\$</b>	<b>4,155,214</b>
<b>ENDING CASH BALANCES</b>			
[18]	Ending Balances- HOSPITAL	\$	4,531,273
[19]	Ending Balances- DISTRICT		3,457,405
[20]	Ending Balances- TOTALS	\$	7,988,678
<b>ADDITIONAL INFO</b>			
[21]	LOC CURRENT BALANCES	\$	6,000,000
			\$96,000

**TAB C**

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

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

Agenda Item for February 28, 2023 Finance Committee and March 7, 2023 Board Meetings

**Subject:**

Recommendation to Enter 5-year Software Lease with Premier, Inc for Budgeting, Financial Reporting, and Forecasting System

San Gorgonio Memorial Healthcare District & Hospital have been using an Excel based worksheet system to perform these functions. This process is quite cumbersome and has very limited budgeting and reporting flexibility. Many hospitals have developed a comprehensive system to accomplish all these features via a proprietary software product. Having a system like this is essential for good budget development and subsequent comparisons to actual outcomes both at a hospital-wide level as well as robust reporting for individual departments.

Process: A Request for Information and Proposal was delivered to five vendors in late October 2022. Numerous phone conversations were held between each vendor and the Hospital CFO to address questions and clarify expectations. Three vendors expressed interest in making a presentation, and two vendors actually followed through with comprehensive proposals and presentations during the 4<sup>th</sup> week of January. The two vendors which made presentations are both leaders in the hospital industry and are recognized by industry experts.

Recommendation: The proposals were reviewed by the Executive Team, Director of E.R., Controller, and Director of I/T. Subsequent follow-up validations, reference checks, and confirmations were made after the original presentations. After these were completed, it was decided to select Premier, Inc. as the vendor of choice. The product specifications and capabilities appear robust and comprehensive, and the product pricing is competitive. Premier has over 100 hospitals using this software.

Note: Premier, Inc. also has other Decision Support software which will integrate with the Budgeting/Financial Reporting System, including Analytics, Contract Modeling, and Cost Accounting. SGMH does not currently have the staff or financial resources to consider these additional applications.

Details: The contract calls for a 5-year agreement at a total cost of \$313,880 plus related taxes and travel costs related to the installation. An outline of these costs is attached as an Exhibit.

There will also be additional interface costs associated with this project to migrate data elements, both from Altera Suncom and Kronos Dimensions systems. These interfaces are currently being analyzed and are anticipated not to exceed \$75,000 combined.

The program installation is scheduled to commence immediately with the goal of preparing the FY 2024 Budget on this new system.

**Recommended Action: To approve acquisition of the Premier, Inc. Budgeting and Financial Reporting Solution as outlined.**

Exhibits: System Financial Requirements, Premier Company Overview, Premier Budget, Financial Reporting & Forecasting Exhibit, and Summary of the Premier Solutions for San Gorgonio Memorial Hospital.



DECISION SUPPORT BUDGETING AND FINANCIAL REPORTING ANALYSIS

VENDOR:	Premier Inc.					
INVESTMENT COSTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
BUDGETING AND FINANCIAL REPORTING SYSTEM	\$ 62,776	\$ 62,776	\$ 62,776	\$ 62,776	\$ 62,776	313,880
I/T SYSTEM ALTERA and KRONOS INTERFACES (ESTIMATED)	\$ 75,000	\$ -	\$ -	\$ -	\$ -	75,000
TRAVEL COSTS ASSOCIATED W/ INSTALLATION (ESTIMATED)	\$ 6,000	\$ -	\$ -	\$ -	\$ -	6,000
<b>TOTAL PROGRAM COSTS (EXCLUDING TAXES)</b>	<b>\$ 143,776</b>	<b>\$ 62,776</b>	<b>\$ 62,776</b>	<b>\$ 62,776</b>	<b>\$ 62,776</b>	<b>394,880</b>

## ABOUT PREMIER

Premier, Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,400 U.S. hospitals and health systems and approximately 225,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, consulting and other services, Premier enables better care and outcomes at a lower cost. Premier maintains clinical, financial and outcomes data on more than 45% of U.S. hospital discharges and receives over two (2) million clinical transactions per day from our members. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Another thing that makes Premier unique is our business model:

- Approximately 51% of our health system members have equity in our company.
- Five (5) health system members are representatives on our board.
- Approximately 500 Premier employees work daily inside our member health systems across the U.S.
- ALL of the above, results in strategic relationships and aligning priorities.

Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare. Named by The Ethisphere® Institute as one of the 2021 World's Most Ethical Companies® for the 15th year in a row, Premier was selected for continuing to “understand the importance of leading, making hard but values-based decisions and its overall commitment to integrity.” Premier’s network is wide and vast. The image below is a small sampling of the health systems we partner with.



## PREMIER'S UNIQUE MEMBER MODEL DRIVES INNOVATION



### ALIGNMENT

- Significant health system member ownership
- Alliance of ~4,400 hospitals, and 225,000 Non-Acute Sites
- Strategic board alignment
- Premier field force embedded in member health systems

### LONG-TERM EXPERIENCE

- Member owner tenure averages ~20 years

### CO-INNOVATION

- Co-develop solutions with members
- Committees composed of ~400 individuals, representing ~130 member hospitals
- More than 1,500 hospitals in performance improvement collaboratives

### Premier's Unique Member Alignment

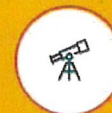


Premier has also now topped KLAS' value-based care consulting ranking for a third year. The award was announced recently in the 2022 Best In KLAS: Software & Services Report, which is based on feedback from thousands of healthcare providers that KLAS interviews every year. Premier was previously awarded this Best in KLAS designation in 2016 and 2017. [Premier Inc. Receives 2022 Best in KLAS Award for Value-Based Care Consulting.](#)



### Mission

To improve the health of communities.



### Vision

Through the collaborative power of the Premier alliance, we will lead the transformation to high-quality, cost-effective healthcare.

**Integrity:** integrity of the individual, the enterprise and the alliance

**Passion for performance:** a passion for performance and a bias for action, creating real value for all stakeholders and leading the pace

**Innovation:** seeking breakthrough opportunities, taking risks and initiating meaningful change

**Focus on people:** demonstrating respect for all, and mutual commitment to the success of the alliance, our employees, our business partners and the communities we serve

Our award-winning and revolutionary technologies enable our members to collaborate more easily and efficiently. Our goal is to improve our members' quality outcomes, while safely reducing costs. By engaging members and revealing new opportunities, we empower the alliance to improve the performance of healthcare organizations, helping them do what they do best, Heal First™.



Premier is customer-aligned. I believe Premier lives the mission of trying to bring value to their members. Premier is very strong from everybody I interact with.

*~ Premier member health system C-suite executive (from Premier's 2020 CEO Satisfaction & Loyalty Survey)*



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# Budget, Financial Reporting & Forecasting

# Budget, Financial Reporting & Forecasting

Value-based care requires strategic thinking.

The transition to value-based care and reimbursement is one of, if not *the* greatest business challenges in healthcare today.



**Optimizing  
Cross-Structure**



**Maintaining  
Quality &  
Outcomes**

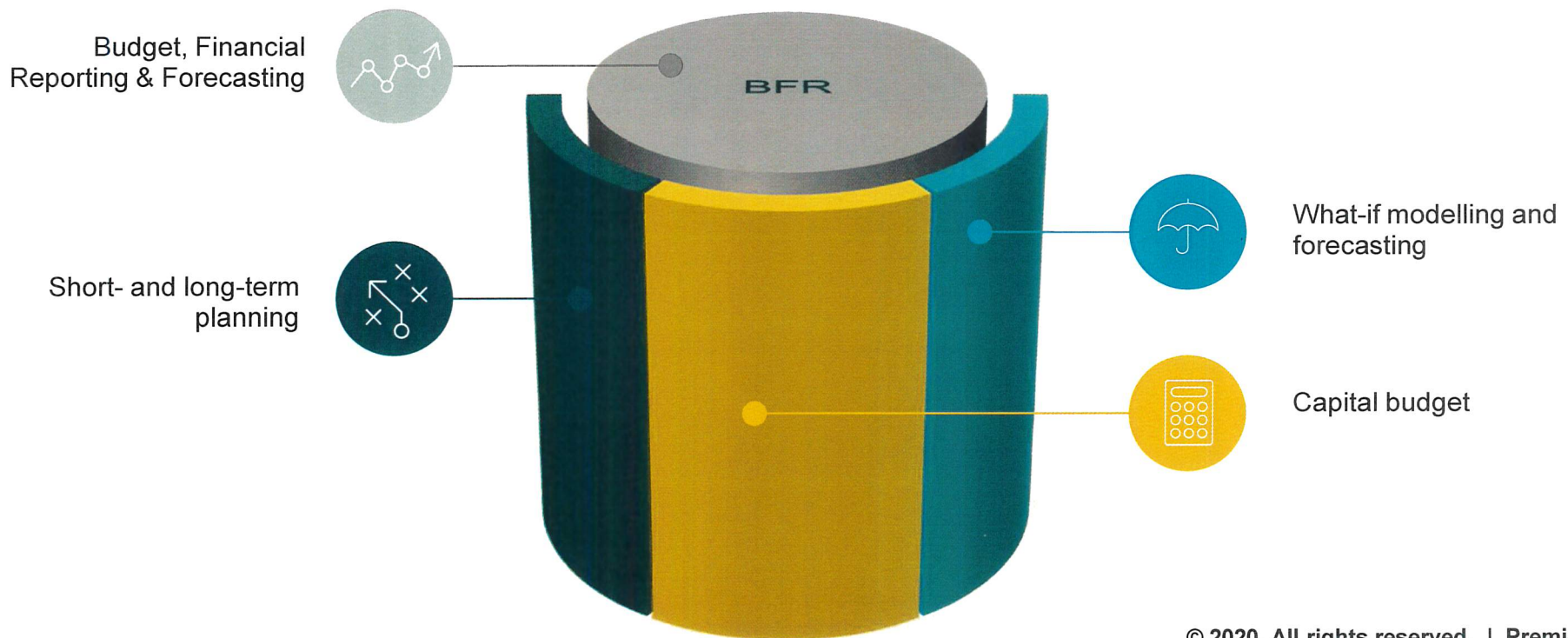


**Maximizing  
Value-Based  
Care**

Expectations are changing and in order to keep up, health systems need to optimize their cross-structure while still providing the highest level of quality and outcomes.

# Budget, Financial Reporting & Forecasting

**Budgeting & Financial Reporting** offers financial planning and analysis, performance monitoring and reporting tools that provide all levels of your organization's leadership with the information they need to make timely and informed decisions.

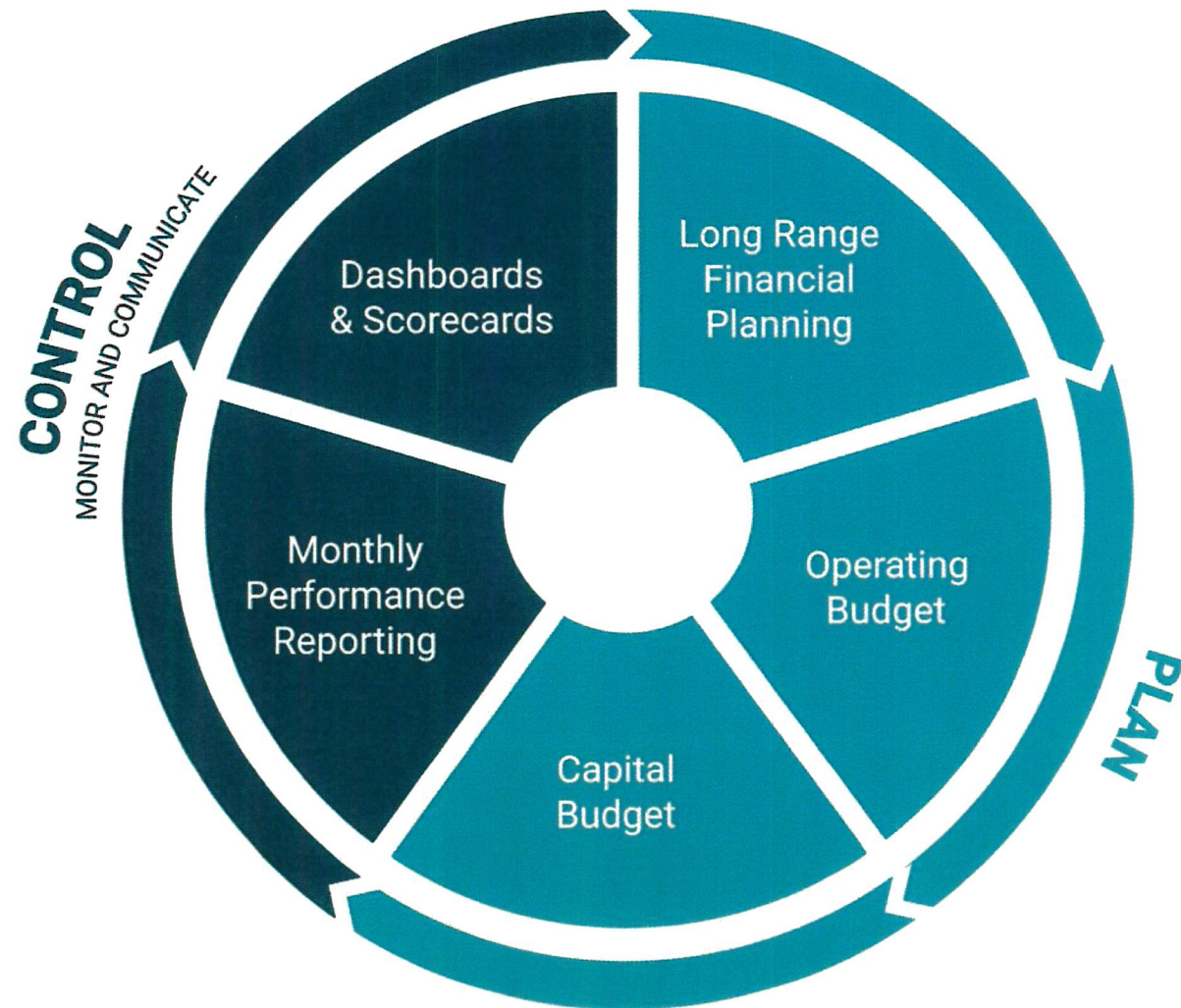


# Budget, Financial Reporting & Forecasting

## Comprehensive Planning and Monitoring

A strong finance organization incorporates a strategic approach to planning and monitoring

The process becomes a “virtuous circle”



# Financial Planning and Analysis Capabilities

## Problems we are addressing:

- My budget process is too time consuming and my managers don't feel they have ownership of their numbers
- My department managers do not have access to the source of their variances
- Finance spending too much time budgeting via Excel spreadsheets

## Capabilities:

- Budgeting
- Long-range financial planning
- Financial reporting
- Variance reporting alerts (threshold-based)

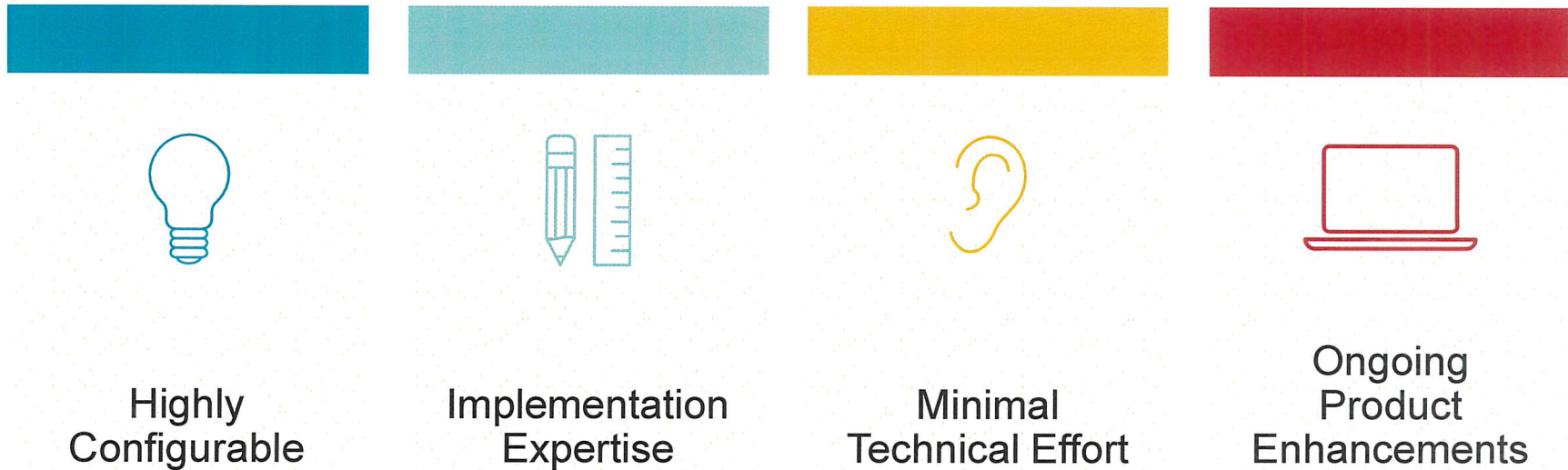
## Value Points:

- Data aggregation creates single source of truth
- Centralized database increases efficiency and reduces errors
- Drill-down visibility into supporting AP/JE/MM details of expense variances
- Streamlined and distributed budgeting process saves time and provides ownership to department managers



# Budget, Financial Reporting & Forecasting

Value beyond the implementation of a tool.



Average Implementation timeline: 6-8 weeks to initial productive use



This Solution Exhibit (the "Solution Exhibit"), effective as of March 7, 2023, is being entered into by and between Premier Healthcare Solutions, Inc. ("Premier"), and San Gorgonio Memorial Hospital ("Customer") pursuant and subject to the Performance Suite™ Solution Subscription Agreement (as amended, the "Agreement") entered into by the parties as of March 7, 2023. Capitalized terms used but not defined herein shall have the same meanings as set forth in the Agreement.

**I. SUMMARY OF THE SOLUTIONS**

This Solution Exhibit, together with any Solution Specific Terms attached hereto and made a part hereof, contains the terms and conditions applicable to the Solution(s) identified in the chart below, and each shall be considered a "Solution" as defined in the Agreement.

SOLUTION(S)	SOLUTION SPECIFIC TERMS
- Budgeting and Financial Reporting	Schedule 1

**II. TERM**

The applicable term for the Solution(s) shall commence as of the Start Date identified below and shall continue until the End Date, identified below (the "Initial Term"). Upon expiration of the applicable Initial Term, Customer's subscription to such Solution(s) shall automatically renew for successive periods equal in length to the Initial Term (each a "Renewal Term", and together with the Initial Term, the "Term"), unless a party delivers written notice to the other party of its intent not to renew the applicable Solution(s) no fewer than ninety (90) days prior to the end of the then current Term.

SOLUTION(S)	START DATE	END DATE	INITIAL TERM
Budgeting and Financial Reporting	3/7/2023	3/6/2028	5 Years

**III. FEES**

A. Solution Fees. The fees applicable to the Solution(s) during the Initial Term are identified in Table 1 below. During any Renewal Term, the fees shall increase annually by 3%.

B. Expenses. Customer shall reimburse Premier for out-of-pocket and travel expenses incurred in connection with the Solutions (the "Premier Expenses"). The Premier Expenses shall be in accordance with the Premier Corporate Travel Policy. Expenses will be invoiced monthly as incurred.

Table 1 Solution(s)	Y1	Y2	Y3	Y4	Y5
	3/7/2023 – 3/6/2024	3/7/2024 – 3/6/2025	3/7/2025 – 3/6/2026	3/7/2026 – 3/6/2027	3/7/2027 – 3/6/2028
Budgeting and Financial Reporting	\$62,776	\$62,776	\$62,776	\$62,776	\$62,776
<b>YEARLY TOTALS</b>	<b>\$62,776</b>	<b>\$62,776</b>	<b>\$62,776</b>	<b>\$62,776</b>	<b>\$62,776</b>

**IV. BILLING INFORMATION**

Billing Contact Name:	Margaret Kammer, Controller	PO Required:	Yes
Billing Email Address:	mkammer@sgmh.org	PO Number*:	
Billing Address:	600 Highland Springs Ave, Banning, CA 92220	Contact Information for PO:	Robert Perez, Director, Materials Management
Billing Frequency:	Monthly	Travel Receipts Required:	Yes
Payment Terms:	30 Days		

\* Purchase Order (PO) to be emailed to [Invoiceinquiries@Premierinc.com](mailto:Invoiceinquiries@Premierinc.com) within 30 days of contract execution. If PO is not provided, invoicing will commence without the PO.

**V. AUTHORIZED USERS**

Only Authorized Users are permitted to access and use the Solution(s). The term "Authorized Users" means the employees of the following Customer facilities:

Entity Code	Customer Facilities	City, State	CCN
727360	San Gorgonio Memorial Hospital	Banning, CA	050054

**SCHEDULE 1****1. Budgeting and Financial Reporting**

- a. **Description of Solution.** Budgeting and Financial Reporting is a financial performance improvement solution that offers flexible budgeting, capital budgeting, long range financial planning, labor management, productivity monitoring, alert-based monitoring along with scorecard and dashboard capabilities. Budgeting and Financial Reporting provides Customer with the ability to build multiple organizational reporting structures, departmental financial reporting vs. fixed and flex budgets, alert driven variance reporting, financial statement drill-down to source detail, labor management/productivity with drill-down to source detail, standard report library (consisting of approximately one-hundred reports), "what-if" modeling, operating budget, capital budget, long term financial planning, dashboards and scorecards
- b. **Implementation On-Site Visits.** Customer will receive four (4) on-site visits which includes the kick-off visit. Additional visits require an additional fee.
- c. **Additional Implementation Related Fees:**
  - If Customer requests additional historical data to be loaded from the same interface beyond the standard "2" years of history, an additional fee will be charged.
  - If Customer requests additional historical or future data be loaded from a different interface from a separate legacy system, an addition fee will be charged.
  - If Customer requests additional entities that need to be interfaced from a different legacy system, have a different chart of accounts or have a different fiscal year, an additional fee will be charged.
- d. **Enhancements.** Customer's subscription to BFR shall include unlimited users, dashboards, financial planning, and migration to the Cloud.
- e. **Ad Hoc Reporting Fee.** If Customer requests Ad Hoc reports to be run by Premier then a fee of \$150 per hour will be charged. The hours charged are defined as the labor hours required to write the queries, audit the data, and complete the requested analysis.
- f. **Statement of Work.** If Customer requests additional assistance pertaining to this Solution Exhibit which is outside the scope of this Solution Exhibit, Premier will review with the Customer the scope of work, identifying the specific requests and requirements and create a "Statement of Work" outlining the scope discussed with the proposed fees.