



April 19, 2019

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in an open Board of Directors meeting at 5:30PM on Monday April 22, 2019 in the Kaweah Delta Medical Center Blue Room {Mineral King Wing – 400 West Mineral King Avenue}.

The Board of Directors of the Kaweah Delta Health Care District will meet in a closed Board of Directors meeting at 5:31PM on Monday April 22, 2019 in the Kaweah Delta Medical Center Blue Room {Mineral King Wing – 400 West Mineral King Avenue} pursuant to Government Code 54956.9(d)(1), Government Code 54956.9(d)(2), Health and Safety Code 32155, and Health and Safety Code 1461.

The Board of Directors of the Kaweah Delta Health Care District will meet in an open Board of Directors meeting at 6:00PM on Monday April 22, 2019 in the Kaweah Delta Medical Center Blue Room {Mineral King Wing – 400 West Mineral King Avenue}.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Delta Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

The disclosable public records related to agendas are available for public inspection at the Kaweah Delta Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA and on the Kaweah Delta Health Care District web page <http://www.kawahdelta.org>.

KAWEAH DELTA HEALTH CARE DISTRICT
Nevin House, Secretary/Treasurer

A handwritten signature in black ink that reads 'Cindy Moccio'.

Cindy Moccio - Board Clerk / Executive Assistant to CEO

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Governing Board
Legal Counsel
Executive Team
Chief of Staff
www.kawahdelta.org



KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING

Kaweah Delta Medical Center {Blue Room}
400 West Mineral King Avenue, Visalia

Monday, April 22, 2019

OPEN MEETING AGENDA {5:30PM}

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the subject matter jurisdictions of the Board are requested to identify themselves at this time.
4. **APPROVAL OF THE CLOSED AGENDA – 5:30PM**
 - 4.1. **Credentialing** - Medical Executive Committee (April 2019) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 - *Harry Lively, MD, Chief of Staff*
 - 4.2. **Conference with Legal Counsel – Existing Litigation** – Pursuant to Government Code 54956.9(d)(1) – *Richard Salinas, Legal Counsel & Evelyn McEntire, Risk Manager*
 1. Rascon – Case # 272009
 2. Rivas – Case # VCU272084
 3. Rocha – Case # 273862
 4. Edison – Case # 265419
 5. Saiz – Case # 276364
 6. Tapia – Case # 276467
 7. Minton – Case # 277205
 8. Lynch – Case # 277292
 - 4.3. **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 5 Cases - *Evelyn McEntire, Risk Manager & Richard Salinas, Legal Counsel*
 - 4.4. **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case – *Dennis Lynch, Legal Counsel*
 - 4.5. **Credentialing** pursuant to Health and Safety Code 1461 and 32155, medical staff privileges - – *Dennis Lynch, Legal Counsel*

4.6. **Approval of closed meeting minutes** – March 25, 2019.

5. ADJOURN

CLOSED MEETING AGENDA {5:30PM}

1. CALL TO ORDER

2. **CREDENTIALING** - Medical Executive Committee (March 2019) requests that the appointment, reappointment and [other credentialing activity](#) regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval pursuant to Health and Safety Code 1461 and 32155

Harry Lively, MD, Chief of Staff

3. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** – Pursuant to Government Code 54956.9(d)(1)

Richard Salinas, Legal Counsel & Evelyn McEntire, Risk Manager

- | | |
|-----------------------------|---------------------------|
| 1. Rascon – Case # 272009 | 5. Saiz – Case # 276364 |
| 2. Rivas – Case # VCU272084 | 6. Tapia – Case # 276467 |
| 3. Rocha – Case # 273862 | 7. Minton – Case # 277205 |
| 4. Edison – Case # 265419 | 8. Lynch – Case # 27729 |

4. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 5 Cases

Evelyn McEntire, Risk Manager & Richard Salinas, Legal Counsel

5. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case

Dennis Lynch, Legal Counsel

6. **CREDENTIALING** pursuant to Health and Safety Code 1461 and 32155, medical staff privileges.

Dennis Lynch, Legal Counsel

7. **APPROVAL OF CLOSED MEETING MINUTES** – [March 25, 2019](#).

Action Requested – Approval of the closed meeting minutes – March 25, 2019.

8. ADJOURN

OPEN MEETING AGENDA {6:00PM}

CALL TO ORDER

1. APPROVAL OF AGENDA

2. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the subject matter jurisdictions of the Board are requested to identify themselves at this time.
3. **CLOSED SESSION ACTION TAKEN** – Report on action(s) taken in closed session.
4. **OPEN MINUTES** – Request for approval of the March 25, 2019 ([5:30PM](#) & [6:00PM](#)), [April 3, 2019](#), and [April 8, 2019](#) open board of directors meeting minutes.
Action Requested – Approval of the open minutes – March 25, April 3, and April 8, 2019.
5. **RECOGNITIONS** – *Herb Hawkins*
 - 5.1. Presentation of Resolution 2026 to [Bradley Garcia - Service Excellence](#) Award – April 2019.
6. **CONSENT CALENDAR** - *All matters under the Consent Calendar will be approved by one motion, unless a Board member request separate action on a specific item.*

6.1. REPORTS

- A. [Medical Staff Recruitment](#)
- B. [Risk Management](#)
- C. [Maternal Child Health](#)
- D. [Investment Report](#)
- E. [Mental Health](#)
- F. [Performance Improvement Dashboard](#)

6.2. POLICIES

- A. Kaweah Delta Health Care District [Financial Assistance Program](#) – full charity and partial charity care programs.
- B. **ADMINISTRATIVE**
 1. [Use of Medical/Allied Health Staff Personal Information](#) AP.170 Revised
 2. [Expenses reimbursable by Foundation restricted funds](#) AP.134 Revised
 3. [Admission Policy](#) AP.124 Revised
- C. **HUMAN RESOURCES**
 1. [Payroll Deductions](#) HR.66 Revised
 2. [Overtime Pay](#) HR.71 Revised
 3. [Language Resource Assistant Program](#) HR.17 Revised
 4. [Time Keeping of Payroll Hours](#) HR.63 Revised
 5. [Drug Free Work Place and Drug/Alcohol Testing](#) HR.200 Revised
 6. [Computer and Communication Devices and Social Media Code of Conduct](#) HR.236 Revised
 7. Exempt Employees Pay/Salary Basis Safe Harbor Provision HR.62 Reviewed

8. Personal Medical Leave	HR.242	Reviewed
9. Pregnancy Disability Leave of Absence	HR.147	Reviewed
10. Paid Family Leave	HR.244	Reviewed
11. Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA) Leave of Absence	HR.145	Reviewed
12. Paid Time Off (PTO), Extended Illness Bank (EIB) and Healthy Workplace, Healthy Families Act of 2014	HR.234	Reviewed
13. Anti-Harassment and Abusive Conduct	HR.13	Reviewed
14. Personal Visits, Calls, Mail and Computer Mail Systems (E-mail)	HR.195	Delete
15. Internal and External Communications	HR.93	Delete
16. Gifts, Tips and Gratuities	HR.189	Delete
17. Staff Member Communications	HR.91	Delete
18. Garnishments	HR.68	Delete

6.3. Kaweah Delta Health Care District Graduate Medical Education diplomas certifying that the Kaweah Delta Health Care District duties for each residency as noted below has been fulfilled.

a) Emergency Medicine

1. Dallas Thomas Beaird, MD
2. David James Tsuneji Fujihara, DO
3. Christopher Goodwill, MD
4. Michael Lee Johnson, DO
5. Norlan Alfonso Maltez, MD
6. Elizabeth Anh Thu Nguyen, MD
7. Christopher Lee Schaefer, DO
8. Caroline Augusta Schrodt, MD
9. Brian Joseph Tanner, MD
10. Dries Matthew Van Dyk, DO

b) Psychiatry

1. Patrick James McLaughlin, DO
2. Latika Kumar Phillips, MD

c) Transitional Year

1. Jason Andrade, DO
2. Suzana Saric Bosanac, MD
3. Danielle Christina Farrar, MD
4. Barry Bardia Golestany, MD
5. Cameron E. Henry, MD
6. Zane Nabil Khademi, MD
7. Ian Stuart Macdonald, DO
8. Joel Dewitt McLouth, MD
9. Ana Mitchell, MD
10. Nathaniel Thomas Moriarty, MD
11. Jonathan David Shader, DO

12. Anderson Hudgens Webb, MD
- d) Family Medicine**
 1. Vanesa Avila, MD
 2. Mary Catherine Heady, DO
 3. Ahmer Khalid, MD
 4. Geoffrey Lange, DO
 5. Naila Mubashar, MD
 6. Suleiman Isaac Saroia, DO

6.4. Approve [Resolution 2027](#) rejecting the claim of Patrick Delgado, Steven Delgado, Bernadette Anderson nee Delgado, Richard Delgado vs. Kaweah Delta Health Care District.

6.5. RECOMMENDATION FROM THE MEDICAL EXECUTIVE COMMITTEE (APRIL 2019).

- A.** [Medical Staff policies](#)
 1. MS53 Temporary Privileges (new)
 2. MS29 Documenting Current Clinical Competence (revised)
- B.** Privileges
 1. [Advanced Practice Provider – Psychiatry](#)

Recommended Action: Approve the April 22, 2019 Consent Calendar.

7. COMMUNITY ENGAGEMENT - Community Advisory Committee – Community Relations – Progress report of committee activities.

Mike Olmos (Co-Chair) and Joti Kaur (Back-Up Co-Chair)

8. [QUALITY – Maternal Child Health](#) - An update on key quality measures and actions associated with the maternal child population.

G Blaine Lake MD, Chair Department of OB/GYN, Julianne Randolph DO, Chair Pediatrics & Jose Dosado MD, Medical Director NICU

9. [STRATEGIC PLAN – Strategic Growth and Innovation](#) – Review of Strategic charters and summaries.

Coby LaBlue, Chief Financial Officer, Kaweah Delta Medical Foundation & Marc Mertz, Vice President of Strategic Planning and Business Development

10. CENTRAL VALLEY HEALTHCARE ALLIANCE – Review of [supply chain initiative](#) as reviewed and recommended by the Central Valley Healthcare Alliance Board of Directors.

Presenter Steve Bajari, Director of Procurement & Logistics – Kaweah Delta, David Francis, Chair & Marc Mertz, Secretary – Central Valley Healthcare Alliance

Recommended Action: Approval of Kaweah Delta’s participation in the Central Valley Healthcare Alliance (CVHA) Supply Chain Initiatives; Reprocessing, Trauma Products, and Instrument Repair Program as reviewed and supported by the CVHA Joint Operating Committee and CVHA Board of Directors

11. **FINANCIALS** – Review of the most current fiscal year 2019 financial results.

Malinda Tupper, VP & Chief Financial Officer

12. **CREDENTIALING** – Medical Executive Committee requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval.

Harry Lively, MD, Chief of Staff

Recommended Action: Whereas a thorough review of all required information and supporting documentation necessary for the consideration of initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations (pursuant to the Medical Staff bylaws) has been completed by the Directors of the clinical services, the Credentials Committee, and the Executive Committee of the Medical Staff, for all of the medical staff scheduled for reappointment, Whereas the basis for the recommendations now before the Board of Trustees regarding initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations has been predicated upon the required reviews, including all supporting documentation, Be it therefore resolved that the following medical staff be approved or reappointed (as applicable), as attached, to the organized medical staff of Kaweah Delta Health Care District for a two year period unless otherwise specified, with physician-specific privileges granted as recommended by the Chief of Service, the Credentials Committee, and the Executive Committee of the Medical Staff and as will be documented on each medical staff member's letter of initial application approval and reappointment from the Board of Trustees and within their individual credentials files.

13. REPORTS

- 13.1. Chief of Staff – Report relative to current Medical Staff events and issues.

Harry Lively, MD, Chief of Staff

- 13.2. Chief Executive Officer Report – Report relative to current Medical Staff events and issues.

Thomas Rayner, SVP & COO

- 13.2.1. California Department of Public Health licensing and Centers for Medicare and Medicaid Services survey.

- 13.3. Board President - Report relative to current events and issues.

Lynn Havard Mirviss, Board President

ADJOURN

In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.

BOARD OF DIRECTORS MEETING – CLOSED SESSION

KAWEAH DELTA HEALTH CARE DISTRICT

BOARD OF DIRECTORS MEETING

MONDAY APRIL 22, 2019

CLOSED MEETING SUPPORTING DOCUMENTS

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BOARD OF DIRECTORS MEETING – CLOSED SESSION

KDHCD - BOARD OF DIRECTORS MEETING

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KAWEAH DELTA HEALTH CARE DISTRICT

BOARD OF DIRECTORS MEETING

MONDAY APRIL 22, 2019

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MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD MONDAY MARCH 25, 2019 5:30PM, IN THE KAWEAH DELTA MEDICAL CENTER MINERAL KING WING BLUE ROOM, LYNN HAVARD MIRVISS PRESIDING

PRESENT: Directors Havard Mirviss, Hawkins Hipskind, House, & Francis; G. Herbst, Chief Executive Officer; T. Rayner, SVP & COO, R. Sawyer, VP & CNO, M. Tupper, VP & CFO; D. Cox, VP of Human Resources, D. Leeper, VP & CIO; Marc Mertz, VP of Strategic Planning and Business Development, D. Volosin, B. Cripps, D. Lynch, Legal Counsel; C. Moccio, Board Clerk

The meeting was called to order at 5:30PM by Director Havard Mirviss.

Director Havard Mirviss asked for approval of the agenda.

MMSC (Hawkins/Francis) to approve the agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

Public participation – none

Director Havard Mirviss called for the approval of the closed agenda.

APPROVAL OF THE CLOSED AGENDA – 5:31PM

- 4.1. Credentialing - Medical Executive Committee (March 2019) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 - Harry Lively, MD, Chief of Staff
- 4.2. Conference with Legal Counsel – Anticipated Litigation – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case - Dennis Lynch, Legal Counsel
- 4.3. Approval of closed meeting minutes – February 25, 2019 and March 4, 2019.

MMSC (Hawkins/House) to approve the closed agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, Hipskind, House, and Francis

Adjourn - Meeting was adjourned at 5:31PM

Lynn Havard Mirviss, President
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

Nevin House, Secretary/Treasurer
Kaweah Delta Health Care District Board of Directors

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD MONDAY MARCH 25, 2019 6:00PM, IN THE KAWEAH DELTA MEDICAL CENTER MINERAL KING WING BLUE ROOM, LYNN HAVARD MIRVISS PRESIDING

PRESENT: Directors Havard Mirviss, Hawkins Hipskind, House, & Francis; G. Herbst, Chief Executive Officer; T. Rayner, SVP & COO, R. Sawyer, VP & CNO, M. Tupper, VP & CFO; D. Cox, VP of Human Resources, D. Leeper, VP & CIO; Marc Mertz, VP of Strategic Planning and Business Development, D. Volosin, B. Cripps, D. Lynch, Legal Counsel; C. Moccio, Board Clerk

The meeting was called to order at 6:00PM by Director Havard Mirviss.

Director Havard Mirviss entertained a motion to approve the agenda.

MMSC (Hawkins/Francis) to approve the open agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

PUBLIC/MEDICAL STAFF PARTICIPATION – None

CLOSED SESSION ACTION TAKEN: Approval of the closed meeting minutes – February 25, 2019 and March 4, 2019 closed minutes.

RECOGNITIONS – *Nevin House*

- Presentation of Resolution 2021 to Alexandria Caviglia - Service Excellence Award – March 2019.
- Presentation of Resolution 2022 to Lorena Nutt for the Patient Safety Hero of the Year award.
- Presentation of Resolution 2023 to Amanda Silva for the Patient Safety Hero of the Year award.
- Presentation of Resolution 2024 to Lynn-Marie Neilson, RN, Home Health Agency retiring from duty after nineteen (19) years of service.

CONSENT CALENDAR – Director Havard Mirviss entertained a motion to approve the consent calendar.

6.1. REPORTS

- A. Medical Staff Recruitment
- B. Environment of Care
- C. Palliative Care
- D. Hospice
- E. Subacute/SNF

6.2. BOARD BYLAWS – Approval of amendment to the Board Bylaws including changes to reflect recent adoption of new Kaweah Delta Mission, Vision, and Pillars.

6.3. BOARD JOB DESCRIPTION – Annual review and approval of the Board job descriptions:

- A. Hospital Board of Directors
- B. Board President
- C. Board Vice President
- D. Individual Board Member

6.4. **POLICIES**

A. **ADMINISTRATIVE**

- | | |
|--|--------------------|
| 1. Workplace Violence Prevention Program | AP.161 Revised |
| 2. Quality Improvement Plan | AP.41 Revised |
| 3. Patient Safety Plan | AP.175 Revised |
| 4. Critical Incident Stress Management | AP.129
Reviewed |

6.5. Approval of the Kaweah Delta Health Care District Annual Audit Plan Calendar Year 2019 as reviewed and approved by the Audit and Compliance Committee on February 13, 2018.

6.6. To ratify the second amendment and restated exclusive provider agreement for anesthesia services between Kaweah Delta Health Care District and Primary Anesthesia Services, P.C. effective March 9, 2019.

6.7. RECOMMENDATION FROM THE MEDICAL EXECUTIVE COMMITTEE (MARCH 2019).

A. Medical Staff Policy

- 1. MS.50 Late Career Policy (revised)

B. Advanced Practice Provider – Emergency Medicine / Urgent Care

6.8. Approve Resolution 2025 rejecting the claim of Laura Miller, Glenn Gilbert, and Lana Whitworth vs. Kaweah Delta Health Care District

MMSC (Hawkins/House) to approve the consent calendar as presented. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

COMMUNITY ENGAGEMENT - Community Engagement Initiatives - Report on the Kaweah Delta Community Engagement Initiative groups - *Deborah Volosin, Director of Community Engagement (copy attached to the original of these minutes and considered a part thereof)*

Community Advisory Committee – Healthcare for Today and Tomorrow – Progress report of committee activities - *Lloyd Hicks (Co-Chair) and Larry Gonzalez (Back-Up Co-Chair)*

- Mr. Hicks summarized some of the activities this committee has been working on;
 - What healthcare needs are currently not being met and what may be needed in the future.
 - Education from staff and meeting with county physicians.
 - Review of demographics and demographic trends.

- Healthcare financing.
- Learning about all of the services offered at Kaweah Delta.
- Three areas of focus for subcommittees meeting: Mental health, physician recruitment and retention, and preventative health programs.
- Mr. Gonzalez noted to the Board that the staff have been very patient and helpful to the committee members. Review of some of the subcommittee activities;
 - Physician recruitment and retention
 - Preventative programs for diabetes, heart disease, COPD, etc.
 - Focus on nutrition – what resources does the hospital have.

QUALITY - Value Based Purchasing - A review of Kaweah Delta's performance in the clinical quality measures included in the Centers for Medicare and Medicaid Value-Based Purchasing program - Thomas Gray, M.D., Medical Director of Quality and Patient Safety (copy attached to the original of these minutes and considered a part thereof)

FINANCIALS – Review of the most current fiscal year 2019 financial results - Malinda Tupper, VP & Chief Financial Officer

- Ms. Tupper noted that the financials are improving, however we are still under budget. Accounts receivable showing a positive trend. This report will be reviewed in detail at a special Board meeting scheduled for April 8th.

MASTER PLANNING STEERING COMMITTEE – Progress report on the Master Plan - Thomas Rayner, SVP & COO and Julieta Moncada, Facilities Planning Director

- KMPG is finalizing the demographic assessment and it will be presented to the Board on April 8th.
- RBB will use this assessment to begin the planning process for potential facility locations and facility design based on current and future anticipated healthcare needs.

CENTRAL VALLEY HEALTHCARE ALLIANCE –Progress report on the Central Valley Healthcare Alliance activities - David Francis, Chair & Marc Mertz, Secretary – Central Valley Healthcare Alliance

- Director Francis noted that there have been two Board meetings. The first in Porterville where the officers of the Board were voted on, first look at the Conflict of Interest Code for the CVHA and the draft bylaws. On March 8th the CVHA finalized the Bylaws and the Conflict of Interest Code and began to discuss some projects that we may be able to get involved with jointly.
- Mr. Mertz noted that the CEO was also named, Doug Dickson, who will work with the Board and provide oversight for the joint operating committee. There is already great momentum and collaboration towards doing great things for our communities.

CREDENTIALING – Harry Lively, MD – Chief of Staff - Medical Executive Committee request that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval.

Director Havard Mirviss requested a motion for the approval of the credentials report excluding the Emergency Medicine providers highlighted on Exhibit A {copy attached to the original of these minutes and considered a part thereof}.

MMSC (House/Hipskind) Whereas a thorough review of all required information and supporting documentation necessary for the consideration of initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations (pursuant to the Medical Staff bylaws) has been completed by the Directors of the clinical services, the Credentials Committee, and the Executive Committee of the Medical Staff, for all of the medical staff scheduled for reappointment, Whereas the basis for the recommendations now before the Board of Trustees regarding initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations has been predicated upon the required reviews, including all supporting documentation, Be it therefore resolved that the following medical staff, excluding Emergency Medicine Providers as highlighted on Exhibit A (copy attached to the original of these minutes and considered a part thereof), be approved or reappointed (as applicable), to the organized medical staff of Kaweah Delta Health Care District for a two year period unless otherwise specified, with physician-specific privileges granted as recommended by the Chief of Service, the Credentials Committee, and the Executive Committee of the Medical Staff and as will be documented on each medical staff member's letter of initial application approval and reappointment from the Board of Trustees and within their individual credentials files. Vote: Director Havard Mirviss, House, Hawkins, Francis & Hipskind – Yes.

Director John Hipskind, MD left the room for the vote on the credentials, for the Emergency Medicine providers as highlighted on Exhibit A {copy attached to the original of these minutes and considered a part thereof}.

MMSC (Francis/House) Whereas a thorough review of all required information and supporting documentation necessary for the consideration of initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations (pursuant to the Medical Staff bylaws) has been completed by the Directors of the clinical services, the Credentials Committee, and the Executive Committee of the Medical Staff, for all of the Emergency Medicine providers scheduled for reappointment. Whereas the basis for the recommendations now before the Board of Trustees regarding initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations has been predicated upon the required reviews, including

all supporting documentation, Be it therefore resolved that the following medical staff Emergency Medicine providers be approved or reappointed (as applicable), to the organized medical staff of Kaweah Delta Health Care District for a two year period unless otherwise specified, with physician-specific privileges granted as recommended by the Chief of Service, the Credentials Committee, and the Executive Committee of the Medical Staff and as will be documented on each medical staff member's letter of initial application approval and reappointment from the Board of Trustees and within their individual credentials files. Vote: Director Havard Mirviss, House, Francis & Hawkins – Yes. Director Hipkind – Absent

CHIEF OF STAFF REPORT – Report from Harry Lively, MD, Chief of Staff:

- Medical Staff is moving forward with an anti-harassment training for the medical staff and it will be mandatory for appointment and reappointment to the medical staff.
- Moving forward with a tool to aid in evaluating a patient's ability or capacity to understand a physician's orders and the patient's decision making abilities to determine if a patient has the capacity to make informed decisions for themselves relative to their personal health.

CHIEF EXECUTIVE OFFICER REPORT – Report from Gary Herbst, Chief Executive Officer:

- Noted appreciation to the Board members who were able to attend the recent patient safety symposium.
- Sequoia Health and Wellness Centers (SHWC) progress - Our family medicine clinic was subsidized \$1 million last year, moving forward with our application for the SHWC will allow us to provide these services to our community in a more financially sound way. The eleven-member Board is being developed, we have been reaching out to potential board members - eight have made formal commitments and four are still pending. The remainder of the application is due by April 11. We currently have 34 letters of support and more coming in every day from various community leaders, including three existing FQHC's, some using template others writing their own personal letters. We have received one letter in opposition from Family Health Care Network. Tulare County sent a neutral letter, could not support but will not oppose. The Kaweah Delta Board will appoint a CEO to oversee the SHWC's. and will appoint the first Board members to serve on the SHWC's Board of Directors.
- Mr. Herbst recently attended the annual joint retreat of the Key Medical Group board and Foundation board. There was great comradery and common vision among those in attendance. There will be a task force formed to work on the path that needs to be taken to achieve some of the goals discussed at the retreat.
- Emergency Department – There was an unforeseen issue with the roof in the emergency department waiting room and as a result, the Mineral King Lobby will temporarily serve as the waiting room for the emergency department. It will take approximately four months before the repairs to the roof are completed. We are

also studying the potential of converting the Acequia Wing to serve as the Medical Center's main entry. Zone 4 is under construction with occupancy anticipated in October. Zone 5 under construction with anticipated opening for patient care in November 2020.

BOARD PRESIDENT REPORT – Report from Lynn Havard Mirviss, Board President:

- Director Havard Mirviss noted that the Key Medical retreat was inspirational and she hopes that the physicians there can spread that feeling to the medical community.

Adjourn - Meeting was adjourned at 7:52PM

Lynn Havard Mirviss, Board President
Kaweah Delta Health Care District and the Board of Directors
Thereof

ATTEST:

Nevin House, Secretary/Treasurer
Kaweah Delta Health Care District Board of Directors

MINUTES OF THE SPECIAL OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD MONDAY APRIL 3, 2019 4:00PM, IN THE KAWEAH DELTA MEDICAL CENTER ACEQUIA WING EXECUTIVE OFFICE CONFERENCE ROOM, LYNN HAVARD MIRVISS PRESIDING

PRESENT: Directors Havard Mirviss, Hawkins Hipskind, House, & Francis; G. Herbst, Chief Executive Officer; Marc Mertz, VP of Strategic Planning and Business Development, Minty Dillon, Ryan Gates, Dennis Lynch, Legal Counsel; C. Moccio, Board Clerk

The meeting was called to order at 4:00PM by Director Havard Mirviss.

Director Havard Mirviss entertained a motion to approve the agenda.

MMSC (House/Hawkins) to approve the open agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

SEQUOIA HEALTH AND WELLNESS CENTERS (SHWC)– Next steps required to establish governance and organization structure of Sequoia Health and Wellness Centers.

Approval of the eleven (11) member SHWC's Board of Directors – Review and discussion relative to the Sequoia Health and Wellness Centers recommended Board of Directors (copy attached to the original of these minutes and considered a part thereof).

MMSC (Hawkins/House) Approval of the eleven (11) member board (5 community members and 6 patient members) to serve as the Board for the Sequoia Health and Wellness Centers. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis Director Francis abstained from the vote for Lester Costa

Approval of Co-Applicant Agreement by and between Sequoia Health and Wellness Centers and Kaweah Delta Health Care District (copy attached to the original of these minutes and considered a part thereof)

MMSC (Hawkins/Hipskind) to approve the Co-Applicant Agreement by and between Sequoia Health and Wellness Centers, A California Nonprofit Public Benefit Corporation and Kaweah Delta Health Care District, A California Health Care District. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

Appointment of Chief Executive Officer (CEO) of SHWC's – Review and discussion of candidate for CEO of SHWC's (copy attached to the original of these minutes and considered a part thereof).

MMSC (Hawkins/Hipskind) to approve Ryan Gates, PharmD, to serve as the Chief Executive Officer for the Sequoia Health and Wellness Centers. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

Adjourn - Meeting was adjourned at 4:55PM

Lynn Havard Mirviss, Board President
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

Nevin House, Secretary/Treasurer
Kaweah Delta Health Care District Board of Directors

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD MONDAY APRIL 8, 2019 10:30AM, IN THE KAWEAH DELTA MEDICAL CENTER MINERAL KING WING BLUE ROOM, LYNN HAVARD MIRVISS PRESIDING

PRESENT: Directors Havard Mirviss, Hawkins Hipskind, House, & Francis; G. Herbst, CEO; T. Rayner, SVP & COO, R. Sawyer, VP & CNO, M. Tupper, VP & CFO; D. Cox, VP of Human Resources, D. Leeper, VP & CIO; Marc Mertz, VP of Strategic Planning and Business Development, M. Williams, C. Moccio, Board Clerk

The meeting was called to order at 10:33AM by Director Havard Mirviss.

Director Havard Mirviss entertained a motion to approve the agenda.

MMSC (Francis/Hipskind) to approve the open agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Hawkins, House, Hipskind, and Francis

PUBLIC/MEDICAL STAFF PARTICIPATION – None

KAWEAH DELTA MASTER FACILITIES PLANNING – Facility planning assessment; Kaweah Delta, RBB Architects, Inc., and KPMG – Panos Lykidis, Managing Director, KPMG Advisory Services; Kevin Boots, AIA, LEED AP, Senior Vice President, Director of Production, RBB Architects, Inc.; Julieta Moncada, Kaweah Delta Director of Facilities and Planning

- In depth review of the Kaweah Delta, RBB, and KPMG Facility Planning Assessment (copy attached to the original of these minutes and considered a part thereof). Discussion included;
 - Population growth projection, Visalia is growing at a faster rate however, the outlying areas serviced by Kaweah Delta are growing at a slower rate which is why the population growth rate stated in the presentation is lower than the Visalia growth rate.
 - Discussion regarding the impact that length of stay has on the bed need projections.
 - Discussion regarding remaining downtown, clean dirt, and the future of the Mineral King Wing of the downtown Kaweah Delta Medical Center.
 - Next steps; the next Board presentation relative to the Master Plan will be in June to discuss the results of a study of square footage needed to operate the hospital now and in the future.

FINANCIALS – Review of the most current fiscal year 2019 financial results - Malinda Tupper, VP & Chief Financial Officer

- Detailed review of the most current fiscal year 2019 financial results (copy attached to the original of these minutes and considered a part thereof). In depth discussion included;
 - Supplemental government payments.
 - Salary and wages are getting closer to meeting budget.
 - Medical supply costs have gone down.
 - Discussion of bond covenants, cash on hand, and building our debt capacity.

ADJOURN - Meeting was adjourned at 1:20PM

Lynn Havard Mirviss, Board President
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

Nevin House, Secretary/Treasurer
Kaweah Delta Health Care District Board of Directors

Service Excellence April 2019

Bradley Garcia, Cafeteria Worker {3 Years}

Nominated By: Ed Largoza

Comments: I had the pleasure of serving alongside Bradley at the Holiday Meal for our night shift. Bradley was professional, hardworking and extremely supportive in our efforts to feed the large, hungry masses that turned out for the celebratory meal. Even more amazing than his work ethic was his relationships with his co-workers. Person after person that went through the line stopped to give Bradley a boisterous greeting. It was obvious that the enthusiastic salutations erupted from a place of genuine respect and affection for this special individual. The friendly relationships he has fostered over the years was on full display that night! Bradley wears a warm, infectious smile on his face and welcomes all with sincerity and good will. Bradley embodies all the tenants of Kaweah Care and his consistent high quality service makes him an ideal candidate to receive our Service Excellence Award. Thank you and job well done Bradley!.

Feedback from Lawrence Headley, Director Food & Nutrition Services

On the evening of January 1st 2019, Bradley was working in the cafeteria; a young lady walked in and informed him how thankful she was that we were open. Bradley was inclined to think that the visitor was under the assumption that the cafeteria would have been shut down due to the holiday. The young lady approached him and said, "Thank you for being open today and serving us food." Bradley was quite taken aback by this kind gesture, as this is not something that is heard on a daily basis working in food service.

As moments passed by, Bradley then asked the visitor what it was that she had for lunch that day. She informed him that she had yet to purchase anything, but that she was intent on trying some of our delicious lentil soup. Bradley couldn't help but notice the sadness in her voice as she spoke to him, and it provoked him to ask whom it was that she was visiting in the hospital. She was visiting her ill husband who was in the ICU receiving care from our amazing physicians.

In this moment, Bradley felt deeply bent on doing something for this young lady. Bradley handed over his badge to the cashier and advised her to go ahead and use his employee badge to cover the costs of the young lady's items. He then walked away to grab a tray for the young lady and as he approached the register with the tray in hand, he couldn't help but notice the young lady was brought to tears. He asked her what was wrong, and she had told him that he didn't need to do what he had just done. Bradley told her not to worry about it, and to enjoy the meal.

Moments later, Lora Keller, LVN, presented Bradley with a JWD meal coupon for his kind gesture. The next day, as he came into his shift, the morning cashier presented him with an envelope addressed with his name on it. When he asked who it was from, his coworker said that it was from a visitor that he had helped the night prior. As he opened the envelope, he was quite pleasantly surprised to see what was inside. First, there was a note that read: *"You have no idea what a difference your kindness made. Thank you. You are a wonderful and kind person. Thank you for your*

kind gesture!" Along with the kindhearted note there was a small token of appreciation. Bradley was quite flattered to say the least! In no way was it his intention to make the visitor feel as though that she was inclined to pay him back somehow. Bradley wished he could have said thank you. He immediately went into my office to share the exciting news.

Bradley and Food Services made a difference in this young lady's stay here at Kaweah Delta on New Year's Day. As a 24-hour establishment, it is quite the convenience to offer meal service during the rather slow holiday for our patients and their families, who do not choose to come to the hospital during the holidays. Bradley said "It is my honor to work and serve each and every person who walked through those doors on that day, just as if it were any other day. A lot of people do not understand just how hard and diligent the Food Services department here at Kaweah Delta works to provide quality service and care to our guests, day in and day out. It is a great pleasure of mine to represent this department, and to work with such amazing staff and leadership."

Kaweah Delta Physician Recruitment Open Position Snapshot - April 2019

Prepared by: Brittany Taylor, Senior Physician Recruiter btaylor@kdhcd.org - (559)624-2899

Date prepared: 4/18/2019

Bryson Cancer Center	
Medical Oncologist	1
Nurse Practitioner	1

Central Valley Critical Care Medicine	
Intensivist	4
Hospitalist	6

Delta Doctors Inc. (Formerly Kaweah Exeter Medical Group)	
Adult Primary Care	2
OB/Gyn	2

IQ Surgical Associates	
GI Hospitalist	3

Key Medical Group	
Adult Primary Care	3

Orthopaedic Associates	
Orthopedic Surgery - Spine	1
Orthopedic Surgery - Hand	1

Sequoia Radiation Oncology Medical Associates	
Radiation Oncology	1

Somnia	
Anesthesiology - Cardiac/General	1

Valley Children's Health Care	
Maternal Fetal Medicine	2
Neonatology	2

Visalia Medical Clinic (Kaweah Delta Medical Foundation)	
Dermatology	2
ENT	1
Family Medicine	1
Gastroenterology	2
Internal Medicine	2
OB/GYN	3
Orthopedic Surgery	1
Pediatrics	2
Psychiatry	2
Radiology	1
Rheumatology	1
Urology (1- physician; 1-APP)	2
Palliative Medicine	2

Vituity - Family Medicine Clinic	
Family Medicine Core Faculty	1

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
Anesthesiology - Cardiac	Somnia	Dahl, M.D.	Aaron	09/19	American Board of Anesthesiology, Certified; Critical Care Medicine, Certified	CA licensed	Pending dates for a site visit - May Tentative
Anesthesiology - Pain	Somnia	Hockett, M.D.	Greta	07/19	American Board of Anesthesiology, Certified	CA licensed; completing fellowship training in Regional Anesthesiology and Acute Pain Medicine	Offer accepted
Anesthesiology - Pain	Somnia	Sandhu, M.D.	Navpark	05/19	American Board of Anesthesiology, Certified	CA licensed; Director of Acute Pain Services/Core Faculty	Currently under review
Anesthesiology	Somnia	Gee, M.D.	Quinn	TBD	American Board of Anesthesiology, Certified	CA licensed; returning provider	Start Date: 4/15/19
Anesthesiology	Somnia	Romo, M.D.	Richard	04/19	American Board of Anesthesiology, Certified	CA licensed	Start Date: 4/8/19
Cardiothoracic Surgery	Golden State Cardiac & Thoracic Surgery	Carrizo, M.D.	Gonzalo	08/19	American Board of Thoracic Surgery, Certified	CA licensed; Bilingual in Spanish; Responded directly through Cleveland Clinic Foundation posting on 7/27/18	Start Date pending
Family Medicine	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Patty, M.D.	Christina	08/20	American Board of Family Medicine, Eligible	CA licensed; Currently completing training with UCSF in Fresno	Site Visit: 2/5/19; Offer accepted
Family Medicine	Delta Doctors, Inc.	Amari, M.D.	Ahmed	07/19	American Board of Family Medicine, Eligible	No CA license; Candidate referred by Dr. Swehli, KEMG	Site Visit: 2/15/19; Contract pending review
Family Medicine	Delta Doctors, Inc.	Mubashar, M.D.	Naila	08/19	American Board of Family Medicine, Eligible	CA license; Current Kaweah Delta Family Medicine resident; Fluent in Urdu, Hindi, and Punjabi	Site Visit date pending.

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
Family Medicine	Key Medical Associates	Janvelian, M.D.	Vladimir	07/20	American Board of Family Medicine, Eligible	Spouse is FNP; Also considering local private practices; Presented by local group on 11/28/18.	Site visit: 12/5/18; 2nd Site visit: 3/15/19
Family Medicine	Key Medical Associates	Lee, M.D.	Paul Jie	07/19	American Board of Family Medicine, Eligible	No CA license; Presented by Carson Kolb in 2/2019	Site Visit: 2/20/19; pending 2nd visit
Family Medicine	Key Medical Associates	Thussu, M.D.	Neelesh	07/19	TBD	Presented by Carson Kolb in 3/2019	Site Visit: 3/22/19
Family Medicine	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Quakenbush, M.D.	Todd	08/19	American Board of Family Medicine, Certified	CA Licensed; presented by Fidelis Partners on 4/16/19	Pending phone interview
Family Medicine	Vituity	Myrick, M.D., Ph.D.	Leila	07/20	American Board of Family Medicine, Eligible	Candidate applied to Practice Match email blast	Site Visit: 7/9/19
Gastroenterology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Abdul-Hussein, M.D.	Mustafa	07/19	American Board of Internal Medicine, Certified	No CA license, Candidate applied to PracticeLink Job posting	Site Visit: 4/17/19
Gastroenterology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Singh, D.O.	Shelly	ASAP	American Board of Internal Medicine, Certified; American Board of Gastroenterology, Eligible	CA License; Presented by Enterprise Medical Recruiting on 4/2/2019	Pending dates for a site visit
Gastroenterology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Hsueh, M.D.	William	08/19	American Board of Internal Medicine, Certified	No CA license; Presented by Fidelis Partners on 7/25/17	Site Visit: 11/10/17; offer accepted
Hospitalist	Central Valley Critical Care Medicine	Bates, D.O.	Zhanna	07/19	American Osteopathic Board of Internal Medicine, Eligible	Presented by Vista Staffing on 3/5/2019	Site Visit: 3/19/19; Offer pending
Hospitalist	Central Valley Critical Care Medicine	Daryanani, D.O.	Michelle	07/19	American Osteopathic Board of Critical Care, Certified; American Osteopathic Board of Anesthesiology, Certified	No CA license; Presented by Merritt Hawkins on 1/9/2019	Site Visit: 1/25/19

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
Hospitalist	Central Valley Critical Care Medicine	Malik, D.O.	Ankit	ASAP	American Board of Family Medicine, Certified; American Osteopathic Board of Family Physicians, Certified	CA licensed; Candidate applied directly to association job posting on 3/6/19	Currently under review
Hospitalist	Central Valley Critical Care Medicine	Mukhtar, D.O.	Nadeem	TBD	American Board of Internal Medicine, Eligible	No CA license; Candidate applied directly to Practice Match job position. Fluent in Urdu, Hindi, Punjabi, and basic Spanish	Site Visit: 4/13/19; References in progress
Hospitalist	Central Valley Critical Care Medicine	Shurbaji, M.D.	Adam	TBD	TBD	Candidate identified by attendance at CareerMD Career Fair	Site visit pending
Hospitalist	Central Valley Critical Care Medicine	Su, M.D.	Cindy	07/19	TBD	CA licensed; Candidate applied directly to DocCafe job posting on 1/5/19	Currently under review
Hospitalist	Central Valley Critical Care Medicine	Swe, M.D.	Khine	07/19	American Board of Internal Medicine, Certified	CA licensed; Candidate presented by Vista Staffing Solutions	Site Visit: 2/28/19. Offer extended; considering other opportunities
Hospitalist	Central Valley Critical Care Medicine	Abdelmisseh, M.D.	Mariam	07/19	American Board of Family Medicine, Eligible	CA licensed; completing residency at Kern Medical in Bakersfield; Presented by Vista Staffing	Site Visit: 10/2/18; offer accepted
Hospitalist	Valley Hospitalist Medical Group	Reddy, M.D.	Sandhya	07/19	American Board of Internal Medicine, Eligible	CA licensed; Referred by local Cardiologist	Offer accepted
Hospitalist	Valley Hospitalist Medical Group	Khalid, M.D.	Ahmer	07/19	American Board of Family Medicine, Eligible	CA licensed; Currently Kaweah Delta Family Medicine Resident	Currently under review. Offer accepted

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
Hospitalist	Valley Hospitalist Medical Group	Tedaldi, M.D.	Michael	07/19	American Board of Internal Medicine, Eligible	CA licensed; Spouse is currently Resident with KDHC General Surgery program; Candidate reached out directly on 11/10/17	Site Visit: 11/14/17; offer accepted
Hospitalist (Nocturnist)	Valley Hospitalist Medical Group	Mann, D.O.	Harjit	TBD	American Osteopathic Board of Internal Medicine, Certified	CA licensed; Candidate was part-time, per diem and decided to come full-time	Offer accepted
Intensivist	Central Valley Critical Care Medicine	Adial, M.D.	Ajay	01/20	American Board of Internal Medicine, Certified	No CA license; Completing Pulmonary & Critical Care Fellowship. Presented by Fidelis Partners on 2/25/19	Currently under review
Intensivist	Central Valley Critical Care Medicine	Aftab, M.D.	Waqas	07/19	American Board of Internal Medicine, Certified; Nephrology, Certified; Critical Care, Eligible	CA licensed; Candidate applied directly on 1/3/19	Site Visit: 3/16/19; Offer pending
Intensivist	Central Valley Critical Care Medicine	Bharati, M.D.	Pankaj	TBD	American Board of Internal Medicine, Certified	CA licensed; Candidate presented by Merritt Hawkins	Site Visit: 04/19/19
Intensivist	Central Valley Critical Care Medicine	Sazgar, M.D.	Sasan	07/20	American Board of Internal Medicine, Certified	CA licensed; Candidate applied directly on 1/12/19 to HealthCareers posting. Previously practiced in Fresno before going into fellowship.	Site Visit Pending dates in June/July
Internal Medicine	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Shams, M.D.	Sharminah	07/19	American Board of Internal Medicine, Certified	CA licensed; Worked with VMC previously; Spouse is Dr. Reza Rafie, Interventional Cardiologist.	Offer accepted

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
Interventional Cardiology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Rafie, M.D.	Reza	07/19	American Board of Internal Medicine, Certified; American Board of Internal Medicine - Cardiovascular Disease, Certified	CA licensed; Worked with VMC previously; Spouse is Dr. Sharminah Shams, Internal Medicine	Offer accepted
Interventional Radiology	Mineral King Radiology Group	Valles, M.D.	Francisco	07/19	American Board of Radiology, Eligible	Presented by Fidelis Partners on 11/30/18	Offer accepted
Maternal Fetal Medicine - Medical Director	Valley Children's Hospital	Hole, D.O.	James	TBD	American Board of Obstetrics and Gynecology, Certified	No CA license; Presented by VCH on 4/3/19	Site visit: 5/03/19
Maternal Fetal Medicine	Valley Children's Hospital	Starikov, M.D.	Roman	07/19	TBD	No CA license; Presented by VCH on 4/2/19	Site visit: 5/03/19
Neonatology	Valley Children's Hospital	Box, M.D.	David	07/20	American Board of Pediatrics, Certified	No CA license; Presented by VCH on 4/1/2019	Site visit pending dates
Neonatology	Valley Children's Hospital	Gerard, M.D.	Kimberley	01/20	American Board of Pediatrics, Eligible	No CA license; Presented by VCH on 11/28/18	Site Visit: 1/11/19; Tentative start date: 1/6/20
Neonatology	Valley Children's Hospital	Concina, M.D.	Vanessa	03/19	American Board of Pediatrics, Certified	No CA license; Presented by VCH on 11/12/18	Site Visit: 12/10/18; Offer accepted. Tentative start date: 5/6/19
Neonatology	Valley Children's Hospital	Aboaziza, M.D.	Ahmad	06/19	American Board of Pediatrics, Certified	CA licensed; Candidate applied directly upon recommendation from Dr. Swehli, KEMG on 8/31/18	Site Visit: 11/06/18; offer accepted, tentative start date: 9/9/19
Nurse Practitioner - Urology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Garcia, RN, FNP-C, CRNFA	Yvette	01/19	American Academy of Nurse Practitioners, National Certification	National Certification in Perioperative Nursing - CNOR; Certified RN First Assist	Offer in progress

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
OB/GYN	Delta Doctors, Inc./ Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Eperjesi, M.D.	Jan	TBD	American Board of Obstetrics and Gynecology, Certified	CA licensed; Presented by Fidelis Partners on 4/1/19	Site visit Pending dates
OB/GYN	Delta Doctors, Inc.	Morales, M.D.	Victor	07/19	American Board of Obstetrics and Gynecology, Certified	CA licensed; Presented by Fidelis Partners on 4/1/19. Spouse is Dr. Ana-Liza Pascual, OB/GYN	Site Visit Pending dates
OB/GYN	Delta Doctors, Inc.	Pascual, M.D.	Ana-Liza	07/19	American Board of Obstetrics and Gynecology, Eligible	CA license; Presented by Physician Empire on 4/4/19. Spouse is Dr. Víctor Morales, OB/GYN	Site Visit Pending dates
Orthopedic Surgery - Adult Reconstruction	Independent	Sivananthan, M.D.	Sureshan	05/19	Eligible for Board Certification through "Academic Pathway"	CA licensed; Presented by Dr. Jonathan Liu on 11/19/18	Site Visit: 12/14/18; 2nd Site Visit: 1/11/19; Offer accepted; pending credentialing
Orthopedic Surgery - Adult Reconstruction	Orthopaedic Associates	Kim, D.O.	Jun	08/19	American Board of Orthopedic Surgery, Eligible	No CA license; Direct candidate referred by Dr. Bruce Le on 12/11/17	Site visit: 3/1/18; offer accepted
Orthopedic Surgery - Spine	Orthopaedic Associates	Daniels, M.D.	Mathias	TBD	American Board of Orthopedic Surgery, Certified	CA Licensed; Candidate presented by Fidelis Partners on 3/28/19	Tentative site visit: 6/27/19
Orthopedic Surgery - Spine	Orthopaedic Associates	Hasan, M.D.	Saqib	07/19	American Board of Orthopedic Surgery, Eligible	CA licensed, Candidate presented by Physician Empire on 4/1/2019	Phone interview: 4/19/19
Orthopedic Surgery - Spine	Orthopaedic Associates	Srinivas, M.D.	Ravi	08/20	American Board of Orthopedic Surgery, Eligible	CA licensed; Candidate presented by Fidelis Partners on 3/19/19	Site Visit Pending dates in June/July
Otolaryngology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Roos, D.O.	Jason	TBD	American Osteopathic Board of Otolaryngology, Certified	Candidate presented by Fidelis Partners on 3/5/2019	Site visit: 4/19/19

Candidate Activity							
Specialty	Group	Last Name	First Name	Availability	Board Certification	Miscellaneous	Current Status
Palliative Medicine	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Watson, D.O.	Nori	04/18	American Osteopathic Board of Internal Medicine, Certified; American Board of Hospice & Palliative Medicine, Eligible	CA licensed; Candidate presented by Doximity on 11/01/2018	Site Visit Pending May/June 2019
Pediatric Hospitalist	Valley Children's Hospital	Valladares, M.D.	Enrique	07/19	American Board of Pediatrics, Eligible	No CA license; Spouse is Internal Medicine physician considering FHCN; Presented by VCH on 8/15/18	Site Visit: 8/24/18; offer accepted
Plastic Surgery/OMF	Sequoia Institute for Surgical Services, Inc.	Nair, M.D.	Narayanan	TBD	American Board of Surgery, Certified	Presented by Dr. Jonathan Liu on 10/4/18	2nd Site Visit: 3/25/19; Offer accepted
Podiatry	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Ghai, D.P.M.	Ajay	08/19	American Board of Podiatric Medicine, Eligible	No CA license; Candidate applied directly on 8/1/2018	Site Visit: 9/27/18; offer accepted
Radiology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Nasehi, M.D.	Leyla	07/20	American Board of Radiology, Eligible	Candidate applied to Practice Match text blast	References/site visit pending
Vascular Surgery	South Valley Vascular	Nye, D.O.	David	08/19	American Osteopathic Board of Surgery - General Surgery, Eligible	No CA license; Candidate applied directly with group	Site Visit: 8/8/18; offer accepted



Risk Management Report – Open

1st Quarter 2019

April 22, 2019

Evelyn McEntire

Director of Risk Management

KAWEAH DELTA HEALTH CARE DISTRICT

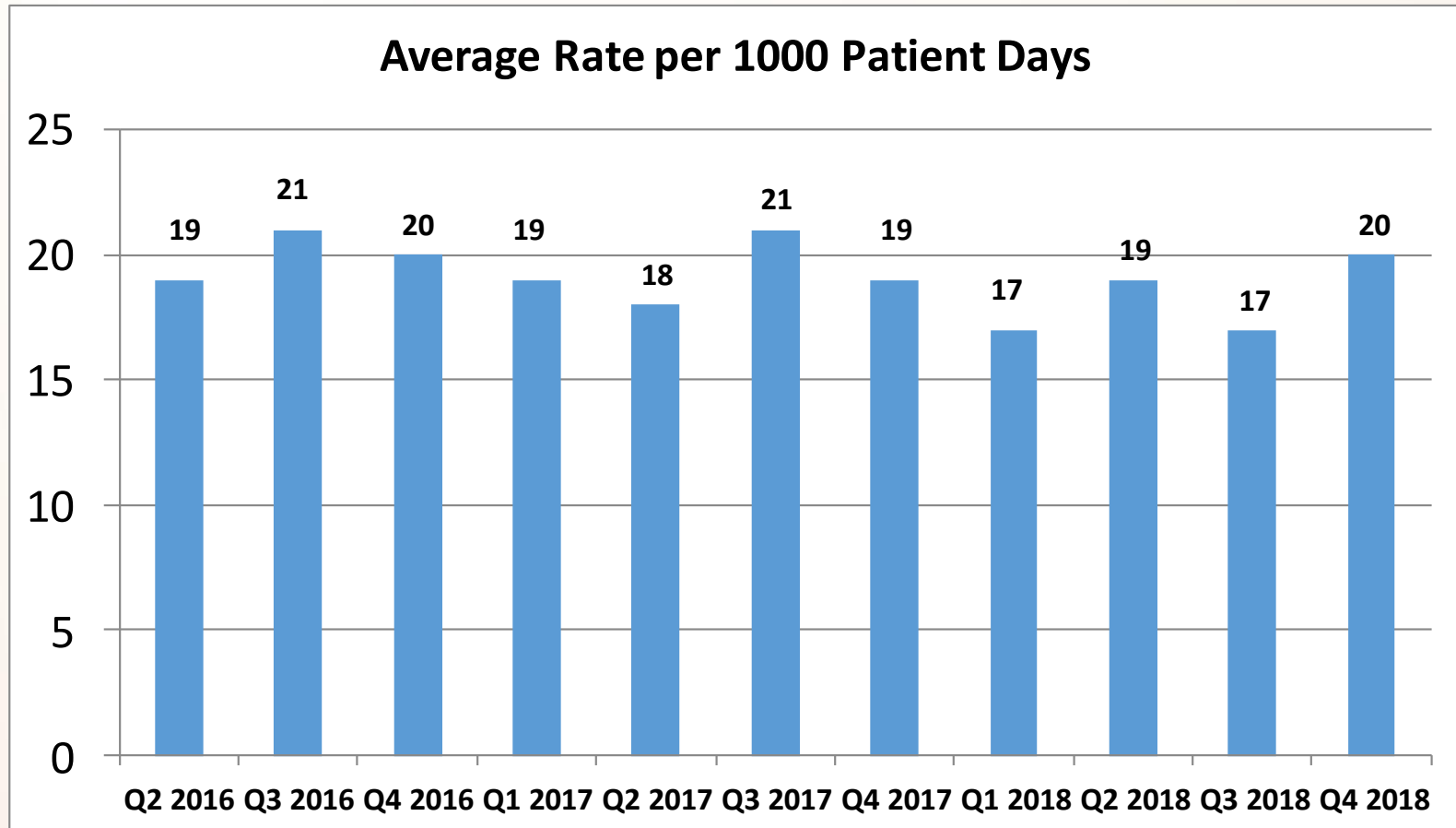
Risk Management Goals

1. Promote a safety culture as a proactive risk reduction strategy.
2. Reduce frequency and severity of harm (patient and non-patient).
 - Zero incidents of “never events”
3. Reduce frequency and severity of claims.



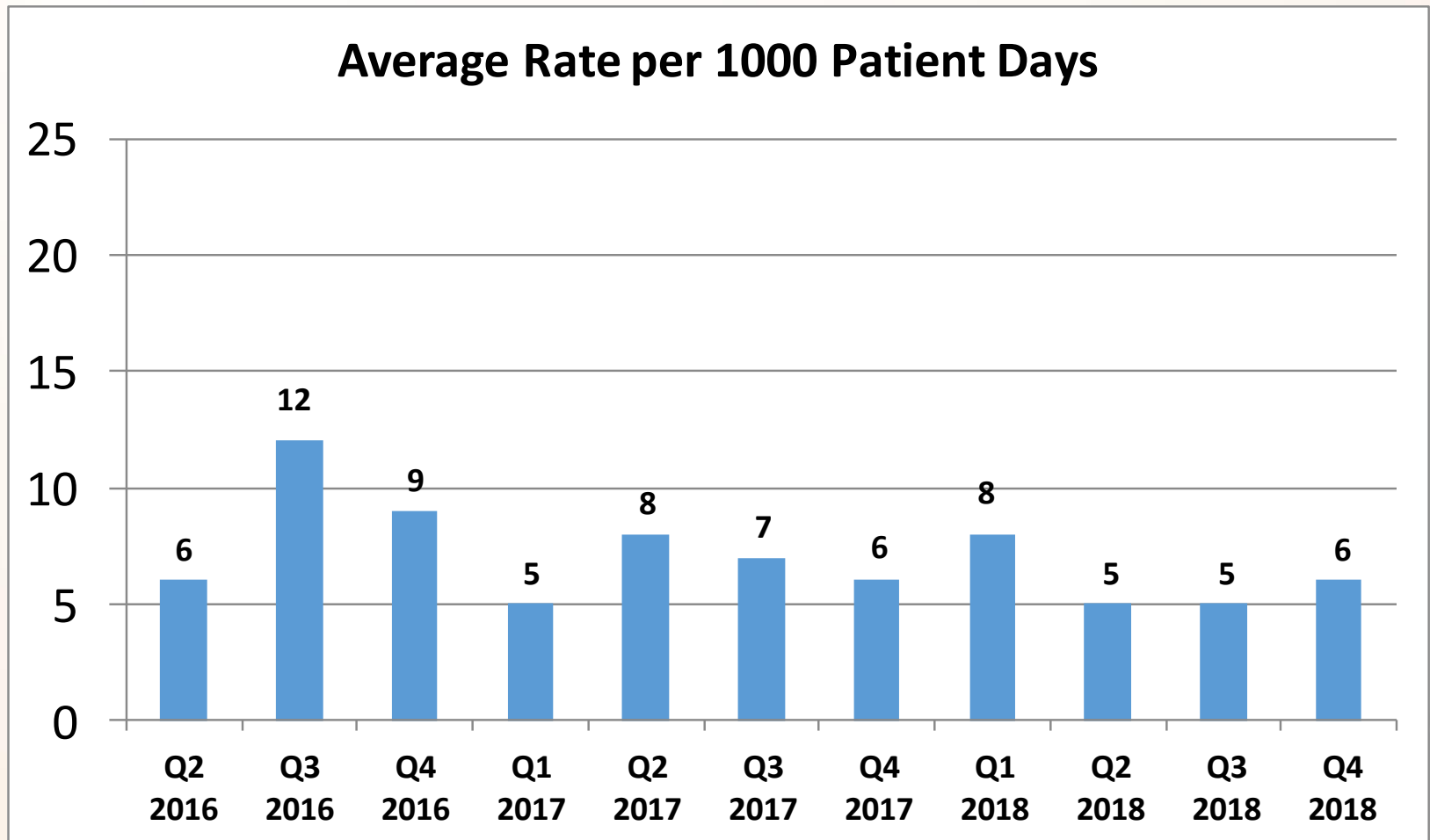
Acute Care Event Reports

2016 - 2018



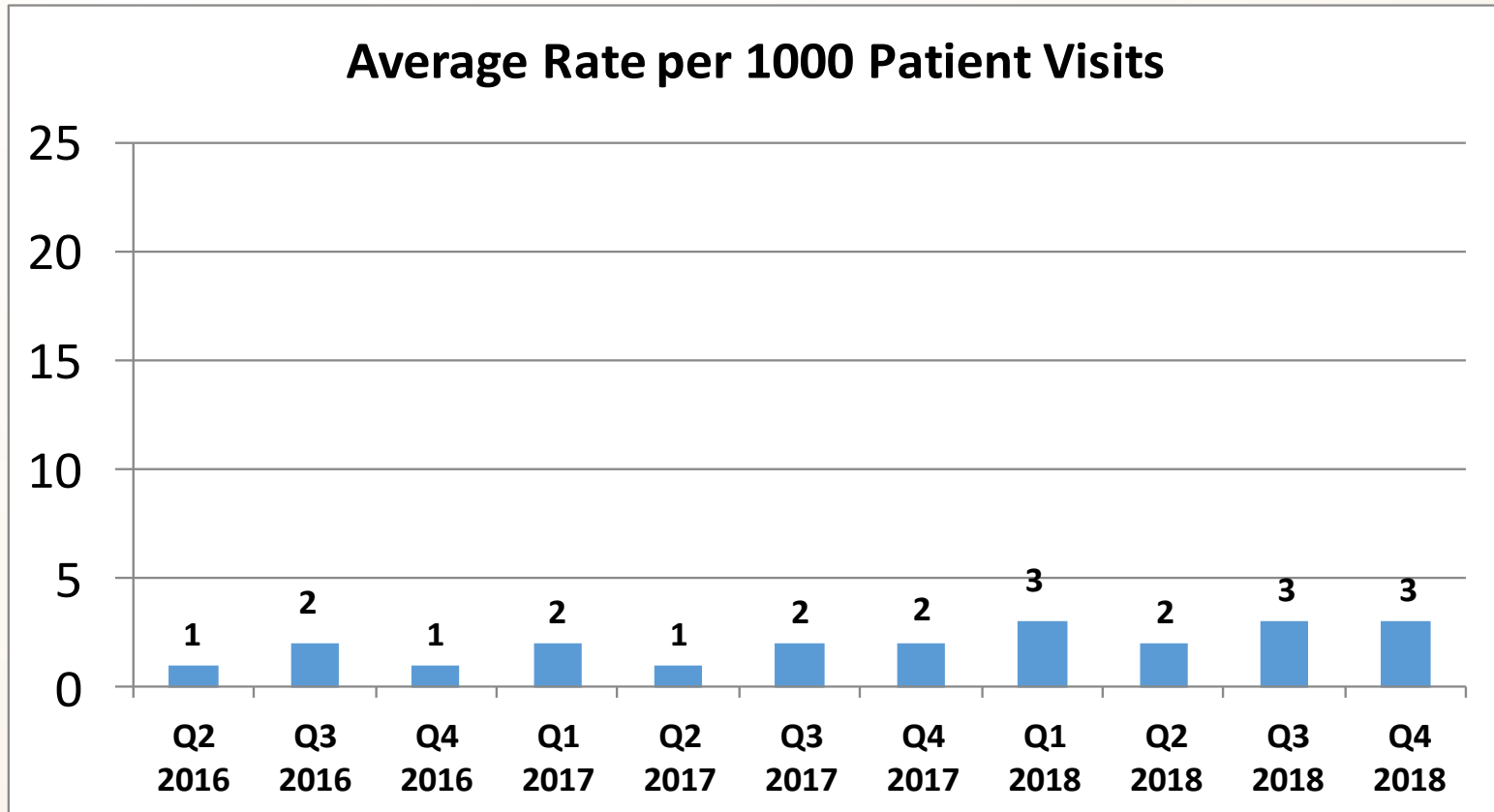
Sub Acute Event Reports

2016-2018



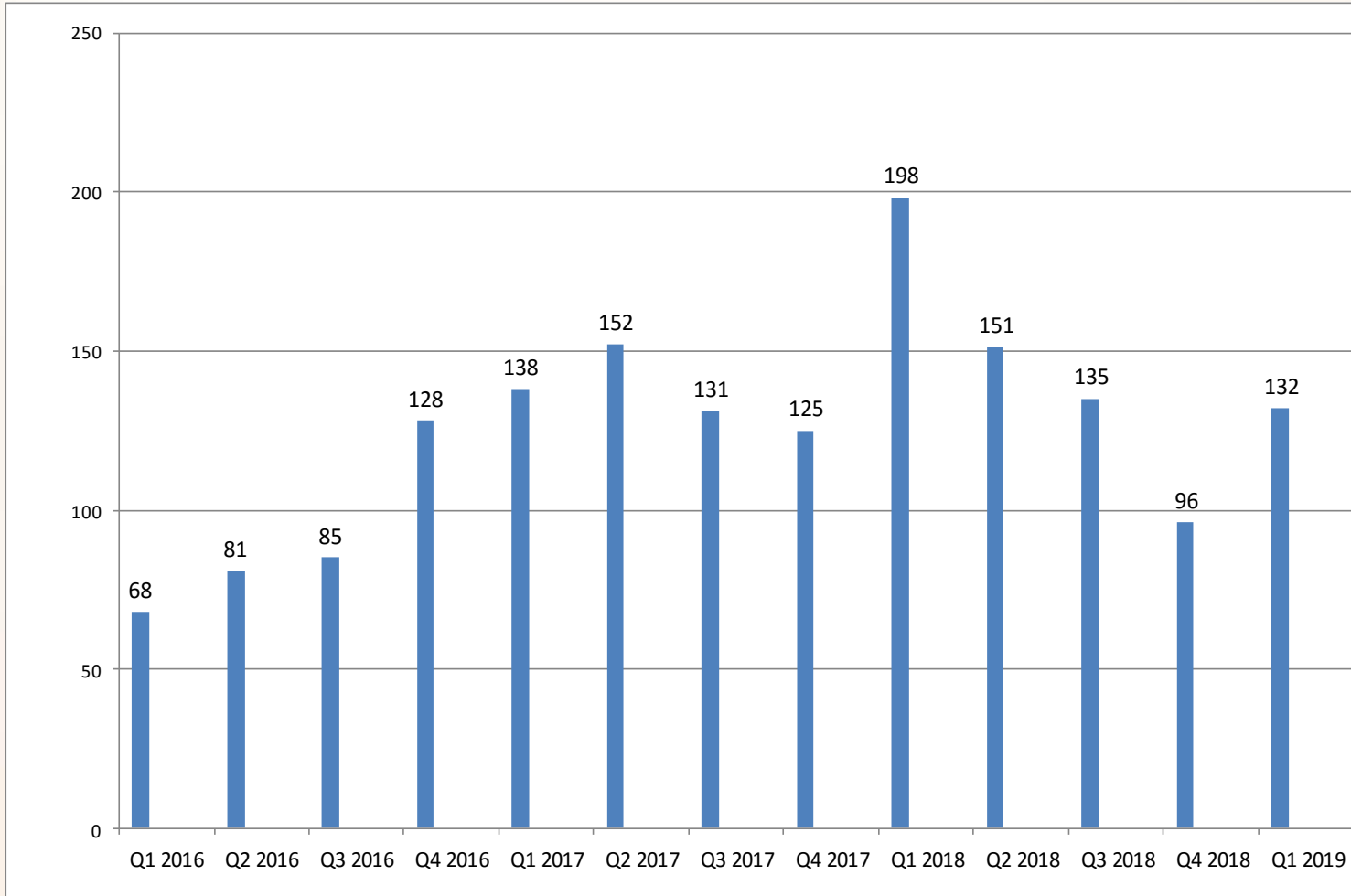
Outpatient Event Reports

2016-2018



Complaints & Grievances

2016-2019



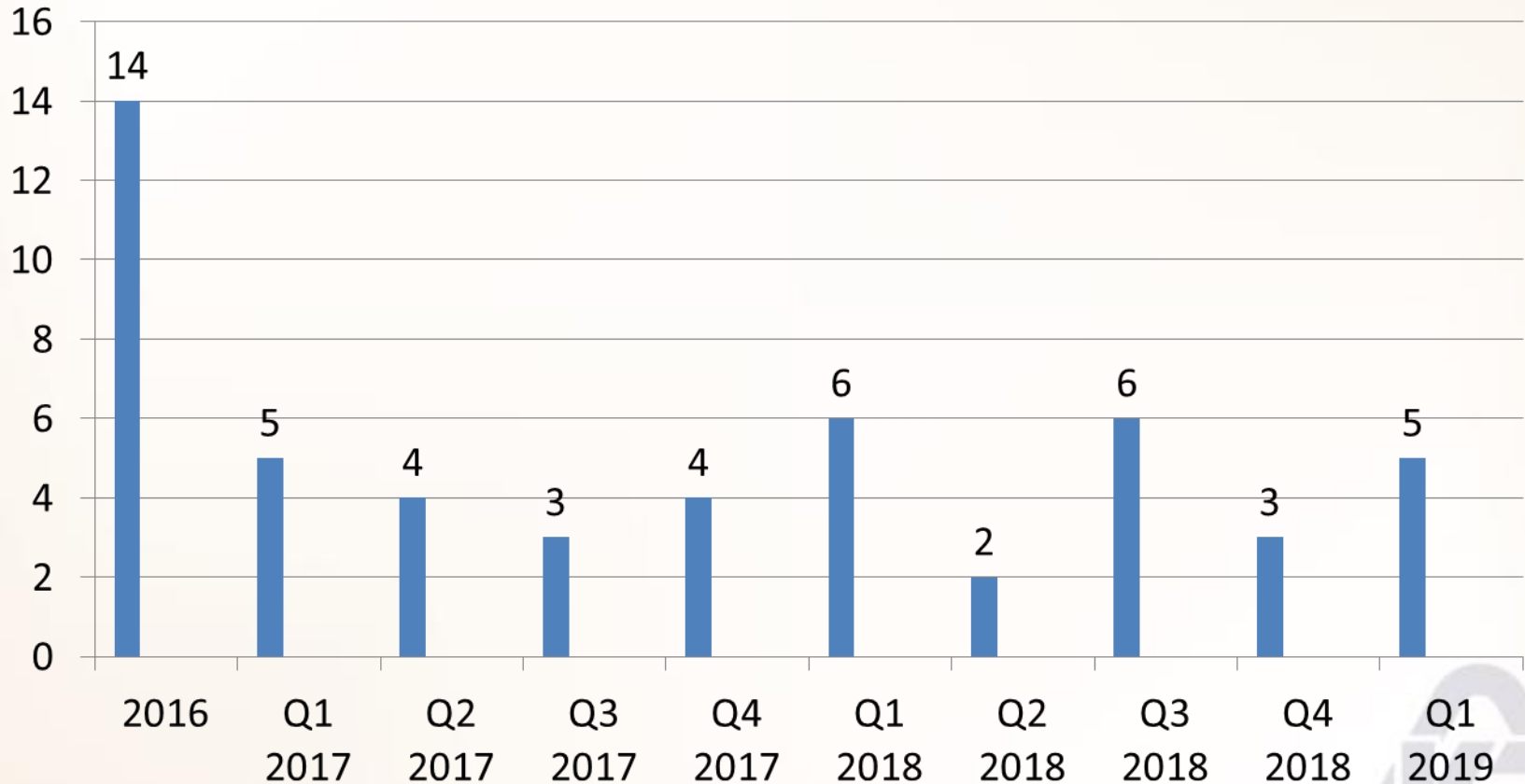
Trends:

- Lost Belongings
- Visitor Falls
- Quality of Care



Claims Frequency CY 2016 – 2019

Average of Claims/Year = 15



Current Topics of Focus

- Proactive risk assessment of Exeter Bio-Behavior Clinic
- Collaboration with Medical Staff to define a process of the evaluation of patients' decision-making capacity
- Enhance Just Culture at KDHCD including increased occurrence reporting and use of algorithm in response to safety concerns



A large, stylized logo in the background consisting of the letters 'K', 'D', 'H', and 'C' in a bold, blocky font. The letters are filled with a gradient of colors from dark blue to light yellow. The 'K' and 'D' are on the left, and the 'H' and 'C' are on the right. The 'H' is the largest and most prominent letter.

KDHCD Risk Profile and Mitigation Plan

2018 - 2019

April 22, 2019

Evelyn McEntire

Director of Risk Management

KAWEAH DELTA HEALTH CARE DISTRICT

Risk Management Goals and Priorities

1. Promote a safety culture as a proactive risk reduction strategy.
2. Reduce frequency and severity of harm (patient and non-patient).
 - Zero incidents of “never events”
3. Reduce frequency and severity of claims.



Risk Management Profile

2018-19 Accomplishments

- **Proactive risk assessments conducted in the following areas:**
 - ✓ Emergency Department Ligature Risks
 - ✓ Mental Health Hospital Ligature Risks
 - ✓ Maternal Child Health global assessment
 - ✓ Sharps risks in patient care areas
 - ✓ Developing a Safety Culture through Leadership TJC SEA
 - ✓ Developing a Reporting Culture TJC SEA
- **Conduct prospective identification of potential risks and hazards:**
 - ✓ Management of Heparin Infusion FMEA
- **Continuation of Workplace Violence Committee**
 - Goal: To promote a safe work environment for employees, contractors and vendors
 - Goal: To report organizational workplace violence incidents which meet Cal/OSHA reporting requirements

2019-20 Goals and Priorities

- **Continue to mitigate potential risks and hazards by conducting at least two proactive risk assessments:**
 - ✓ Pharmacy Clean Room
 - ✓ Exeter Bio-Behavioral Clinic WPV Risks
 - ✓ TBD
- **Continue *prospective* identification of potential risks and hazards via FMEAs**
 - Workplace Violence FMEA
- **WPV Committee selected as a Quality Focus Team; mitigating potential risks and hazards of violence in the workplace:**
 - Develop an indicator in the medical record to communicate patients' history of known violence
 - Proactive development of safety plans for patients' with history of known violence
 - Develop a Behavioral Emergency Response Team (BERT) to proactively de-escalate potentially violent incidents
 - Conduct WPV case reviews to identify and mitigate contributing factors of incidents

Risk Management Profile

2018-19 Accomplishments

- **Enhancement of Just Culture**
 - Formal training of all KDHCDC leaders
 - Rollout to KDHCDC staff in Fall 2019
 - Integrate stronger system designs with counter measures to eliminate potential errors

2019-20 Goals and Priorities

- **Consistent application of the Just Culture algorithm in response to safety concerns throughout KDHCDC**
- **Formal communication of Just Culture to KDHCDC staff and new hires beginning Fall 2019**
- **Continue to engage in Just Culture enhancement and strategies at KDHCDC**
 - Strengthen safety culture for patients and staff
 - Increase event reporting
 - Increase employee satisfaction
 - Increase accountability among staff and leaders
 - Provide educ/training/tools to all staff to foster a culture of speaking up

Risk Management Profile

2018-19 Accomplishments

- **Conduct *retrospective* assessments and improvements of potential risks and hazards via:**
 - RCAs and focused reviews
 - Medical record reviews
 - Serious and sentinel event reporting
 - Grievances – internal and external
 - ✓ Radiologic Incidental Findings
 - Accreditation survey findings
 - ✓ HAPI assessment and documentation
 - Completed Plans for Improvement based on the above assessments:
 - ✓ OR Table Prep and Securement
 - ✓ Radiation Therapy Administration
 - ✓ L&D Anesthesia Administration
 - ✓ Screening and assessment of risk for violence

2019-20 Goals and Priorities

- **Continue to conduct *retrospective* assessments, analyze trends, and develop/implement action plans for improvement**
 - Anesthesia Administration by Resident MDs
 - Removal of Cardiac Implanted Devices
 - Re-assessment of patients at low-risk for self-harm
 - HAPI assessment and documentation improvements
 - TBD

Risk Management Profile

2018-19 Accomplishments

- **Utilize the event reporting system to identify trends and high risk events reported by frontline staff and leaders**
 - Built data reports to organize and disseminate event reporting data to leaders
 - Worked directly with departmental leaders to mitigate risks identified via the event reporting system:
 - ✓ Initiation of Chain of Command by Staff
 - ✓ Blood Culture Contamination Rates
 - ✓ ISS-related Trends in New EMR
 - ✓ Patient Identification during Registration
 - ✓ Bedside Procedures with Nursing
 - ✓ Electrical Outlet Safety Checks
 - Entry of event reports more user friendly
 - Improvement in timeliness of leader follow-up to event reports
 - Implemented WPV post-incident response form to identify contributing factors
 - Implemented contributing factors field for use by leaders

2019-20 Goals and Priorities

- **Continue to enhance the event reporting system**
 - Track and trend event reports by significance (near-miss vs. reached the patient)
 - Further increase accessibility of event reporting data to leaders
 - Increase number of event reports submitted
- **Work directly with departmental leaders to mitigate risks identified via the event reporting system:**
 - ✓ ISS-related trends in new EMR
 - ✓ Patient capacity evaluation by providers
 - ✓ Involuntary holds for patients at-risk for danger to self or others
 - ✓ TBD based on high-risk events and trends

Kaweah Delta Health Care District Annual Report to the Board of Directors

Maternal Child Health

Tracie Plunkett MSN, RNC-OB, NE-BC
Director Maternal Child Health
624-5388
April 22, 2019

Summary Issue/Service Considered

- Seek opportunities to grow volumes in Labor and Delivery, Post-Partum, Labor Triage, NICU, and Pediatrics.
- Continue to recruit and grow the Maternal Fetal Medicine Program.
- Continue to develop the Laborist Program.
- Continue to recruit to Neonatology Physicians.
- Successfully continue to lower Gestational Age in the NICU.
- Seek opportunities to decrease labor and supply costs.
- Increase exclusive breast-feeding rates for new moms.
- Successfully implement the Model Hospital Breastfeeding Policy and practice.

Quality/Performance Improvement Data

- HCAHPS Scores for overall patient satisfaction for FY18 for Postpartum and Labor & Delivery is 78%.
- Our exclusive breast-feeding rate for 2018 was 50.5%, which is slightly below the Joint Commission benchmark of 52%.
- The Postpartum Unit continues to focus on increasing Exclusive Breastfeeding. This year we plan on adjusting lactation staff schedules to improve our ability to assist new mothers 7 days a week with breast-feeding. We will shift half of the lactation staff hours to be spent on the Labor & Delivery, Labor Triage and Antenatal Units to increase the focus on education and commitment prior to delivery. We will implement a new survey to be handed out to our mothers asking them what their preference was on admission and if goals were met. This will give us valuable information related to when and why patients are failing to achieve exclusive breastfeeding of their babies. We will continue to use feeding orders to help increase collaboration with our physician staff when a mother decides to formula feed. We continue to offer free breastfeeding classes to our community in English and Spanish.
- The Neonatal Intensive Care Unit (NICU) continues to participate in the California Perinatal Quality Care Collaborative (CPQCC). The NICU has had zero Ventilator Associated Pneumonia (VAP) and zero Central Line Associated Blood Stream Infections (CLABSI) for 2018 despite increased line and ventilator days. NICU continues to hire new nursing staff and develop them with the new core curriculum for all NICU and Respiratory Therapists working in the NICU. This education is focused on the care of Very Low Birth Weight (VLBW) Babies.
- The Clinical Partnership Committee continues to meet and collaborate on our pediatric and neonatal population in all areas of the hospital where these patients are seen. This includes members from multiple disciplines including physicians and nurses from NICU, Pediatrics,

and ED, pharmacists, radiology staff, case managers, Performance Improvement, and Respiratory Therapy.

- New Perinatal Safety Committee has been formed with first meeting scheduled for May 7th. This committee will include physicians, managers and staff from all Maternal Child Health Departments, plus members from the Anesthesia Department. Items on the agenda include Maternal Fetal Medicine Patients and coordinating care between all Maternal Child Health Departments and designing workflows to care for patients with Obstructive Sleep Apnea to allow them to stay with their babies.
- Labor and Delivery continues to participate in the California Maternal Quality Care Collaborative (CMQCC) Program to develop policies and procedures to minimize non-medically indicated (elective) deliveries before 39 weeks gestation, also known as Early Elective Deliveries (EED). We achieved an EED rate of 1.6 for 2018. The current benchmark for this measure has been decreased to Zero. We continue to monitor administration of Antenatal Steroids for patients between 24-34 weeks gestation who are at risk for pre-term delivery where we are 100% compliant for 2018. Primary C-Section Rates for Low Risk Pregnancies is another area we continue working on and are at 25% for 2018, the state average is 24%. Nursing and Physician Staff from Obstetrics Department and Anesthesia Department have collaborated to bring Nitrous Oxide use as an option for laboring patients to address pain control. This new service will start in July, 2019
- Pediatrics is at zero for CLABSI and Catheter Associated Urinary Tract Infections (CAUTI). Pediatrics had 5 falls in 2018. Four falls were all related to family members sleeping with their children and falling out of bed or falling from their parents arms when they had fallen asleep while holding their child. Parents are educated on the importance of safe sleep and not sleeping with their children, however they often choose to do so even after education is given and waivers to co-sleep are signed. One fall was a toddler who fell when running down the hallway on the pediatric unit. The Pediatric Nursing Department has worked in collaboration with the Pediatric Hospitalist Physicians to adjust our High Flow Oxygen Policy to reflect higher oxygen flow rates and percentages for patients who require higher oxygen levels. This has allowed us to keep and manage more of these patients on our unit and avoid transfer

Policy, Strategic or Tactical Issues

- The Maternal Fetal Medicine (MFM) Program continues to recruit for two Maternal Fetal Medicine Physicians for Kaweah Delta. This is an extremely difficult specialty to recruit. We have had many interviews and still waiting for a candidate who is the right fit. The Outpatient MFM Clinic on Akers in Visalia is very busy and is operating at full-time hours. They are seeing patients every day Monday through Friday. They now have four Sonographers at the clinic, increasing patient visits from 16/day to approximately 30/day. MFM has also started the inpatient part of the program by consulting and seeing patients who are admitted to the hospital as inpatients. This fulfills a great need for our patient population. It allows for patients to have all the services they need here in Visalia.
- Valley Children's Medical Group continues to provide Pediatric Hospitalist and Neonatology Services to our patients. We have had great difficulty recruiting any Neonatal Nurse Practitioners. This specialty is in extremely short supply nationwide. The decision was made to revert to an all Neonatology Model which will be less expensive and still provide the same coverage. We have recruited two new Neonatologists to the group and are working to recruit three more.
- The Laborist Program was implemented on March 16, 2019. This program will and has improved patient safety for all Obstetrical Patients in the hospital. To date this program is going very well.
- The New 23 Bed NICU Unit will be completed this month and planning to occupy in June.
- New OB Operating Rooms, Recovery Rooms and Infant Stabilization Room are complete and opened in December, 2019

- Nitrous Oxide Gas for pain management will be implemented in July, 2019. This is another way of addressing pain in the laboring mother. This is widely used in labor and delivery units across the nation, and is a very safe less invasive alternative for those patients who are not candidates or do not desire an epidural for pain relief and do not want narcotics.

Recommendations/Next Steps

- Continue to encourage Shared Governance and Unit Based Councils, as well as participation in our Comprehensive Unit Based Safety Programs (CUSP). Implement the Just Culture Program throughout our Departments.
- Partner with Marketing to promote our Labor Triage Unit, our NICU and Maternal Fetal Medicine Program, Laborist Program and Pediatric Department.
- Continue to partner with our Emergency Department Colleagues to improve pediatric care and outcomes.
- Partner with Marketing and Physicians' offices to promote breastfeeding as the most beneficial and preferred way to feed your baby, as well as informing the public about breastfeeding classes offered.
- Support new Obstetrician's and Pediatricians practicing at Kaweah Delta.
- Fill all Neonatology and Maternal Fetal Medicine Physician positions.
- Fill all Nursing positions.

Approvals/Conclusions

- Strive for overall quality outcomes and set goals to continue to improve.
- OB/Delivery volume increased by 3%
- NICU patient cases are up by 3%, patient days are flat, and Average Length of Stay is down slightly.
- Pediatric admissions decreased by 5% primarily due to a very mild flu and Respiratory Syncytial Virus (RSV) Season.
- Labor Triage visits increased by 5%
- Net Patient Revenue: Net patient revenue increased by \$7.7million for the OB/Delivery and Neonatology service lines combined, and an overall increase in net patient revenue of \$8.9 for all Maternal Child Health Departments.
- Direct Costs: There is an increase in Direct Costs. This was primarily due to the increase in patient census and special pay practices implemented to staff the Labor & Delivery and NICU Departments. The use of contract labor or Travel Nurses has continued to be necessary to cover the open positions and Leaves of Absences experienced on these nursing units. Currently Labor and Delivery has 2 open positions and the NICU has no open positions. We have eliminated Travel Nurses in the NICU. The cost of the Neonatology/Neonatal Nurse Practitioners Locums staff continues. As we fill the Neonatology positions the use of Locum Physicians will be eliminated. We are currently recruiting for 3 more Neonatology physicians. It has been decided to go to an all Neonatology Model in the NICU and eliminate the use of Neonatal Nurse Practitioners. This was due to the extreme difficulty in recruiting Neonatal Nurse Practitioners and the extreme cost in using locum staff, as the cost was more than the locum Neonatologists. We have two more Neonatologists hired who will start in May and September of 2019. We will recruit 3 more to have a full complement of physician staff to provide the needed coverage.
- Net Income: Net Income for all Maternal Child Health Departments is at \$1.1 million and increased by \$2.6 million from 2017.

**Kaweah Delta Health Care District
Annual Report to the Board of Directors
Financial & Statistical Information**

Maternal Child Health

Tracie Plunkett, Director (ext. 5338) and Kari Knudsen, Director (ext. 2196)

March 2019

Service Line Report Data: Fiscal Year 2018*

Service	Patient Cases	Patient Days	Avg. LOS	Net Revenue	Direct Costs	Contribution Margin	Indirect Costs	Net Income
OB/Delivery	4,627	9,414	2.03	\$27,959,824	\$18,415,225	\$9,544,599	\$7,954,210	\$1,590,389
Normal Newborns	3,021	4,665	1.54	4,741,617	2,572,584	2,169,033	1,073,940	1,095,093
Neonatology	1,740	6,950	3.99	12,845,864	11,914,724	931,140	3,549,657	(2,618,517)
Pediatrics	401	914	2.28	3,031,767	1,695,270	1,336,497	708,812	627,685
Outpatient OB*	8,280	0	0.00	1,089,084	1,845,036	(755,952)	836,884	(1,592,836)
Less: KDH staff	(493)	(620)	1.26	(88,817)	(938,945)	850,128	(367,242)	1,217,370
First 5 funding received				781,000		781,000		781,000
Grand Total	17,576	21,323	1.21	\$50,360,339	\$35,503,894	\$14,856,445	\$13,756,261	\$1,100,184
<i>Per Case</i>				<i>2,865</i>	<i>2,020</i>	<i>845</i>		

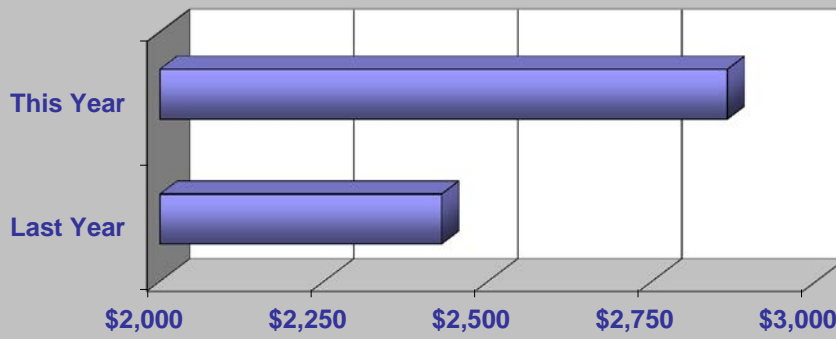
Service Line Report Data: Fiscal Year 2017

Service	Patient Cases	Patient Days	Avg. LOS	Net Revenue	Direct Costs	Contribution Margin	Indirect Costs	Net Income
OB/Delivery	4,484	9,246	2.06	\$21,006,534	\$16,543,985	\$4,462,549	\$6,333,095	(\$1,870,546)
Normal Newborns	2,950	4,599	1.56	4,261,639	2,204,183	2,057,456	809,030	1,248,426
Neonatology	1,704	6,960	4.08	12,065,026	10,873,059	1,191,967	2,985,396	(1,793,429)
Pediatrics	425	927	2.18	2,413,833	1,546,246	867,587	812,087	55,500
Outpatient OB	7,879	0	0.00	951,521	1,527,092	(575,571)	627,154	(1,202,725)
Less: KDH staff	(404)	(633)	1.57	(93,870)	(945,143)	851,273	(332,117)	1,183,390
First 5 funding received				781,000		781,000		781,000
Grand Total	17,038	21,099	1.24	\$41,385,683	\$31,749,422	\$9,636,261	\$11,234,645	(\$1,598,384)
<i>Per Case</i>				<i>2,429</i>	<i>1,863</i>	<i>566</i>		

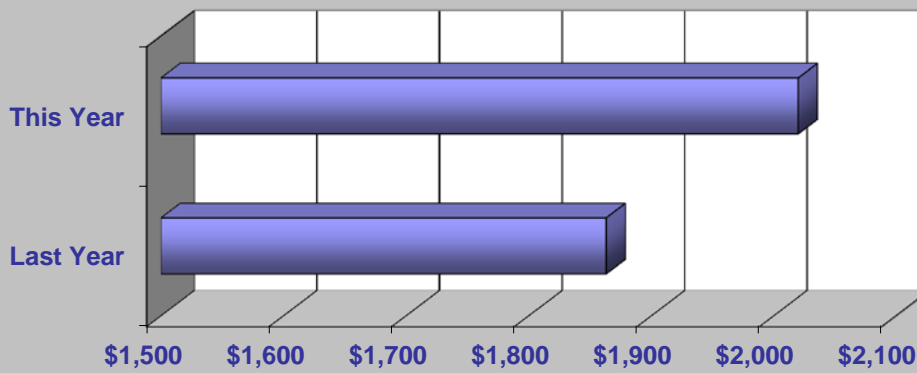
Increase (Decrease)	538	224	(0.03)	\$8,974,656	\$3,754,472	\$5,220,184	\$2,521,616	\$2,698,568
<i>% Change Per Case</i>				<i>18.0%</i>	<i>8.4%</i>	<i>49.5%</i>		

*Outpatient OB represents the annualized nine months ended March 31, 2018.

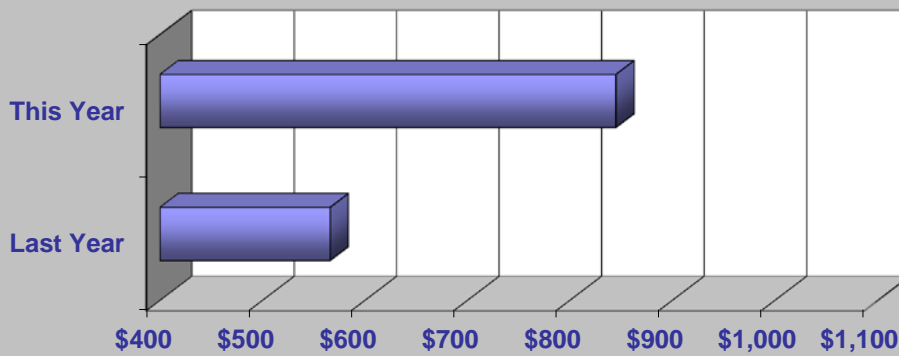
Net Revenue Per Case



Direct Cost Per Case



Contribution Margin Per Case



	<u>Last Year</u>	<u>This Year</u>	<u>Change</u>
Net Revenue Per Case	\$2,429	\$2,865	17.9%
Direct Cost Per Case	\$1,863	\$2,020	8.4%
Contribution Margin Per Case	\$566	\$845	49.3%

***KAWEAH DELTA HEALTH CARE DISTRICT
FINANCE DIVISION MEMORANDUM***

TO: Finance Committee, Board of Directors, Chief Executive Officer and Executive Team

FROM: Jennifer Stockton, Director of Finance (ext. #5536) and Malinda Tupper, Chief Financial Officer (ext. #4065)

DATE: April 10, 2019

SUBJECT: Semi-annual Investment Report

Each month the Board of Directors receives an investment report depicting the specific investments held by the District including the nature, amount, maturity, yield, and investing institution. On a semi-annual basis, the District's Chief Financial Officer is required to review the District's investment policy with the Board, to discuss our compliance with that policy, to review the purpose of our various investment funds and to report on the performance, quality and risk profile of our current portfolio. At the Board's request, fulfillment of this requirement is hereby made by means of this written report and accompanying schedules.

The purpose of this report is to assure the Board that the following primary objectives have been satisfied with respect to its fiduciary responsibility for the sound and prudent management of the District's monetary assets:

- 1) The Board of Directors understands and approves of the District's investment policy and is confident that management has effectively complied with this policy.
- 2) Management has effectively established appropriate funds and managed investments in a manner that safeguards the District's assets, meets the ongoing liquidity needs of the District and provides necessary funds for the various projects and budgets approved and adopted by the Board.
- 3) Within the constraints of the investment policy and the funding needs of the District, management effectively maximizes its return on investments to meet the income expectations adopted by the Board as part of the annual budget.
- 4) The acceptance/approval of this report includes the semi-annual review and approval of the investment policy (and any changes proposed) as well as the delegation of authority contained within the policy.**

For the purpose of assessing performance relative to each of these objectives, this written report describes and evaluates each of the following documents accompanying this report and demonstrates achievement of the stated objectives.

General Deposit and Investment Policy

Included in this packet is a copy of the current investment policy incorporating certain changes, as marked, suggested by our investment management firm (PFM) that specializes in the management of public funds. These changes are proposed to align the policy language more closely with the government code. Please see the PFM memorandum included at the end of this package. The District's current investment policy reflects strict compliance with the California Government Code (Code) sections 53600 through 53686 which govern the investment of surplus funds by governmental entities of the State of California, including political subdivisions thereof. **At December 31, 2018 the District's investment portfolio complies with all reporting and investment provisions of this policy.**

Statement of Purpose Guidelines District Funds

This document describes the various funds established by the District for the purpose of setting aside cash and investments for specific uses. The establishment of these funds (other than revenue or general obligation bond proceeds) is entirely at the discretion of the Board and are not mandated or controlled by any third-party or regulatory agency.

Summary of Investment Funds

This document depicts the carrying value, equal to cost, of investments held at December 31, 2018 in each of the various funds established by the District. As indicated in this report, the District's total adjusted surplus funds at December 31, 2018 are \$221.5 million. The following table depicts the District's adjusted surplus funds over the past four years; the number of days cash on hand, a measure of liquidity; and the District's average daily operating expenses (excluding depreciation expense), the denominator used in the calculation of the liquidity measure; and the percent increase in each year over the prior year:

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Adjusted Surplus Funds	\$221,468,000	\$295,289,000	\$262,399,000	\$237,459,000
Days Cash on Hand	115.9	170.9	159.2	167.6
Average Daily Operating Expenses (excluding depreciation expense)	\$1,911,000	\$1,728,000	\$1,648,000	\$1,417,000
Percent Increase in Daily Expenses	10.6%	4.9%	16.3%	15.6%
Days Cash on Hand Benchmarks:				
Moody's "A" Rated Hospitals	226.5 Days			
Revenue Bond Covenants	90 Days			

As illustrated in the above table, the District's liquidity ratio (days cash on hand) exceeds the covenant amount required by the District's revenue bond indentures. Total surplus funds have experienced a 6.7% decrease from December 31, 2015 to December 31, 2018, and the number of days cash on hand has

decreased 30.8% from 2015. The decrease in total surplus funds of \$16.0 million from 2015 to 2018 is mainly attributable to five factors:

- 1) The District generated cumulative net income of \$59.4 million for the period.
- 2) A net increase in accounts receivable of \$106.4 million for the period, \$92.3 million in 2018 due to the go-live of the new Cerner system.
- 3) Charitable contributions restricted for capital purchases of \$6.5 million which are not included in net income but provide cash for use of specific projects as determined by the donor.
- 4) Cumulative debt payments of \$18.9 million for the period.
- 5) Purchases of property, plant and equipment of \$64.3 million of property, offset by cumulative depreciation expense of \$75.9 million that is included in net income above. The total purchases amount does not include the amount funded from revenue bonds, general obligation bonds, or capital leases.

Given the District's current average daily operating expense total of \$1,911,000, achievement of the Moody's "A"-rated hospitals' days cash on hand benchmark of 226.5 would require approximately \$211.3 million of additional cash resources.

The District's surplus funds investment portfolio is separated into three different categories including short-term funds, medium-term funds and long-term funds. For the year ended December 31, 2018 the District experienced a total return of 1.94% on funds invested short-term including mainly its investment in the Local Agency Investment Fund (LAIF). The average return for LAIF for the year ended December 31, 2018 was 1.85%. In November 2017 the District added another short-term investment option utilizing the California Asset Management Program (CAMP). The District's total return of 1.47% for the same twelve-month period for medium-term investments includes funds held with CalTrust. The CalTrust investment was short of its benchmark, the ML 1-3 Corp & Government, which was 2.75% for the same period. The CalTrust yields at a higher rate (2.16% for the period), but the total return was impacted by unrealized losses during the period. The District's long-term portfolio is managed by PFM Asset Management (PFM) and Wells Capital Management (Wells Cap). The twelve-month total return of the portfolio managed by PFM was 1.38% (net of fees), while the twelve-month total return of the portfolio managed by Wells Cap was 1.43% (net of fees). The Wells Cap portfolio performance exceeded, but the PFM portfolio was short of the benchmark of 1.41% for the period. The benchmark for the managed portfolios is a custom index including 70% of the Merrill Lynch 1-5 year US Treasury Index and 30% of the Merrill Lynch 1-5 year A-AAA Corporate Index. The benchmark does include security types that the District is not allowed to purchase and that because of their nature tend to carry higher yields. These include foreign issuers and private placement securities. As of December 31, 2018, the District's investment portfolio had a weighted average prospective yield of 2.05%. The District's targeted rate of return of 1.66% was used to project interest income in the District's Annual Budget for the fiscal year. Both the prospective yield and the targeted rate of return exclude market value fluctuations that are included in the total return figures noted above.

Investment Summary by Institution

This document depicts the amount of District investments held by various financial institutions as of December 31, 2018. In each case, the financial institution may be the issuer of an investment security, the custodian of securities, or the investment advisor managing the securities.

Investment Summary of Surplus Funds by Type

This document depicts the amount of District funds invested into the various categories of investments permitted by the District's investment policy and the Code, as well as the percentage of total surplus funds invested in each category and the corresponding limitation established by the Code for compliance measurement.

Investment Summary of Surplus Funds by Maturity

This document depicts the amount of District funds maturing each year over the five-year investment time horizon permitted by the District's investment policy. The measurement period for each year commences on January 1 and runs to December 31. The purpose of this schedule is to assess the overall liquidity of the District's portfolio, which has a weighted average maturity of 2.58 years at December 31, 2018.

Investment Summary of Surplus Fund's Unrealized Gains and Losses

All investment summaries referenced above include the cost of investments and do not reflect current market values. This document depicts the status of securities with respect to unrealized gains and losses at December 31, 2018. The District measures and records an adjustment to reflect the current fair market value of its total investment portfolio each quarter. The unrealized loss on the District's surplus fund portfolio at December 31, 2018 was \$1,989,000.

Kaweah Delta Health Care District
General Deposit and Investment Policy

Scope

This policy sets forth the deposit and investment policy governing all District funds and related transactions and investment activity. This policy does not apply to the Employer Retirement Plan Trust. Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the limitations (credit quality, percentage holdings, etc.) listed elsewhere in this Policy do not apply to bond proceeds. With the exception of permitted investment requirements, all other provisions of this policy will apply to the investment of bond proceeds to the degree they do not conflict with the requirements of the applicable bond documents.

Goals and Objectives

Legal Compliance: All District deposits and investments shall be in compliance with sections 53600 through 53686 of the California Government Code (Code) for local agencies. This policy sets forth certain additional restrictions which may exceed those imposed by the Code.

Prudence: The District Board of Directors (Board) and any persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the prudent investor standard. When managing District investment activities, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

Goals: In order of priority, trustee goals shall be:

- 1) Safety - The principal of the portfolio will be preserved by investing in high quality securities and by maintaining diversification of securities to include various types, issuers and maturities. Investments will be limited to those allowed by the Code as outlined in the permitted investments section below. Due to the complexity of various investment options and the volatility of market conditions, the trustee may seek professional advice in making decisions in order to optimize investment selections.

The trustee will also monitor the ongoing credit rating of selected investments by reference to monthly investment statements and council with investment advisors.

- 2) Liquidity - The portfolio will be managed to ensure sufficient liquidity to meet routine and non-routine budgeted cash flow requirements as well as provide for unanticipated cash needs. Based upon these needs, investments with appropriate maturity dates will be selected. Generally, these investments will be held to maturity once purchased unless called by the issuer. Securities may be sold prior to maturity under the following circumstances: 1) A security with declining credit may be sold early to minimize loss of principal. 2) A security trade would improve the quality, yield, or target duration in the portfolio. 3) Liquidity needs of the portfolio require that the security be sold.
- 3) Rate of Return - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Performance will be measured by the ability to meet the targeted rate of return, which will equal or exceed the average return earned on the District's investment in the State of California Local Agency Investment Funds.

Safekeeping

District investments not purchased directly from the issuer shall be purchased either from an institution licensed by the State as a broker-dealer or from a member of a federally-regulated securities exchange, a national or state-chartered bank, a federal or state association or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. Investments purchased in a negotiable, bearer, registered or nonregistered format shall be delivered to the District by book entry, physical delivery or third party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery. A counterparty bank's trust or separate safekeeping department may be used for the physical delivery of the security if the security is held in the District's name.

Authorized Financial Dealers and Institutions: If the District utilizes an external investment adviser, the adviser may be authorized to transact with its own Approved Broker/Dealer List on behalf of the District. In the event that the investment advisor utilizes its own Broker/Dealer List, the advisor will perform due diligence for the brokers/dealers on its Approved List.

Internal Controls: The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District

are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

Delivery vs. Payment: All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

Delegation of Authority

The Board hereby delegates its authority to invest District funds, or to sell or exchange purchased securities, to the Treasurer for a one-year period, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. The Board may renew the delegation of authority each year. The responsibility for day-to-day management (including the investment of funds, and selling or exchanging of purchased securities) of District investments is hereby delegated by the Board, and the Treasurer, to the Chief Financial Officer (CFO).and/or their designee subject to compliance with all reporting requirements and the prudent investor standard. The District may engage the services of one or more external investment managers to assist in the management of the investment portfolio in a manner consistent with the Districts' objectives. Such external managers will be granted the discretion to purchase and sell investment securities in accordance with the Investment Policy.

Reporting

The Treasurer or CFO shall annually submit a statement of investment policy to the Board summarizing the District's investment activities and demonstrating compliance with this

policy and the Code. The Treasurer or CFO shall submit monthly reports to the Board detailing each investment by amount, type, issuer, maturity date, and rate of return, and reporting any other information requested by the Board. The monthly reports shall also summarize all material non-routine investment transactions and demonstrate compliance of the portfolio with this policy and the Code, or delineate the manner in which the portfolio is not in compliance. Any concerns regarding the District's ability to maintain sufficient liquidity to meet current obligations shall be disclosed in the monthly reports.

Performance Standards: The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

Deposits

All District deposits shall be maintained in banks having full-service operations in the State of California. Deposits are defined as working funds needed for immediate necessities of the District. Deposits in any depository bank shall not exceed the shareholders' equity of that bank. The Treasurer shall be responsible for the safekeeping of District funds and shall enter into a contract with any qualified depository making the depository responsible for securing the funds deposited. All District deposits shall be secured by eligible securities as defined by section 53651 of the Code and shall have a market value of at least 10 percent in excess of the total amount deposited. The Treasurer may waive security for the portion of any deposits insured pursuant to federal law and any interest which subsequently accrues on federally-insured deposits.

Permitted Investments

Sinking funds or surplus funds not required for immediate needs of the District shall be invested in authorized investments as defined in Code section 53601 and may be further limited by this policy. No investment shall be made in any security having a term remaining to maturity exceeding five years at the time of investment unless the Board has granted express authority to make the investment no less than three months prior to the investment. Certain investments are limited by the Code and this policy as to the percent of surplus funds which may be invested. Investments not expressly limited by the Code or this policy may be made in a manner which maintains reasonable balance between investments in the portfolio.

Authorized investments are limited to the following:

- (a) Investment in the State of California Local Agency Investment Fund up to the maximum investment allowed by the State.
- (b) United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered State warrants or treasury notes or bonds of this State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the State or a department, board, agency or authority of the State.
- (d) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- (e) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. Purchases of bankers' acceptances may not exceed 180 days maturity or 40 percent of surplus funds. However, no more than 30 percent of surplus funds may be invested in bankers' acceptances of any one commercial bank.
- (f) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization (NRSRO).. Eligible paper is further limited to issuing corporations organized and operating within the United States and having total assets exceeding five hundred million dollars (\$500,000,000) and having an is rated in a rating category of "A" or its equivalent or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 25 percent of surplus funds.
- (g) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency

and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit. Purchases of all types of certificates of deposit may not exceed 30 percent of surplus funds.

- (h) Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this policy when the term of the agreement does not exceed one year. The market value of securities underlying a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Reverse repurchase agreements shall meet all conditions and requirements set forth in Code section 53601.
- (i) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum of five years maturity, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes may not exceed 30 percent of surplus funds.
- (j) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond ~~of a maximum of five years' maturity issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated~~ Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases of collateralized mortgage obligations may not exceed 20 percent of surplus funds.
- (k) Shares of beneficial interest issued by diversified management companies that invest in securities and obligations as authorized by section 53601 or that are money market funds registered with the Securities and Exchange Commission

under the Investment Act of 1940, and that have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. Purchases of shares of beneficial interest may not exceed 20 percent of surplus funds, and no more than 10 percent of surplus funds may be invested in shares of beneficial interest of any one mutual fund.

- (l) Bonds issued by Kaweah Delta Health Care District, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by Kaweah Delta Health Care District.
- (m) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (n) Registered treasury notes or bonds of any of the other forty-nine United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other forty-nine United States, in addition to California.
- (p) Shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Section 53601 subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. The JPA issuing the shares shall have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission, with not less than five years of experience investing in the authorized securities, and having assets under management in excess of five hundred million dollars.
- (q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of surplus funds.

Policy Considerations

This policy shall be reviewed on an annual basis. Any changes must be approved by the Chief Financial Officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

**Kaweah Delta Health Care District
STATEMENT OF PURPOSE GUIDELINES
DISTRICT FUNDS**

Operating Accounts:

General operating funds to meet current and future operating obligations.

Self-Insurance Trust Fund:

Self-insurance fund established for potential settlement of general, professional and public liability claims. All earnings remain in the fund. Disbursements are allowed for payment of claims, legal fees, or by approval of the Board of Directors. Whenever possible, District operating funds or other funds will be used to meet such liabilities.

2012 Revenue Bond Fund:

The purpose of this fund is to hold and disburse the District's 2012 Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

2015A Revenue Bond Fund:

The purpose of this fund is to hold and disburse the District's 2015A Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

2015B Revenue Bond Fund:

The purpose of this fund is to hold and disburse the District's 2015B Revenue Bond proceeds for various projects and to hold principal and interest payments made by the District pending disbursement by the trustee bank.

2017A/B Revenue Bond Fund:

The purpose of this fund is to hold and disburse the District's 2017 A and B Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

2017 C Revenue Bond Fund:

The purpose of this fund is to hold and disburse the District's 2017 C Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

2014 General Obligation Bond Fund:

The purpose of this fund is to hold and disburse the District's 2014 General Obligation Bond principal and interest payments made by the District pending disbursement by the trustee bank.

Plant Fund:

The primary purpose of this fund is to retain investments for funded depreciation. In addition, funds for special capital projects and Board-designated projects which may include real property, unbudgeted capital equipment, etc. are retained in the fund. Disbursements are made for such special capital projects and for replacement capital items at the Board's discretion.

Cost Report Settlement Fund:

Account established to set aside sufficient funds to settle Federal and State cost reports due to the substantial nature of potential settlements.

Development Fund:

Accumulated reserves set aside from special projects, activities and memorials to be used as seed money for research, community service, or service development at the specific direction of the Board.

Workers' Compensation Liability Fund:

Funds available for possible settlement or payment of employee work-related medical claims, suits or judgments, or legal fees. Whenever possible, District operating funds or other funds will be used to meet such liabilities.

General Obligation Bond Reserve Fund:

The purpose of this fund is to hold funds set aside to establish a reserve account in the amount recommended by the County of Tulare.

Kaweah Delta Health Care District
SUMMARY OF INVESTMENT FUNDS
 December 31, 2018

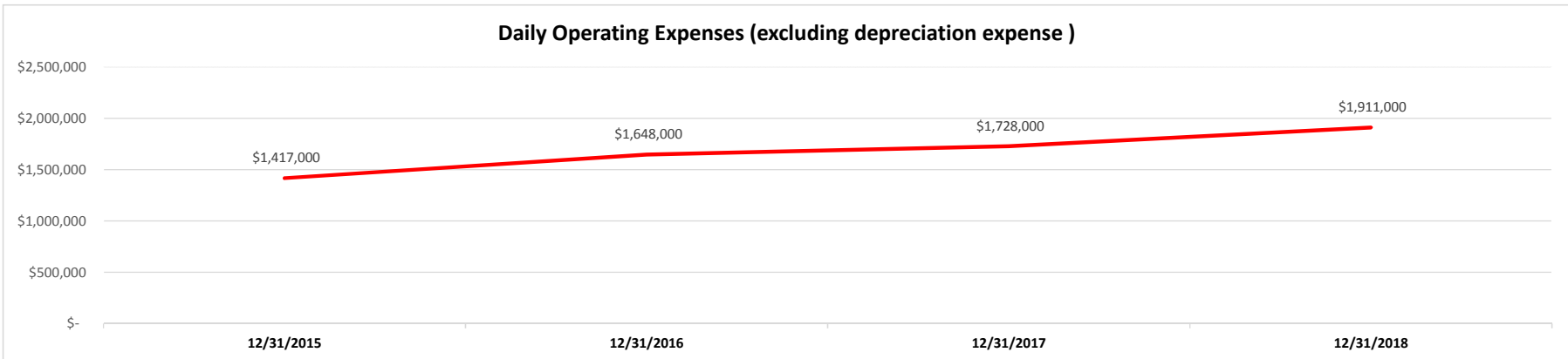
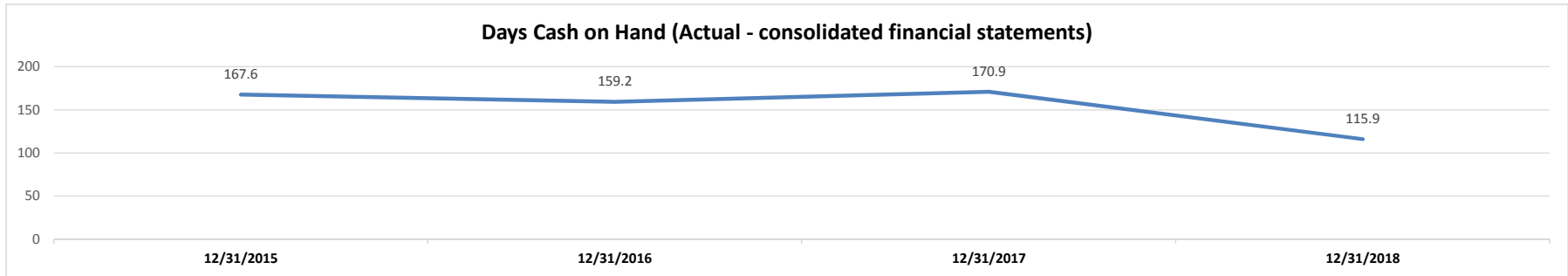
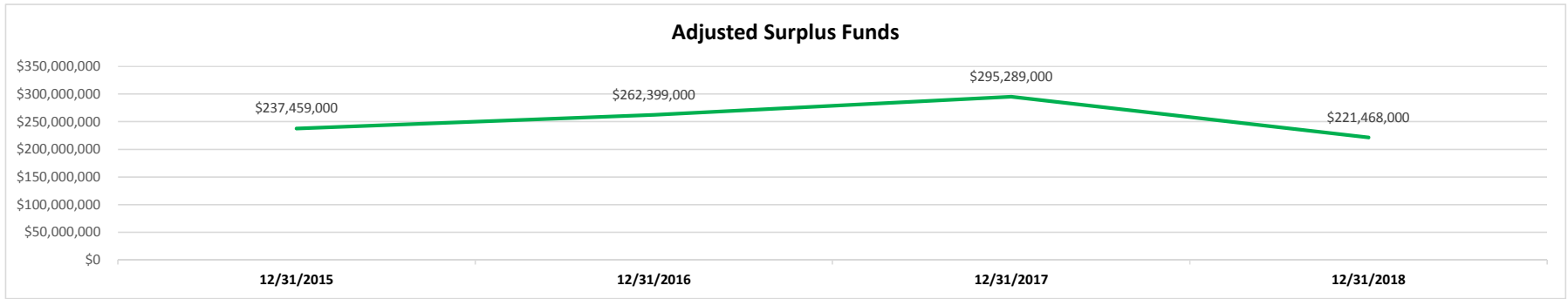
	Investment Amount (Cost)	
	December 31, 2018	December 31, 2017
<u>Trust Accounts</u>		
Self-Insurance Trust Fund	\$ 5,375,000	\$ 5,908,000
2012 Revenue Bond Fund	2,063,000	4,003,000
2014 General Obligation Bond Fund	1,654,000	1,603,000
2015A Revenue Bond Fund	445,000	421,000
2015B Revenue Bond Fund	40,717,000	72,484,000
2017A/B Revenue Bond Fund	125,000	128,000.00
2017C Revenue Bond Fund	511,000	
<u>Operating Accounts</u>	7,212,000	6,372,000
<u>Board Designated Funds</u>		
Plant Fund		
Committed for Capital Expenditure	\$33,017,000	
Committed for Other Expenditure	9,190,000	
Uncommitted	128,375,000	
	<hr/>	
General Obligation Bond Reserve	2,014,000	1,947,000
Cost Report Settlement Fund	3,448,000	3,448,000
Development Fund	104,000	116,000
Workers' Compensation Liability Fund	19,908,000	20,903,000
	<hr/>	<hr/>
Total Board Designated Funds	196,056,000	267,352,000
	<hr/>	<hr/>
Total Investments	\$ 254,158,000	\$358,271,000
	<hr/>	<hr/>
Kaweah Delta Medical Foundation Funds	\$3,395,000	\$2,494,000
	<hr/>	<hr/>
Sequoia Regional Cancer Center Funds	\$263,000	\$49,000
	<hr/>	<hr/>
Kaweah Delta Hospital Foundation	\$15,431,000	\$17,136,000
	<hr/>	<hr/>

Kaweah Delta Health Care District
SUMMARY OF INVESTMENT FUNDS
December 31, 2018

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Total Surplus Funds	\$203,269,000	\$273,724,000	\$243,467,000	\$218,223,000
Add: Kaweah Delta Medical Foundation	3,395,000	2,494,000	1,972,000	4,078,000
Sequoia Regional Cancer Ctr.	263,000	49,000	40,000	447,000
KDH Foundation	15,431,000	17,136,000	15,696,000	13,501,000
Adjustment to record fair market value (FMV)	(1,808,000)	1,052,000	463,000	540,000
Accrued Investment Earnings	918,000	834,000	761,000	670,000
Adjusted Surplus Funds	\$221,468,000	\$295,289,000	\$262,399,000	\$237,459,000
Daily Operating Expenses (excluding depreciation expense)	\$1,911,000	\$1,728,000	\$1,648,000	\$1,417,000
Percent Increase	10.6%	4.9%	16.3%	15.6%
Days Cash on Hand (Actual - consolidated financial statements)	115.9	170.9	159.2	167.6
Benchmark:				
Moody's "A" Rated Hospitals (2017)	226.5			
Cash spread to "A" rating	\$211,340,000			
Surplus portfolio return (includes FMV adjustment) :				
12-Months Ended :				
Short-Term (LAIF/Operations/CD)	1.94%	1.00%	0.54%	0.31%
LAIF	1.85%	0.99%	0.58%	0.31%
Medium-Term (Cal Trust)	1.47%	1.47%	1.08%	0.59%
ML 1-3 Corp & Govt (A rated)	2.75%	0.85%	0.58%	0.31%
Long-Term (PFM - net of fees)	1.39%	1.14%	1.28%	1.10%
Long-Term (WC - net of fees)	1.43%	1.21%	1.49%	1.20%
Benchmark (70% ML 1-5 Treasury, 30% ML US Corp A-AAA)	1.41%	1.13%	1.42%	1.14%
Prospective Yield of Portfolio (No FMV)	2.05%	1.66%	1.38%	1.32%
Fiscal Year Budget (No FMV)	1.66%	1.45%	1.51%	1.25%

Note: All investment balances included in the attached investment summaries are stated at the cost value and do not reflect current fair market values. Please refer to the Investment Summary of Unrealized Gains and Losses for current market values.

Kaweah Delta Health Care District December 31, 2018

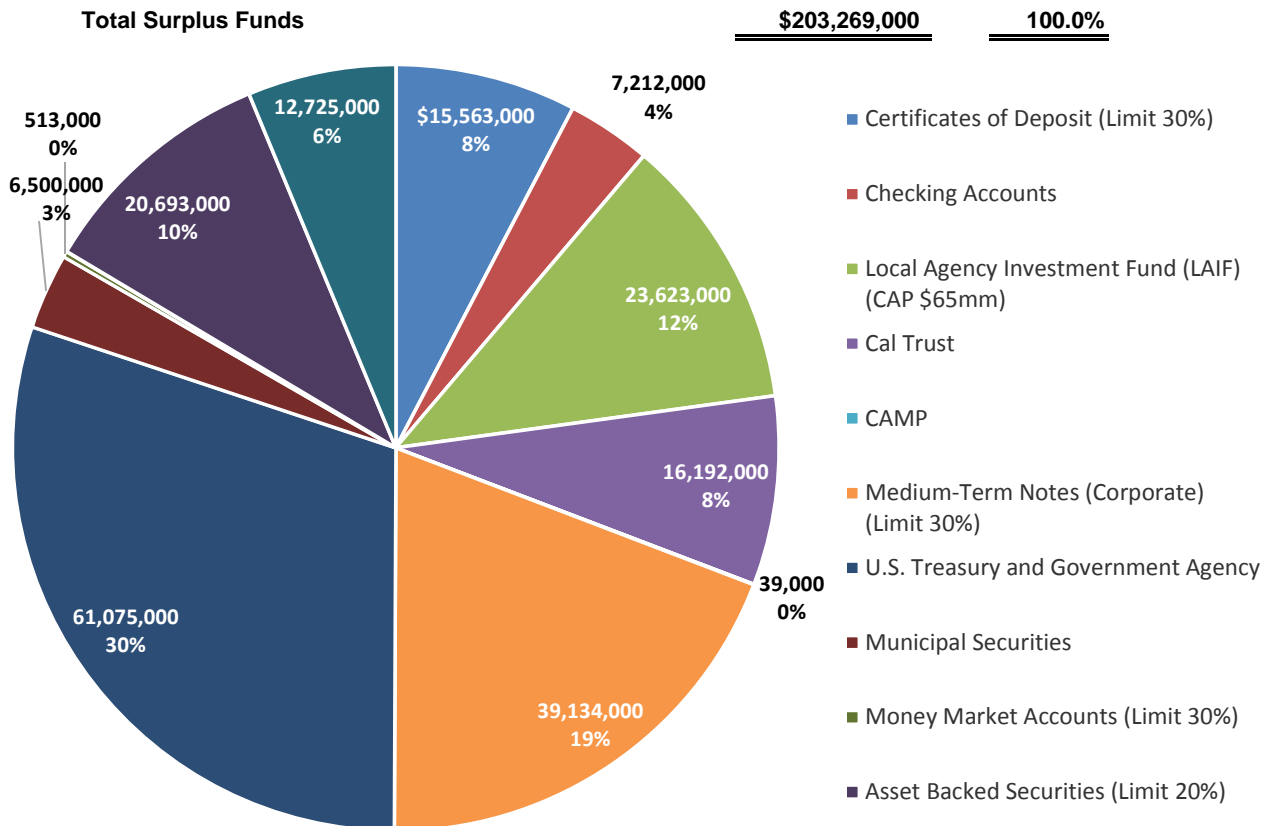


Kaweah Delta Health Care District
 INVESTMENT SUMMARY BY INSTITUTION
 December 31, 2018

	Investment Amount (Cost)	
	December 31, 2018	December 31, 2017
US Bank (Bond Trustee)	\$ 43,861,000	\$ 77,036,000
Local Agency Investment Fund (LAIF)	25,277,000	50,001,000
PFM Asset Management (Manager) - US Bank Custodian	82,238,000	92,793,000
Wells Capital Management (Manager) - US Bank Custodian	70,947,000	82,165,000
Wells Capital Management (SITF)	5,375,000	5,908,000
CAMP (Managed by PFM)	39,000	20,038,000
Cal Trust (Managed by Blackrock)	16,192,000	20,896,000
Bancorp (FSA)	16,000	10,000
West America Bank (Pledged CD)	-	55,000
Torrey Pines CD (CD Placement GO Refinance)	3,018,000	3,007,000
Wells Fargo Bank (Operating accounts)	7,195,000	6,362,000
Total Investments	254,158,000	358,271,000
Less Trust Accounts	(50,889,000)	(84,547,000)
Total Surplus Funds	\$203,269,000	\$273,724,000
<u>Kaweah Delta Medical Foundation</u>		
Wells Fargo Bank	\$3,395,000	\$2,494,000
<u>Sequoia Regional Cancer Center</u>		
Wells Fargo Bank	\$263,000	\$49,000
<u>Kaweah Delta Hospital Foundation</u>		
Central Valley Community Bank	\$340,000	\$1,386,000
Various Short-Term and Long-Term Investments	15,091,000	15,750,000
	\$15,431,000	\$17,136,000

Kaweah Delta Health Care District
INVESTMENT SUMMARY OF SURPLUS FUNDS BY TYPE
 December 31, 2018

	Investment Amount (Cost)	%	\$ or % Limit
Certificates of Deposit	\$15,563,000	7.7%	30.0%
Checking Accounts	7,212,000	3.5%	
Local Agency Investment Fund (LAIF)	23,623,000	11.6%	\$65 mm
Cal Trust	16,192,000	8.0%	
CAMP	39,000	0.0%	
Medium-Term Notes (Corporate)	39,134,000	19.3%	30.0%
U.S. Treasury and Government Agency	61,075,000	30.0%	
Municipal Securities	6,500,000	3.2%	
Money Market Accounts	513,000	0.3%	20.0%
Commercial Paper	-	0.0%	25.0%
Asset Backed Securities	20,693,000	10.2%	20.0%
Supranational Agency	<u>12,725,000</u>	6.3%	30.0%
	<u>\$203,269,000</u>	<u>100.0%</u>	

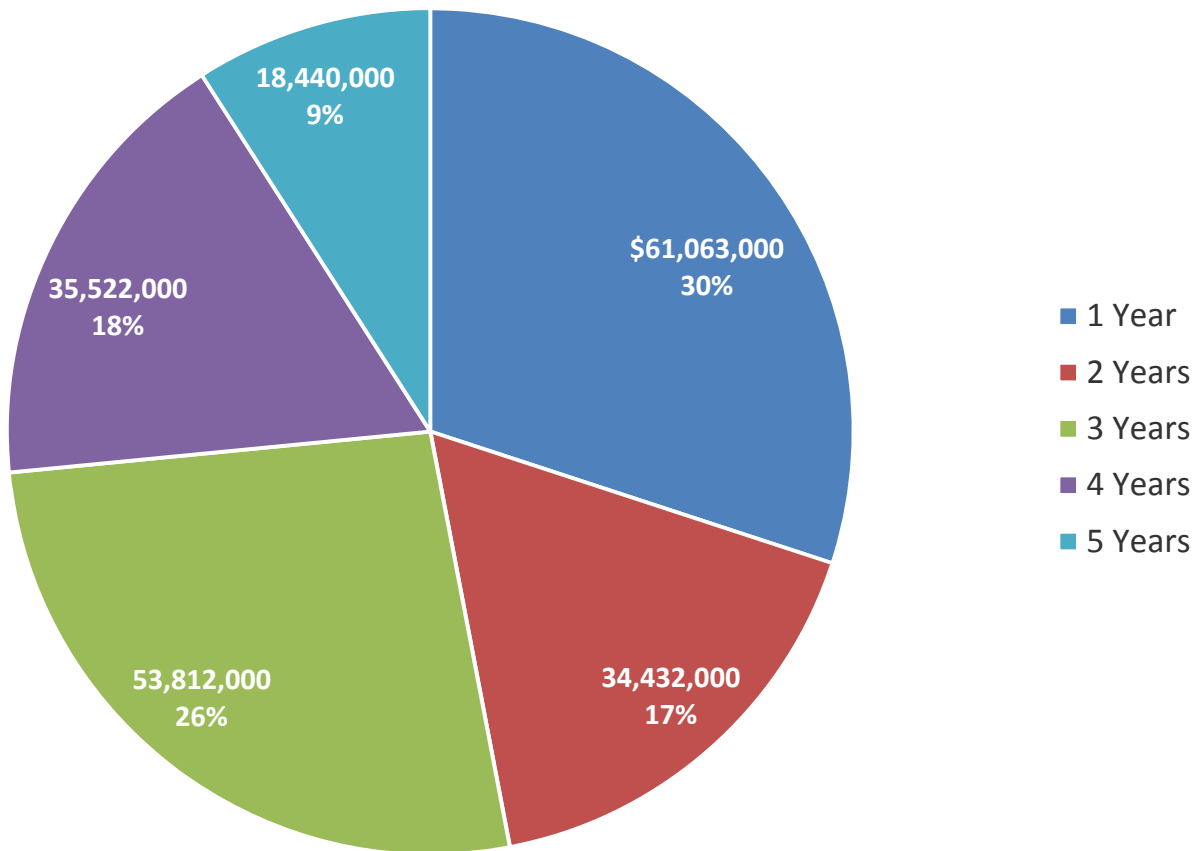


Kaweah Delta Health Care District
INVESTMENT SUMMARY OF SURPLUS FUNDS BY MATURITY
 December 31, 2018

	Investment Amount (Cost)	%
1 Year	\$61,063,000	30.0%
2 Years	34,432,000	16.9%
3 Years	53,812,000	26.4%
4 Years	35,522,000	17.5%
5 Years	<u>18,440,000</u>	<u>9.1%</u>
Total Surplus Fund Investments	<u>\$ 203,269,000</u>	<u>100.0%</u>

Weighted Average Maturity

2.58 Years



Kaweah Delta Health Care District
INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES
December 31, 2018

Description	Maturity	Par Value	Amort Cost	Market Value	Unrealized Gain (Loss)
Negotiable Certificate of Deposits:					
BANK OF NOVA C D	06/05/2020	1,600,000	1,599,565	1,604,672	5,107
CANADA C D	04/10/2020	1,400,000	1,400,000	1,402,604	2,604
CREDIT SUISSE NY C D	02/07/2020	750,000	750,000	748,718	(1,283)
NORDEA BK AB C D	02/20/2020	1,800,000	1,800,000	1,798,902	(1,098)
SKANDIN ENS C D	08/02/2019	2,000,000	1,999,772	1,988,820	(10,952)
SUMITO MTSU C D	05/03/2019	820,000	820,000	818,073	(1,927)
SUMITOMO MTSU C D	10/16/2020	805,000	804,018	810,555	6,537
SWEDBANK C D	11/16/2020	1,800,000	1,800,000	1,765,872	(34,128)
WESTPAC BKING C D	08/03/2020	1,570,000	1,570,000	1,548,711	(21,289)
		<u>12,545,000</u>	<u>12,543,355</u>	<u>12,486,926</u>	<u>(56,429)</u>
Medium-Term Notes (Corporate):					
APPLE INC	02/23/2021	615,000	619,007	607,792	(11,215)
AUTOMATIC DATA	09/15/2020	800,000	799,761	795,616	(4,145)
BB T CORP MTN	06/29/2020	1,280,000	1,279,442	1,268,544	(10,898)
BANK OF AMERICA MTN	04/19/2021	435,000	434,984	429,084	(5,900)
BANK OF NY MTN	02/07/2022	1,000,000	998,676	982,300	(16,376)
BOEING CO	10/30/2021	1,000,000	1,000,789	984,710	(16,079)
CITIGROUP INC	10/27/2022	750,000	739,772	722,963	(16,809)
COCA COLA CO	05/25/2022	500,000	499,328	485,985	(13,343)
COSTCO WHOLESALE	05/18/2022	1,000,000	997,471	977,900	(19,571)
E I DU PONT DE	05/01/2020	500,000	499,756	496,490	(3,266)
FIFTH THIRD BANK MTN	06/14/2021	800,000	799,707	780,960	(18,747)
GEN ELEC CAP CR MTN	12/11/2019	1,200,000	1,202,913	1,179,048	(23,865)
GOLDMAN SACHS	09/15/2020	350,000	350,410	346,381	(4,029)
GOLDMAN SACHS GROUP	04/26/2022	440,000	442,976	426,114	(16,863)
JPMORGAN CHASE CO	06/07/2021	910,000	909,299	890,080	(19,219)
JOHNSON JOHNSON	03/03/2022	500,000	499,140	487,735	(11,405)
MORGAN STANLEY MTN	04/21/2021	750,000	749,375	734,100	(15,275)
NATIONAL RURAL	04/25/2022	950,000	949,824	924,455	(25,370)
PNC BANK NA MTN	04/29/2021	400,000	397,027	390,428	(6,599)
RYDER SYSTEM MTN	09/01/2021	420,000	419,518	406,316	(13,202)
STATE STREET CORP	08/18/2020	830,000	829,384	823,028	(6,356)
TEXAS INSTRUMENTS	03/12/2021	630,000	638,128	626,195	(11,933)
TOYOTA MOTOR MTN	04/13/2021	600,000	599,818	600,090	272
UNITEDHEALTH GROUP	10/15/2020	595,000	594,406	584,617	(9,789)
VISA INC	12/14/2020	1,100,000	1,096,630	1,088,054	(8,576)
AMERICAN EXPRESS MTN	05/05/2021	450,000	451,151	440,357	(10,795)
AMERICAN HONDA MTN	07/20/2020	420,000	419,781	413,360	(6,421)
APPLE INC	11/13/2020	900,000	899,530	888,147	(11,383)
BB T CORPORATION MTN	05/10/2021	450,000	449,860	438,179	(11,681)
BB T CORPORATION MTN	04/01/2022	450,000	456,144	442,377	(13,767)
BANK OF AMERICA CORP	04/24/2023	640,000	623,743	622,458	(1,285)
BANK OF AMERICA MTN	05/17/2022	300,000	300,000	300,045	45
BANK OF NY MTN	04/15/2021	900,000	909,561	888,921	(20,640)
BLACKROCK INC	06/01/2022	395,000	394,504	397,947	3,443
CATERPILLAR FINL MTN	09/04/2020	670,000	669,685	656,955	(12,730)
CISCO SYSTEMS INC	09/20/2021	800,000	792,173	777,888	(14,285)
CITIGROUP INC	04/25/2022	1,000,000	1,003,429	971,370	(32,059)
COMCAST CORP	01/15/2022	450,000	436,994	430,664	(6,330)
JOHN DEERE MTN	06/22/2020	200,000	199,940	196,880	(3,060)
JOHN DEERE MTN	01/08/2021	750,000	749,737	739,718	(10,020)
WALT DISNEY CO MTN	03/04/2022	375,000	375,077	367,088	(7,990)
GOLDMAN SACHS GROUP	07/24/2023	900,000	872,815	857,322	(15,493)
HOME DEPOT INC	06/05/2020	425,000	424,883	418,918	(5,965)
IBM CREDIT CORP	01/20/2021	900,000	898,864	874,764	(24,100)
INTEL CORP	12/15/2022	415,000	406,913	408,763	1,849
JPMORGAN CHASE CO	06/23/2020	1,000,000	1,001,500	994,270	(7,230)
MICROSOFT CORP	02/12/2022	450,000	451,331	444,546	(6,785)
MORGAN STANLEY MTN	04/21/2021	900,000	901,903	880,920	(20,983)
ORACLE CORP	09/15/2021	900,000	899,568	873,189	(26,379)
PNC FUNDING CORP	03/08/2022	494,000	507,041	492,908	(14,133)
PEPSICO INC	10/06/2021	1,320,000	1,312,090	1,276,704	(35,386)
STATE STREET CORP	05/19/2021	245,000	244,503	238,120	(6,383)
TEXAS INSTRUMENTS	03/12/2021	180,000	182,322	178,913	(3,410)
TOYOTA MOTOR MTN	09/08/2022	450,000	449,608	430,974	(18,634)
TOYOTA MOTOR MTN	09/20/2023	550,000	545,939	550,919	4,980
UNITED PARCEL	05/16/2022	450,000	453,352	439,047	(14,305)
US BANCORP MTN	05/24/2021	900,000	940,257	920,754	(19,503)
WELLS FARGO CO MTN	07/22/2020	1,150,000	1,152,055	1,138,857	(13,199)
		<u>\$ 39,134,000</u>	<u>\$ 39,123,793</u>	<u>\$ 38,431,222</u>	<u>\$ (692,571)</u>

Kaweah Delta Health Care District
INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES
December 31, 2018

Description	Maturity	Par Value	Amort Cost	Market Value	Unrealized Gain (Loss)
Municipal Securities:					
CALIFORNIA ST HIGH	04/01/2021	1,250,000	1,260,906	1,244,175	(16,731)
SACRAMENTO CA PUBLIC	04/01/2021	1,200,000	1,224,044	1,211,664	(12,380)
SAN FRANCISCO CA	07/01/2021	935,000	935,000	928,689	(6,311)
SAN MARCOS CA REDEV	10/01/2026	1,185,000	1,288,257	1,291,401	3,145
UNIV CALIFORNIA CA	07/01/2019	1,000,000	1,000,803	995,560	(5,243)
UNIV OF CA	05/15/2022	400,000	401,411	404,964	3,553
CALIFORNIA ST	04/01/2021	530,000	530,016	529,534	(483)
		\$ 6,500,000	\$ 6,640,437	\$ 6,605,987	\$ (34,450)
U.S. Treasury and Government Agency:					
F H L B DEB	02/18/2021	980,000	979,067	957,225	(21,842)
F F C B	10/26/2020	1,400,000	1,399,712	1,379,168	(20,544)
F F C B DEB	05/08/2020	1,050,000	1,050,053	1,035,594	(14,459)
F N M A	05/06/2021	700,000	698,278	679,721	(18,557)
F N M A	08/17/2021	2,900,000	2,895,846	2,808,302	(87,544)
F N M A	04/05/2022	920,000	917,301	901,490	(15,811)
F N M A DEB	10/05/2022	950,000	949,528	932,045	(17,483)
F H L B DEB	07/14/2021	1,775,000	1,769,529	1,714,224	(55,305)
U S TREASURY NT	08/31/2022	590,000	584,423	572,300	(12,123)
U S TREASURY NT	10/31/2022	3,150,000	3,147,549	3,094,151	(53,398)
U S TREASURY NT	01/31/2023	350,000	347,956	348,387	431
U S TREASURY NT	02/28/2023	2,100,000	2,100,406	2,110,668	10,262
U S TREASURY NT	08/31/2023	1,240,000	1,228,833	1,253,900	25,067
U S TREASURY NT	10/31/2023	550,000	547,364	559,152	11,788
U S TREASURY NT	08/31/2020	1,055,000	1,053,098	1,035,092	(18,006)
U S TREASURY NT	09/30/2020	1,900,000	1,900,127	1,862,665	(37,462)
U S TREASURY NT	10/31/2020	400,000	397,998	391,876	(6,122)
U S TREASURY NT	11/30/2022	2,770,000	2,749,966	2,719,586	(30,380)
U S TREASURY NT	11/30/2020	150,000	149,907	147,528	(2,379)
U S TREASURY NT	12/31/2020	600,000	603,574	591,444	(12,130)
U S TREASURY NT	02/28/2021	700,000	694,985	679,791	(15,194)
U S TREASURY NT	03/31/2021	935,000	934,086	910,166	(23,920)
U S TREASURY NT	04/30/2021	875,000	875,531	853,396	(22,135)
U S TREASURY NT	06/30/2021	400,000	400,974	387,140	(13,834)
U S TREASURY NT	11/30/2021	1,160,000	1,154,899	1,136,614	(18,285)
U S TREASURY NT	12/31/2021	1,225,000	1,226,881	1,208,254	(18,627)
U S TREASURY NT	02/28/2022	390,000	389,012	382,918	(6,094)
U S TREASURY NT	04/30/2022	800,000	801,547	784,688	(16,859)
U S TREASURY NT	05/31/2020	345,000	344,214	339,932	(4,282)
U S TREASURY NT	06/15/2020	1,000,000	999,597	985,470	(14,127)
U S TREASURY NT	06/30/2022	660,000	658,263	644,015	(14,248)
U S TREASURY NT	09/30/2022	750,000	740,757	733,680	(7,077)
U S TREASURY NT	12/31/2020	605,000	617,780	603,651	(14,129)
U S TREASURY NT	08/31/2021	5,600,000	5,611,783	5,530,448	(81,335)
U S TREASURY NT	10/31/2021	2,000,000	2,019,373	1,974,300	(45,073)
U S TREASURY NT	12/31/2021	3,600,000	3,642,353	3,564,576	(77,777)
U S TREASURY NT	08/31/2022	2,000,000	1,985,740	1,957,180	(28,560)
U S TREASURY NT	12/31/2022	1,810,000	1,765,685	1,784,479	18,794
U S TREASURY NT	01/31/2023	1,200,000	1,153,913	1,165,272	11,359
U S TREASURY NT	03/31/2023	900,000	854,722	863,928	9,206
U S TREASURY NT	05/15/2022	2,300,000	2,226,149	2,245,996	19,847
U S TREASURY NT	10/31/2021	290,000	283,277	280,326	(2,951)
U S TREASURY NT	11/30/2021	2,000,000	1,995,833	1,959,680	(36,153)
U S TREASURY NT	05/15/2023	4,000,000	3,820,073	3,875,920	55,847
		\$ 61,075,000	\$ 60,667,940	\$ 59,946,337	\$ (721,603)

Kaweah Delta Health Care District
INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES
December 31, 2018

Description	Maturity	Par Value	Amort Cost	Market Value	Unrealized Gain (Loss)
Asset-backed Securities:					
AMERICAN EXPRESS	09/15/2022	1,656,000	1,655,539	1,636,410	(19,129)
BMW VEHICLE OWNER	11/25/2020	444,219	444,219	441,332	(2,887)
CAPITAL ONE MULTI	09/15/2022	867,000	865,866	858,503	(7,363)
CITIBANK CREDIT	11/19/2021	1,100,000	1,099,997	1,088,329	(11,668)
HONDA AUTO	12/18/2020	474,154	474,147	469,882	(4,265)
JOHN DEERE OWNER	04/18/2022	500,000	499,979	498,380	(1,599)
NISSAN AUTO	08/16/2021	1,050,000	1,049,960	1,040,235	(9,725)
SMART TRUST	03/15/2021	928,148	928,052	919,382	(8,669)
USAA AUTO OWNER	05/17/2021	370,000	369,984	367,262	(2,722)
VERIZON OWNER TRUST	04/20/2023	600,000	599,855	605,604	5,749
ALLY AUTO	12/15/2021	360,000	359,998	356,476	(3,522)
ALLY AUTO	01/17/2023	965,000	964,948	964,209	(739)
ALLY AUTO	08/17/2020	76,470	76,469	76,197	(272)
ALLY AUTO	03/15/2022	735,000	734,969	727,679	(7,289)
AMERICAN EXPRESS	12/15/2021	330,000	330,000	328,459	(1,541)
AMERICAN EXPRESS	10/17/2022	420,000	420,000	418,366	(1,633)
BANK OF AMERICA	08/15/2022	1,000,000	995,396	988,060	(7,336)
CITIBANK CREDIT CARD	01/20/2023	1,900,000	1,881,815	1,884,686	2,871
FORD CREDIT AUTO	06/15/2021	326,198	326,198	323,644	(2,554)
FORD CREDIT AUTO	03/15/2022	945,000	944,905	933,877	(11,028)
GM FINANCIAL	05/16/2023	415,000	414,921	416,477	1,557
HONDA AUTO	08/15/2021	900,000	899,969	890,694	(9,275)
HYUNDAI AUTO	04/15/2021	363,134	363,122	359,612	(3,510)
HYUNDAI AUTO	09/15/2020	69,536	69,534	69,274	(259)
HYUNDAI AUTO	08/16/2021	430,000	429,988	425,756	(4,232)
JOHN DEERE OWNER	10/15/2021	340,000	339,991	336,158	(3,833)
JOHN DEERE OWNER	06/15/2020	74,356	74,355	74,018	(337)
MERCEDES BENZ AUTO	01/17/2023	565,000	564,982	566,017	1,035
NISSAN AUTO	03/16/2020	43,160	43,160	43,105	(55)
TOYOTA AUTO	12/15/2022	915,000	914,863	916,519	1,656
TOYOTA AUTO	11/15/2021	250,000	249,991	246,430	(3,561)
TOYOTA AUTO	01/18/2022	625,000	624,969	616,294	(8,676)
TOYOTA AUTO	02/16/2021	202,279	202,272	200,837	(1,435)
F H L M C MLTCL MTG	09/15/2021	1,772	1,773	1,797	24
F N M A GTD REMIC	09/25/2019	61,262	61,376	60,890	(486)
F N M A GTD REMIC	01/25/2019	10,101	10,103	10,080	(23)
F H L M C MLTCL MTG	07/25/2023	380,000	379,999	382,257	2,258
		\$ 20,692,788	\$ 20,667,661	\$ 20,543,187	\$ (124,474)
Supra-National Agency					
INTER AMER BK M T N	09/12/2019	1,900,000	1,893,255	1,879,727	(13,528)
INTL BK	10/07/2019	1,975,000	1,978,447	1,961,906	(16,541)
INTL BK M T N	09/30/2019	1,500,000	1,494,558	1,482,600	(11,958)
INTL BK M T N	01/25/2021	750,000	748,481	745,080	(3,401)
INTER AMER DEV BK	11/09/2020	1,800,000	1,810,046	1,783,206	(26,840)
INTL BK M T N	09/04/2020	1,250,000	1,249,854	1,230,075	(19,779)
INTL BK	07/23/2021	1,800,000	1,796,404	1,807,326	10,922
INTL BK M T N	09/12/2020	1,750,000	1,747,609	1,717,940	(29,669)
		\$ 12,725,000	\$ 12,718,654	\$ 12,607,860	\$ (110,794)
Shares of beneficial interest issued by JPA:					
CAL TRUST	N/A	16,191,528	16,191,528	15,942,804	(248,724)
CAMP	N/A	39,343	39,343	39,343	-
		\$ 16,230,871	\$ 16,230,871	\$ 15,982,147	\$ (248,724)



March 20, 2019

Memorandum

To: Jennifer Stockton, Director of Finance
Kaweah Delta Health Care District

From: Lauren Brant, Managing Director
Allison Kaune, Senior Managing Consultant
PFM Asset Management LLC

Re: Investment Policy Review

We completed our review of Kaweah Delta Health Care District's (the "District") Investment Policy (the "Policy"). We are recommending that the District make a few changes to the Policy to incorporate recent updates to the California Government Code (the "Code"). This memorandum explains our recommended revisions to the Policy by Policy section. We have also attached a marked-up version of the Policy illustrating our recommendations.

Recommendations

Permitted Investments

Paragraphs f, i, j, and q. We recommend that the District update the credit rating language used in the Policy to reflect a revision to the Code. Senate Bill 974, which took effect on January 1, 2017, modified Code Sections 53601 et seq. to clarify that the Code's rating requirements specify the minimum credit rating category required at purchase, without regard to "+," "-", or 1, 2, 3 modifiers.

This Code change simply codified the credit rating interpretation already used by most public agencies, including the District. This revision did not change the minimum ratings required by the Code for the different investment types. This revision applies to all Policy sections that specify a credit rating requirement for purchase.

Paragraph j. We are also recommending an additional change to paragraph j to incorporate an update to Code that took effect on January 1, 2019. Assembly Bill No. 1770, effective January 1, 2019, revised California Government Code section 53601(o) to clarify requirements for the purchase of asset-backed securities (ABS) or non-agency mortgage-backed securities (MBS) in two respects.

1. First, the maturity limit language was clarified to reflect how many investors already interpret this section: that they can purchase securities with a maximum remaining maturity of five years or less.
2. Second, the bill eliminates the requirement that the issuer of these securities be rated "A" (or its equivalent) or better, as provided by a nationally recognized statistical rating organization (NRSRO). The Code still requires that the specific security be rated "AA" (or its equivalent) or better, as provided by an NRSRO.



We see these revisions as a matter of clarification for ABS and MBS investors. We believe the removal of the issuer rating criteria makes sense, since this requirement generally has no relevance to the issuers of ABS or MBS, which are organized as trusts and do not have standalone ratings. The minimum AA issue rating remains, which is an important risk management criteria.

Please let us know if you have any questions on the recommendations or would like to discuss them further. Thank you.

Kaweah Delta Health Care District Annual Report to the Board of Directors

Kaweah Delta Mental Health Hospital (KDMH)

Mary Laufer, DNP, RN, NE-BC
Director of Mental Health Services, x3361
April 9, 2019

Summary Issue / Service Considered

- CENSUS** KDMH has successfully maintained an average daily census (ADC) of 46.92 for 48 staffed beds (of 63 total licensed beds), against a budget of 47.62.
- MED STAFF**
- On January 9, 2019, we executed a new 3-year professional services agreement with Aligned TeleHealth (ATH). This new agreement allows for additional consult liaison (CL) service hours (up to 8 hours daily, including weekends) to meet increasing throughput demand and provide robust learning experiences for residents. We welcomed a new physician whose primary role is covering CL assessments in the emergency department and medical center.
 - We proudly celebrated Dr. Bagga, selected by the Kaweah Delta Professional Practice Council as a Distinguished Physician Award recipient in 2018.
- GME**
- Effective July 2018, the National Residency Match Program quota for psychiatry was recently increased from 4 to 6 interns. With approval from Tulare County Mental Health leadership and under supervision of KDMH psychiatric assessment and triage (PAT) team, first-year residents are trained and designated to complete applications for assessment, evaluation, and treatment when there is probable cause to believe a person is, as a result of a mental health disorder, a danger to self or others or gravely disabled ("5150" or involuntary 72-hour psychiatric hold).
 - In addition to acute inpatient care, our residents are integral to the consult liaison service as well as the outpatient behavioral health services provided in Kaweah Delta rural health clinics.

Quality (Performance Improvement Data) & Patient Safety

ACHIEVE OUTSTANDING COMMUNITY HEALTH

- CORE MEASURES** We continue to participate in Hospital-Based Inpatient Psychiatric Services (HBIPS) core measures, receiving our full market basket payment for collection and submission of data. Using the most recently published *Inpatient Psychiatric Facility (IPF), State and National Report* (Payment for FY19) for comparison, data indicate that we outperform IPFs in California in 11 of 17 indicators (65%) and outperform national IPFs in 9 of 17 indicators (53%).
- CUSP**
- Led by staff nurses, our Comprehensive Unit-based Safety Program (CUSP) continues to meet monthly, bringing nursing and other clinical staff together with residents and attending psychiatrists to review outcome/event data and explore evidence-based practice improvement opportunities.
 - Notably, total falls (less suspected intentional) decreased 42% since 2016 and currently outperform the target benchmark statistic for the most recently reported 2 consecutive quarters. Event investigation is now aided by review of video camera footage, as available for public areas.

- We opened our Sensory Room for use as an alternative to seclusion and restraints for persons that are anxious or agitated, as well as a preventative measure for persons known to have previous incidents involving high-risk interventions. The Sensory Room is designed to promote relaxation, facilitate development and use of coping skills and self-regulation. Evidence-based design of our Sensory Room was an interdisciplinary CUSP / UBC project that included staff, residents, nurse managers – and partially funded through the generosity of Kaweah Delta Guild.

Risk Management / Regulatory Issues

CDPH Successful completion of the final 2 outstanding corrective action items related to Immediate Jeopardy deficiencies:

- Safety Attitudes Questionnaire (SAQ) conducted December 2018
 - ✓ Goal met: 90% participation (76/84 participants = 90%)
 - ✓ Goal met: increase in percentage of staff at KDMH who state they will speak up when a concern arises related to patient safety
 - *I am encouraged by others in this work setting to report any patient safety concerns:* favorable responses increased from 78% to 83%
 - *When I see others doing something unsafe for patients, I speak up:* favorable responses increased from 93% to 96%

- Broset Violence Checklist (BVC)
 - ✓ Goal: 100% compliance for three (3) consecutive months
[BVC risk assessments are conducted upon admission, reassessments each shift or more frequently per score, interventions implemented & documented per score]

OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019
77%	86%	97%	100%	100%	100%

Policy, Strategic or Tactical Issues

DELIVER EXCELLENT SERVICE

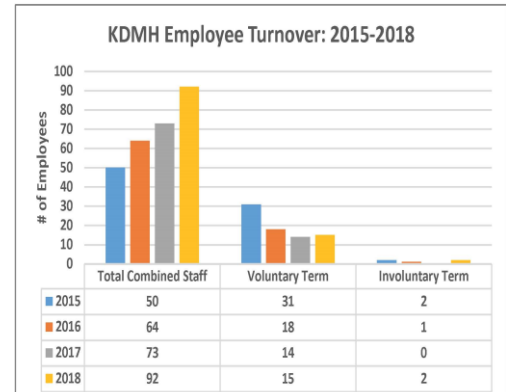
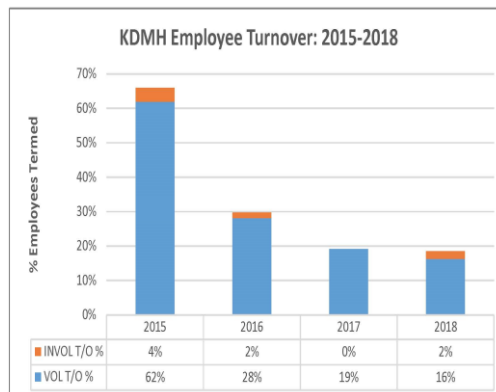
PERSON-CENTERED RECOVERY CULTURE

- Using the standardized national *Recovery to Practice*® curriculum, we continue to train our multidisciplinary team and support integration of recovery principles in our language and documentation. With May Cerner go-live, we successfully implemented our redesigned Cerner behavioral health solution to incorporate the language of recovery in multidisciplinary documentation, including person-centered plans of care, aligning our electronic health record with our model of recovery and wellness.
- Social work/PFS team developed and implemented specialty population group therapy, in addition to providing individual cognitive behavioral therapy (CBT).
- With the assistance of Tulare County Registrar of Voters, our clinical staff and leaders supported/facilitated the voting rights of [registered] persons under our care on Election Day in November, providing and submitting completed absentee ballots.
- Staff hosted our third annual No-Stigma Walk in May and participated in the annual Tulare County NAMI walk in September with our community partners and families.

PROVIDE AN IDEAL WORK ENVIRONMENT

EMPLOYEE ENGAGEMENT

- Psychiatric Assessment and Triage (PAT) Team and Patient Family Services (PFS) Team received the Team Pyramid Award for outstanding teamwork, leadership, and overall positive impact on clinical program and staff/physician relationships.
- Our leadership team instituted a variety of employee recognition practices, including employees of the month based on Kaweah Care Recognition; and “Let’s Do Lunch”, wherein all new employees and those recognized as employee of the month are invited to a monthly lunch hosted by managers and director.
- For the first time, three mental health registered nurses submitted portfolios for consideration by the clinical nurse advancement program review committee (clinical ladder).
- Comparison of Safety Attitudes Questionnaire (SAQ) survey results (June 2018 and December 2018) shows significant improvement: 5 of 7 domains scored above 50% favorable responses; 5 of 7 domains increased percent favorable responses between +6% and +26% score change (Job Satisfaction, Safety Climate, Teamwork Climate, Perceptions of Local Management, Perceptions of Senior Management), 1 domain remained the same (Stress Recognition), and one domain decreased -3% (Working Conditions).
- Turnover: Employee retention has improved dramatically since 2015 as evidenced by voluntary turnover decrease from 62% (2015) to 16% (2018)



EMPOWER THROUGH EDUCATION

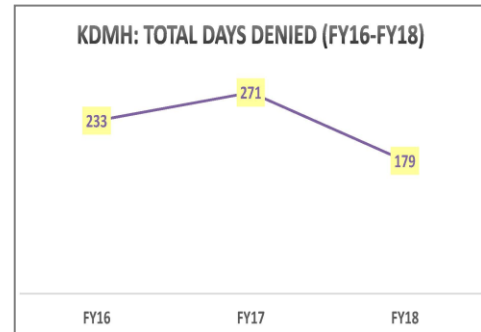
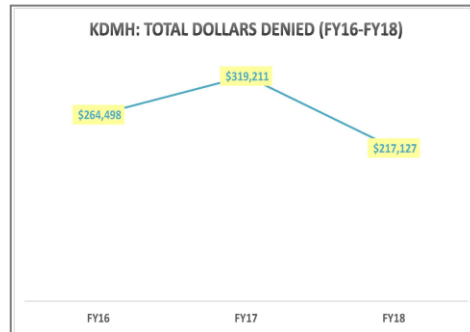
TRAINING, WORKSHOPS, NATIONAL CONFERENCE

In-house education and training were the priority for the past year:

- Cerner workshops to learn new EMR
- Lift Super User training
- Ligature Risk [mitigation] training
- Violence Risk [mitigation] training
- IPOCtober education: Plans of Care
- Room Assignment education
- MH-specific CompFair included assaults, workplace violence, restraints, interdisciplinary communication, Cerner documentation
- CPI for all staff
- LEAD Academy (2 managers)
- Nursing Safety Summit
- STD presentation by UBC in January
- LPS Designation training (& AB2983)
- APNA National Conference (Ohio): manager, educator, staff nurse

MAINTAIN FINANCIAL STRENGTH

- UNIT OF SERVICE Continued strong patient days with 1% growth over FY17
- NET PATIENT REVENUE Net Revenue per patient day also remained strong, increasing slightly from \$1,092 in FY17 to \$1,097 in FY18
- Denials have improved significantly from \$319,211 (271 days) in FY17 to \$217,127 (179 days) in FY18.



COSTS & CONTRIBUTION MARGIN

- Financial and statistical details are provided on pp. 6-7:
- Direct Cost per day declined 1.6% from \$651 in FY17 to \$641 in FY18
 - Total Contribution Margin came in at \$7.8 million, up \$331,000 from FY17
 - As a side note, Indirect Costs appear to have increased substantially; however, FY17 is the anomaly. Mental Health typically has an annual indirect allocation of approximately \$4.5 to \$4.6 million

Recommendations / Next Steps

- SAFETY Assessment of environmental risk, including ligature risk, is ongoing. Modifications to corridors, common rooms, and patient rooms have been completed or are works in progress (via tracked work orders)
- Curtains are now installed in doorways of patient rooms to allow for privacy while preventing use of [closed] door as ligature point
 - For person's identified at risk for self-harm, our treatment team uses least restrictive measures for risk mitigation such as no sharps, more frequent rounding, safety blanket, etc. Use of 1:1 (close) observation is a last resort for individuals at extreme risk who have active plan for self-harm that cannot be otherwise mitigated. One-to-one observation is highly intrusive and often counterproductive for our population.
- THROUGHPUT We are exploring adding six additional mental health beds (aligned with ratios for nursing and medical staff). Community Behavioral Health Center in Fresno (part of Community Medical Centers) is expected to open an addition 18 inpatient acute mental health beds by June 2019. Since 27% of our admissions come from Fresno and other northern counties (Madera, Merced, Stanislaus, Tuolumne, etc.), KDMH referral-base will be impacted. We are analyzing this aspect, as well as ED admit holds over the past year and the impact of the enhanced Consult Liaison service. Our leadership team and medical staff will present recommendations in this regard to the Executive Team in the near future.

Approvals / Conclusions

CERNER IMPACT ON BILLING

ProFee collections are down by \$58,202 when comparing July2017-February2018 (pre-Cerner implementation) with July2018-February2019 (post-Cerner timeframe). Our report development-to-spec challenges contributed to significant delays in billing by ATH. Despite interruption in billing, collections continue to be received for services provided in months immediately following Cerner implementation (May, June, July, August, and September). ATH now receives weekly automated billing reports to facilitate timely collections.

CALIFORNIA HOSPITAL ASSOCIATION'S (CHA) CENTER FOR BEHAVIORAL HEALTH (CBH) ADVISORY BOARD

CBH Advisory Board serves in advisory capacity and provides direct input to the CHA Board of Trustees on regional, state and national issues of importance to behavioral health providers. Recently enacted state legislation includes:

AB-1968 Mental health: firearms (appv 09/28/18; operational 01/01/20)

Requires that a person who has been taken into custody, assessed, and admitted to a designated facility because he or she is a danger to himself, herself, or others, as a result of a mental health disorder more than once within a one-year period be prohibited from owning a firearm for the remainder of his or her life, subject to the right to challenge the prohibition at periodic hearings.

AB-2099 Mental health: detention and evaluation (appv 09/05/18)

Requires a copy of the application that permits an individual to be involuntarily detained (commonly referred to as a 5150 or 72-hour hold), as specified, to be treated as the original for purposes of evaluation and treatment.

AB-2983 Health care facilities, voluntary psychiatric care (appv 09/27/18)

Prohibits a general acute care hospital (GACH) or acute psychiatric hospital (APH) from requiring a person who voluntarily seeks care to be in custody pursuant to section 5150 of the Lanterman-Petris-Short (LPS) Act (commonly referred to as a 5150 hold) as a condition of admittance

SB-1152 Hospital patient discharge process: homeless patients (appv 09/30/18)

Requires each hospital to include, as part of its hospital discharge policy, a written homeless patient discharge planning policy and process. Prohibits a hospital from discharging a homeless patient to a location other than where the patient identifies as his or her residence unless to another licensed facility, or to a social services agency or provider that has agreed to accept the patient, and requires certain conditions to be met prior to discharging the homeless patient.

**Kaweah Delta Health Care District
Annual Report to the Board of Directors
Financial & Statistical Information**

Kaweah Delta Mental Health Hospital

Mary Laufer
March 2019

Service Line Report Data: Fiscal Year 2018

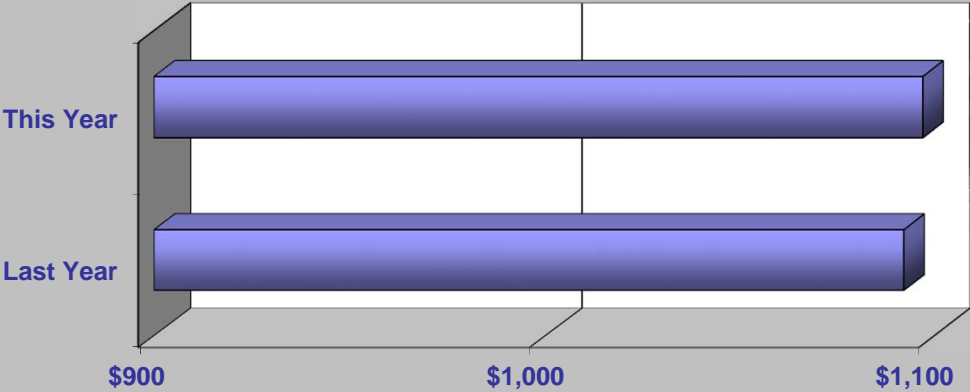
Service	Patient Cases	Patient Days	ALOS	Net Revenue	Direct Costs	Contribution Margin	Indirect Costs	Net Income
Acute Inpatient Psych	2,140	17,151	8.01	\$18,809,152	\$10,986,363	\$7,822,789	\$4,682,406	\$3,140,383
Grand Total	2,140	17,151	8.01	\$18,809,152	\$10,986,363	\$7,822,789	\$4,682,406	\$3,140,383
<i>Per Patient Day</i>				<i>\$1,097</i>	<i>\$641</i>	<i>\$456</i>		

Service Line Report Data: Fiscal Year 2017

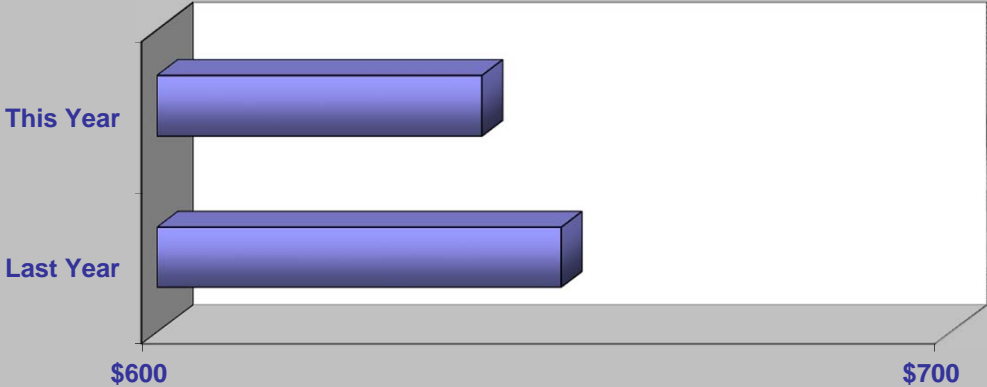
Service	Patient Cases	Patient Days	ALOS	Net Revenue	Direct Costs	Contribution Margin	Indirect Costs	Net Income
Acute Inpatient Psych	2,313	16,994	7.35	\$18,552,694	\$11,060,572	\$7,492,122	\$3,811,249	\$3,680,873
Grand Total	2,313	16,994	7.35	\$18,552,694	\$11,060,572	\$7,492,122	\$3,811,249	\$3,680,873
<i>Per Patient Day</i>				<i>\$1,092</i>	<i>\$651</i>	<i>\$441</i>		

Increase (Decrease)	(173)	157	0.67	\$256,458	(\$74,209)	\$330,667	\$871,157	(\$540,490)
<i>Per Patient Day Change</i>		<i>0.9%</i>		<i>0.5%</i>	<i>-1.6%</i>	<i>3.5%</i>		

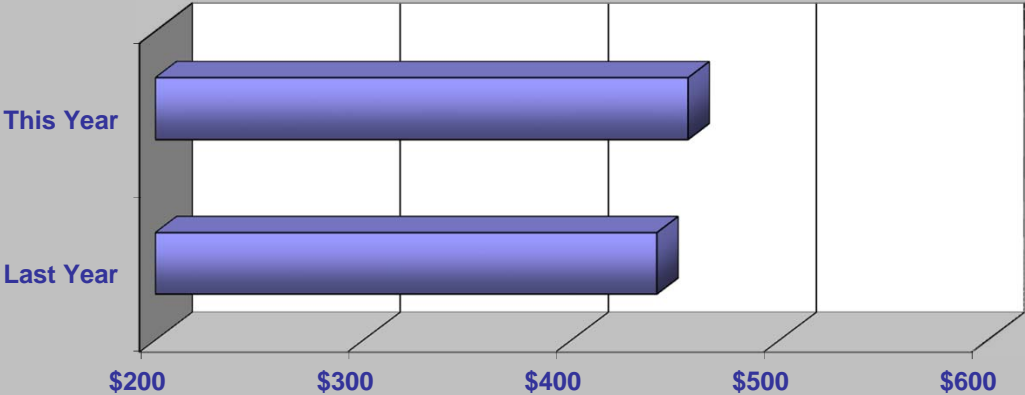
Net Revenue Per Day



Direct Cost Per Day




Contribution Margin Per Day




Last Year This Year



Net Revenue Per Day	\$1,092	\$1,097
Direct Cost Per Day	\$651	\$641
Contribution Margin Per Day	\$441	\$456

Board of Directors Quality and Patient Safety Dashboard 4th Quarter 2018 - 1st Quarter 2019



Emergency Department (Core Measure)					
ED Patient Throughput (Quarterly Report) 4th qtr 2015 - 3rd qtr 2018 (Tom Siminski)	Benchmark (Hospital Compare Average)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
1) Median ED Arrival time to ED Departure Time for In-patients {minutes} - (down Trend Positive)	423 Minutes		476 Dec 2018	Jan 2019	<p>April 1 update: Still experiencing some delays with getting admissions upstairs. Overall time for arrival to admit for February was median time of 502 minutes. Discharges and bed assignments still occurring late in the afternoon. This creates a backlog of patients waiting to be admitted from the ED.</p> <p>The follow are ongoing projects to help alleviate congestion in the ED:</p> <ul style="list-style-type: none"> • ED Lobby Roof Repair - approximately 4 months to complete • ED Zone 6 (fast track) should be open in June • ED Zone 4 (Mental Health 9 beds) sometime around August • ED Zone 5 (24 beds and new lobby) approximately 2 years

Value Based Purchasing (VBP) Measure					
Measure	CMS Benchmark / *TJC National Rate	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
PCM-01 Early Elective Deliveries - down trend positive (Clinical Staff Sponsor - Tracie Plunkett)	*2.42%		0% Dec 2018	Jul 2018	No Fallouts - Benchmark maintained

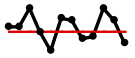


Patient Satisfaction

A) Inpatient (Ed Largoza):	Benchmark (Internal)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
1) Inpatient Satisfaction - HCAHPS Performance data (up trend positive)	76.5%		75.9% Jan 2019	Feb 2019	<ul style="list-style-type: none"> Engage discharge advocates in transitions of care Partner with pharmacists on education about medications Rebuild discharge instructions Utilize patient medicine guide Improve hygiene standards Launch new patient menu Improve access to linen Pursue new surveying vendor
B) ED (Tom Siminski / Ed Largoza):	Benchmark (Internal)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
1) ED Patient Satisfaction - not included in HCAHPS (mean score - up trend positive)	50th Percentile		11th percentile Jan 2019	Feb 2019	<ul style="list-style-type: none"> LVN Patient Navigator launched and is proving effective in enhancing communication and coordination. Redesigning patient flow in the ED waiting room, Start, PAT, Intake. Develop and launch Fast Track Adjust to address challenges related to moving ED to MK lobby



Physician/Staff Satisfaction

Physician/Staff Satisfaction	Benchmark (Internal)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
A) Physician Satisfaction (every 2 years, due 2011; up trend positive)	75th Percentile		46 percentile 2009; 37 in 2007	n/a	Pending data update
B) Employee Satisfaction (Dianne Cox) (every 2 years - due 2019; up trend positive)	N/A		4.20 +0.08 vs. Nat'l Healthcare Avg (63rd Percentile) 2017	n/a	<ul style="list-style-type: none"> Jan – March 2018, Employee feedback sessions to identify opportunities March 2018, Organizational Stoplight Report of workgroup TOP 3 Opportunities submitted to Board Quarterly Stoplight Report follow-up (June, October, Jan) Organizational opportunities identified May 2019 Survey date established 2019 Employee Engagement Goal approved by Board – 4.24




Human Resources

A) Employee Turnover 1st qtr 2016 - 4rd qtr 2018 (Dianne Cox) (reported quarterly):	Benchmark (CHA updated quarterly)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
1) All Employees Turnover (down trend positive)	2.7%		2.2% 4th qtr 2018	4th qtr 2018	April 1 update: We are entering RN new graduation season and are planning our RN Interview Day event for June 3, 2019! We can realistically attribute the hiring of 100 RN's per year with new graduates through this event. Our Critical Care Nursing Internship (CCNI) cohort began on March 25, 2019, which will continue to "grow our own" with a supportive training into nursing practice and the critical care environment. Planning is already underway for the following CCNI program, slated to start in August of 2019. This internship program onboards 20 RNs annually, and may be expanding in the future. In addition to partnerships with local schools and programs, external recruitment efforts through targeted specialty events, clinical association conferences, job boards/sites and new recruitment services assist us in locating and connecting with experienced professionals.
2) RN Turnover (down trend positive)	2.5%		2.5% 4th qtr 2018	4th qtr 2018	
B) Contracted / Traveler Staff - March 2019: 87 out of 4955 total staff (down trend positive)	1.01% (internal benchmark)		1.76% Mar 2019	Apr 2019	April 1 update 87 Contracted/Traveler staff used in March 2019; goal: reduce the number of Contractor/Traveler staff to 50.

Finance

A) Capital Structure (Malinda Tupper) (up trend positive):	Benchmark (Budget FY 2019)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
1) Maximum Annual Debt Service Coverage: net income available to cover debt payments	4.0		2.3 Feb 2019	Mar 2019	Decrease is due to operating margin decrease. Operation Bottom Line focused initiatives as well as REC initiative in place to improve operating margin.
B) Liquidity:					
1) Days Cash on Hand: number of days operating expenses covered by cash (up trend positive)	162.7		117.9 Feb 2019	Mar 2019	Decrease is due to KDHUB conversion in May 2018. Liquidity ratios trend are reviewed as a part of the CFO monthly report. Focused actions underway in billing and collections areas.

Finance (continued)

B) Liquidity (continued):	Benchmark (Budget FY 2019)	Trends (Red Line = Benchmark)	Last Data Point (green = benchmark achieved)	Compl Due Date	Comments / Actions
2) Net Days in Accounts Receivable: average number of days to collect a patient account (down trend positive)	55		96.8 Feb 2019	Mar 2019	Increase is due to KDHUB conversion in May 2018. Liquidity ratios trend are reviewed as a part of the CFO monthly report. Focused actions underway in billing and collections areas.
C) Profitability (up trend positive):					
1) Operating Margin: profit from core-business revenue and expenses	2.5%		(0.6%) Feb 2019	Mar 2019	Operation Bottom Line focused initiatives as well as REC initiative in place to improve operating margin.
2) Operating Cash Flow Margin: cash flow available to pay debt & purchase capital assets	7.6%		4.2% Feb 2019	Mar 2019	Decrease is due to operating margin decrease. Operation Bottom Line focused initiatives as well as REC initiative in place to improve operating margin.

Abbreviations
CMS = Centers for Medicare & Medicaid Services
CHA = California Hospital Association
PSAT = Patient Satisfaction Action Tool
TJC = The Joint Commission

Color Code
Benchmark Achieved
Within 10% of Benchmark
>10% From Benchmark

Kaweah Delta Health Care District Financial Assistance Program

Full Charity and Partial Charity Care Programs

I. Purpose

Kaweah Delta Health Care District (KDHCD) serves all persons within District boundaries and the surrounding region. As a regional hospital provider, KDHCD is dedicated to providing high-quality, customer-oriented, and financially strong healthcare services that meet the needs of those we serve. Providing patients with opportunities for Financial Assistance for healthcare services is therefore an essential element of fulfilling the KDHCD mission. KDHCD is committed to providing access to Financial Assistance programs when patients are uninsured, underinsured, or may need help paying their hospital bill. These programs include government sponsored coverage programs, charity care, and partial charity care as defined herein. This policy defines the KDHCD Financial Assistance Program, its criteria, systems, and methods.

KDHCD, like all California acute care hospitals, must comply with Health & Safety Code Sections 127400 *et seq.*, including requirements for written policies providing charity care to financially-qualified patients. KDHCD operates a non-profit hospital and, therefore, KDHCD must also comply with 26 U.S.C. § 501(r) and its implementation regulations, 26 C.F.R. § 1.501(r), *et seq.*, including requirements related to billing and collections practices for financially-qualified patients. This policy is intended to meet such legal obligations and provides for charity care to patients who financially qualify under the terms and conditions of the KDHCD Financial Assistance Program.

KDHCD affirms and maintains its commitment to serve the community in a manner consistent with the philosophy of the Board of Directors. This philosophy emphasizes the provision of optimal health care services to aid all persons regardless of age, sex, race, creed, disability, national origin, sexual orientation, gender identity, or financial status. These beliefs have led KDHCD to develop a policy for providing charity care for the less fortunate.

II. Definitions

A. Charity care is defined as health care services provided at no charge to patients who do not have or cannot obtain adequate financial resources or other means to pay for this care and who qualify for free care under the eligibility guidelines specified in this policy. Charity care is in contrast to bad debt, which is defined as a patient and/or guarantor who, having the requisite financial resources to pay for health care services, has demonstrated by his/her actions an unwillingness to comply with the obligation to resolve an account.

B. Partial Charity Care is defined as health care services provided at a reduced charge to patients who do not have adequate financial resources or other means to pay for this care and who qualify for discounted care under the eligibility guidelines specified in this policy, but do not qualify for free care.

C. Essential living expenses¹ means, for purposes of this policy, expenses for all of the following, as applicable to the patient's individual circumstances: rent or house payment and maintenance, food and household supplies, utilities and telephone, clothing, medical and dental payments, insurance, school or child care, child or spousal support, transportation and auto expenses, including insurance, gas, and repairs, installment payments, laundry and cleaning, and other extraordinary expenses.

D. Financially Qualified Patients are eligible for assistance under this policy for care covered by the policy without regard to whether the patient has applied for assistance under the policy² and includes any of the following:

i) Self-Pay Patients³ are:

- Patients who do not have third party insurance, Medi-Cal, or Medicare, and who do not have a compensable injury for purposes of worker's compensation, automobile insurance, or other insurance as determined and documented by KDHC.

ii) Under-insured Patients include:

- Patients with high medical cost who have insurance or health coverage but have a remaining patient responsibility balance that they are unable to pay. Remaining patient responsibility balances include out-of-pocket costs, deductibles, and coinsurance that constitute high medical costs as defined below.
- Patients who are eligible for Medi-Cal, Medicare, California Children's Services and any other applicable state or local low-income programs who do not receive coverage or payment for all services or for the entire stay.
- Patients with third-party insurance whose benefits under insurance have been exhausted prior to admission or whose insurance has denied stays, denied days of care, or refused payment for medically necessary services.

iii) High Medical Cost Patients⁴ are patients:

- Whose family income is at or below 350% of the Federal Poverty Guidelines;
- Who do not otherwise qualify for full charity care under this policy;
- Who have high medical costs as defined below.

E. High medical costs⁵ are defined as out-of-pocket medical costs incurred by the patient that exceed 10 percent of the Patient's Family Income in the prior 12 months, or annual out-of-pocket medical expenses incurred in the prior twelve (12) months that exceed 10% of Patient's Family income.

¹ Cal. Health & Safety Code § 127400(i)

² 26 C.F.R. §§ 1-501(r)-1(b)(15)

³ Cal. Health & Safety Code § 127400(f)

⁴ Cal. Health & Safety Code § 127400(g)

⁵ Cal. Health & Safety Code § 127400(g)(1) & (2)

G. Patient's Family⁶ is defined as follows:

1. For persons 18 years of age and older, the family includes the patient's spouse, registered domestic partner, and dependent children under 21 years of age, whether living at home or not.
2. For patients under 18 years of age, the family includes the patient's parent, caretaker relatives, and other children under 21 years of age of the parent or caretaker relative.

III. Policy & Procedures

KDHCD recognizes that the need for charity is a sensitive and deeply personal issue for recipients. Confidentiality of information and individual dignity will be maintained for all who seek charitable services. Training of staff and the selection of personnel who will implement these policies and procedures are guided by these values. Providing charity care (financial assistance) to low-income families along with other community benefit services are important evidence of KDHCD's mission fulfillment. It is imperative that the determination, reporting, and tracking of charity care are in concert with our not-for-profit mission and community obligation and in compliance with Assembly Bill No. 774, Hospital Fair Pricing Policies and Senate Bill 1276 (Chapter 758, statutes of 2014) and applicable IRS laws and regulations.

Charity care will not be abridged on the basis of age, sex, race, creed, disability, national origin, sexual orientation, gender identity, or financial status.⁷ Medically necessary available health care services, inpatient or outpatient, shall be available to all individuals under this policy. Confidentiality of information and individual dignity will be maintained for all that seek charitable services. The handling of personal health information will meet all HIPAA requirements.

Charity care will be based on income and family size as defined by Federal Poverty Income Guidelines and the attached sliding scales.⁸ KDHCD will also actively assist an individual in pursuing alternate sources of payment from third parties. Those individuals or families who qualify for alternative programs and services within the community but refuse to take advantage of them will not be covered by this policy. These actions are intended to allow KDHCD to provide the maximum level of necessary charity services within the limits of respective resources.

Charity care provided by this policy are available for medically necessary care.⁹ Charity is generally not available for non-medically necessary procedures. However, in certain cases an exception may be made. Exceptions require approval by administration. Specialized, high-cost services (*i.e.*, experimental procedures, *etc.*) requiring charity care are also subject to the review of administration prior to the provision of service.

⁶ Cal. Health & Safety Code § 127400(h)

⁷ 42 U.S.C. § 18116; 45 C.F.R. §§ 92.1 *et seq.*

⁸ Cal. Health & Safety Code §§ 127405(a)(1)(A), (b).

⁹ 26 C.F.R. § 1-501(r)-4(b)(1)(i).

A. Identification of Applicant

KDHCD makes reasonable efforts to presumptively determine whether a patient is eligible for Financial Assistance based on prior eligibility for Financial Assistance or the use of third party data to identify Financially Qualified Patients.¹⁰

Any member of the medical staff, any employee, the patient or his/her family and any other responsible party may request charity care from KDHCD. Any member of the Patient Financial Services team, other hospital staff, or community advocates may identify possible charity recipients during any portion of the business cycle.

B. How to Apply

Patients may request an application for assistance in person from the Acequia Lobby at the corner of Floral and Acequia, 305 West Acequia Avenue in Visalia, California 93291, over the phone by calling Patient Financial Services at (559) 470-0016 or (559) 624-4200 option 5, or may obtain an application from KDHCD's website at [kawahdelta.org/documents/PDFs/FinancialAssistanceApp-\[english\].pdf](http://kawahdelta.org/documents/PDFs/FinancialAssistanceApp-[english].pdf). Documentation required to determine eligibility is included on the application. KDHCD does not require any documentation not listed on the application form.

The KDHCD standardized application form will be available in both English and Spanish, and any other language deemed necessary by the methods discussed in Section VIII, below, and shall be available in any Registration or Patient Accounting area, as well as on the KDHCD website.¹¹ For patients who speak a language other than English or Spanish, or who need other accessibility accommodations, KDHCD will provide appropriate accommodations, language assistance services, and application assistance free of charge.

C. Full Charity Care

A full write-off of all balances due from a patient, whether the patient is insured, underinsured or self-pay, shall be granted to those financially qualified patients whose family income is up to 200% of the most recent Federal Poverty Guidelines.¹²

KDHCD presumes qualified for full charity care any patient who can provide proof that they are eligible for or in a public benefits program such as CalWORKS, CalFresh, SSI/SSP, Medicare Savings Program, WIC, or general assistance/general relief.

Patients who are covered by Medi-Cal are eligible for charity write-offs. This includes patients that have Medi-Cal with a Share of Cost. It also includes charges related to Medi-Cal denied stays or denied days of care, non-covered medically necessary Medi-Cal services received on a Medi-Cal remittance advice, or when otherwise required by law. Treatment Authorization Request (TAR) denials and any lack of payment for non-covered services provided to Medi-Cal patients are to be classified as charity.

¹⁰ 26 C.F.R. §§ 1-501(r)-1(b)(25); 1-501(r)-6(c)(2).

¹¹ 26 C.F.R. § 1-501(r)-4(b)(5)(i)(A).

¹² Cal. Health & Safety Code § 127405(c).

D. Partial Charity Care:

Partial Charity Care will be granted to Financially Qualified Patients earning between 201% and 600% of the Federal Poverty Level based on the most recent Federal Poverty Guidelines.¹³ For these patients, expected payment for services will be limited to the amount KDHCDC would have received from Medicare and then reduced by the percentages defined on the attached sliding scales.¹⁴

In determining what if any payment is due from a patient with insurance, the expected payment amount, defined as the amount equal to the KDHCDC community rate, will be compared to the amount paid by their third party insurance. If the amount paid by the third party insurance is greater than the expected payment, no payment will be sought from the patient. If the expected payment is greater than the payment received from the third party insurance, and the patient has a remaining patient responsibility amount, the difference in payment will be sought from the patient subject to a determination of eligibility for financial assistance.

E. Governmental Assistance

KDHCDC makes all reasonable efforts to determine whether medical care would be either fully or partially paid for under other private or public health insurance. Consideration will be given to coverage offered through private health insurance, Medi-Cal, Medicare, California Children's Services, the California Health Benefit Exchange (Covered California), or other state- or county-funded programs designed to provide health coverage.¹⁵

KDHCDC provides an application for the Medi-Cal program or other state- or county-funded health coverage programs to patients identified as being potentially eligible for Medi-Cal or any other third party coverage. This application is provided prior to discharge if the patient has been admitted or to patients receiving emergency or outpatient care.¹⁶

If a patient applies or has a pending application or related appeal for another health coverage program, or for coverage under their health plan at the time an application for charity or discounted care is submitted, neither application shall preclude eligibility for the other program. KDHCDC will hold any charity care eligibility determinations until the final disposition of the application or appeal of the health coverage program, if the patient makes a reasonable effort to communicate with KDHCDC about the progress of any pending appeals.

IV. Eligibility Criteria

A. General Guidelines:

1. KDHCDC determines eligibility for financially qualified patients in accordance with this policy and applicable state and federal laws.

¹³ Cal. Health & Safety Code § 127405(a)(1)(A).

¹⁴ Cal. Health & Safety Code § 127405(d).

¹⁵ Cal. Health & Safety Code § 127420(a).

¹⁶ Cal. Health & Safety Code § 127420(b)(4).

2. KDHCD will not defer, deny, or require payment before providing medically necessary care because of an individual's nonpayment of one or more bills for previously provided care covered under KDHCD's Financial Assistance Policy.¹⁷
3. Financially Qualified Patients, as defined above, or any patient who indicates the financial inability to pay a bill for a medically necessary service is screened for charity care.
4. Information obtained during the application process for financial assistance may not be used in the collection process, either by KDHCD, or by any collection agency engaged by KDHCD, except that such information, if independently obtained, may be used by KDHCD or any collection agency engaged by KDHCD independently of the eligibility process for charity care.¹⁸
5. A patient's status or claims with respect to worker's compensation, automobile insurance, or other insurance, including potential payments from pending litigation or third party liens related to the incident of care, may be taken into consideration when evaluating the patient's eligibility for charity care or discount payments.
6. Emergency physicians providing emergency services in KDHCD are required to provide discounts to financially qualified patients whose family incomes are at or below 350 percent of the Federal Poverty Guidelines.¹⁹ At the patient's request, KDHCD will advise patients to apply for charity care to the physician's billing company upon the patient's receipt of a bill for services from that billing company. This statement shall not be construed to impose any additional responsibilities upon KDHCD.

B. Eligibility Guidelines

The following factors are used in the determination of financially qualified recipients and the amount of charity extended.

1. Patient Income

The Federal Poverty Guidelines as established by Health and Human Services will be used to determine annual income guidelines and limits.²⁰

To determine the patient's eligibility for financial assistance, KDHCD considers the patient's family size and family income. KDHCD considers annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support.

Earnings for the purposes of determining eligibility will be based on the lower of either the patient's projected annual family income or the patient's family current income level at the time of application for financial assistance.²¹

¹⁷ 26 C.F.R. § 1.501(r)-6(b)(1)(iii).

¹⁸ Cal. Health & Safety Code § 127405(e)(3).

¹⁹ Cal. Health & Safety Code § 127452(a)

²⁰ Cal. Health & Safety Code § 127405(b).

²¹ *C.f.* Cal. Welf. & Inst. Code § 14005.65.

The applicant may be asked to provide acceptable income verification, such as recent payroll stubs, tax returns, or other items or verification.²² If the patient is unemployed or does not receive payroll stubs, a written statement of need must be provided by the patient or the patient's representative attesting to their income and employment status as part of their financial assistance application.

2. Patient Assets

Only certain assets and resources may be considered when determining eligibility for charity care. Retirement or deferred compensation plans qualified under the Internal Revenue Code, or nonqualified deferred compensation plans will not be considered as available resources to pay KDHC bills.²³ Furthermore, the first ten thousand dollars (\$10,000) of a patient's monetary assets shall not be counted in determining eligibility, nor shall 50 percent of a patient's monetary assets over the first ten thousand dollars (\$10,000) be counted in determining eligibility.²⁴

3. Other Sources of Payment for Services Rendered

The appropriate amount of charity care is determined in relation to the amounts due after applying all other sources of payment. KDHC provides applications for other sources of payment, such as Medi-Cal, if requested by the patient, or if the patient does not indicate coverage by a third-party payor or requests a discounted price or charity care.²⁵

C. Homeless Patients

Patients without a residence, source of family income, and mailing address will be classified as charity care eligible. Consideration for charity care must also given to emergency department patients who do not provide adequate information as to their financial status. In many instances, these patients are homeless and have few resources to cover the cost of care.

D. Special Circumstances

Charity care may be granted in special circumstances to those who would not otherwise qualify for assistance under this policy. KDHC will document why the decision was made and why the patient did not meet the regular criteria. Special circumstances may include:

1. Deceased patients without an estate or third party coverage.
2. Patients who are in bankruptcy or recently completed bankruptcy.
3. On rare occasions, a patient's individual circumstances may be such that while they do not meet the regular charity care criteria in this policy, they do not have the ability to pay their KDHC bill. In these situations, with the approval of management (see subsection VII, below), part or all of their cost of care may be written off as charity care.

²² Cal. Health & Safety Code § 127405(e)(1).

²³ Cal. Health & Safety Code §§ 127405(c), (e)(2)

²⁴ Cal. Health & Safety Code § 127405(c).

²⁵ Cal. Health & Safety Code § 127420(b)(4).

V. Timelines

A. Eligibility Period

Eligibility for charity care may be determined at any time KDHCD is in receipt of information regarding a patient's family income and financial situation.²⁶ While it is preferred that such patients be screened upon admission, they may be screened at any time, including throughout any third-party collections process.

Once granted charity care, services the patient receives in the 6-month period following that approval will also remain eligible for such charity care. However, if over the course of that 6-month period the patient's family income or insurance status changes to such an extent that the patient may be ineligible for free or discounted care, the patient has an obligation to report those changes to KDHCD. Such subsequent services would require a new charity care application. Any patient may be required to re-apply for charity care after their 6-month eligibility period has expired. Nothing shall limit the number of times a person may request charity care or discounted payments.

B. Time Requirements for Charity Care Eligibility Determination

Every effort is made to determine a patient's eligibility for charity care as soon as possible. While it is desirable to determine the amount of charity care for which the patient is eligible as close to the time of service as possible, there is no limit on the time when an application or the eligibility determination is made. A determination will be postponed while insurance or other sources of payment are still pending.

The timeframe to make a decision on an application will be extended if the patient has a pending appeal for coverage of the services, until a final determination of that appeal is made.²⁷ The patient shall make a reasonable effort to communicate with KDHCD about the progress of any pending appeals.

For purposes of this section, "pending appeal" includes any of the following:²⁸

- (1) A grievance or appeal against a health plan;
- (2) An independent medical review;
- (3) A fair hearing for a review of Medi-Cal eligibility or claims;
- (4) An appeal regarding Medicare coverage consistent with federal law and regulations.

The timeframe to make a decision on an application may also be extended if a patient is attempting to qualify for coverage under any third-party insurance, Medi-Cal, or Medicare, or if the patient has a pending claim with respect to worker's compensation, automobile insurance, or other insurance, including potential payments from pending litigation or third party liens related to the incident of care.

In some cases, a patient eligible for charity care may not have been identified prior to initiating external collection action. Accordingly, KDHCD requires its collection agencies to comply fully with all pertinent state and federal laws and regulations, with this policy on charity care, and with KDHCD's Credit and

²⁶ Cal. Health & Safety Code § 127405(e)(4).

²⁷ Cal. Health & Safety Code § 127426(a).

²⁸ Cal. Health & Safety Code § 127426(b).

Collection Policy.²⁹ This will allow the agency to report amounts that they have determined to be uncollectible due to the inability to pay in accordance with KDHCD's charity care eligibility guidelines.

VI. Partial Charity Care Discount Payment Plans

KDHCD will make available reasonable, no-interest payment plans for patients qualifying for Partial Charity Care under this policy.³⁰ The plan will be individually negotiated between the patient and KDHCD based on the rates outlined in Section III.D. ("Partial Charity Care"), above.³¹ A reasonable payment plan means monthly payments cannot exceed more than ten percent of a patient's family income for a month after deductions for essential living expenses, as defined in Section II above.

In the event a Financially Qualified Patient still has a remaining balance after payment has been received from third-party payers and an application for financial assistance has been processed, expected payment for services will be limited to the amount KDHCD would have received from Medicare for providing services.

Any patient who inquires about a payment plan for an outstanding balance who has not already applied for assistance will be informed of the availability of financial assistance and screened for eligibility under this policy.

If a patient defaults making regular payments, KDHCD makes reasonable efforts to contact the patient by phone and in writing, giving notice that the extended payment plan may become inoperative.³² An attempt at renegotiating the payment plan will be done at the request of the patient or their guarantor. KDHCD initiates collection efforts only after reasonable efforts to contact the patient have failed and after 90 days of non-payment. KDHCD does not report adverse information to a credit-reporting bureau until the extended payment plan has been declared inoperative.

VII. Patient Finance Processes

A. Who can grant Charity Care Eligibility

KDHCD provides personnel who have been trained to review Financial Assistance applications for completeness and accuracy. Application reviews are completed as quickly as possible considering the patient's need for a timely response.

A Financial Assistance determination will be made only by approved KDHCD personnel according to the following levels of authority:

- Account Specialist, Patient Financial Services: Accounts less than \$5,000
- Supervisor, Patient Financial Services: Accounts less than \$25,000
- Manager, Patient Financial Services: Accounts less than \$50,000
- Director of Patient Financial Services: Accounts less than \$100,000

²⁹ Cal. Health & Safety Code § 127425(b).

³⁰ Cal. Health & Safety Code § 127425(g).

³¹ Cal. Health & Safety Code § 127405(b).

³² Cal. Health & Safety Code § 127425(g).

- Chief Financial Officer: Accounts greater than \$100,000

B. Review of Decision

Once a determination has been made, a notification letter will be sent to each applicant advising them of KDHCDC's decision.

In the event of a dispute prior to an eligibility determination, a patient may seek review from the Patient Accounting Supervisor, Revenue Cycle Manager or Director of Revenue Cycle.³³

If a patient's application for assistance is denied, the patient has the right to an appeal and review of that decision. A patient may request further review by contacting the Patient Accounting Department. The patient shall include with the appeal an explanation of the dispute and rationale for reconsideration. The patient shall also include any additional relevant documentation to support the patient's appeal.

The review process shall consist of these level of management:

1. First Level: Revenue Cycle Manager
2. Second Level: Director of Revenue Cycle

C. External Collections

Accounts will not be sent to a collection agency if the patient is in the process of applying for charity care or discounted payment. If the patient does not comply with requests for information or refuses to provide KDHCDC with information, the account can be sent for collections no sooner than 150 days after initial billing. Prior to sending the account to collections, a notice must be provided to the patient as specified in the KDHCDC Credit and Collection Policy.

KDHCDC will only send patient accounts to a collection agency when the collection agency agrees to adhere to all state and federal laws pertaining to fair collection of debt, as well as to those pertaining to charity and discount care.³⁴ That includes the KDHCDC Financial Assistance Policy, the KDHCDC Credit and Collection Policy, the California Hospital Fair Pricing Act, the Rosenthal Fair Debt Collection Practices Act, the federal Fair Debt Collection Practices Act, and the tax regulations at 26 C.F.R. §§ 1.501(r)-1, *et seq.*

An account that has been placed with an outside collection agency can be considered for charity care at any time in accordance with KDHCDC's charity care policy. When, during the collection process, a patient asserts they cannot afford to pay the debt, has failed to make previously agreed upon extended payments, or is otherwise identified by the collection agency as meeting KDHCDC's charity care eligibility criteria, the collection agency will refer the account to KDHCDC to screen for charity care eligibility. KDHCDC will undertake reasonable efforts to gather eligibility information from the patient. If, after such reasonable efforts, the patient fails or refuses to provide required information, the account will be referred back to the collection agency.

³³ Cal. Health & Safety Code § 127405(a)(1)(A).

³⁴ 26 C.F.R. § 1-501(r)-6(c)(10).

If a patient is approved for Financial Assistance under this policy, KDHCDC and any collection agencies acting on its behalf shall assess the patient's financial status over the previous 8 months to determine eligibility for charity care. KDHCDC will reimburse financially qualified patients for the amount actually paid, if any, in excess of the amount due for debt related to care received from KDHCDC. Any payments made during the previous 8 months when the patient would have been financially eligible for full charity care shall be considered payments "in excess of the amount due," and shall be reimbursed. If the patient is eligible for partial charity care, any outstanding balance the patient owes will be reduced according to the sliding scale terms of partial charity care. Any payments the patient made while eligible for partial charity care will be reassessed using the same sliding scale amount; any amount the patient paid in excess of the partial charity care amount due in that month shall be reimbursed. Payments made for debt related to care received from KDHCDC at a time when the patient was *not* eligible for Financial Assistance shall not be reimbursed.

KDHCDC and any collection agencies acting on its behalf shall take all reasonably available measures to reverse any extraordinary collection actions taken against the individual for debt that was 1) incurred for care received from KDHCDC during the previous 8 months; and 2) incurred at any time at which the patient was eligible for Financial Assistance under this policy. These reasonably available measures include but are not limited to vacating any judgment, lifting any levy or lien on the patient's property, and removing any adverse information reported to any consumer reporting agency from the individual's credit report.

For further information regarding KDHCDC's internal and external collections policies and practices, including information about actions that may be taken to obtain payment before and after referral to external collections, when and under whose authority patient debt is advanced for collection, policies and practices for the collection of debt, timelines for reporting debt to consumer credit reporting agencies, and the rights and responsibilities of patients, KDHCDC and external collection agencies retained by KDHCDC, see the KDHCDC Credit and Collection Policy.

D. Recordkeeping

KDHCDC keeps records for 10 years relating to potential charity care patients that are readily obtainable.

E. Application of Policy

This policy only applies to charges or services provided by KDHCDC and included in a bill from KDHCDC for such services. Charity care and discounted payment options may or may not be available through non-employed physician groups. At the patient's request, KDHCDC will advise patients to apply for charity care to the physician's billing company upon the patient's receipt of a bill for services from that billing company.

VIII. Public Notice and Posting

KDHCDC widely publicizes this policy in a manner that is reasonably calculated to reach, notify and inform those patients in our communities who are most likely to require financial assistance.³⁵

³⁵ 26 C.F.R. §§ 1-501(r)-4(b)(5) - (b)(6).

KDHCD accommodates all significant populations that have limited English proficiency (LEP)³⁶ by translating this policy, the application form, and the plain language summary³⁷ of this policy into the primary language(s) spoken by each LEP language group that constitutes the lesser of 1,000 individuals or five percent of the community served by KDHCD, or the population likely to be affected or encountered by KDHCD. KDHCD will make further efforts to publicize this policy in languages other than English as appropriate and consistent with requirements under the law.³⁸

Public notice of the availability of assistance through this policy shall be made through the following means:

Availability of Policy and Application

1. KDHCD makes this policy, applications for assistance, and the plain language summary of this policy, as well as other important information about the availability of financial assistance, widely available on the KDHCD website.
2. KDHCD makes paper copies of this policy, the application for assistance under this policy, and the plain language summary of the policy available upon request and without charge, both by mail and in public locations in the hospital facility, including, at a minimum, in the emergency department, admissions areas, and billing department.

Posted Notices³⁹

1. KDHCD posts notices in a visible manner in locations where there is a high volume of inpatient or outpatient admitting/registration, such as the emergency department, billing office, admitting office, and hospital outpatient service settings.
2. Posted notices are in English and Spanish and in a manner consistent with all applicable federal and state laws and regulations.
3. Posted notices contain the following information:
 - a. A plain language statement indicating that KDHCD has a financial assistance policy for low-income uninsured or underinsured patients who may not be able to pay their bill and that this policy provides for full or partial charity care write-off or a discount payment plan.
 - b. A KDHCD contact phone number that the patient can call to obtain more information about the policy and about how to apply for assistance.
 - c. A statement explaining that for patients who speak a language other than English or Spanish or who have other accessibility needs, KDHCD will provide language assistance services and accessibility accommodations free of charge.
4. KDHCD sets up conspicuous public displays⁴⁰ (or other measures reasonably calculated to attract patients' attention) that notify and inform patients about the policy in public

³⁶ 26 C.F.R. § 1-501(r)-4(b)(5)(i)(D)(3)(ii).

³⁷ 26 C.F.R. § 1-501(r)-1(b)(24).

³⁸ Cal. Health & Safety Code § 127410(a).

³⁹ Cal. Health & Safety Code § 127410(b).

⁴⁰ 26 C.F.R. § 1-501(r)-4(b)(5)(i)(D)(3).

locations in KDHC facilities, including, at a minimum, the emergency department, admissions areas, billing office, and other outpatient settings.

Written Notices⁴¹

1. KDHC provides all written notices in the language spoken by the patient, as required by applicable state and federal law.
2. Upon admission or discharge, KDHC provides to every patient a written, plain language summary of the KDHC Financial Assistance Policy that contains information about the availability of KDHC's charity care policy, eligibility criteria, and the contact information for a KDHC employee or office where the patient may apply or obtain further information about the policy.⁴²
3. KDHC includes a conspicuous written notice on all billing statements that notifies and informs patients about the availability of financial assistance under this policy and includes the telephone number of the office or department which can provide information about the policy and application process, and the direct Web site address (or URL)⁴³ where copies of this policy, the application form, and the plain language summary of this policy may be obtained.⁴⁴
4. With each billing statement sent to uninsured patients, KDHC provides a clear and conspicuous notice that contains all of the following:⁴⁵
 - a. A statement of charges for services rendered by KDHC.
 - b. A request that the patient inform KDHC if the patient has health insurance coverage, Medicare, Medi-Cal, or other coverage.
 - c. A statement that, if the patient does not have health insurance coverage, the patient may be eligible for Medicare, Healthy Families Program, Medi-Cal, coverage offered through the California Health Benefit Exchange, California Children's Services program, other state- or county-funded health coverage, or charity care.
 - d. A statement indicating how patients may obtain applications for the programs identified in paragraph (c) above.
 - e. A referral to a local consumer assistance center housed at legal services offices.⁴⁶
 - f. Information regarding applications for assistance under this policy, including the following:
 - i. A statement that indicates that if the patient lacks, or has inadequate, insurance, and meets certain low- and moderate-income requirements, the patient may qualify for discounted payment or charity care.

⁴¹ Cal. Health & Safety Code § 127410(a).

⁴² 26 C.F.R. § 1-501(r)-4(b)(5)(i)(D)(1).

⁴³ 26 C.F.R. § 1-501(r)-4(b)(5).

⁴⁴ 26 C.F.R. § 1-501(r)-4(b)(5)(i)(D)(2).

⁴⁵ 26 C.F.R. § 1-501(r)-4(b)(5)(i)(D)(2).

⁴⁶ Cal Health & Safety Code § 127420(b)(4).

- ii. The name and telephone number of a hospital employee or office from whom or which the patient may obtain information about the hospital's discount payment and charity care policies, and how to apply for that assistance.⁴⁷

DRAFT

⁴⁷ Cal Health & Safety Code § 127420(b)(5).

Policy Submission Summary

Manual Name: Administrative Policy			Date: 04.11.19
Support Staff Name: Cindy Moccio			
Policy/Procedure Title	#	Status (New, Revised, Reviewed, Deleted)	Name and Phone # of person who wrote the new policy or revised an existing policy
Use of Medical/Allied Health Staff Personal Information	AP.170	Revised	Teresa Boyce {624-2365}
Expenses reimbursable by Foundation restricted funds	AP.134	Revised	Liz Wynn {624-2359}
Admission Policy	AP.124	Revised	Keri Noeske {624-5916}



Policy Number: AP170	Date Created: No Date Set
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Use of Medical/Allied Health Staff Personal Information	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY: The information on the Kaweah Delta Physician Directory (online or Cisco phone) is intended for internal patient care and business use by District staff and medical/advanced practice providers only. Any personal medical/advanced practice provider contact information such as cell phone number, pager number, etc., is NOT to be given out or provided to any outside parties, including patients and families. Only exception: unless explicitly directed to do so by the medical/advanced practice provider member.

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."



Policy Number: AP134	Date Created: No Date Set
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Expenses reimbursable by Foundation restricted funds	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY: The Kaweah Delta Hospital Foundation manages and maintains funds donated for specific purposes and utilized by District departments as approved by the Foundation board of directors. This policy ensures the appropriate approval and reimbursement of such funds for employees, vendors, etc.

All expenditures covered by a Foundation “fund” shall be approved by the Director of Development or designee prior to the expense being incurred.

This policy does not cover grant funds reimbursed by the Foundation, the purchase of equipment valued at \$2,000 or more, **or the purchase of any patient care equipment regardless of price.** Expenditures related to grants, equipment valued at \$2,000 or more, **and patient care equipment** are to flow through the normal processing for the District and reimbursed by the Foundation in accordance with KDH Foundation policies.

Foundation checks are processed weekly. All non-stocks, reimbursements, or invoices received by the Foundation by the end of business Friday will be processed for payment the following Thursday. Individuals receiving reimbursement will be notified by the Foundation once reimbursement has taken place.

PROCEDURE:

- I. Items to be ordered through Materials Management
 - A. The requester shall send a completed non-stock with appropriate signatures including all necessary backup to the Director of Development or designee.
 - B. The Director of Development or designee will review the non-stock and determine if it is an approved expense. The Director of Development or designee will then forward a copy of the approved non-stock (with the appropriate Foundation fund coding and signatures) to Materials Management for processing, retaining the original of the submitted non-stock.

- C. Materials Management will process the non-stock and communicate the ordering of the product to the originator of the request.
 - D. The invoice will be processed once received in accordance with Finance policies and procedures.
 - E. The completed check and backup will be returned to the Development Coordinator or designee; copies will be made as needed for file information.
- II. Employee Expense Reimbursements – Expenses incurred by an employee and to be reimbursed by the Foundation are to be handled in accordance with AP19, Travel and Other Business Expenses.
- A. The employee shall forward the Travel Approval Form to the Director of Development or designee prior to the travel taking place including all information on the conference, etc., with the approved signatures of the employee's department.
 - B. The Director of Development or designee will approve the request if it meets the use for which the fund being accessed was designated for, and return the original request to the employee, retaining a copy for the Foundation's records.
 - C. Upon completion of the travel, the employee shall forward the original completed Employee Reimbursement Form to the Director of Development or designee. The Director of Development or designee will then forward the approved Employee Reimbursement Form (with the appropriate Foundation fund coding and memo) to Finance for processing.
 - D. The completed check and backup will be returned to the Development Coordinator or designee; copies will be made as needed for file information.
- III. Mileage Reimbursement – Intra District mileage incurred by an employee and to be reimbursed by the Foundation are to be handled in accordance with AP84, Mileage Reimbursement.
- A. The employee shall forward the Intra District Mileage Reimbursement form to the Director of Development or designee with the appropriate signature of the employee's department.
 - B. The Director of Development or designee will then forward the approved Intra District Mileage Reimbursement form (with the appropriate Foundation fund coding and memo) to Finance for processing.
 - C. The completed check and backup will be returned to the Development Coordinator or designee; copies will be made as needed for file information.
- IV. Vendor Invoices – for all other invoices to be reimbursed by the Foundation funds.
- A. A signed non-stock accompanying the invoice shall be sent to the Director of Development or designee.
 - B. The Director of Development or designee will review the non-stock, with appropriate backup, and the invoice to determine if it is an approved expense.

- C. The Director of Development or designee will then forward the approved non-stock (with the appropriate Foundation fund coding and memo) to Materials Management for processing.
- D. The completed check and backup will be returned to the Development Coordinator or designee; copies will be made as needed for file information; and check presented for signature by the Director of Development and a Kaweah Delta Hospital Foundation Board Member approved to sign checks.
- E. When the check has been signed, the Development Coordinator or designee will then forward the approved non-stock (with the appropriate Foundation fund coding and memo), and check to Materials Management for processing.
- F. The invoice will be processed in accordance with Finance policies and procedures.

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Policy Number: AP124	Date Created: No Date Set
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Admission Policy	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

PURPOSE: Kaweah Delta Medical Center is dedicated to providing care appropriate to each patient’s needs.

POLICY: A patient must be admitted by a member of Kaweah Delta Medical Center’s (KDMC’s) Medical Staff. The decision to admit a patient requires a complex medical judgment which can be made only after the physician has considered a number of factors, including the patient’s medical history and current medical needs.

The decision to admit rests with the Admitting Physician who is responsible for deciding and ensuring whether the patient will be admitted as an inpatient or placed as an outpatient. Physicians are responsible for determining if admission is medically necessary and for ensuring services provided to the patient are also reasonable and necessary.

Physician admission orders are required and may be hand written by the physician, entered by the physician electronically, given verbally or via telephone to a Registered Nurse, or by fax (See PolicyPC. 194 Orders: Licensed Independent Practitioner (LIP) and PC. 195 Orders: Processing & Notation of Nin Medication Orders.). Allied Health Professionals may provide physician orders as allowed by medical staff bylaws. Admitting orders shall be clear and specific as to the admission status and level of care required for the patient. They will also include the diagnosis (reason for admission), and the level of care required for the patient.

As required by Medicare Conditions of Participation, review for appropriateness of admissions will follow the District’s Utilization Review Plan (See AP.111).

PROCEDURE:

- I. Medical Staff shall follow Hospital Bylaws and Rules and Regulations regarding admissions. All admissions other than outpatient surgeries, planned inpatient surgeries scheduled through the surgery scheduling department, or for testing or procedure, will be routed to the Admission Coordinator to verify appropriateness of admission, clarification of orders if necessary, determination of availability of the type of unit/bed needed, or any specialty services that may be required.
- II. Admitting physicians must provide admitting orders that are clear and specific as to admission status (using status/admission criteria) and level of care or placement using KDMC terminology specifying levels of care (ICU, ICCU, Med/Surg, Peds), and diagnosis(es) for which the patient is being admitted to the acute hospital for services. If a patient presents to the ED and has no physician, or their existing physician does not have privileges at KDMC, the patient will be assigned a member of KDMC's Hospitalist Teams who will oversee their care (Adult or Pediatric).
 - A. Adult patients from clinics will be assigned to the on call physician for that particular clinic. Pediatric patients from clinics are assigned to the Pediatric Hospitalist Team.
 - B. Requests for direct admission (not ED to ED) from other hospitals will be triaged by the Transfer Center RN or if unavailable, the House Supervisor:
 - 1) Review of medical necessity for admission to KDMC Services;
 - 2) Initiation of the KDMC Transfer packet, including Transfer Agreement;
 - 3) Assures Admitting Physician acceptance – assures on-call coverage if patient transferred for surgery, procedure, or specialty care and is admitted by a physician who does not provide that type of service or care.;
 - 4) Coordinates admission with admissions already scheduled or under way and assigns an appropriate unit/bed. Takes into consideration census, bed capacity and staffing.
 - 5) Determines if there are other services needed
 - 6) Ensures proper authorizations are obtained from the insurance payer if applicable.
- III. All direct admissions shall be routed by telephone to the Admission Coordinator to verify necessity of admission using InterQual® Criteria and to determine the appropriate service/unit/bed for the patient taking into consideration all other current admissions, staffing patterns and hospital needs. The following information will be collected from the physician by the Admission Coordinator:

- A. Patient's name
 - B. Date of Birth
 - C. Social Security # or Medical Record #
 - D. Insurance
 - E. Diagnoses with pertinent medical information (VS, level of consciousness, abnormal labs and/or diagnostics) and reason for hospitalization.
 - F. Appropriate patient status (Inpatient, Outpatient, Observation)
 - G. Level of care requested by physician (Med/Surg, ICCU, ICU)
 - H. Any other information pertinent to the care of the patient (i.e., blind, developmentally disabled, special equipment, confusion, or level of consciousness).
- IV. The Admission Coordinator will collect and evaluate information concerning patient admission status and level of care to assist physicians in unit/bed placement (See Policy AP.115) that is most appropriate for the needs of the patient. RN Case Manager in the Emergency Department (ED) assists with admissions coming through the ED.
- V. The PACU or lead surgery RN will contact the Admission Coordinator if an outpatient surgery is going to be admitted instead of discharged or the level of care for a post-surgical patient has changed.
- VI. Admission criteria at all levels of admission are based on InterQual® criteria. New onset or continued medical issues requiring acute care and supported by clinical findings and the complexity of treatment required to meet the patient's current medical needs will be evaluated on every acute care admission.
- VII. The following terminology shall be used to specify patient admission status:
- Admit to Inpatient** - Patient has clear diagnosis and meets both severity of illness and intensity of service for acute care. This includes patients having surgery that requires an inpatient stay.
- Place In Observation** - Patient is hemodynamically stable, their clinical diagnosis is unclear and the patient is not meeting acute care criteria. Diagnosis, treatment, stabilization and discharge can reasonably be expected in less than 24 hours. Or the patient has had a surgical procedure which will require observation due to uncontrolled pain, bleeding, etc. (Exception:

Medicare guidelines allow up to 48 hours based on clearly documented medical necessity that clearly explain reasons for continued observation

Place As Outpatient - Patient having minor medical or other procedures such as blood transfusions, infusion therapy, biopsies, interventional procedures in radiology, declots and outpatient chemotherapy, or scheduled for outpatient surgery. Expectation is that the patient will be discharged after a normal, short recovery time (4 to 6 hours). This status does not change no matter where the patient recovers.

VIII. Change in Admission Status Orders (Inpatient or Outpatient):

If a physician decides to change a patient's admission status once the patient reaches the unit, the order must be entered into the electronic system, may be hand written or given verbally or via telephone to a Registered Nurse. . The physician must document clearly in the progress notes the medical reason for the decision to change the patient's status.

A patient can be changed from observation to inpatient status when a patient's severity of illness changes. This must be clearly documented in the medical record by the physician.

In cases where Case Management determines, in consultation with a physician advisor, that an inpatient admission does not meet the InterQual's® inpatient criteria, the hospital must change the patient's admission status from inpatient to outpatient and is required to submit an outpatient (as opposed to an inpatient) claim for medically necessary services that were furnished to the patient, provided all of the following conditions are met:

1. The change in patient admission status from inpatient to outpatient observation is made prior to patient's discharge or release, (i.e., while the patient is still physically in the hospital)
2. The hospital has not submitted an inpatient claim to Medicare for the admission
3. A physician (Admitting, Attending, a Physician Advisor) concurs with the Case Management decision; and
4. The physician's concurrence with the Case Management decision is documented in the patient's medical record and an order has been correctly written prior to discharge.

The change in status will be communicated to Patient Accounting so the account can be billed with “condition code-44” informing Medicare that the inpatient admission was changed to outpatient or observation from an initial inpatient order.

Patients that develop unexpected complications after an outpatient surgery or procedure, or who are not recovering as expected 4-6 hours after the procedure can be placed in observation or admitted to inpatient status with physician documentation of the complication and the reason for the change. Verbal or written order must be obtained for a change in status. The order with change of status will be faxed to the Order Processing System.

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Policy Submission Summary

Manual Name: Human Resources			Date: 4/3/19
Support Staff Name: Blanca Bedolla			
Policy/Procedure Title	#	Status (New, Revised, Reviewed, Deleted)	Name and Phone # of person who wrote the new policy or revised an existing policy
Payroll Deductions	HR.66	Revised	Linda Hansen, Director 624-2583
Overtime Pay	HR.71	Revised	Linda Hansen, Director 624-2583
Language Resource Assistant Program	HR.17	Revised	Linda Hansen, Director 624-2583
Time Keeping of Payroll Hours	HR.63	Revised	Linda Hansen, Director 624-2583
Drug Free Work Place and Drug/Alcohol Testing	HR.200	Revised	Dianne Cox, VP Human Resources 624-2362
Computer and Communication Devices and Social Media Code of Conduct	HR.236	Revised	Dianne Cox, VP Human Resources 624-2362
Exempt Employees Pay/Salary Basis Safe Harbor Provision	HR.62	Reviewed	Dianne Cox, VP Human Resources 624-2362
Personal Medical Leave	HR.242	Reviewed	Dianne Cox, VP Human Resources 624-2362
Pregnancy Disability Leave of Absence	HR.147	Reviewed	Dianne Cox, VP Human Resources 624-2362
Paid Family Leave	HR.244	Reviewed	Dianne Cox, VP Human Resources 624-2362
Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA) Leave of Absence	HR.145	Reviewed	Dianne Cox, VP Human Resources 624-2362
Paid Time Off (PTO), Extended Illness Bank (EIB) and Healthy Workplace, Healthy Families Act of 2014	HR.234	Reviewed	Dianne Cox, VP Human Resources 624-2362
Anti-Harassment and Abusive Conduct	HR.13	Reviewed	Dianne Cox, VP Human Resources 624-2362
Personal Visits, Calls, Mail and Computer Mail Systems (E-mail)	HR.195	DELETE	Dianne Cox, VP Human Resources 624-2362

Manual Name: Human Resources			Date: 4/3/19
Support Staff Name: Blanca Bedolla			
Internal and External Communications	HR.93	DELETE	Dianne Cox, VP Human Resources 624-2362
Gifts, Tips and Gratuities	HR.189	DELETE	Dianne Cox, VP Human Resources 624-2362
Staff Member Communications	HR.91	DELETE	Dianne Cox, VP Human Resources 624-2362
Garnishments	HR.68	DELETE	Dianne Cox, VP Human Resources 624-2362



Policy Number: HR.66	Date Created: 06/01/2007
Document Owner: Dianne Cox (VP Human Resources)	Date Approved: 03/17/2014
Approvers: Board of Directors (Administration)	
Payroll Deductions/Garnishments	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY:

To inform employees of the requirements regarding the different categories of payroll deductions and our responsibilities as an employer.

As required by law, there are deductions that employers are required to withhold from employees' wages.

I. Statutory Payroll Deductions

1. Federal Income Tax -(Determined by employee's W-4 Form and current Federal Tax Tables)
2. F.I.C.A. - Social Security and Medicare - Determined by Current Year federal rates.
3. S.D.I.- California State Disability Insurance - Determined by Current Year CA rate.
4. S.I.T. - State Income Tax – (Determined by employee's W-4 Form or DE 4 Form and current CA Tax Tables)

Wage Garnishments / Earnings Withholding / Tax Levies / Child & Spousal Support Orders:

As an employer, Kaweah Delta must comply with all written notices received according to instructions issued by the respective agency. The employee will be mailed a copy of the notice received and it is their responsibility to act quickly if they wish to obtain a release, modification, or termination of the withholding order. Kaweah Delta cannot stop an order to withhold prematurely unless the issuing agency instructs us to do so in writing. Voluntary wage assignments will not be honored by Kaweah Delta.

II. Voluntary Payroll Deductions

Voluntary payroll deductions include:

Retirement benefits such as 401k and 457b, medical, dental, vision, FSA, life, short term and long term disability and other benefits offered by employer usually during open enrollment, when there is a change in family status, or for new hired staff. Some of these deductions may when there is a change in family status, or for new hired staff. Some of these deductions may be taken pre-tax and some after-tax.

Other voluntary payroll deductions include: cafeteria, pharmacy, Kaweah Korner, Gift Shop, TLC membership and purchases, as well as KD Foundation donations.

Any balance owed to Kaweah Delta will be deducted from the final paycheck. Deductions taken from an employee's final paycheck must be pre-authorized in writing by the employee.

- III. If an employee believes an improper deduction was withheld from their pay, or has questions regarding payroll deductions, he or she should contact the payroll department.

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Policy Number: HR.71	Date Created: 06/01/2007
Document Owner: Dianne Cox (VP Human Resources)	Date Approved: 03/17/2014
Approvers: Board of Directors (Administration), Dianne Cox (VP Human Resources)	
Overtime Pay	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

PURPOSE

To provide leadership with appropriate guidelines for overtime scheduling.

POLICY

When patient care or other operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these assignments will be provided. Unless a strict emergency, or where patient care is necessary without interruption, all overtime work must receive the supervisor or department leadership's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified for the work.

Overtime compensation is paid to all nonexempt employees in accordance with Federal wage and hour requirements. As required by law, overtime pay is based on actual hours worked, including orientation and workshop hours that are scheduled by the manager. Time off for sick, vacation, holiday, Jury Duty, Bereavement, or other non-productive time, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Using Fair Labor Standards Act guidelines, overtime pay is calculated at one and one-half times the employee's regular rate for all hours over 40 hours in one work week.

Failure to work scheduled overtime, or overtime worked without prior authorization from the supervisor may result in Disciplinary Action, up to and including termination of employment.

Employees who are characterized by Kaweah Delta as exempt from the overtime provisions federal law are paid a salary that is intended to fully compensate them for all hours worked each week. The salary consists of a predetermined amount constituting the exempt employee's compensation. That amount is not subject to reduction because of variations in the quality or quantity of the employee's work.

PROCEDURE

Unless a strict emergency, or where patient care is necessary without interruption, employees are to obtain supervisor or department leadership's approval in advance of working any overtime hours and record overtime hours during the pay period in which they worked.

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Policy Number: HR.17	Date Created: 06/01/2007
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Approvers: Board of Directors (Administration), Dianne Cox (VP Human Resources)	
Language Resource Assistant Program	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY:

Kaweah Delta Health Care District maintains interpretation options to facilitate communication in many languages. Kaweah Delta staff members who have been evaluated for their bilingual skills are identified as Language Resource Assistants.

PROCEDURE:

I. Language Resource Assistants (LRA)

If an employee or health care provider determines that an "in person" interpreter is either necessary or preferred when communicating with a patient or a member of a patient's family, the staff member may contact the Interpreter Services Department for a listing of participants in the Language Resource Assistant Program. This listing is also available through the KNet, Directories, Interpreter Directory.

Kaweah Delta provides a system to identify and compensate qualified interpreters who interpret in situations involving patient care and hospital services. To be eligible for participation the staff member must first fill out a Language Resource Application to Test to demonstrate their competence through:

- A. Language assessment through Kaweah Delta Interpreter Services Department; or,
- B. Language assessment through an identified agency qualified to provide assessment for any particular language.

Once the staff member has gone through the evaluation process, he/she will be identified as having general or clinical/advanced skills. The new LRA will be issued an

orange pin for general skill level or a dark blue pin for clinical skill with the words Language Resource Assistant imprinted on it. This pin will be worn on their employee identification badge.

To be eligible for compensation for interpretation services, staff members must have been determined as qualified and as a participant in the Language Resource Assistant program prior to the interpretation.

This compensation will be provided only for actual time of interpretation if the LRA is pulled outside their regular line of work or work area. Interpretation must be directly related to patient care and/or hospital business. Staff members will record all time spent interpreting on LRA Log Sheet and secure the requesting supervisor's approval and signature on the sheet prior to submission to the Interpreter Services Department for data retrieval prior to it being sent to the Payroll Department for payment. The log must be submitted on a weekly basis; by 9am on Monday. An LRA will lose his/her ability to be paid if any fraudulent occurrences are documented.

The Language Resource Assistant will read and agree to abide by the National Code of Ethics and Standards of Practice which is available at <https://www.ncihc.org/assets/documents/publications/NCIHC%20National%20Code%20of%20Ethics.pdf>

In addition, a Language Resource Assistant fully understands that they may be scheduled for or receive information for additional training and receive resources that will assist them in improving their bilingual skills.

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Human Resources

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Approvers: Board of Directors (Administration), Dianne Cox (VP Human Resources)	
Timekeeping of Payroll Hours	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY:

It is the policy of Kaweah Delta to pay staff members according to the Fair Labor Standards Act.

All employees must record their time worked for payroll and benefit purposes. Kaweah Delta utilizes the automated time and attendance HR TimeKeeper system with exception of Private Home Care staff.

Access to the HR TimeKeeper system is available through wall clock readers using the employee's ID badge or network computers using their network login. Non-exempt employees must record the time work begins and ends, as well as the beginning and ending time of any departure from work for any non-work-related reason. Staff must clock in and out for off-duty meal periods.

The HR Timekeeper system records all productive and non-productive hours for the pay period. Each employee should verify these hours to ensure they are correct. If you make an error on your timecard, notify your supervisor as soon as possible to request a correction.

Employees are not allowed to clock in or out for others. Employees are also not allowed to work off the clock. Altering, falsifying, or tampering with time records is prohibited and will result in accountability actions up to and including potential termination of employment.

Exempt employees are required to record and report full days of absence from work for reasons such as Paid Time Off, etc.

PROCEDURE:

I. Payroll Period Calendar

The payroll period consists of two weeks. The pay period starts on Sunday at 00:00 and ends 14 days later at 23:59. Payday is the following Friday (unless it falls on a holiday). Each work week starts on Sunday at 00:00 and ends on Saturday at 23:59.

II. HR TimeKeeper

HR TimeKeeper shows the hours worked (regular time and overtime, callback time, etc.) that the staff member actually clocked in and out of the HR TimeKeeper system. When the HR TimeKeeper system is down staff may not be able to clock using a computer, but will be able to clock using a wall reader. Therefore, when the HR TimeKeeper system is down, staff must clock using a wall reader, if available. If the system is down and a wall reader is not available, or the staff member forgets to clock, they are required to notify their supervisor via email immediately so that they can enter the missed entry on their behalf. Supervisors will also need to enter other unproductive hours; standby time, Paid Time Off/Extended Illness Bank, jury duty time, bereavement, other hours, other dollars etc.

III. Failure to Clock

Staff members who are required to use the HR TimeKeeper system must use that system on a consistent and continuous basis for recording their hours worked. Continuous failure to clock may result in disciplinary action up to and including termination.

IV. Authorizing Hours

Time must be approved by all employees at the end of their last shift for the pay period. The authorizing manager must assure that all time has been entered correctly. All time must be approved by managers or their designees by 11:00 a.m. on a payroll processing Monday. Final lockout for managers is 11:00 a.m. In special situations, payroll processing weeks when holidays occur may require a different deadline be established by the Payroll department.

Management may choose to give support staff editing authority to HR TimeKeeper. Any discrepancies found after the time approving deadline will need to be reported through a payroll correction by the manager or designee.

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Approvers: Board of Directors (Administration), Debbie Wood (VP Human Resources)	
Drug Free Work Place and Drug/Alcohol Testing	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY:

As a part of our commitment to safeguard the health of our employees and volunteers and provide a safe work environment, Kaweah Delta has established this policy on the use or abuse of alcohol and illegal drugs or other controlled substances by employees, contract staff or volunteers. At work or otherwise, substance abuse seriously endangers the safety of the work environment, as well as our patients and the general public.

As a condition of employment all employees are required to abide by this policy. KDHCDC has established this policy to detect users and remove abusers of drugs and alcohol and to prevent the use and/or presence of these substances in the workplace. Confirmed incidents of drug diversion will be reported to the appropriate agencies.

A violation of this policy by an employee or job applicant may subject the employee or applicant to Disciplinary Action up to and including termination of employment or rescission of the job offer. KDHCDC may suspend employees without pay under this policy pending the results of a drug test or investigation.

DEFINITIONS:

The definitions of words and terms as set forth in this policy are as follows:

1. "Illegal drugs or other controlled substances" means any drug or substance that
 - a) is not legally obtainable; or
 - b) is legally obtainable but has not been legally obtained; or
 - c) has been legally obtained but is being sold or distributed unlawfully.
2. "Legal drugs" means any drug, including prescription drugs and over-the-counter drugs, that has been legally obtained and that is not unlawfully sold or distributed.
3. Marijuana or marijuana-related products are prohibited while on KDHCDC premises, or while conducting / performing district business.
4. "Abuse of any legal drug" means the use of any legal drug:
 - a) for any purpose other than the purpose for which it was prescribed or manufactured;
 - b) in a quantity, frequency, or manner that is contrary to the instructions or recommendations of the prescribing physician or manufacturer.

Drug Free Work Place and Drug/Alcohol Testing

5. "Reasonable suspicion" includes suspicion that is based on specific personal observations such as an employee's manner, disposition, muscular movement, appearance, behavior, speech, or breath odor; information provided to management by an employee, by law enforcement officials, or by other persons believed to be reliable; or suspicion that is based on other surrounding circumstances, including but not limited to, protracted poor job performance, continued unexplained absences, chronic tardiness, and/or audit findings or charting issues.
6. "Possession" means that an employee has the substance on his or her person or otherwise under his or her control.
7. "Drug diversion" means to obtain, possess, prescribe or use any controlled substance or drug in violation of state or federal law.

ALCOHOL USE PROHIBITIONS:

It is against policy to report to work or to work if an employee's ability to work safely or efficiently may be impaired because the employee is under the influence of alcohol.

1. For the purpose of this policy, an employee is presumed to be under the influence of alcohol if a blood test shows forensically acceptable positive proof.
2. Any employee who is perceived to be under the influence of alcohol will be removed immediately from their work for evaluation of impairment and possible testing. KDHCDC may take further action (i.e., reporting to a licensing agency and/or Disciplinary Action) based on medical information, work history and other relevant factors. The determination of what action is appropriate in each case rests solely with KDHCDC.
3. Refusal to submit to, efforts to tamper with, or failure to pass an alcohol test may result in Disciplinary Action, up to and including termination of employment.

Violation of any of the following will result in reporting the employee to a licensing board or agency, and/or Disciplinary Action, up to and including termination of employment:

1. The consumption of alcohol on KDHCDC property or while on duty is prohibited. There may be occasions, removed from the usual work setting, at which it is permissible to consume alcohol in moderation, on KDHCDC property or at KDHCDC sanctioned events authorized by the Chief Executive Officer or designee.
2. Off-duty abuse of alcohol which adversely affects an employee's job performance or adversely affects or threatens to adversely affect other interests of KDHCDC is prohibited.
3. The personal possession (i.e., on the person, or in a desk, or locker) of alcohol on KDHCDC property or on duty is prohibited.
4. The possession of alcohol in a personal vehicle while on duty or a KDHCDC-assigned vehicle is prohibited.

Drug Free Work Place and Drug/Alcohol Testing

Employees arrested for an alcohol-related incident must immediately notify their department management and Human Resources of the arrest if the incident occurs in any of the following circumstances:

- a) During scheduled working hours; or
- b) While operating a KDHC vehicle on KDHC or personal business, or
- c) While operating a personal vehicle on KDHC business.

DRUG USE PROHIBITIONS:

Violation of any of the following will result in reporting the employee to a licensing board or agency, law enforcement agencies, and/or Disciplinary Action, up to and including termination of employment. The Director of Pharmacy or designee will determine the necessity of reporting to Drug Enforcement Agencies, the California Board of Pharmacy and police. Human Resources will report to the employee's licensing or certifying Board as necessary. The Risk Management department will report to the California Department of Public Health as appropriate.

1. The unlawful use, sale, purchase, possession, manufacture, distribution, or dispensation of any drug or un-prescribed controlled substance on property or during work time is against policy.
2. It is also against policy to report to work or work if a prescription or non-prescription medication may adversely affect the employee's ability to perform his/her normal job duties.
3. Prescription drugs or non-prescription drugs may also affect the safety of the employee or fellow employees or members of the public. Therefore, any employee who is taking any prescription or, non-prescription drug which might impair safety, performance, or any motor, cognitive functions must advise his/her supervisor or department head before reporting to work under such medication. Employees will not be required to identify such medications or the underlying illnesses. If KDHC determines that such use does not pose a safety risk, the employee will be permitted to work.

TESTING:

1. Testing of Applicants

- a) All applicants considered final candidates for a position will be tested for the presence of illegal or un-prescribed drugs as a part of the application process;
- b) Any job applicant who refuses to submit to drug or alcohol testing, refuses to sign the consent form, fails to appear for testing, tampers with the test, or fails to pass the post-offer employment drug test will be ineligible for hire and any job offer will be rescinded.

2. Testing of Current Employees

- a) Employees must submit to a drug test if reasonable suspicion exists to indicate that their ability to perform work safely or effectively may be impaired. Reasonable

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suspicion testing means drug testing based on a belief that an employee is using or has used drugs in violation of KDHCDC policy. Among other things, such facts and inferences may be based upon:

- 1) Direct observation of drug use or physical symptoms or manifestations of being under the influence of a drug.
- 2) Abnormal conduct or erratic behavior while at work or a significant deterioration in work performance.
- 3) A report of drug use, provided by a reliable and credible source.
- 4) Evidence that an individual has tampered with a drug test during his/her employment with KDHCDC.
- 5) Information that an employee has caused or contributed to, or been involved in an accident while at work.
- 6) Evidence that an employee has used, possessed, sold, solicited, or transferred drugs while working or while on KDHCDC's premises or while operating KDHCDC's vehicles, machinery or equipment.
- 7) Audit findings or charting issues.

3. Actions to be taken by Management

There may be instances where supervisors/managers have reasonable cause to believe that an employee has consumed drugs on KDHCDC's premises or reported to work under the influence of one or both. In these instances, management may request a drug test from the employee. If management has reason to consider requiring a drug or alcohol test, use the following process:

1. Escort the employee personally to your office or other private area. Have another supervisor/ manager present as a witness.
2. Discuss with the employee your reasons for suspecting drug and/or alcohol policy violations, including audit findings and charting issues if applicable. From your conversation with the employee, determine whether or not you believe the employee has either consumed drugs or alcohol on KDHCDC's premises or during work duty or is under the influence of either, or is diverting drugs.
3. If you conclude the employee does not appear to be under the influence of alcohol or drugs, including controlled substances and prescription drugs, and the employee is able to perform regular work duties, have him/her return to the work unit and resume work. Please document incident and notify Human Resources.
4. If you believe that the employee is under the influence of or has consumed drugs and/or alcohol on KDHCDC's premises or during work duty, report this to Human Resources or the House Supervisor. The employee will be advised that the policy may have been violated and that he/she is being requested to provide blood sample for testing. Provide a copy of this Policy and the Consent to Submit to Drug and Alcohol testing.
5. Upon signing the Consent Form, if the employee is able, the employee is to be escorted to Employee Health Services to provide a sample. If the employee refuses to sign the consent or provide a sample, he/she will be subject to Disciplinary Action up to and including termination of employment.

Drug Free Work Place and Drug/Alcohol Testing

6. If you believe the employee is impaired, make arrangements to have the employee taken home or contact a cab company, which will be paid for by KDHCD. Do not permit him/her to leave the premises or to drive alone. If the employee refuses any assistance, make sure the witnessing supervisor can verify that the employee refused such assistance.
7. If the employee cannot control his/her actions and departs without assistance, call the local police or law enforcement agency immediately to inform them of the employee's condition and refusal of assistance. Tell the law enforcement agency the employee's name, and a description of the vehicle, including the license number.

DRUG-FREE CONTRACT AND FOLLOW-UP TESTING:

As a condition of employment and/or continued employment, participants in a rehabilitation program for drug and/or alcohol abuse must consent in writing via a KDHCD Drug-Free Contract to periodic unannounced testing for a period of up to two (2) years after returning to work. An employee who has a positive, confirmed test is subject to Disciplinary Action, up to and including termination of employment.

1. Additional Testing
Additional testing may also be conducted as required by applicable State or Federal laws, rules, or regulations or as deemed necessary by KDHCD, such as post-accident or injury testing.
2. Refusal to Test
Employees who refuse to submit to a drug and/or alcohol test are subject to Disciplinary Action, up to and including termination from employment.

TESTING PROCEDURE:

1. Job applicants and all employees will be provided with the Drug Free Work Place and Drug Testing Policy and must sign both the Employee Acknowledgment of Receipt and Understanding and Consent to Submit to Drug and/or Alcohol Testing.
2. Urine and/or blood samples will be used for the initial test and confirmation for all drugs and alcohol. Samples will be analyzed by a qualified laboratory selected by KDHCD.
3. A specimen for a drug test will be taken or collected by:
4. Testing Laboratory
 - a) The laboratory used to analyze initial or confirmation drug specimens will be licensed to perform such tests.
 - b) All laboratory security, chain of custody, transporting and receiving of specimens, specimen processing, retesting, storage or specimens, instrument calibration and reporting of results will be in accordance with State and Federal laws. 243/315

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- c) The laboratory will provide technical assistance to the employee or job applicant or Medical Review Office ("MRO") for the purpose of interpreting any positive confirmed test results.
5. Applicants and employees will be given an opportunity via the testing laboratory and a Medical Review Office (MRO) prior to and after testing to provide any information they consider relevant to the test including listing all drugs they have taken recently, including prescribed drugs, to explain the circumstances of the use of those drugs in writing or other relevant medical information.
6. An employee injured at the workplace and required to be tested will be taken for immediate treatment of injury. If the employee is not at a designated collection site, the employee will be transported to one as soon as it is medically feasible and specimens will be obtained. If it is not medically feasible to move the injured employee, specimens will be obtained at the treating facility under the procedures set forth in this policy.
7. KDHCD will pay the cost of initial and confirmation drug tests required of employees and job applicants. An employee or job applicant will pay the cost of any additional drug tests not required by KDHCD.

TEST RESULTS:

1. Reporting Results

- a) The laboratory will report positive test results to the Medical Review Officer (MRO) results will be reported to the Employee Health Nurse. The MRO may request the laboratory to provide quantification of test results.
- b) The laboratory will report as negative all specimens which are negative on the initial test or negative on the confirmation test; results will be reported to the Employee Health Nurse.
- c) The laboratory will transmit results in a manner designed to ensure confidentiality of the information. The laboratory and MRO will ensure the security of the data transmission and restrict access to any data transmission, storage and retrieval system.

2. Medical Review Officer (MRO)

- a) Prior to the transmittal of the positive test results to KDHCD, the test results shall be reviewed and verified by a MRO. The MRO shall be a licensed physician, under contract with KDHCD, with knowledge of substance abuse disorders, medical use of prescription drugs and pharmacology and toxicology of illicit drugs.
- b) The MRO shall follow all of the requirements set forth in applicable State and Federal regulations. The MRO shall evaluate the drug test result(s), verify the chain of custody forms and ensure that the donor's identification number on the laboratory report and the chain of custody form accurately identifies the individual.

Drug Free Work Place and Drug/Alcohol Testing

- c) The MRO shall notify the employee or the job applicant of a confirmed positive test result within three (3) days of receipt of the test result from the laboratory and inquire as to whether prescriptive or over-the-counter medications could have caused the positive test result. Within five (5) days of notification to the donor of the positive test result, the MRO shall provide an opportunity for the employee or job applicant to discuss the positive test result and to submit documentation of any prescriptions relative to the positive test result.
- d) The MRO shall properly identify the employee or job applicant, inform them that the MRO is an agent of KDHCDC whose responsibility is to make a determination on test results and report them to KDHCDC, inform them that medical information revealed during the MRO's inquiry will be kept confidential, unless the MRO believes the employee or job applicant is in a safety sensitive or special risk position with KDHCDC.
- e) Additionally, the MRO shall outline the rights and procedures for a retest of the original specimen and process any employee or job applicant requests for retest of the original specimen within one hundred, eighty (180) days of notice of the positive test result in another licensed laboratory selected by the employee or job applicant. The employee or job applicant requesting the additional test shall be required to pay for the cost of the retest, including handling and shipping expense. The MRO shall contact the original testing laboratory to initiate the retest.
- f) Upon receipt of information and/or documentation from the employee or job applicant, the MRO shall review any medical records provided, authorized and/or released by the individual's physician, to determine if the positive test result was caused by a legally prescribed medication. The MRO shall inquire about over-the-counter medications which could have caused the positive test result. The donor shall be responsible for providing all necessary documentation (i.e., a doctor's report, signed prescription, etc.) within the five (5) day period after notification of the positive test result.
- g) If the MRO determines that there is a legitimate medical explanation for the positive test result, the MRO shall report a negative test result to KDHCDC.
- h) If the MRO has any questions as to the accuracy or validity of a test result or has a concern regarding the scientific reliability of the sample, the MRO may request the individual to provide another sample. Once an MRO verifies a positive test result, the MRO may change verification of the result if the employee or job applicant presents information which documents that a serious illness, injury, or other circumstance unavoidably prevented them from contacting the MRO within the specified time frame and if they present information concerning a legitimate explanation for the positive test result.
- i) If the MRO is unable to contact a positively tested donor within three (3) days of receipt of the test results from the laboratory, the MRO shall contact KDHCDC and request that KDHCDC direct the employee to contact the MRO as soon as possible. If the MRO has not been contacted by the employee or job applicant within two (2) days from the request of KDHCDC, the MRO shall verify the report as positive.

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- j) If the employee or job applicant refuses to talk with the MRO regarding a positive test result, the MRO shall validate the result as a positive and annotate such refusal in the remarks section. If the employee or job applicant voluntarily admits to the use of the drug in question without proper prescription, the MRO shall advise them that a verified positive test result will be sent to KDHCDC.
- k) The MRO shall notify KDHCDC in writing of the verified test result, negative, positive, or unsatisfactory and appropriately file chain of custody forms to KDHCDC.

3. KDHCDC Notification of Test Results

- a) Within five (5) working days after receipt of a positive confirmed test result, KDHCDC will attempt to inform the employee or job applicant in writing of such positive test results, the consequences of such results, and the options available to the employee or job applicant.
- b) KDHCDC will provide to the employee or job applicant a copy of the test results upon request.
- c) For all tests based on reasonable suspicion, KDHCDC will detail in writing the circumstances which formed the basis of the determination that reasonable suspicion existed to warrant the testing. A copy of the report will be given to the employee upon request. The original report will be kept confidential and retained by KDHCDC.

4. Challenges to Test Results

Within 5 (five) working days after receiving notice of a positive confirmed test result, the employee or job applicant may submit information to KDHCDC explaining or contesting the test results. The employee or job applicant will be notified in writing if the explanation or challenge is unsatisfactory to KDHCDC. The written notice will be given to the employee or job applicant, and will include why the employee's or job applicant's explanation is unsatisfactory, along with the report of positive confirmed test results. All such documentation will be kept confidential and will be retained by KDHCDC.

5. Employee and Job Applicant Protection

- a) During the one hundred eighty (180) day period after written notification of a positive test result, the employee or job applicant will be permitted by KDHCDC to have a portion of the specimen retested at the employee's or job applicant's expense. The retesting must be done at another State licensed laboratory. The second laboratory must test at equal or greater sensitivity for the drug in questions as the first laboratory. The first laboratory which performed the test for KDHCDC will be responsible for the transfer of the portion of the specimen to be retested, and for the integrity of the chain of custody for such transfer.

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- b) KDHCD will not request or receive from the testing facility any information concerning the personal health, habit or condition of the employee or job applicant.
- c) KDHCD will not discharge, discipline, refuse to hire, discriminate against, or request or require rehabilitation of an employee or job applicant on the sole basis of a positive test result that has not been verified by a confirmation test.
- d) KDHCD will not discharge, discipline, or discriminate against an employee solely upon the employee's voluntarily seeking treatment, while under the employ of KDHCD.

INVESTIGATION:

1. To ensure that illegal drugs and alcohol do not enter or affect the workplace, KDHCD reserves the right to search all vehicles, containers, lockers, or other items on KDHCD property in furtherance of the policy. Individuals may be requested to display personal property for visual inspection upon KDHCD request. Searches will be conducted only where KDHCD has reason to believe that the employee has violated KDHCD's policy.
2. Failure to consent to a search or display of personal property for visual inspection will be grounds for Disciplinary Action up to and including termination of employment or denial of access to KDHCD property.
3. Searches of an employee's personal property (purses, pockets, etc.) will take place only in the employee's presence, to the extent possible. All searches under this policy will occur with the utmost discretion and consideration for the employee involved.
4. Because the primary concern is the safety of its employees and their working environment, KDHCD will not normally prosecute in matters involving illegal substances. However, KDHCD may turn over all confiscated drugs to the proper law enforcement authorities. Further, KDHCD reserves the right to cooperate with or enlist the services of proper law enforcement authorities in the course of any investigation subject to the confidentiality requirements in the statutes and regulations.
5. An Employee may be placed on Administrative Leave pending the results of the investigation.

ARREST OR CONVICTION FOR DRUG-RELATED CRIME:

1. If an employee is arrested for or convicted of a drug-related crime, KDHCD will investigate all of the circumstances, and KDHCD may utilize the drug-testing procedure if cause is established by the investigation. In most cases, an arrest for a drug-related crime constitutes reasonable suspicion of drug use under this policy. The following procedure will apply:

Drug Free Work Place and Drug/Alcohol Testing

- a) During investigation, an employee may be placed on leave. When the investigation is complete, the leave may be converted to a suspension or the employee may be reinstated depending upon the facts and circumstances.
 - b) If convicted of a drug-related crime, an employee will be terminated.
 - c) Because of the seriousness of such situations, KDHCD reserves the right to alter or change its policy or decisions on a given situation depending upon its investigation and the totality of the circumstances.
2. As a condition of employment, an employee will notify Human Resources in writing of any criminal drug conviction, including manufacturing, distributing, dispensing, possessing, or using controlled substances. The employee must give notice to KDHCD within five (5) calendar days of the conviction.

CONFIDENTIALITY:

All information, interview, reports, statement memoranda and drug test results, written or otherwise, received by KDHCD as part of this drug testing program are confidential communications. Unless authorized by State laws, rules or regulations, KDHCD will not release such information.

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Human Resources

Policy Number: HR.236	Date Created: 06/01/2007
Document Owner: Dianne Cox (VP Human Resources)	Date Approved: 03/17/2014
Approvers: Board of Directors (Administration), Dianne Cox (VP Human Resources)	
Computer and Communication Devices and Social Media Code of Conduct	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

POLICY:

This policy applies to all those who have access to Kaweah Delta computer and electronic systems (i.e. telephones, Kaweah Delta provided cell phones required for use while working, facsimile machines, computers, electronic mail, and internet/intranet access), whether on Kaweah Delta premises or off site and regardless of employee status.

Computer Systems:

Access to Kaweah Delta’s computer system is provided for business purposes. The system is not to be used for personal gain or advancement of individual views; employees need to exercise responsibility and not abuse privileges when sending or receiving messages for personal, non-business purposes. Solicitation of non-Kaweah Delta business is strictly prohibited.

Computer Security:

Kaweah Delta will maintain a secure computing environment, employing appropriate procedural and technical controls designed to safeguard information and supporting technologies. Kaweah Delta provides security awareness education for staff members and implements workplace practices where staff understand their responsibilities for ensuring confidentiality and where their workflow encourages protection of information. All employees receive security awareness education during Orientation and annual through Mandatory Annual Training (MAT) e-learning. The underlying rule of information protection is ‘the need to know,’ i.e. one should only access information when access is required to fulfill one’s responsibilities or perform an authorized and assigned business function. Access to patient records are tracked and recorded by the system. Users who violate security, confidentiality, and/or integrity of information intentionally or through carelessness will be subject to loss or restriction of use of the computer systems and/or disciplinary action up to and including termination of employment. Loss or restriction of the use of the computer systems may include loss of permanent access even if employed by another employer who has access to Kaweah Delta systems.

Individual persons who access or use Kaweah Delta information or data are expected to fulfill certain responsibilities according to the roles they are assigned. The expectation is to maintain a secure work area, protect computer access, to not divulge security codes or other confidential information to unauthorized persons, including to other staff members or employees of Kaweah Delta. It is expected that staff or employees will report

observed or suspected breaches of information to management, Corporate Compliance, and/or to the Information Systems Services department.

Social Media:

This policy establishes the requirements for Kaweah Delta employees in accessing, opening, viewing, and posting Social Media content, videos, and/or comments about Kaweah Delta or related entities (including blogs, videos, pictures, podcasts, discussion forums, social networks, multi-media sites). Social Media sites may include, but are not limited to, Facebook, Twitter, Instagram, YouTube, LinkedIn, Snapchat, and the like.

Kaweah Delta understands that social media sites have joined the mainstream of day-to-day communications. It is expected that employees understand the impact that social media can have on Kaweah Delta's reputation, co-workers, physicians, patients, and business relationships. We emphasize the importance of common sense and good judgment. Employees are to follow the same standards that apply to other activities and behavior when communicating on social media sites or online. Employees should know that postings and communications transmitted on social media sites are not private, and thus, should consider how any communication might be perceived.

Kaweah Delta's Public Relations Department has the responsibility to manage and monitor the information on Social Media sites, and will include Human Resources, Risk Management, Corporate Compliance, and other applicable departments or individuals if violations or concerns of violations of this policy occur.

Internet Access:

Internet access is intended to support research, education and patient care, and is provided to enhance the ability to develop, design and implement improved methods for delivering patient care, information and related services. All staff are expected to use appropriate professional ethics and judgment when using internet or intranet access, including the use of Social Media, telephones and personal cell phones, including a prohibition on messaging or text messaging any PHI or PII related information.

Electronic Communication Systems:

All electronic communication systems provided by Kaweah Delta, including the equipment and the data stored in the system, are and remain at all times, whether located on Kaweah Delta premises or if located at another remote location, the property of Kaweah Delta. As a result, all messages created, sent or retrieved over Kaweah Delta's electronic mail system or via voicemail are the property of Kaweah Delta. Employees should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of Kaweah Delta.

Kaweah Delta reserves the right to retrieve and read any message composed, sent, or received on Kaweah Delta's computer equipment, electronic mail system or voice mail system. Employees are informed that, even when a message is erased, it is still possible to recreate the message; therefore, ultimate privacy of messages should not be expected. Accordingly, employees expressly consent to electronic monitoring of these systems. Furthermore, all communications including text and images can be disclosed to law enforcement, licensing boards, or other third parties without the prior consent of the

sender or the receiver. Kaweah Delta can request and require an employee to disclose their username and/or password to gain access to any Kaweah Delta-provided electronic device or software system.

Kaweah Delta Issued Mobile Devices:

Only those individuals with a justifiable need, as determined by department leadership and the Director of ISS Technical Services, shall be issued Kaweah Delta devices (i.e. phone, smartphone, tablet, laptop) and/or mobile voice and text/data services for the purpose of conducting business on behalf of Kaweah Delta. The individual using Kaweah Delta-owned devices is required to sign the "KDHCD Equipment Use and Information Technology Security Agreement" at the time they are issued a device. Kaweah Delta may rescind the agreement and require the return of any devices at any time. When employment ends at Kaweah Delta, all devices must be returned by the last day of work. Failure to return all property to Kaweah Delta in the same working condition that it was received may be considered theft of property and may lead to criminal prosecution.

Mobile phones may not be used while driving unless hands-free capability is utilized. This applies to use of the employee's personal vehicle and/or the use of Kaweah Delta vehicles while on Kaweah Delta business.

PROCEDURE:

Electronic Communication:

1. Internet or the Kaweah Delta intranet access may be provided by Kaweah Delta to employees for the benefit of Kaweah Delta and its customers, vendors and suppliers. This access enables the employee to connect to information and other resources within or outside of Kaweah Delta. Contract services staff who work at Kaweah Delta may be given access to the computer system and must comply with all provisions of this policy.
2. The employee will be given a password when granted access to Kaweah Delta's computer systems. The employee must change passwords to these systems when prompted to do so as define in Policy ISS.003. Because the system may need to be accessed by Kaweah Delta, the Human Resources and Information Systems departments will further be able to access all Kaweah Delta computer equipment and electronic mail. Any employee found to knowingly allow their password to be used by anyone else, or who is found to be using another's password will be subject to disciplinary action up to and including termination of employment.
3. When accessing the internet or Kaweah Delta's own intranet, employees agrees to do so for business purposes. Accordingly, such communications should be for professional and business reasons; personal use must be limited to what may be considered regular break times.
4. All staff are expected to use appropriate professional ethics and judgment when using internet or intranet access, including the use of Social Media, Kaweah Delta provided cell phones, and telephones and personal cell phones, including a prohibition on messaging or text messaging any PHI or PII related information.

Employees are expected to maintain employee, patient, customer, medical staff, and volunteer confidentiality (PHI and PII). Employees may not post any material that is obscene, defamatory, profane, libelous, threatening, harassing, abusive, hateful, or embarrassing to another person or Kaweah Delta when posting to sites. This policy applies to employees using Social Media while at work. It also applies to the use of Social Media when away from work, when the employees' or medical staffs' Kaweah Delta affiliation is identified, known, or presumed.

5. All employees who have access to computer information will sign an Agreement. In addition, employees will be required to sign certain other Agreements that apply to their position. The electronic copy of these Agreements will be kept in ISS.

Employee Harassment and Discrimination:

1. Any form of discrimination or harassment is strictly prohibited and employees must take all reasonable steps to prevent discrimination and harassment from occurring while conducting business or while acting on behalf of Kaweah Delta. No messages with derogatory or inflammatory remarks about an individual or group's age, disability, gender, race, religion, national origin, physical attributes, sexual preference or any other classification protected by Federal, State or local law may be transmitted using any type of telecommunications technology.
2. Employees must immediately report all instances of discrimination or harassment to Kaweah Delta. Please refer to the Anti-Harassment policy in Policy Tech.
3. Nothing in this policy is intended to prohibit employees from communicating with co-workers about the terms and conditions of their employment.

Termination of Employment:

Upon termination of employment, the Information Systems Services Department will be notified immediately by Human Resources. The employee's password and all accounts will be deactivated. All Kaweah Delta devices and equipment must be returned by the last day of on-site work. Failure to return all property to Kaweah Delta in the same working condition that it was received may be considered theft of property and may lead to criminal prosecution.

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

RESOLUTION 2027

WHEREAS, a claim on behalf of Patrick Delgado, Steven Delgado, Bernadette Anderson nee Delgado, Richard Delgado has been presented on April 2, 2019 to the Board of Directors of the Kaweah Delta Health Care District,

IT IS HEREBY RESOLVED AS FOLLOWS:

1. The aforementioned claim is hereby rejected.
2. In accordance with Government Code Section 913, the Secretary of the Board of Directors is hereby directed to give notice of rejection of said claim to Edward L. Fanucchi, Esq., Quinlan, Kershaw & Fanucchi, in the following form:

"Notice is hereby given that the claim which you presented to the Board of Directors of the Kaweah Delta Health Care District on April 2, 2019, was rejected by the Board of Directors on April 22, 2019."

WARNING

"Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6.

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately."

PASSED AND ADOPTED by unanimous vote of those present at a regular meeting of the Board of Directors of the Kaweah Delta Health Care District on April 22, 2019.

President, Kaweah Delta Health Care District

ATTEST:

Secretary/Treasurer, Kaweah Delta Health
Care District and of the Board of
Directors thereof

/cm

Appendix D

Policy Submission Summary

Manual Name: Medical Staff Manual			Date: 4/8/19
Support Staff Name: April McKee			
Routed to:			Approved By: (Name/Committee – Date)
<input type="checkbox"/> Department Director <input type="checkbox"/> Medical Director <i>(if applicable)</i> <input checked="" type="checkbox"/> Medical Staff Department <i>(if applicable)</i> <input type="checkbox"/> Patient Care Policy <i>(if applicable)</i> <input type="checkbox"/> Pharmacy & Therapeutics <i>(if applicable)</i> <input type="checkbox"/> Interdisciplinary Practice Council <i>(if applicable)</i> <input checked="" type="checkbox"/> Credentials Committee <i>(if applicable)</i> <input type="checkbox"/> Executive Team <i>(if applicable)</i> <input checked="" type="checkbox"/> Medical Executive Committee <i>(if applicable)</i> <input checked="" type="checkbox"/> Board of Directors			 MS.29 – 3/13; 3/28; 4/4 MS. 53 – 4/10/19
Policy/Procedure Title	#	Status <small>(New, Revised, Reviewed, Deleted)</small>	Name and Phone # of person who wrote the new policy or revised an existing policy
Temporary Privileges	MS 53	New	Debbie Roeben x2732
Documenting Current Clinical Competence	MS 29	Revised	Teresa Boyce x2365



Policy Number: MS 53	Date Created: 03/06/2019
Document Owner: April McKee (Medical Staff Coordinator)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration), Credentials Committee, Medical Executive Committee, April McKee (Medical Staff Coordinator), Cindy Moccio (Board Clerk/Exec Assist-CEO), Debbie Roeben (Credentialing Coordinator), Teresa Boyce (Director of Medical Staff Svcs)	
Temporary Privileges	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

Policy:

Temporary privileges may be considered if eligibility requirements are met as outlined in the Medical Staff Bylaws section 5.B. Additionally, all required documentation has been received, all items requiring verification have been verified, and there are no significant concerns, e.g., discrepancies in information, gaps, unfavorable recommendations, or negative responses concerning the applicant’s qualifications for privileges. All applications for temporary privileges will be evaluated based upon current licensure, education, training or experience, current competence and ability to perform the clinical privileges requested.

Procedure (See Attachment A for flow chart of application process):

I. New Applicants (pending final approval of application by Board of Directors)

Perform the steps below for individuals requesting temporary privileges if their application is pending review by the MEC and the Board following a favorable recommendation by the Credentials Committee after considering the evaluation of the department chair (after completion of the New Applicant process; see Policy MS 48):

- A. Online verifications of the following (in addition to verifications already completed for initial application process)
 - 1. CA Medical or Professional License
 - 2. CA Furnishing License (if applicable)
 - 3. OIG
 - 4. NPDB
- B. Temporary Privileges Approval Form
 - 1. Follow steps under “Temporary Privileges Approval Form” in Temporary Privileges Process/Follow-Up Procedure
- C. Approval
 - 1. The application, temporary privileges approval form, privilege request form and supportive documentation are made available to the following signatories for reviews and signatures:
 - a. Department Chair (or designee)

- b. Chief of Staff (or designee)
- c. Chief Medical Officer (or designee, if applicable)
- d. Chief Executive Officer (or designee)
- D. Follow-Up Procedure
 - 1. Follow steps starting under “Soarian Financials” in Temporary Privileges Process/Follow-Up Procedure

II. Locum Tenens

Individuals requesting temporary privileges as a locum tenens covering for a member of the medical staff or an advanced practice provider who is ill, on vacation, attending an educational seminar or when necessary to prevent a lack or lapse of services in a needed specialty area will be provided a link to the Online Application on the MD Staff website. Content of the website will include:

- A. Application including licensure information on any active or inactive licenses, DEA registration, Education History, Work History, Insurance History and complete information for Peer References
- B. Attestation Questionnaire
- C. Authorization to Release Information Form
- D. Professional Liability Questionnaire
- E. Claims Status Form, to be completed for each Open and Closed claim in the last five (5) years
- F. Health Screening Requirements (PPD, Influenza Vaccination)
- G. Background Release Form
- H. Continuing Education Attestation Form
- I. Confidentiality and Conflict of Interest Statement of Compliance
- J. Medicare Acknowledgment Statement
- K. Code of Conduct and Professional Behavior
- L. Privilege Forms
- M. Medical Staff Bylaws, Rules & Regulations
- N. A copy of a current government-issued photo ID
- O. 2x2 recent color photo required to be uploaded on the online application
- P. Current Curriculum Vitae (CV) documented in months and years
- Q. Signature Attestation
- R. Online verifications of the following:
 - 1. CA Medical or Professional License
 - 2. CA Furnishing License (if applicable)
 - 3. OIG
 - 4. NPDB
- S. Temporary Privileges Approval Form
 - ~~T.1.~~ 1. Follow steps under “Temporary Privileges Approval Form” in Temporary Privileges Process/Follow-Up Procedure
- U.T. Approval
 - 1. The application, temporary privileges approval form, privilege request form and supportive documentation are made available to the following signatories for reviews and signatures:
 - a. Department Chair (or designee)
 - b. Chief of Staff (or designee)
 - c. Chief Medical Officer (or designee, if applicable)

d. Chief Executive Officer (or designee)

V.U. Follow-Up Procedure

1. Follow steps starting under “Soarian Financials” in Temporary Privileges Process/Follow-Up Procedure

III. Visiting

Individuals requesting temporary privileges when there is an important patient care, treatment or service need such as: a) the care of a specific patient; or b) when a proctoring or consulting physician is needed, but is otherwise unavailable will be provided a link to the Online Application on the MD Staff website. Content of the website will include:

- A. Application including licensure information on any active or inactive licenses, DEA registration, Education History, Work History, Insurance History and complete information for Peer References
- B. Attestation Questionnaire
- C. Authorization to Release Information Form
- D. Professional Liability Questionnaire
- E. Claims Status Form, to be completed for each Open and Closed claim in the last five (5) years
- F. Health Screening Requirements (PPD, Influenza Vaccination)
- G. Background Release Form
- H. Continuing Education Attestation Form
- I. Confidentiality and Conflict of Interest Statement of Compliance
- J. Medicare Acknowledgment Statement
- K. Code of Conduct and Professional Behavior
- L. Privilege Forms
- M. Medical Staff Bylaws, Rules & Regulations
- N. A copy of a current government-issued photo ID
- O. 2x2 recent color photo required to be uploaded on the online application
- P. Current Curriculum Vitae (CV) documented in months and years
- Q. Signature Attestation
- R. Online verifications of the following:
 1. CA Medical or Professional License
 2. CA Furnishing License (if applicable)
 3. OIG
 4. NPDB
- S. Temporary Privileges Approval Form
 - ~~F.~~ 1. Follow steps under “Temporary Privileges Approval Form” in Temporary Privileges Process/Follow-Up Procedure

U.T. Approval

1. The application, temporary privileges approval form, privilege request form and supportive documentation are made available to the following signatories for reviews and signatures:
 - a. Department Chair (or designee)
 - b. Chief of Staff (or designee)
 - c. Chief Medical Officer (or designee, if applicable)
 - d. Chief Executive Officer (or designee)

V.U. Follow-Up Procedure

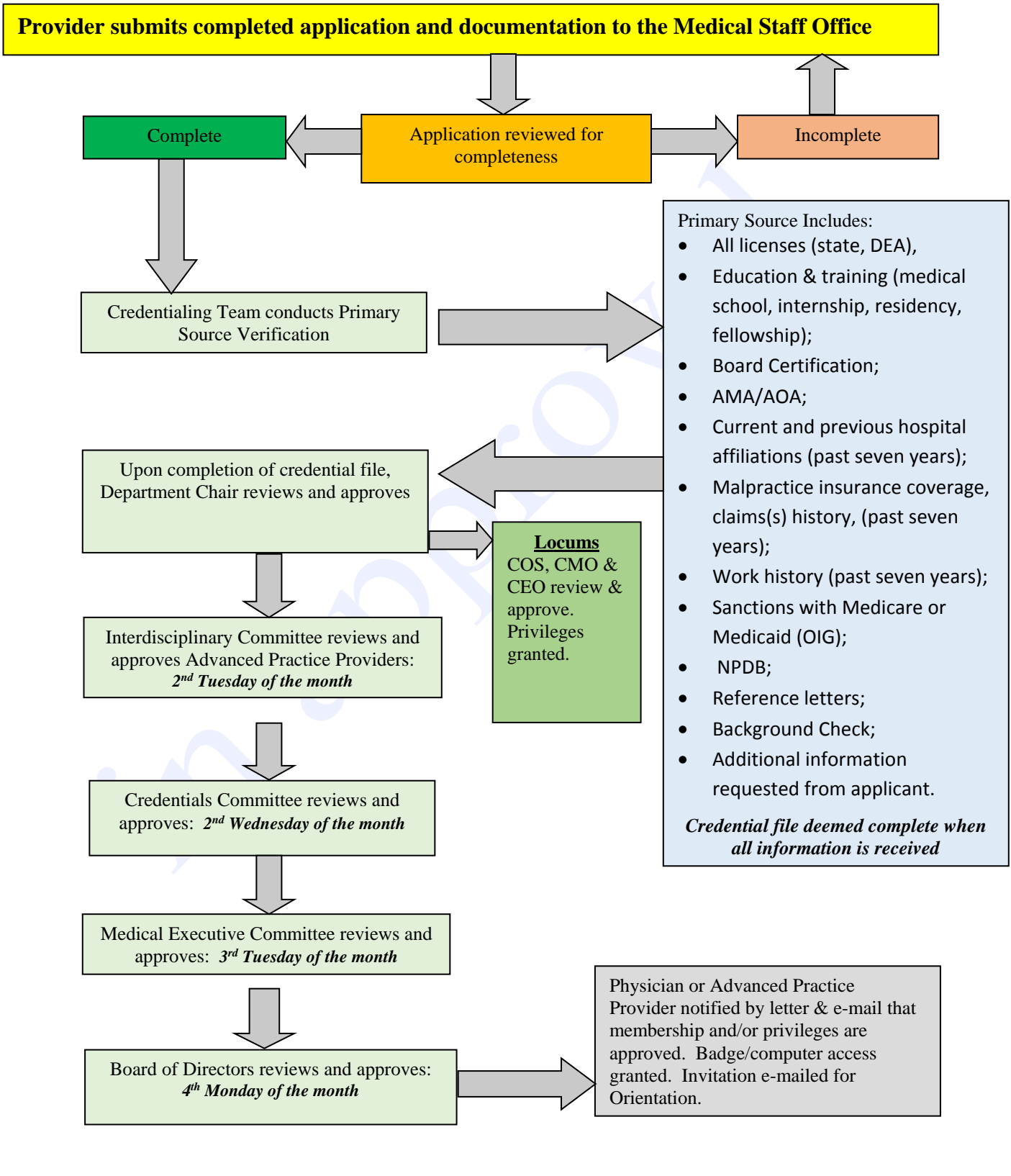
1. Follow steps starting under “Soarian Financials” in Temporary Privileges Process/Follow-Up Procedure

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

in approval

ATTACHMENT A

Kaweah Delta Health Care District Medical Staff Credentialing Process



- Primary Source Includes:
- All licenses (state, DEA),
 - Education & training (medical school, internship, residency, fellowship);
 - Board Certification;
 - AMA/AOA;
 - Current and previous hospital affiliations (past seven years);
 - Malpractice insurance coverage, claims(s) history, (past seven years);
 - Work history (past seven years);
 - Sanctions with Medicare or Medicaid (OIG);
 - NPDB;
 - Reference letters;
 - Background Check;
 - Additional information requested from applicant.
- Credential file deemed complete when all information is received*

Additional information can be requested at any time during the process, sending it back to the previous step. Medical Staff Bylaws 4.259/315 states "an application is **deemed complete**, it is expected to be processed within 120 days, unless it becomes incomplete."



Policy Number: MS 29	Date Created: 06/01/2010
Document Owner: April McKee (Medical Staff Coordinator)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration), Medical Executive Committee	
Documenting Current Clinical Competence (Co-Manage/Co-Admit)	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

Policy:

It shall be the policy of KDHCD medical staff to provide credentialing options when an applicant ~~cannot document~~does not meet volume requirements for current clinical competence.

Procedure:

When an application is submitted and current clinical competence cannot be documented, the following options may be considered on a case-by-case basis.

1. For medical specialties - dependent exercise of privileges whereby another fully qualified member of the medical staff agrees to co-admit and co-manage the ~~first ten (10) admissions~~minimum volume requirements as specified per established initial privileging criteria.
2. For surgical specialties/special procedures – ~~privileges to assist only~~dependent exercise of privilege with increasing responsibility based on actual observations by ~~primary~~co-managing surgeon. Must meet minimum volume requirements as specified per established initial privileging criteria.
3. For Department of Family ~~Practice-Medicine~~ requesting OB privileges – 100% real time co-admission/co-management with another member of the ~~Department of Family Practice-Medical Staff~~ with current OB privileges for the ~~first 10 deliveries~~minimum volume requirements as specified per established initial privileging criteria. This applies to Department of Family ~~Practice Medicine~~ members who have not done OB deliveries in the past 24 months.
4. For Department of Anesthesiology – dependent exercise of privilege with increasing responsibility based on actual observations by co-managing anesthesiologist. Must meet minimum volume requirements as specified per established initial privileging criteria.

4.5. _____ Applicants will not be given admitting privileges until:

- a. Documentation has been submitted to the medical staff office noting that the new member is qualified to independently exercise the privileges

requested and that the co-admission and co-management status are no longer necessary.

- b. The department chair reviews the documentation and approves the recommendation.

5.6. Once released from dependent exercise of privileges, the new member will have to be proctored and complete all proctoring requirements as noted in the specific department's proctoring policy. If co-management has been completed within the last 6 months at KDHC, with favorable reports, proctoring will not be required.

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

Provider Name: _____ Date: _____

Please Print

Advanced Practice Provider – Psychiatry

Location: Kaweah Delta Mental Health Hospital Kaweah Delta Medical Center

INITIAL CRITERIA

Physician Assistant: Completion of an ARC-PA approved program; Current certification by the [National Commission on Certification of Physician Assistants \(NCCPA\)](#) (*Obtain certification within one year of completion of PA program*); Current licensure to practice as a PA by the California board of medicine; **OR**

Nurse Practitioner: Completion of a master's/post-masters or doctorate degree in an nursing program accredited by the Commission of Collegiate of Nursing Education (CCNE) or National League for Nursing Accrediting Commission (NLNAC) with emphasis on the NPs specialty area; current certification by the ANCC or AANP (*Obtain certification within one year of completion of Masters/Doctorate program*)

Current Experience: Completion of Initial Criteria within the last 12 months **OR** [Earn a Certificate of Added Qualifications \(CAQ\) in Psychiatry from the National Commission on Certification of Physician Assistants](#) **OR** Documentation of patient care ~~for 30 patients in an acute care setting in the past two years~~ [contacts noted in the initial criteria below](#) **AND** BLS, ACLS or equivalent certification **AND** Current, full schedule DEA license

Renewal Criteria: Documentation of patient care for ~~30-40~~ patients in the past 24 months; Maintenance of current certification by NCCPA, ANCC, AANP or ANCC **AND** BLS, ACLS or equivalent certification **AND** Current, full schedule DEA license

FPPE Requirement: 10 cases by Direct Observation and Retrospective Chart Review at the supervising physicians discretion

GENERAL CORE PRIVILEGES

Request	CORE Includes procedures on the following list and such other procedures that are extensions of the same techniques and skills:	Approve	
<input type="checkbox"/>	Privileges include treating patients who suffer from mental, behavioral, or emotional disorders to include providing consultation with physicians in other fields regarding mental, behavioral, emotional and geriatric psychiatric disorders AND <ul style="list-style-type: none"> Perform history & Physical Prescribe & Administer medications per formulary of designated certifying board Counsel and instruct patients, families, and caregivers as appropriate Transmit orders for restraints at the direction of the collaborating/supervising physician Make rounds on hospitalized patients Record progress notes Dictate discharge summaries Arrange hospital admission / discharge and post-discharge continuing care under direction of the supervising physician Implement therapeutic intervention for specific conditions when appropriate 	<input type="checkbox"/>	
Request	Service	Initial Criteria	Approve
<input type="checkbox"/>	<u>Inpatient</u>	<u>Meet initial criteria and documentation of patient care for 40 acute care patients in the last 2 years</u>	<input type="checkbox"/>
<input type="checkbox"/>	<u>Outpatient</u>	<u>Meet initial criteria and documentation of patient care for 40 outpatient mental health patients in the last 2 years</u>	<input type="checkbox"/>

Acknowledgment of Practitioner:

I have requested only those privileges for which by education, training, current experience and demonstrated performance I am qualified to perform and for which I wish to exercise and; I understand that:

- (a) In exercising any clinical privileges granted, I am constrained by any Hospital and Medical Staff policies and rules applicable generally and any applicable to the particular situation.
- (b) **Emergency Privileges** – In case of an emergency, any member of the medical staff, to the degree permitted by his/her license and regardless of department, staff status, or privileges, shall be permitted to do everything reasonably possible to save the life of a patient from serious harm.

Advanced Practice Provider Signature

Date

Provider Name: _____ Date: _____
Please Print

Collaborating/Supervising Physician Signature *Date*

Department of Psychiatry & Addiction Medicine Signature *Date*

Maternal Child Health Quality Report 2019 Presented by

Dr Blaine Lake MD, Chair, OB/GYN Department

Dr Jose Dosado MD, Medical Director Neonatal Intensive Care Unit

Dr Julianne Randolph DO, Medical Director Pediatric Department

Labor & Delivery/Mother Baby Quality Report



265/315

Quality Data 2018

Measure	Rate	Benchmark
Early Elective Deliveries (PC01)	1.6%	0
Primary C-Sections Normal, Term, Singleton, Vertex (NTSV) (PC02)	25%	24%
Antenatal Steroids (PC03)	100%	98%
Birth Trauma	.06%	1.9%

New Quality Initiatives

- Laborist Program: This program started March 16, 2019. This will provide for improved patient safety with restricted coverage at night and on the weekends as well as unrestricted call on day shifts Monday – Friday.
- Maternal Fetal Medicine (MFM): As of October 1, 2018, Maternal Fetal Medicine has been rounding daily in the hospital and seeing inpatients. This a great service for our patients, physicians and staff to have in-house and at times prevents transfer of patients to Fresno.
- Nitrous Oxide for Laboring Patients: This is another technology/option to be available to our patients to manage the pain of labor. Nitrous is an alternative option for patients who are not candidates for an epidural or those who need short term pain control and do not want narcotics. This could be an effective tool in reducing opioid use. Nitrous will be available to our patients starting in July.

New Obstetric Operating Rooms/Infant Resuscitation/Recovery Rooms

- The new Obstetric Operating Rooms/Infant Resuscitation Room/Recovery Rooms opened in December 2019, they are wonderful and serving our patients well. Families have more privacy and space to recover with their babies for the initial postpartum period after their Cesarean Sections.



268/315

NICU Quality Report



NICU Data

Total Admissions for 2018	661
Total Patient Days	6959
Average Length of Stay	4 days
Percentage of patients less than 32 weeks	5%
CLABSI	0
VAP	0
Necrotizing Enterocolitis (NEC)	0
Retinopathy of Prematurity (ROP)	0
Patients sent home on Oxygen	1

NEW NICU

- The new 23 private bed NICU will open in June 2019. The new NICU will:
- Increase and encourage parent involvement in the care of their babies.
- Increase patient and parent privacy, allowing for rooming in with baby.
- Improve the developmental environment for our babies.

New NICU



Please note the very large size of these patient rooms. There is plenty of space for parents to stay with their babies, feed their babies, promotes bonding, attachment and developmental growth is enhanced with the natural light coming through the window. These new rooms also allow for patient privacy when speaking with physicians and other members of the care team.

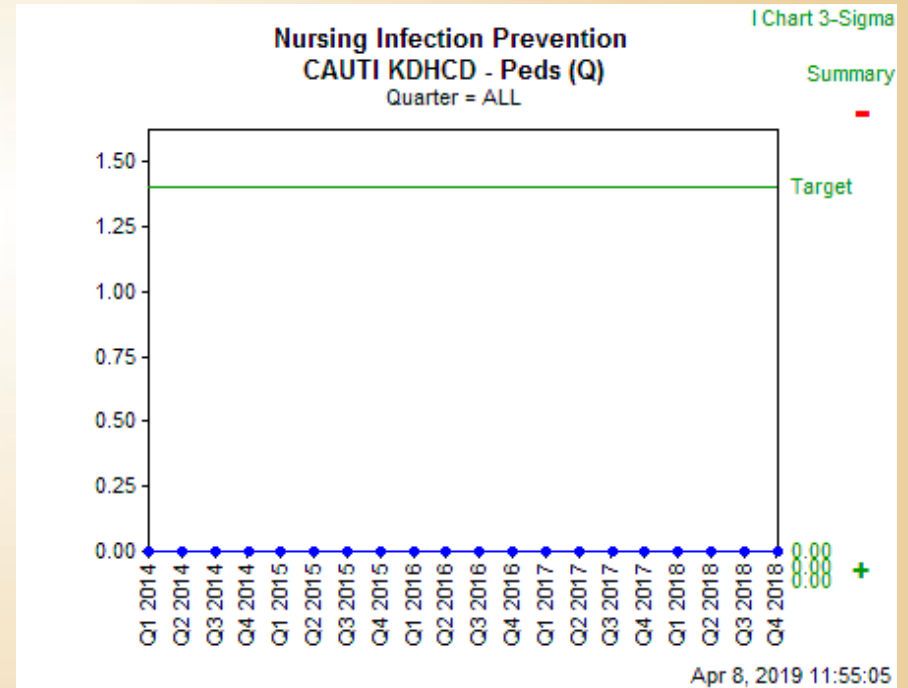
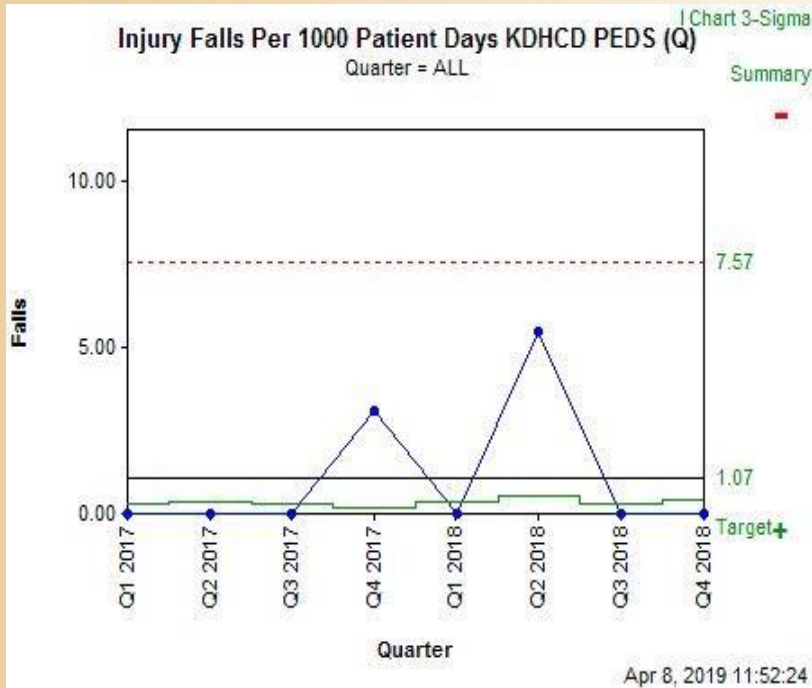
Pediatrics Quality Report



Pediatric

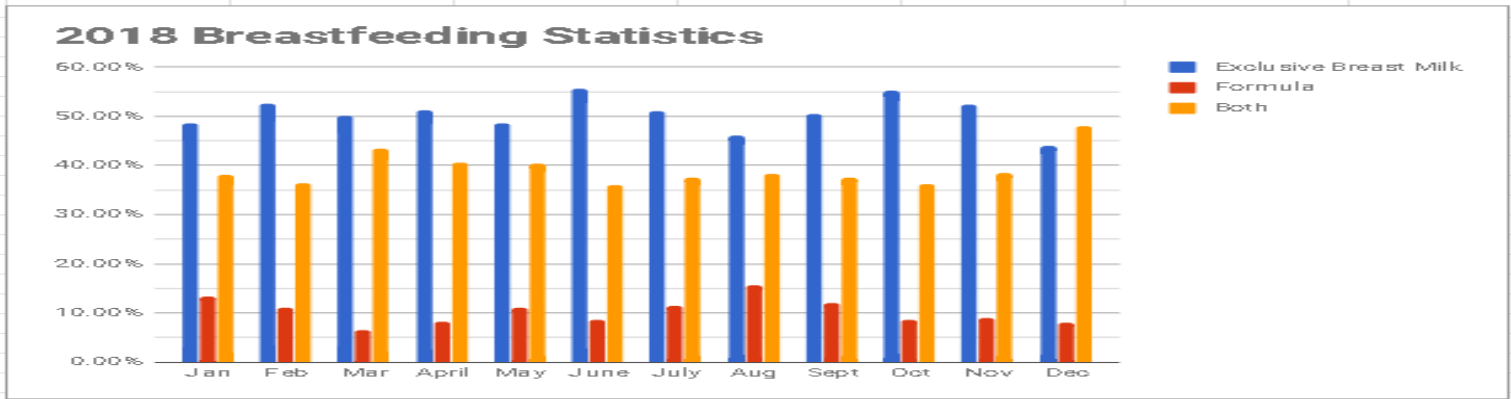
- Pediatric Volumes decreased by 5% this year. Primarily due to a very mild flu and Respiratory Syncytial Virus (RSV) season.
- Valley Childrens' Hospital Clinical Partnership. Our partnership continues to grow with simulation training specific to pediatrics for the Emergency Department (ED). Collaboration with the Radiology Department continues for our pediatric patients.
- Pediatric Consults in the ED are continuing to grow.
- High Flow Oxygen on Pediatrics. We have adjusted our policy to allow a higher flow rate and percentage of oxygen to be administered and managed in pediatrics. This allows us to keep sicker patients safely on our pediatric unit and avoid transfer out.

Pediatric Quality Dashboard



Exclusive Breastfeeding Rates and Initiatives

2018	Newborn Screening Data			Yearly Average	50.48%
	Exclusive Breast Milk	Formula	Both		
Jan	48.60%	13.40%	38.01%		
Feb	52.60%	11.01%	36.39%		
Mar	50.00%	6.56%	43.44%		
April	51.31%	8.17%	40.52%		
May	48.50%	11.08%	40.42%		
June	55.52%	8.50%	35.98%		
July	50.95%	11.44%	37.60%		
Aug	46.07%	15.71%	38.22%		
Sept	50.49%	11.95%	37.56%		
Oct	55.20%	8.53%	36.27%		
Nov	52.46%	9.02%	38.52%		
Dec	44.04%	8.03%	47.93%		



- In conjunction with feeding orders, Lactation Staff have adjusted their workflows to include spending 8 hours/day on the Labor & Delivery, Labor Triage and Antepartum Testing Units. This will allow them to see patients prior to delivery to provide education and information regarding breastfeeding as being the best for their babies. This will also allow time to help with first feeds which can be critical to successful breastfeeding.
- Patients will be given a survey to fill out prior to discharge asking them what their feeding preferences were prior to delivery of their baby, whether or not they reached their goals and if not, why? This will provide valuable information regarding where we need to focus our efforts to increase exclusive breastfeeding rates.

Questions?



277/315

Strategic Initiative Charter: Strategic Growth and Innovation

Objective

Grow intelligently by expanding existing services, adding new services, and serving new communities.

Chair

Coby La Blue

ET Sponsor

Marc Mertz

Performance Measure	Baseline	FY 2020 Goal	FY 2021 Goal	FY 2022 Goal
Network utilization/ leakage <ul style="list-style-type: none"> • Orthopedics • Cardiology/Cardiac Surgery • Neurology/Neurosurgery 	<ul style="list-style-type: none"> • 65% • 70% • 20% 	<ul style="list-style-type: none"> • 3% • 3% • 10% 	<ul style="list-style-type: none"> • 3% • 3% • 10% 	<ul style="list-style-type: none"> • 3% • 3% • 10%
Number of community physicians		51 Physician FTE increase in Primary Service Area	34 Physician FTE increase in Primary Service Area	34 Physician FTE increase in Primary Service Area
Increased outpatient net revenue	FY 19 OP Revenue (KDMF+RHC+1206(d)+ FMC)	1% increase	1% increase	1% increase
Number of new services		1 new service	1 new service	1 new service
Public perception survey	April 2019 Results	TBD based on Baseline	TBD based on Baseline	TBD based on Baseline

Team Members

Minty Dillion
 John Leal
 Jag Baath
 Barry Royce
 David Garrett
 Dru Quesnoy
 Deborah Volosin
 Jennifer Stockton
 Alex Lechtman, MD
 Lori Winston, MD
 Brent Boyd

Strategies (Tactics)	Net Annual Impact (\$) *
Network strategy	
Physician recruitment and retention (8 x \$135,000 initial annual loss per FTE)	\$1,080,000 (not including downstream net revenue)
Service line expansion and optimization (Contribution margin by specialty x % increase)	
New service line growth	Pending Proforma
Branding refresh	278/315 \$300,000

* Average annual impact over 3 years

Strategy Summary for : Network Strategy

Strategic Initiative: Strategic Growth and Innovation

Objective

Provide access to care for all of the population through expansion of Kaweah Delta's network reach through acquisition/expansion of service locations, service areas, and innovative payer contracting strategies.

Key Components

- FQHC Status for Family Medicine Center and Court Street Urgent Care Center
- Develop Managed Medi-Cal Strategy
- Develop additional strategic affiliations that will facilitate expansion of Kaweah Delta's network and patient access points
 - Partnerships with existing FQHCs
 - Key Medical Group
 - KDMF

Outcomes	2020	2021	2022
Add Primary Care Locations	Increased number of locations	Increased number of locations	Increased number of locations
Managed Medi-Cal Strategy	7,500 at risk lives Year 1	15,000 at-risk lives Year 2	22,500 at-risk lives Year 3

Financial Impact	2020	2021	2022
Capital Requirements			
Revenue			
Expenses			
Labor			
Supplies			
Other			
Total Costs			
Contribution Margin			

Analysis to be provided/supported by Finance

Team Members

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Strategy Summary for : Physician Recruitment and Retention

Strategic Initiative: Strategic Growth and Innovation

Objective

Increase the number of primary and specialty physicians in the community.

Key Components

- Recruit needed primary care providers and key specialists (GI, Urology, Psych)
- Increase number of physicians in KDMF
- UME pipeline with local schools to feed our GME program
- Evaluate development of new residency programs

Outcomes	2020	2021	2022
Net gain of physicians	5% net gain over current count	5% net gain over 2020	5% net gain over 2021
	Gross # of physician recruits	Gross # of physician recruits	Gross # of physician recruits
# of KDMF physicians	Meet pro forma projection of 54 employed and contracted physicians	Add 6-10 net additional physicians	Add 6-10 net additional physicians

Financial Impact	2020	2021	2022
Capital Requirements			
Revenue			
Expenses			
Labor			
Supplies			
Other			
Total Costs			
Contribution Margin			

Analysis to be provided/supported by Finance

Team Members

Summary Charter for : Service Line Expansion and Optimization

Strategic Initiative: Strategic Growth and Innovation

Objective

Expand key Kaweah Delta Service lines through addition of related services not currently offered, new affiliations, new specialty or sub-specialty providers, and new locations

Key Components

- Strategic planning session with cardiology co-management and CCHVI
 - Centralized condition-specific clinics (anti-coagulation clinic, heart failure clinic, etc.) that are provider neutral
 - Optimize existing space before building new
- Outpatient surgery/surgery center volume and capacity – elective cases
 - Track volume increases
 - Look for areas to add outpatient procedure capacity
 - Partnership with ambulatory surgery center to add capacity
 - Focused aggressive marketing campaigns
 - Monitoring and timely response referral pattern concerns
- Expand KDMF to multiple locations/cities
- Expand neurosciences, urology, and gastroenterology service offerings

Outcomes	2020	2021	2022
# of patient/enrolled lives in condition specific clinics	OSHPD market share baseline	5% growth	5% growth
# of new KDMF locations	1 new location	1 new location	1 new location
Outpatient volume growth at ASC and Sequoia Surgery Center	5% growth (2% SSC growth)	5% growth (2% SSC growth)	5% growth (2% SSC growth)
Hospital outpatient volume	Strategically regain loss	5% strategically identified growth	5% strategically identified growth

Financial Impact

	2020	2021	2022
Capital Requirements			
Revenue			
Expenses			
Labor			
Supplies			
Other			
Total Costs			
Contribution Margin			

Analysis to be provided/supported by Finance

Team Members

Summary Charter for : New Service Line Growth

Strategic Initiative: Strategic Growth and Innovation

Objective

Implement new and innovative services needed by the communities served by Kaweah Delta.

Key Components

- Comprehensive outpatient behavioral health program
 - Increased access to mental health clinics
 - ECT
- Expand operating room capacity through efficiency and/or development of new rooms
- Telehealth / home monitoring, to include local physicians
- Comprehensive spine program
- Acute and regional pain center to support residency training needs
- Comprehensive bariatric program
- Consider addition of other needed services (reference lab, occupational health, adult day health, adolescent inpatient psychiatric services)

Outcomes	2020	2021	2022
# of new service lines	1 new service line	1 new service line	1 new service line
Contribution margin	Meets projected budget	Meets projected budget	Meets projected budget

Financial Impact

	2020	2021	2022
Capital Requirements			
Revenue			
Expenses			
Labor			
Supplies			
Other			
Total Costs			
Contribution Margin			

Analysis to be provided/supported by Finance

Team Members

Summary Charter for : Branding

Strategic Initiative: Strategic Growth and Innovation

Objective

Increase community awareness of the Kaweah Delta name and services offered through consistent branding, marketing and community education

Key Components

- Market additional capabilities of key services such as cardiology, neurosurgery, orthopedics and vascular
- Refresh of organization naming strategy for locations and services
- Increased social media presence
- Marketing with emphasis on community involvement and all-encompassing service
- Work with community advisory groups to use public perception survey results to improve community relations

Outcomes	2020	2021	2022
Successful implementation of new branding	Launch new KD branding and naming		
ROI of new marketing strategies and campaigns	Market growth or reduction of outmigration of key service lines of 5%	Additional growth or reduction of 5%	Additional growth or reduction of 5%
Public perception survey	Baseline developed from survey	Improvement target determined based on baseline	Improvement target determined based on baseline

Financial Impact 2020 2021 2022

Capital Requirements			
Revenue			
Expenses			
Labor			
Supplies			
Other			
Total Costs			
Contribution Margin			

Analysis to be provided/supported by Finance

Team Members

Central Valley Healthcare Alliance

Supply Chain Initiatives

April 12, 2019

Leif Eric H. Williams – Director of Materials Management and Business Development
Sierra View Medical Center

Steve Bajari - Director of Procurement and Logistics
Kaweah Delta Medical Center

Agenda

- Introductions of Leif and Steve
- Supply chain savings initiatives (short-term)
 - Reprocessing
 - Trauma Products
 - Instrument repair program
- Potential initiatives (intermediate to long-term)

Initiative one

- **Reprocessing**
- Contract status
 - Kaweah Delta progressing forward with implementation
 - Sierra View has no current contract
- Potential for a combined JPA agreement
 - Vendor is willing to explore increase rebates
- Current spend for Kaweah Delta is about \$1.9 million
- Savings goal is between \$500K and 800K

Initiative two

- Trauma products – Synthes
 - Contract status
 - Sierra View currently in negotiations
 - Kaweah Delta contract expires June 6, 2019
 - Potential for a combined JPA agreement
 - Current combined spend is about \$1.6 million
 - Savings goal is between \$100K and 175K

Initiative three

- **MultiMedical Systems (MMS)
Instrument repair program**
(Instruments and some scopes)
- Contract status
 - Kaweah Delta currently using MMS
 - Sierra View currently using an alternate vendor
- Current combined spend for instrument repair services is about \$84K
 - Kaweah Delta does some scope repairs through MMS that bring added value

Potential Initiatives

- **Linen**
 - Standardization of supplies
 - Standardize off site locations – vendor consolidation
- **Alaris** – infusion pumps and tubing
 - Special capital pricing through Sept 20, 2019
 - Tubing pricing tier levels
- **Ethicon** – all product lines
- **B Braun** – Introcan Caths

Potential Initiatives – Cont'd

- **Combined Distribution**
- **Carve-Outs (Adventist Health/Premier)**
- **Capital Purchases**
- **Premier GPO on Aggregation Levels**

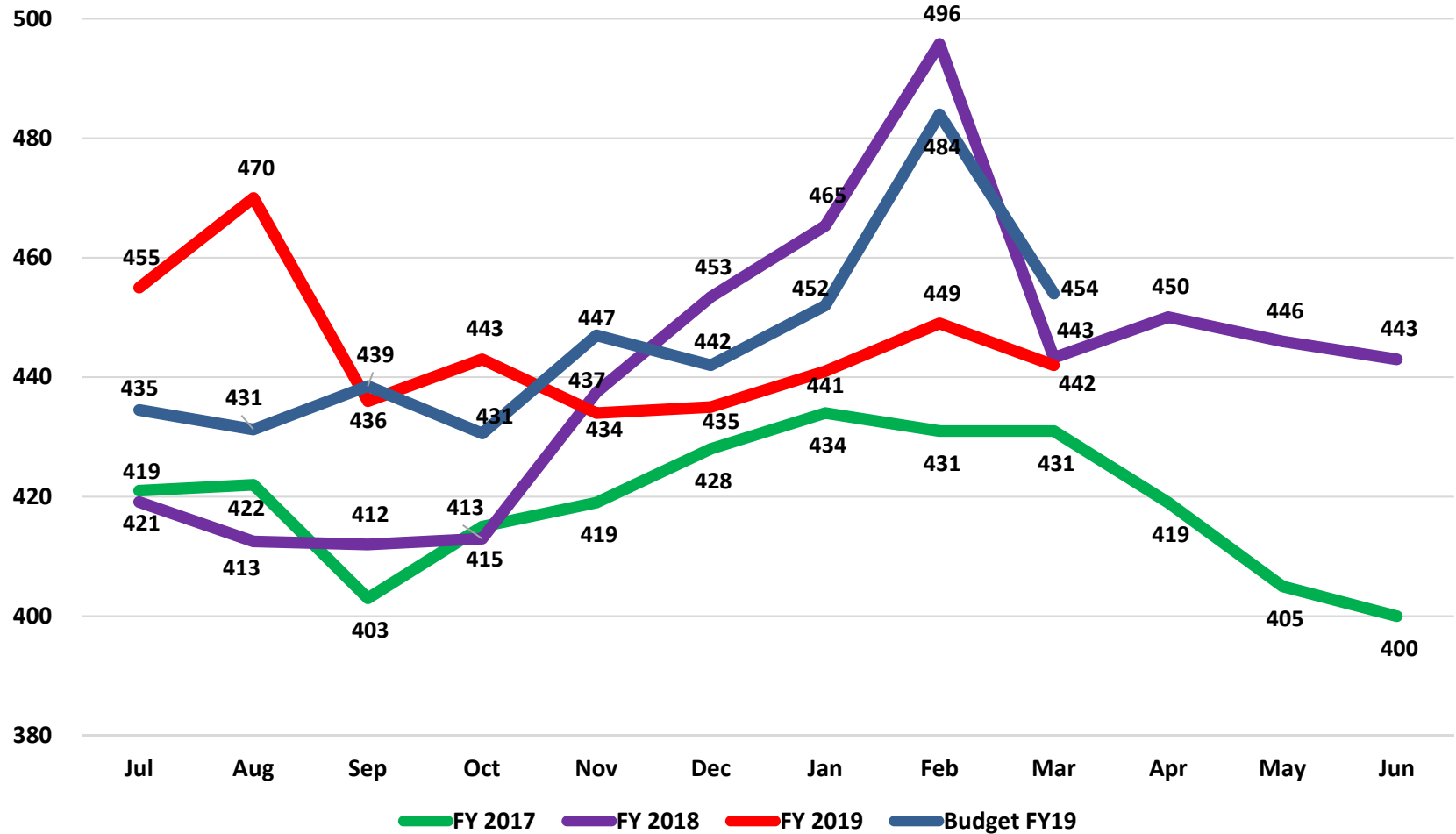
M O R E T H A N M E D I C I N E . L I F E .

CFO Financial Report

April 18, 2019



Average Daily Census



	<u>ADC</u>
FYTD 2017	3,804
FYTD 2018	3,952
FYTD 2019	4,005
Budget FYTD19	4,014

Statistical Results – Fiscal Year Comparison (March)

Actual Results			Budget	Budget Variance	
Mar 2018	Mar 2019	% Change	Mar 2019	Change	% Change

Average Daily Census	443	442	(0.2%)	454	(11)	(2.5%)
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KDHCD Patient Days:

Medical Center	8,820	8,727	(1.1%)	9,192	(465)	(5.1%)
Acute I/P Psych	1,459	1,460	0.1%	1,448	12	0.8%
Sub-Acute	970	957	(1.3%)	944	13	1.4%
Rehab	629	648	3.0%	593	55	9.3%
TCS-Ortho	341	439	28.7%	370	69	18.6%
TCS	453	555	22.5%	549	6	1.1%
NICU	526	335	(36.3%)	389	(54)	(13.9%)
Nursery	543	586	7.9%	574	12	2.1%

Total KDHCD Patient Days	13,741	13,707	(0.2%)	14,059	(352)	(2.5%)
Total Outpatient Volume	11,700	12,325	5.3%	12,489	(164)	(1.3%)

Statistical Results – Fiscal Year Comparison (Jul-Mar)

	Actual Results			Budget	Budget Variance	
	FY 2018	FY 2019	% Change	FY 2019	Change	% Change

Average Daily Census	439	445	1.4%	446	(1)	(0.2%)
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KDHCD Patient Days:

Medical Center	77,430	78,788	1.8%	78,120	668	0.9%
Acute I/P Psych	12,832	12,877	0.4%	13,035	(158)	(1.2%)
Sub-Acute	8,514	8,473	(0.5%)	8,496	(23)	(0.3%)
Rehab	5,179	4,967	(4.1%)	5,339	(372)	(7.0%)
TCS-Ortho	3,351	3,449	2.9%	3,329	120	3.6%
TCS	4,447	4,264	(4.1%)	4,941	(677)	(13.7%)
NICU	3,205	3,908	21.9%	3,590	318	8.9%
Nursery	5,212	5,207	(0.1%)	5,251	(44)	(0.8%)

Total KDHCD Patient Days	120,170	121,933	1.5%	112,101	(168)	(0.1%)
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Total Outpatient Volume	108,254	107,669	(0.5%)	113,962	(6,293)	(5.5%)
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Other Statistical Results – Fiscal Year Comparison (March)

	Mar 2018	Mar 2019	Change	% Change
Adjusted Patient Days	25,441	26,032	591	2.3%
Lab WLU's (I/P & O/P)	146,251	225,549	79,298	54.2%
GME Clinic visits	617	938	321	52.0%
Urgent Care Visits	5,340	7,581	2,241	42.0%
Surgery Minutes (I/P & O/P)	862	1,037	175	20.3%
OB Deliveries	358	399	41	11.5%
Home Health Visits	2,571	2,836	265	10.3%
Radiation Oncology Treatments (I/P & O/P)	2,312	2,487	175	7.6%
Physical & Other Therapy Units	17,948	18,942	994	5.5%
Dialysis Treatments	2,007	2,108	101	5.0%
Hospice Days	3,304	3,422	118	3.6%
ED Visit	7,825	7,805	(20)	(0.3%)
KDMF Work RVU's	31,220	31,002	(218)	(0.7%)
O/P Rehab Units	20,137	19,819	(318)	(1.6%)
Radiology/CT/US/MRI Proc (I/P & O/P)	16,266	15,697	(569)	(3.5%)
Home Infusion Days	11,795	10,266	(1,529)	(13.0%)
Endoscopy Procedures (I/P & O/P)	586	508	(78)	(13.3%)
Cath Lab Minutes (IP & OP)	21,386	18,221	(3,165)	(14.8%)

Other Statistical Results – Fiscal Year Comparison (Jul-Mar)

	FY 2018	FY 2019	Change	% Change
Adjusted Patient Days	228,424	229,602	1,178	0.5%
Lab WLU's (I/P & O/P)	1,248,503	1,983,308	734,805	58.9%
Surgery Minutes (I/P & O/P)	7,551	9,017	1,466	19.4%
KDMF Work RVU's	243,275	267,655	24,380	10.0%
Urgent Care Visits	48,570	52,583	4,013	8.3%
GME Clinic visits	8,091	8,728	637	7.9%
Physical & Other Therapy Units	148,075	157,843	9,768	6.6%
Dialysis Treatments	16,557	17,553	996	6.0%
Home Health Visits	22,709	23,935	1,226	5.4%
OB Deliveries	3,529	3,677	148	4.2%
O/P Rehab Units	168,526	175,086	6,560	3.9%
Radiology/CT/US/MRI Proc (I/P & O/P)	135,524	136,425	901	0.7%
Cath Lab Minutes (IP & OP)	172,758	163,658	(9,100)	(5.3%)
Home Infusion Days	103,514	97,720	(5,794)	(5.6%)
Hospice Days	31,137	29,367	(1,770)	(5.7%)
ED Visit	68,004	63,286	(4,718)	(6.9%)
Endoscopy Procedures (I/P & O/P)	4,856	4,216	(640)	(13.2%)
Radiation Oncology Treatments (I/P & O/P)	21,888	18,104	(3,784)	(17.3%)

March Financial Comparison (000's)

	Actual Results			Budget	Budget Variance	
	Mar-18	Mar-19	% Change	Mar-19	Change	% Change
Operating Revenue						
Net patient service revenue	\$49,209	\$48,012	(2.4%)	\$53,647	(\$5,635)	(10.5%)
Supplemental Gov't Programs	2,656	9,024	239.8%	3,608	5,416	150.1%
Prime Program	230	604	163.3%	997	(393)	(39.4%)
Premium revenue	2,651	3,739	41.0%	3,264	476	14.6%
Management services revenue	2,554	2,776	8.7%	2,486	291	11.7%
Other Revenue	2,397	1,928	(19.5%)	1,568	361	23.0%
Other operating revenue	10,487	18,072	72.3%	11,923	6,150	51.6%
Total Operating Revenue	59,696	66,084	10.7%	65,569	515	0.8%
Operating Expenses						
Salaries and wages	23,436	24,597	5.0%	24,963	(366)	(1.5%)
Contract labor	1,048	1,317	25.6%	327	990	302.4%
Employee benefits	7,657	6,316	(17.5%)	6,165	151	2.5%
Total Employment Expenses	32,141	32,229	0.3%	31,455	774	2.5%
Medical and other supplies	9,693	9,219	(4.9%)	10,048	(829)	(8.2%)
Physician fees	7,348	6,775	(7.8%)	6,898	(123)	(1.8%)
Purchased services	4,623	3,288	(28.9%)	3,131	157	5.0%
Repairs and maintenance	1,876	2,003	6.8%	2,136	(134)	(6.2%)
Utilities	274	355	29.4%	499	(144)	(28.8%)
Rents and leases	483	505	4.6%	544	(39)	(7.1%)
Depreciation and amortization	2,007	2,568	27.9%	2,848	(280)	(9.8%)
Interest Expense	346	461	33.3%	501	(40)	(8.0%)
Other Expenses	1,417	1,865	31.6%	1,817	49	2.7%
Management Services Expenses	2,528	2,564	1.4%	2,441	123	5.0%
Total Operating Expenses	62,736	61,832	(1.4%)	62,317	(485)	(0.8%)
Operating Margin	(\$3,040)	\$4,252	239.9%	\$3,252	\$1,000	30.8%
Nonoperating Revenue (Loss)	(1,621)	3,328	305.3%	516	2,812	545.5%
Excess Margin	(\$4,660)	\$7,580	262.7%	\$3,768	\$3,812	101.2%

Operating Margin %	(5.1%)	6.4%		5.0%
Excess Margin %	(7.8%)	11.5%		5.7%

Fiscal Year Financial Comparison (000's)

	Actual Results FYTD Jul-Mar			Budget FYTD	Budget Variance FYTD	
	Mar-18	Mar-19	% Change	Mar-19	Change	% Change
Operating Revenue:						
Net patient service revenue	\$427,134	\$421,822	(1.2%)	\$453,240	(\$31,418)	(6.9%)
Supplemental Gov't Programs	23,902	49,190	105.8%	32,475	16,715	51.5%
Prime Program	13,163	11,028	(16.2%)	8,973	2,055	22.9%
Premium revenue	23,498	28,833	22.7%	26,140	2,693	10.3%
Management services revenue	21,553	23,772	10.3%	21,971	1,801	8.2%
Other Revenue	14,161	18,024	27.3%	13,754	4,270	31.0%
Other operating revenue	96,278	130,847	35.9%	103,312	27,535	26.7%
Total Operating Revenue	523,411	552,669	5.6%	556,552	(3,883)	(0.7%)
Operating Expenses:						
Salaries and wages	198,708	215,035	8.2%	215,598	(563)	(0.3%)
Contract labor	6,112	11,603	89.8%	2,755	8,848	321.1%
Employee benefits	54,446	56,744	4.2%	54,607	2,137	3.9%
Total Employment Expenses	259,266	283,382	9.3%	272,960	10,421	3.8%
Medical and other supplies	83,543	87,063	4.2%	85,221	1,842	2.2%
Physician fees	55,069	62,358	13.2%	61,880	479	0.8%
Purchased services	27,591	26,475	(4.0%)	26,293	182	0.7%
Repairs and maintenance	17,483	19,166	9.6%	19,179	(13)	(0.1%)
Utilities	4,215	4,301	2.0%	4,410	(110)	(2.5%)
Rents and leases	4,233	4,462	5.4%	4,897	(434)	(8.9%)
Depreciation and amortization	17,940	22,735	26.7%	24,251	(1,516)	(6.3%)
Interest Expense	3,546	4,095	15.5%	4,505	(410)	(9.1%)
Other Expenses	12,901	14,358	11.3%	16,057	(1,699)	(10.6%)
Management Services Expenses	21,145	23,144	9.5%	21,575	1,569	7.3%
Total Operating Expenses	506,933	551,539	8.8%	541,228	10,311	1.9%
Operating Margin	\$16,478	\$1,131	(93.1%)	\$15,324	(\$14,194)	(92.6%)
Nonoperating Revenue	2,059	7,555	266.9%	4,569	2,986	65.3%
Excess Margin	\$18,537	\$8,685	(53.1%)	\$19,893	(\$11,208)	(56.3%)

Operating Margin %	3.1%	0.2%		2.8%
Excess Margin %	3.5%	1.6%		3.6%

Kaweah Delta Medical Foundation

Fiscal Year Financial Comparison (000's)

	Actual Results FYTD			Budget FYTD	Budget Variance FYTD	
	Mar-18	Mar-19	% Change	Mar-19	Change	% Change
Operating Revenue:						
Net patient service revenue	\$29,493	\$32,387	9.8%	\$34,371	(\$1,983)	(5.8%)
Other Revenue	271	473	74.5%	313	160	51.0%
Other operating revenue	271	473	74.5%	313	160	51.0%
Total Operating Revenue	29,764	32,860	10.4%	34,684	(1,824)	(5.3%)
Operating Expenses:						
Salaries and wages	7,459	8,594	15.2%	8,576	18	0.2%
Contract labor	19	122	536.1%	0	122	0.0%
Employee benefits	2,031	2,121	4.4%	2,179	(58)	(2.7%)
Total Employment Expenses	9,509	10,838	14.0%	10,756	82	0.8%
Medical and other supplies	3,935	4,477	13.8%	4,396	81	1.8%
Physician fees	14,518	16,454	13.3%	17,089	(635)	(3.7%)
Purchased services	985	947	(3.8%)	1,026	(79)	(7.7%)
Repairs and maintenance	1,418	1,422	0.3%	1,542	(119)	(7.7%)
Utilities	291	318	9.4%	344	(25)	(7.4%)
Rents and leases	1,872	1,991	6.3%	2,181	(191)	(8.7%)
Depreciation and amortization	851	900	5.8%	778	122	15.7%
Interest Expense	25	17	(31.5%)	29	(11)	(39.2%)
Other Expenses	959	1,198	25.0%	945	253	26.8%
Total Operating Expenses	34,362	38,561	12.2%	39,084	(523)	(1.3%)
Excess Margin	(\$4,599)	(\$5,702)	(24.0%)	(\$4,400)	(\$1,301)	(29.6%)
Excess Margin %	(15.5%)	(17.4%)		(12.7%)		

Pending Impacts FY 19

DSH FY19

State's Estimate	\$23,206,481
Consultant's Estimate	\$19,074,250
Difference in Estimates	<u>\$4,132,231</u>

Rate Range IGT: Managed Medi-Cal (Healthplans)

FY 19 Kings County Rate Range IGT Estimate	\$2,727,215
FY 19 Rate Range Budget add'l impact ACA mix	\$3,988,885
Total IGT lift	<u>\$6,716,100</u>

Prime

High Performing Metrics	\$4,251,891
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Cost report

Medicare bad debt - primary payer FY 17-FY19	\$1,870,000
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Inventory Balance Sheet Valuation

Establish Inventory for OR	\$1,250,000
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Operation Bottom Line

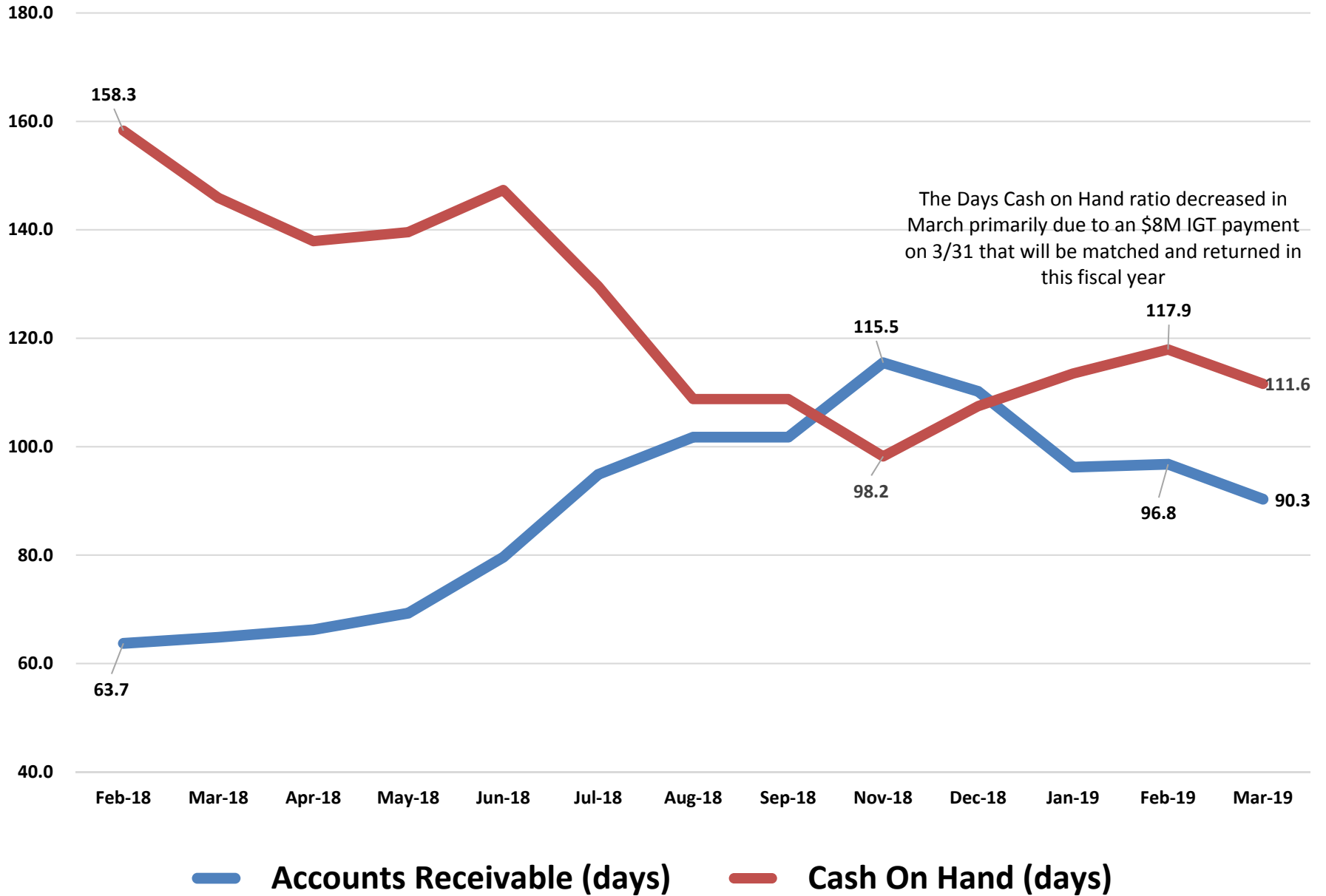
\$6,481,364

Total Possible

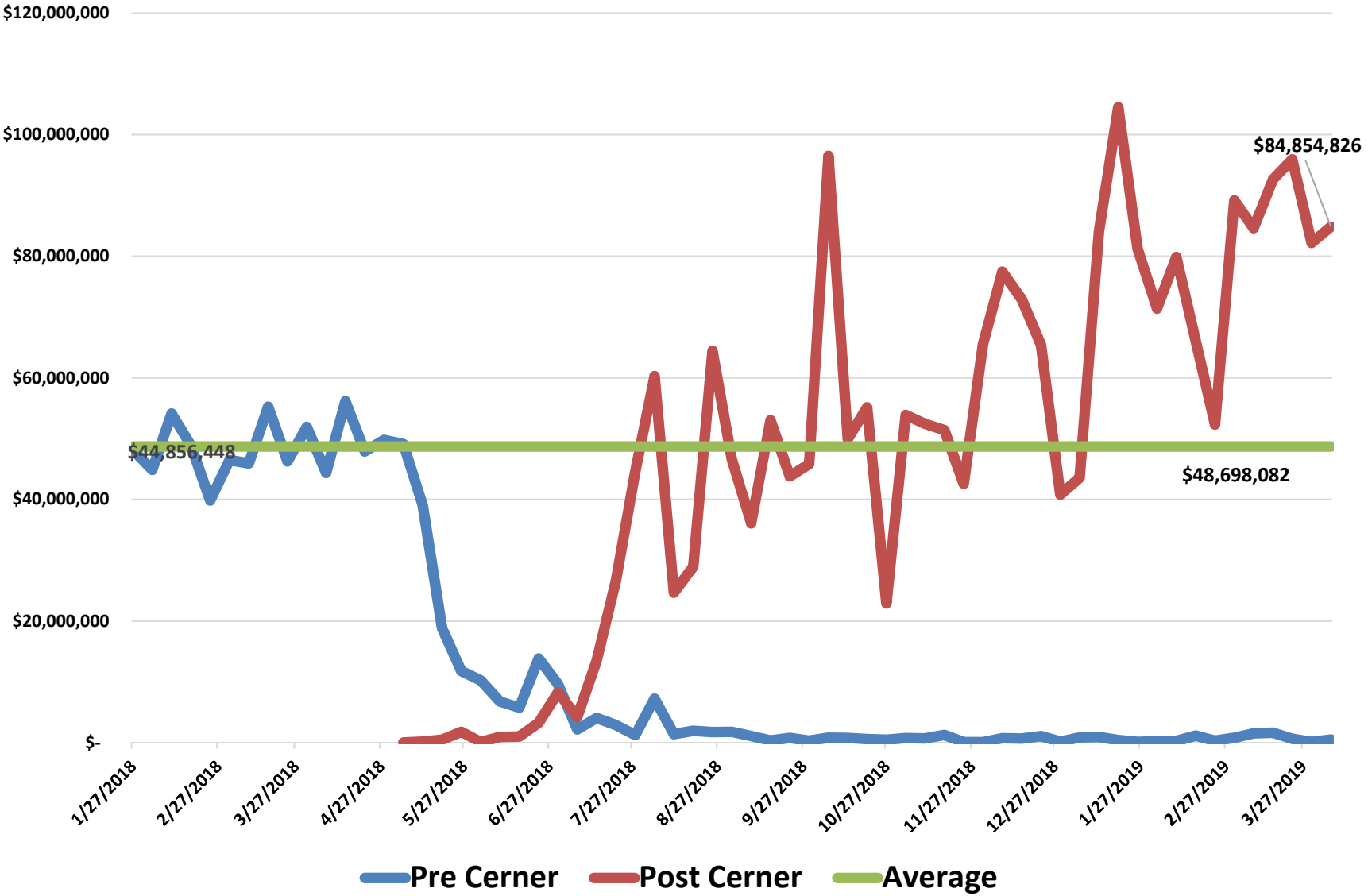
\$24,701,586

(Possible negative impacts unknown: Malpractice, WC, Pension)

Liquidity Ratios



Billed Claims \$\$ - Pre and Post Cerner



KAWEAH DELTA HEALTH CARE DISTRICT

RATIO ANALYSIS REPORT

MARCH 31, 2019

	Current	Prior	June 30,	2017 Moody's		
	Month	Month	2018	Median Benchmark		
	Value	Value	Value	Aa	A	Baa
LIQUIDITY RATIOS						
Current Ratio (x)	2.9	2.7	2.0	1.7	1.9	2.1
Accounts Receivable (days)	90.3	96.8	79.6	48.4	48.4	46.5
Cash On Hand (days)	111.6	117.9	147.3	264.6	226.5	156.5
Cushion Ratio (x)	14.8	15.5	18.2	36.6	23.9	13.8
Average Payment Period (days)	46.0	48.1	52.6	75.0	59.6	59.6
CAPITAL STRUCTURE RATIOS						
Cash-to-Debt	92.9%	98.2%	114.2%	217.6%	169.6%	111.7%
Debt-To-Capitalization	32.4%	32.8%	33.6%	26.0%	32.9%	39.3%
Debt-to-Cash Flow (x)	5.0	6.4	4.5	2.2	3.0	4.5
Debt Service Coverage	3.0	2.3	3.5	7.1	5.4	3.0
Maximum Annual Debt Service Coverage (x)	2.9	2.3	3.6	6.4	4.7	2.8
Age Of Plant (years)	12.0	11.9	13.3	10.1	11.6	12.1
PROFITABILITY RATIOS						
Operating Margin	0.2%	(0.6%)	3.3%	3.5%	2.3%	(0.4%)
Excess Margin	1.6%	0.2%	3.6%	6.6%	5.2%	1.9%
Operating Cash Flow Margin	5.1%	4.2%	7.6%	9.2%	8.6%	6.0%
Return on Assets	1.3%	0.2%	3.1%	5.3%	4.0%	1.7%

KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED INCOME STATEMENT (000's)
FISCAL YEAR 2018 & 2019

Fiscal Year	Operating Revenue			Operating Expenses				Operating Expenses Total	Operating Income	Non-Operating Income	Net Income	Operating Margin %	Excess Margin
	Net Patient Revenue	Other Operating Revenue	Operating Revenue Total	Personnel Expense	Physician Fees	Supplies Expense	Other Operating Expense						
2018													
Jul-17	45,574	9,538	55,112	27,540	5,046	8,360	11,461	52,407	2,705	492	3,197	4.9%	5.8%
Aug-17	45,582	10,283	55,865	27,549	5,506	8,905	12,236	54,197	1,669	462	2,131	3.0%	3.8%
Sep-17	43,354	10,246	53,599	27,950	5,505	8,372	11,751	53,577	22	855	877	0.0%	1.6%
Oct-17	46,452	17,695	64,146	29,020	6,309	8,908	12,147	56,384	7,762	378	8,140	12.1%	12.7%
Nov-17	50,375	9,591	59,965	29,430	6,430	9,654	12,441	57,955	2,010	541	2,551	3.4%	4.3%
Dec-17	49,412	8,979	58,391	27,470	6,035	9,768	12,155	55,428	2,963	(326)	2,637	5.1%	4.5%
Jan-18	50,813	9,879	60,692	29,912	6,289	10,672	12,175	59,047	1,645	612	2,256	2.7%	3.7%
Feb-18	46,636	9,308	55,944	28,254	6,600	9,212	11,136	55,202	742	666	1,408	1.3%	2.5%
Mar-18	49,209	10,487	59,696	32,141	7,348	9,693	13,554	62,736	(3,040)	(1,621)	(4,660)	(5.1%)	(7.8%)
Apr-18	45,936	13,610	59,546	30,332	6,715	8,948	13,107	59,103	443	583	1,026	0.7%	1.7%
May-18	48,498	9,700	58,198	28,849	6,939	9,240	14,847	59,875	(1,677)	562	(1,115)	(2.9%)	(1.9%)
Jun-18	46,257	24,860	71,116	31,029	6,325	8,658	16,702	62,713	8,403	502	8,905	11.8%	12.5%
2018 FY Total	\$ 568,097	\$ 144,175	\$ 712,272	\$ 349,476	\$ 75,049	\$ 110,389	\$ 153,711	\$ 688,624	\$ 23,647	\$ 3,706	\$ 27,353	3.3%	3.8%
2019													
Jul-18	49,124	11,390	60,514	30,147	6,300	9,585	12,701	58,733	1,781	434	2,215	2.9%	3.7%
Aug-18	52,124	11,471	63,594	31,602	7,668	10,624	12,980	62,874	721	451	1,171	1.1%	1.8%
Sep-18	46,634	11,659	58,293	29,835	6,524	8,862	13,361	58,582	(289)	912	624	(0.5%)	1.1%
Oct-18	48,769	11,646	60,414	32,849	7,145	9,867	13,066	62,927	(2,513)	343	(2,169)	(4.2%)	(3.6%)
Nov-18	43,870	18,365	62,235	31,066	7,310	10,195	13,900	62,470	(235)	449	214	(0.4%)	0.3%
Dec-18	43,717	14,732	58,449	31,115	7,023	10,329	12,736	61,202	(2,753)	613	(2,140)	(4.7%)	(3.7%)
Jan-19	44,312	18,178	62,489	34,290	6,624	8,909	13,104	62,927	(438)	460	22	(0.7%)	0.0%
Feb-19	45,261	15,334	60,595	30,249	6,989	9,473	13,280	59,991	604	565	1,169	1.0%	1.9%
Mar-19	48,012	18,073	66,085	32,229	6,775	9,219	13,608	61,832	4,253	3,328	7,580	6.4%	11.5%
2019 FY Total	\$ 421,822	\$ 130,847	\$ 552,669	\$ 283,382	\$ 62,358	\$ 87,063	\$ 118,735	\$ 551,539	\$ 1,131	\$ 7,555	\$ 8,685	0.2%	1.6%
FYTD Budget	453,240	103,312	556,552	272,960	61,880	85,221	121,167	541,228	15,324	4,569	19,893	2.8%	3.6%
Variance	\$ (31,418)	\$ 27,535	\$ (3,883)	\$ 10,421	\$ 479	\$ 1,842	\$ (2,431)	\$ 10,311	\$ (14,194)	\$ 2,986	(11,208)		
Current Month Analysis													
Mar-19	\$ 48,012	\$ 18,073	\$ 66,085	\$ 32,229	\$ 6,775	\$ 9,219	\$ 13,608	\$ 61,832	\$ 4,253	\$ 3,328	\$ 7,580	6.4%	11.5%
Budget	53,647	11,923	65,569	31,455	6,898	10,048	13,916	62,317	3,252	516	3,768	5.0%	5.7%
Variance	\$ (5,635)	\$ 6,150	\$ 515	\$ 774	\$ (123)	\$ (829)	\$ (308)	\$ (485)	\$ 1,000	\$ 2,812	\$ 3,813		

KAWEAH DELTA HEALTH CARE DISTRICT

FISCAL YEAR 2018 & 2019

Fiscal Year	Patient Days	ADC	Adjusted Patient Days	I/P Revenue %	DFR & Bad Debt %	Net Patient	Personnel	Physician	Supply	Total	Personnel	Physician	Supply	Total
						Revenue/ Ajusted Patient Day	Expense/ Ajusted Patient Day	Fees/ Ajusted Patient Day	Expense/ Ajusted Patient Day	Operating Expense/ Ajusted Patient Day	Expense/ Net Patient Revenue	Fees/ Net Patient Revenue	Expense/ Net Patient Revenue	Operating Expense/ Net Patient Revenue
2018														
Jul-17	12,992	419	25,148	51.7%	72.8%	1,812	1,095	201	332	2,084	60.4%	11.1%	18.3%	115.0%
Aug-17	12,788	413	25,508	50.1%	73.9%	1,787	1,080	216	349	2,125	60.4%	12.1%	19.5%	118.9%
Sep-17	12,360	412	24,864	49.7%	72.9%	1,744	1,124	221	337	2,155	64.5%	12.7%	19.3%	123.6%
Oct-17	12,802	413	25,261	50.7%	73.8%	1,839	1,149	250	353	2,232	62.5%	13.6%	19.2%	121.4%
Nov-17	13,124	437	24,731	53.1%	71.6%	2,037	1,190	260	390	2,343	58.4%	12.8%	19.2%	115.0%
Dec-17	14,056	453	25,502	55.1%	73.4%	1,938	1,077	237	383	2,173	55.6%	12.2%	19.8%	112.2%
Jan-18	14,425	465	26,797	53.8%	73.4%	1,896	1,116	235	398	2,204	58.9%	12.4%	21.0%	116.2%
Feb-18	13,882	496	25,172	55.1%	73.2%	1,853	1,122	262	366	2,193	60.6%	14.2%	19.8%	118.4%
Mar-18	13,741	443	25,441	54.0%	73.9%	1,934	1,263	289	381	2,466	65.3%	14.9%	19.7%	127.5%
Apr-18	13,502	450	25,380	53.2%	74.4%	1,810	1,195	265	353	2,329	66.0%	14.6%	19.5%	128.7%
May-18	13,824	446	26,770	51.6%	73.6%	1,812	1,078	259	345	2,237	59.5%	14.3%	19.1%	123.5%
Jun-18	13,238	441	24,831	53.3%	72.3%	1,863	1,250	255	349	2,526	67.1%	13.7%	18.7%	135.6%
2018 FY Total	160,734	440	305,158	52.7%	73.3%	1,862	1,145	246	362	2,257	61.5%	13.2%	19.4%	121.2%
2019														
Jul-18	14,096	455	26,287	53.6%	72.4%	1,869	1,147	240	365	2,234	61.4%	12.8%	19.5%	119.6%
Aug-18	14,569	470	28,016	52.0%	76.0%	1,861	1,128	274	379	2,244	60.6%	14.7%	20.4%	120.6%
Sep-18	13,052	435	24,371	53.6%	73.5%	1,914	1,224	268	364	2,404	64.0%	14.0%	19.0%	125.6%
Oct-18	13,744	443	25,579	53.7%	73.5%	1,907	1,284	279	386	2,460	67.4%	14.7%	20.2%	129.0%
Nov-18	13,013	434	23,625	55.1%	74.9%	1,857	1,315	309	432	2,644	70.8%	16.7%	23.2%	142.4%
Dec-18	13,497	435	25,399	53.1%	76.2%	1,721	1,225	277	407	2,410	71.2%	16.1%	23.6%	140.0%
Jan-19	13,671	441	26,407	51.8%	76.9%	1,678	1,299	251	337	2,383	77.4%	14.9%	20.1%	142.0%
Feb-19	12,584	449	23,811	52.8%	75.9%	1,901	1,270	294	398	2,519	66.8%	15.4%	20.9%	132.5%
Mar-19	13,707	442	26,032	52.7%	76.9%	1,844	1,238	260	354	2,375	67.1%	14.1%	19.2%	128.8%
2019 FY Total	121,933	445	229,602	53.1%	75.2%	1,837	1,234	272	379	2,402	67.2%	14.8%	20.6%	130.8%
FYTD Budget	122,101	446	236,063	51.7%	72.5%	1,920	1,156	262	361	2,357	60.2%	13.7%	18.8%	119.4%
Variance	(168)	(1)	(6,461)	1.4%	2.7%	(83)	78	9	18	45	7.0%	1.1%	1.8%	11.3%
Current Month Analysis														
Mar-19	13,707	442	26,032	52.7%	76.9%	1,844	1,238	260	354	2,375	67.1%	14.1%	19.2%	128.8%
Budget	14,059	454	26,548	53.0%	72.6%	2,021	1,185	260	378	2,394	58.6%	12.9%	18.7%	116.2%
Variance	(352)	(11)	(516)	(0.3%)	4.3%	(176)	53	0	(24)	(19)	8.5%	1.3%	0.5%	12.6%

KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION

	Mar-19	Feb-19	Change	% Change	Jun-18
					(Audited)
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 6,792	\$ 11,092	\$ (4,300)	-38.77%	\$ 5,325
Current Portion of Board designated and trusted assets	17,174	16,102	1,072	6.66%	12,643
Accounts receivable:					
Net patient accounts	162,799	167,077	(4,279)	-2.56%	138,502
Other receivables	22,259	12,906	9,353	72.47%	7,863
	185,057	179,983	5,074	2.82%	146,365
Inventories	9,140	8,577	563	6.56%	8,408
Medicare and Medi-Cal settlements	40,221	31,445	8,776	27.91%	20,088
Prepaid expenses	12,082	11,710	372	3.18%	10,967
Total current assets	270,465	258,909	11,557	4.46%	203,796
NON-CURRENT CASH AND INVESTMENTS - less current portion					
Board designated cash and assets	218,286	225,507	(7,221)	-3.20%	272,414
Revenue bond assets held in trust	36,960	37,874	(914)	-2.41%	57,845
Assets in self-insurance trust fund	4,689	4,630	59	1.27%	4,607
Total non-current cash and investments	259,935	268,011	(8,077)	-3.01%	334,866
CAPITAL ASSETS					
Land	15,988	15,988	-	0.00%	15,869
Buildings and improvements	353,269	353,106	162	0.05%	343,422
Equipment	271,859	270,724	1,135	0.42%	265,819
Construction in progress	38,578	37,480	1,097	2.93%	25,196
	679,692	677,298	2,394	0.35%	650,306
Less accumulated depreciation	349,540	347,125	2,415	0.70%	328,323
	330,152	330,173	(21)	-0.01%	321,983
Property under capital leases - less accumulated amortization	3,126	3,201	(76)	-2.36%	4,123
Total capital assets	333,278	333,374	(97)	-0.03%	326,106
OTHER ASSETS					
Property not used in operations	3,742	3,748	(6)	-0.16%	3,796
Health-related investments	7,621	7,790	(169)	-2.17%	6,252
Other	8,586	8,482	104	1.22%	8,337
Total other assets	19,949	20,020	(71)	-0.36%	18,385
Total assets	883,627	880,314	3,312	0.38%	883,154
DEFERRED OUTFLOWS	3,002	3,040	(38)	-1.25%	3,344
Total assets and deferred outflows	\$ 886,629	\$ 883,354	\$ 3,274	0.37%	\$ 886,498

KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION

	Mar-19	Feb-19	Change	% Change	Jun-18
LIABILITIES AND NET ASSETS					(Audited)
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 30,841	\$ 31,466	\$ (624)	(1.98%)	\$ 44,529
Accrued payroll and related liabilities	53,743	57,327	(3,584)	(6.25%)	46,064
Long-term debt, current portion	8,822	8,822	-	0.00%	8,976
Total current liabilities	93,407	97,615	(4,208)	(4.31%)	99,569
LONG-TERM DEBT, less current portion					
Bonds payable	264,587	264,644	(57)	(0.02%)	266,631
Capital leases	278	488	(211)	(43.15%)	2,156
Total long-term debt	264,865	265,133	(268)	(0.10%)	268,787
NET PENSION LIABILITY	38,422	38,698	(276)	(0.71%)	40,902
OTHER LONG-TERM LIABILITIES	30,164	29,796	368	1.24%	26,768
Total liabilities	426,859	431,242	(4,383)	(1.02%)	436,026
NET ASSETS					
Invested in capital assets, net of related debt	100,237	101,013	(777)	(0.77%)	110,175
Restricted	32,217	32,031	186	0.58%	29,668
Unrestricted	327,316	319,068	8,248	2.59%	310,627
Total net position	459,770	452,113	7,657	1.69%	450,471
Total liabilities and net position	\$ 886,629	\$ 883,354	\$ 3,274	0.37%	\$ 886,498

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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Board designated funds	Maturity Date	Yield	Investment Type	G/L Account	Amount	Total
LAIF		2.44	Various		23,516,415	
Cal Trust		2.35	Cal Trust		16,280,639	
CAMP		2.61	CAMP		12,045,308	
Wells Cap		0.02	Money market		165,015	
PFM		0.02	Money market		963,290	
PFM	3-May-19	2.05	CD	Sumito MTSU	820,000	
PFM	25-Sep-19	1.65	ABS	FNMA	39,904	
PFM	7-Feb-20	2.67	CD	Credit Suisse	750,000	
PFM	20-Feb-20	2.72	CD	Nordea Bank	1,800,000	
Torrey Pines Bank	5-Mar-20	1.00	CD	Torrey Pines Bank	3,000,000	
PFM	15-Mar-20	1.57	ABS	Ally Auto	35,642	
Wells Cap	1-May-20	2.20	MTN-C	E I DU PONT DE	500,000	
Wells Cap	8-May-20	1.55	U.S. Govt Agency	FFCB	1,050,000	
Wells Cap	31-May-20	1.50	U.S. Govt Agency	US Treasury Bill	330,000	
PFM	5-Jun-20	3.08	CD	Bank of Nova	1,600,000	
PFM	5-Jun-20	1.80	MTN-C	Home Depot Inc	425,000	
PFM	15-Jun-20	1.25	ABS	John Deere	37,659	
Wells Cap	15-Jun-20	1.50	U.S. Govt Agency	US Treasury Bill	1,000,000	
PFM	22-Jun-20	1.95	MTN-C	John Deere	200,000	
PFM	23-Jun-20	1.41	MTN-C	JP Morgan	1,000,000	
Wells Cap	29-Jun-20	2.63	MTN-C	BB T Corp	1,280,000	
PFM	20-Jul-20	2.00	MTN-C	American Honda Mtn	420,000	
PFM	22-Jul-20	1.41	MTN-C	Wells Fargo Company	1,150,000	
PFM	3-Aug-20	2.05	CD	Westpac Bking CD	1,570,000	
Wells Cap	18-Aug-20	2.55	MTN-C	State Street Corp	830,000	
Wells Cap	31-Aug-20	1.38	U.S. Govt Agency	US Treasury Bill	1,055,000	
PFM	4-Sep-20	1.85	MTN-C	Caterpillar Finl Mtn	670,000	
PFM	15-Sep-20	1.56	ABS	Hyundai Auto	38,575	
Wells Cap	15-Sep-20	2.25	MTN-C	Automatic Data	800,000	
Wells Cap	15-Sep-20	2.75	MTN-C	Goldman Sachs	350,000	
Wells Cap	30-Sep-20	1.38	U.S. Govt Agency	US Treasury Bill	400,000	
Wells Cap	30-Sep-20	1.50	U.S. Govt Agency	US Treasury Bill	1,500,000	
Wells Cap	15-Oct-20	1.95	MTN-C	Unitedhealth Group	595,000	
PFM	16-Oct-20	3.39	CD	Sumito MTSU	805,000	
Wells Cap	26-Oct-20	1.75	U.S. Govt Agency	FFCB	1,400,000	
Wells Cap	31-Oct-20	1.25	U.S. Govt Agency	US Treasury Bill	400,000	
PFM	13-Nov-20	2.00	MTN-C	Apple, Inc	900,000	
PFM	16-Nov-20	2.27	CD	Swedbank	1,800,000	
Wells Cap	25-Nov-20	1.16	ABS	BMW Vehicle Owner	287,277	
Wells Cap	30-Nov-20	1.63	U.S. Govt Agency	US Treasury Bill	150,000	
Wells Cap	14-Dec-20	2.20	MTN-C	Visa Inc	700,000	
Wells Cap	14-Dec-20	2.20	MTN-C	Visa Inc	400,000	
PFM	15-Dec-20	2.13	Supra-National Age	Inter Amer Dev Bk	1,800,000	
Wells Cap	18-Dec-20	1.47	ABS	Honda Auto	351,322	
Wells Cap	31-Dec-20	1.63	U.S. Govt Agency	US Treasury Bill	600,000	
PFM	8-Jan-21	2.35	MTN-C	John Deere	750,000	
PFM	20-Jan-21	1.80	MTN-C	IBM	900,000	
Wells Cap	25-Jan-21	2.25	Supra-National Age	Intl Bk	750,000	
PFM	16-Feb-21	1.73	ABS	Toyota Auto Recvcs	156,338	
Wells Cap	18-Feb-21	1.38	U.S. Govt Agency	FHLB	980,000	
Wells Cap	23-Feb-21	2.25	MTN-C	Apple, Inc	615,000	
Wells Cap	28-Feb-21	1.13	U.S. Govt Agency	US Treasury Bill	700,000	
PFM	12-Mar-21	2.75	MTN-C	Texas Instruments	180,000	
Wells Cap	12-Mar-21	2.75	MTN-C	Texas Instruments	630,000	
Wells Cap	15-Mar-21	1.71	ABS	Smart Trust	693,145	
Wells Cap	31-Mar-21	1.25	U.S. Govt Agency	US Treasury Bill	935,000	
PFM	1-Apr-21	2.80	Municipal	California ST	530,000	
Wells Cap	1-Apr-21	2.63	Municipal	California ST High	1,250,000	
Wells Cap	1-Apr-21	3.54	Municipal	Sacramento Ca Public	1,200,000	
Wells Cap	13-Apr-21	2.95	MTN-C	Toyota Motor	350,000	
Wells Cap	13-Apr-21	2.95	MTN-C	Toyota Motor	600,000	
PFM	15-Apr-21	2.50	MTN-C	Bank of NY	900,000	
PFM	15-Apr-21	1.29	ABS	Hyundai Auto	276,838	
Wells Cap	19-Apr-21	2.63	MTN-C	Bank of America	435,000	
Wells Cap	19-Apr-21	2.63	MTN-C	Bank of America	600,000	
PFM	21-Apr-21	2.50	MTN-C	Morgan Stanley	450,000	
PFM	21-Apr-21	2.50	MTN-C	Morgan Stanley	450,000	
Wells Cap	21-Apr-21	2.50	MTN-C	Morgan Stanley	750,000	
Wells Cap	29-Apr-21	2.15	MTN-C	PNC Bank	525,000	

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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Wells Cap	29-Apr-21	2.15	MTN-C	PNC Bank	400,000
Wells Cap	30-Apr-21	1.38	U.S. Govt Agency	US Treasury Bill	875,000
PFM	5-May-21	2.25	MTN-C	American Express	450,000
Wells Cap	6-May-21	1.25	U.S. Govt Agency	FNMA	700,000
PFM	10-May-21	2.05	MTN-C	BB T Corp	450,000
Wells Cap	17-May-21	1.70	ABS	USAA Auto Owner	301,817
PFM	19-May-21	1.95	MTN-C	State Street Corp	245,000
PFM	24-May-21	4.13	MTN-C	US Bancorp	900,000
Wells Cap	7-Jun-21	2.40	MTN-C	JP Morgan	910,000
Wells Cap	14-Jun-21	2.25	MTN-C	Fifth Third Bank	800,000
PFM	15-Jun-21	1.67	ABS	Ford Credit Auto	259,410
Wells Cap	30-Jun-21	1.00	U.S. Govt Agency	US Treasury Bill	400,000
Wells Cap	1-Jul-21	2.39	Municipal	San Francisco	935,000
PFM	14-Jul-21	1.13	U.S. Govt Agency	FHLB	1,775,000
PFM	23-Jul-21	2.75	Supra-National Age	Intl Bk	1,800,000
PFM	15-Aug-21	1.87	ABS	Honda Auto	799,279
PFM	16-Aug-21	1.76	ABS	Hyundai Auto	368,605
Wells Cap	16-Aug-21	1.74	ABS	Nissan Auto	915,201
Wells Cap	17-Aug-21	1.25	U.S. Govt Agency	FNMA	1,400,000
Wells Cap	17-Aug-21	1.25	U.S. Govt Agency	FNMA	1,500,000
Wells Cap	1-Sep-21	2.25	MTN-C	Ryder System Inc	420,000
PFM	15-Sep-21	6.72	ABS	FHLMC	1,390
PFM	15-Sep-21	1.90	MTN-C	Oracle Corp	900,000
PFM	20-Sep-21	1.85	MTN-C	Cisco Systems Inc	800,000
PFM	6-Oct-21	1.70	MTN-C	Pepsico Inc	1,320,000
PFM	15-Oct-21	1.82	ABS	John Deere	340,000
PFM	31-Oct-21	1.25	U.S. Govt Agency	US Treasury Bill	290,000
PFM	31-Oct-21	2.00	U.S. Govt Agency	US Treasury Bill	2,000,000
PFM	15-Nov-21	2.00	ABS	Toyota Auto Recvrs	250,000
Wells Cap	19-Nov-21	1.75	ABS	Citibank Credit	1,100,000
PFM	30-Nov-21	1.75	U.S. Govt Agency	US Treasury Bill	2,000,000
Wells Cap	30-Nov-21	1.75	U.S. Govt Agency	US Treasury Bill	1,160,000
PFM	15-Dec-21	1.75	ABS	Ally Auto	360,000
PFM	31-Dec-21	2.13	U.S. Govt Agency	US Treasury Bill	3,600,000
Wells Cap	31-Dec-21	2.00	U.S. Govt Agency	US Treasury Bill	1,225,000
PFM	15-Jan-22	1.63	MTN-C	Comcast Corp	450,000
PFM	18-Jan-22	1.93	ABS	Toyota Auto	625,000
Wells Cap	18-Jan-22	2.60	U.S. Govt Agency	FFCB	250,000
Wells Cap	7-Feb-22	2.60	MTN-C	Bank of NY	1,000,000
PFM	12-Feb-22	2.38	MTN-C	Microsoft Corp	450,000
Wells Cap	15-Feb-22	2.50	U.S. Govt Agency	US Treasury Bill	1,500,000
Wells Cap	15-Feb-22	2.50	U.S. Govt Agency	US Treasury Bill	500,000
Wells Cap	28-Feb-22	1.88	U.S. Govt Agency	US Treasury Bill	390,000
Wells Cap	3-Mar-22	2.25	MTN-C	Johnson Johnson	500,000
PFM	4-Mar-22	2.45	MTN-C	Walt Disney Co	375,000
PFM	8-Mar-22	3.30	MTN-C	PNC Funding Corp	494,000
PFM	15-Mar-22	1.99	ABS	Ally Auto	735,000
PFM	15-Mar-22	2.01	ABS	Ford Credit Auto	945,000
PFM	1-Apr-22	2.75	MTN-C	BB T Corp	450,000
Wells Cap	5-Apr-22	1.88	U.S. Govt Agency	FNMA	920,000
Wells Cap	18-Apr-22	2.66	ABS	John Deere	500,000
PFM	25-Apr-22	2.75	MTN-C	Citigroup	1,000,000
Wells Cap	25-Apr-22	2.40	MTN-C	National Rural	950,000
Wells Cap	26-Apr-22	3.00	MTN-C	Goldman Sachs	440,000
Wells Cap	30-Apr-22	1.88	U.S. Govt Agency	US Treasury Bill	800,000
PFM	15-May-22	1.75	U.S. Govt Agency	US Treasury Bill	2,300,000
Wells Cap	15-May-22	3.28	Municipal	Univ Of CA	400,000
PFM	16-May-22	2.35	MTN-C	United Parcel	450,000
PFM	17-May-22	3.50	MTN-C	Bank of America	300,000
Wells Cap	18-May-22	2.30	MTN-C	Costco Wholesale	1,000,000
Wells Cap	25-May-22	2.20	MTN-C	Coca Cola Co	500,000
PFM	1-Jun-22	3.38	MTN-C	Blackrock Inc.	395,000
Wells Cap	30-Jun-22	1.75	U.S. Govt Agency	US Treasury Bill	660,000
PFM	15-Aug-22	1.95	ABS	Bank of America	1,000,000
PFM	31-Aug-22	1.88	U.S. Govt Agency	US Treasury Bill	2,000,000
Wells Cap	31-Aug-22	1.75	U.S. Govt Agency	US Treasury Bill	590,000
PFM	8-Sep-22	2.15	MTN-C	Toyota Motor	450,000

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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Wells Cap	15-Sep-22	1.82	ABS	Capital One	867,000
PFM	30-Sep-22	1.88	U.S. Govt Agency	US Treasury Bill	750,000
Wells Cap	5-Oct-22	2.00	U.S. Govt Agency	FNMA	950,000
PFM	17-Oct-22	2.67	ABS	American Express	420,000
Wells Cap	27-Oct-22	2.70	MTN-C	Citigroup	750,000
Wells Cap	31-Oct-22	2.00	U.S. Govt Agency	US Treasury Bill	3,150,000
Wells Cap	30-Nov-22	2.00	U.S. Govt Agency	US Treasury Bill	2,770,000
PFM	15-Dec-22	2.70	MTN-C	Intel Corp	415,000
PFM	15-Dec-22	3.02	ABS	Toyota Auto	915,000
PFM	31-Dec-22	2.13	U.S. Govt Agency	US Treasury Bill	1,810,000
PFM	17-Jan-23	3.00	ABS	Ally Auto	965,000
PFM	17-Jan-23	3.03	ABS	Mercedes Benz Auto	565,000
PFM	20-Jan-23	2.49	ABS	Citibank Credit	1,900,000
PFM	31-Jan-23	1.75	U.S. Govt Agency	US Treasury Bill	1,200,000
Wells Cap	31-Jan-23	2.38	U.S. Govt Agency	US Treasury Bill	350,000
Wells Cap	28-Feb-23	2.63	U.S. Govt Agency	US Treasury Bill	2,100,000
PFM	15-Mar-23	2.25	MTN-C	3M Company	540,000
PFM	15-Mar-23	2.75	MTN-C	Berkshire Hathaway	370,000
Wells Cap	20-Apr-23	3.38	MTN-C	Verizon Owner Trust	600,000
PFM	24-Apr-23	2.88	MTN-C	Bank of America	640,000
PFM	15-May-23	1.75	U.S. Govt Agency	US Treasury Bill	1,100,000
PFM	15-May-23	1.75	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	16-May-23	3.02	ABS	GM Financial	415,000
PFM	26-Jun-23	3.40	MTN-C	Walmart Inc.	800,000
Wells Cap	17-Jul-23	2.91	ABS	John Deere	400,000
PFM	24-Jul-23	2.91	MTN-C	Goldman Sachs	900,000
PFM	25-Jul-23	3.20	ABS	FHLMC	339,317
Wells Cap	31-Aug-23	2.75	U.S. Govt Agency	US Treasury Bill	1,240,000
PFM	20-Sep-23	3.45	MTN-C	Toyota Motor	550,000
PFM	10-Oct-23	3.63	MTN-C	American Honda Mtn	395,000
PFM	31-Oct-23	1.63	U.S. Govt Agency	US Treasury Bill	4,280,000
Wells Cap	31-Oct-23	3.00	U.S. Govt Agency	US Treasury Bill	550,000
Wells Cap	30-Nov-23	2.13	U.S. Govt Agency	US Treasury Bill	700,000
PFM	31-Dec-23	2.25	U.S. Govt Agency	US Treasury Bill	3,000,000
Wells Cap	31-Jan-24	2.50	U.S. Govt Agency	US Treasury Bill	3,575,000
PFM	5-Feb-24	2.50	U.S. Govt Agency	FNMA	1,110,000
PFM	13-Feb-24	2.50	U.S. Govt Agency	FHLB	1,220,000
PFM	29-Feb-24	2.38	U.S. Govt Agency	US Treasury Bill	3,425,000
Wells Cap	29-Feb-24	2.38	U.S. Govt Agency	US Treasury Bill	2,825,000
PFM	7-Mar-24	2.90	MTN-C	Merck Co Inc.	405,000
PFM	15-Mar-24	2.95	MTN-C	Pfizer Inc.	465,000
Wells Cap	1-Oct-26	8.00	Municipal	San Marcos Ca Redev	1,185,000

\$ 208,593,386

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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	Maturity Date	Yield	Investment Type	G/L Account	Amount	Total
<u>Self-insurance trust</u>						
Wells Cap			Money market	110900	718,314	
Wells Cap			Fixed income - L/T	152300	<u>4,666,361</u>	5,384,675
<u>2012 revenue bonds</u>						
US Bank			Principal/Interest payment fund	142112	<u>3,104,968</u>	3,104,968
<u>2015A revenue bonds</u>						
US Bank			Principal/Interest payment fund	142115	<u>736,798</u>	736,798
<u>2015B revenue bonds</u>						
US Bank			Principal/Interest payment fund	142116	1,386,130	
US Bank			Project Fund	152442	<u>36,883,976</u>	38,270,106
<u>2017A/B revenue bonds</u>						
US Bank			Principal/Interest payment fund	142117	<u>408,907</u>	408,907
<u>2017C revenue bonds</u>						
US Bank			Principal/Interest payment fund	142118	<u>1,072,290</u>	1,072,290
<u>2014 general obligation bonds</u>						
LAIF			Interest Payment fund	152440	<u>2,243,361</u>	2,243,361
<u>Operations</u>						
Wells Fargo Bank		0.20	Checking	100000	(1,712,238)	
Wells Fargo Bank		0.20	Checking	100500	7,038,073	
					5,325,835	
<u>Payroll</u>						
Wells Fargo Bank		0.20	Checking	100100	(56,979)	
Wells Fargo Bank		0.20	Checking	100201	54,232	
Wells Fargo Bank			Checking	100205	1,363	
Bancorp			Checking	100202	27,478	
					26,094	
						5,351,929
Total investments					\$	<u>265,166,420</u>

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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Kaweah Delta Medical Foundation

Wells Fargo Bank	Checking	100050	<u><u>\$ 855,075</u></u>
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Sequoia Regional Cancer Center

Wells Fargo Bank	Checking	100535	\$ 69,100
Wells Fargo Bank	Checking	100530	-
			<u><u>\$ 69,100</u></u>

Kaweah Delta Hospital Foundation

VCB Checking	Investments	100501	\$ 495,753
Various	S/T Investments	142200	4,803,260
Various	L/T Investments	142300	10,454,165
Various	Unrealized G/L	142400	1,495,068
			<u><u>\$ 17,248,246</u></u>

Summary of board designated funds:

Plant fund:

Uncommitted plant funds	\$ 137,343,912	142100
Committed for capital	<u>34,473,044</u>	142100
	171,816,956	
GO Bond reserve - L/T	2,014,220	142100
401k Matching	11,301,917	142100
Cost report settlement - cur 2,135,384		142104
Cost report settlement - L/T <u>1,312,727</u>		142100
	3,448,111	
Development fund/Memorial fund	104,184	112300
Workers compensation - cu 5,368,000		112900
Workers compensation - L/ <u>14,539,998</u>		113900
	19,907,998	
	<u>\$ 208,593,386</u>	

	<u>Total</u>		<u>Trust</u>	<u>Surplus</u>	
	<u>Investments</u>	<u>%</u>	<u>Accounts</u>	<u>Funds</u>	<u>%</u>
<u>Investment summary by institution:</u>					
Bancorp	\$ 27,478	0.0%		27,478	0.0%
Cal Trust	16,280,639	6.1%		16,280,639	7.6%
CAMP	12,045,308	4.5%		12,045,308	5.6%
Local Agency Investment Fund (LAIF)	23,516,415	8.9%		23,516,415	11.0%
Local Agency Investment Fund (LAIF) - GOB Tax	2,243,361	0.8%	2,243,361	-	0.0%
Wells Cap	76,495,452	28.8%	5,384,675	71,110,777	33.2%
PFM	82,640,247	31.2%		82,640,247	38.6%
Torrey Pines Bank	3,000,000	1.1%		3,000,000	1.4%
Wells Fargo Bank	5,324,451	2.0%		5,324,451	2.5%
US Bank	43,593,069	16.4%	43,593,069		0.0%
Total investments	<u>\$ 265,166,420</u>	<u>100.0%</u>	<u>\$ 51,221,105</u>	<u>\$ 213,945,315</u>	<u>100.0%</u>

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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<u>Investment summary of surplus funds by type:</u>		<u>Investment</u> <u>Limitations</u>
Negotiable and other certificates of deposit	\$ 12,145,000	\$ 64,184,000 (30%)
Checking accounts	5,351,929	
Local Agency Investment Fund (LAIF)	23,516,415	65,000,000
Cal Trust	16,280,639	
CAMP	12,045,308	
Medium-term notes (corporate) (MTN-C)	41,984,000	64,184,000 (30%)
U.S. government agency	74,440,000	
Municipal securities	5,500,000	
Money market accounts	1,128,305	42,789,000 (20%)
Asset Backed Securities	17,203,719	42,789,000 (20%)
Supra-National Agency	4,350,000	64,184,000 (30%)
	\$ 213,945,315	

Return on investment:

Current month	1.74%
Year-to-date	1.39%
Prospective	2.20%
LAIF (year-to-date)	2.20%
Budget	1.66%

Material current-month nonroutine transactions:

Sell/Called/Matured:	US Treasury, \$15,000, 1.50%
	American Express, \$1,656,000, 1.930%
	Boeing Co, \$1,000,000, 2.350%
	Inter Amer Bk, \$1,900,000, 1.125%
	Inter Amer Bk, \$1,500,000, 1.20%
	US Treasury, \$870,000, 1.625%
	Canada CD, \$1,400,000, 2.81425%
	Skandin Ens CD, \$2,000,000, 1.840%
	Intl Bk, \$1,750,000, 1.561%
	Intl Bk, \$1,250,000, 1.625%
Buy:	US Treasury NT, \$2,825,000, 2.375%
	US Treasury NT, \$1,500,000, 2.500%
	Bank of America MTN, \$600,000, 2.625%
	John Deere, \$400,000, 2.910%
	PNC Bank NA, \$525,000, 2.150%
	Toyota Motor, \$350,000, 2.950%
	US Treasury, \$3,000,000, 2.250%
	US Treasury, \$3,425,000, 2.375%
	Merck Co Inc, \$405,000, 2.90%
	Pfizer Inc., \$465,000, 2.950%

<u>Fair market value disclosure for the quarter ended March 31, 2018 (District only):</u>	<u>Quarter-to-date</u>	<u>Year-to-date</u>
Difference between fair value of investments and amortized cost (balance sheet effect)	N/A	\$ (255,853)
Change in unrealized gain (loss) on investments (income statement effect)	\$ 1,800,200	\$ 3,471,846

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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Investment summary of CDs:

Bank of Nova	1,600,000
Credit Suisse	750,000
Nordea Bank	1,800,000
Sumito Mtsu	1,625,000
Swedbank	1,800,000
Torrey Pines Bank	3,000,000
Westpac Bking CD	1,570,000
	<u>\$ 12,145,000</u>

Investment summary of asset backed securities:

Ally Auto	\$ 2,095,642
American Express	420,000
Bank of America	1,000,000
BMW Vehicle Owner	287,277
Capital One	867,000
Citibank Credit	3,000,000
FHLMC	340,707
FNMA	39,904
Ford Credit Auto	1,204,410
GM Financial	415,000
Honda Auto	1,150,601
Hyundai Auto	684,018
John Deere	1,277,659
Mercedes Benz Auto	565,000
Nissan Auto	915,201
Smart Trust	693,145
Toyota Auto	1,540,000
Toyota Auto Recvs	406,338
USAA Auto Owner	301,817
	<u>\$ 17,203,719</u>

Investment summary of medium-term notes (corporate):

American Express	\$ 450,000
American Honda Mtn	815,000
Apple, Inc	1,515,000
Automatic Data	800,000
Bank of America	1,975,000
Bank of NY	1,900,000
BB T Corp	2,180,000
Berkshire Hathaway	370,000
Blackrock Inc.	395,000
Caterpillar Finl Mtn	670,000
Cisco Systems Inc	800,000
Citigroup	1,750,000
Coca Cola Co	500,000
Comcast Corp	450,000
Costco Wholesale	1,000,000
E I DU PONT DE	500,000
Fifth Third Bank	800,000
Goldman Sachs	1,690,000
Home Depot Inc	425,000
IBM	900,000
Intel Corp	415,000
John Deere	950,000
Johnson Johnson	500,000
JP Morgan	1,910,000
Merck Co Inc.	405,000
Microsoft Corp	450,000
Morgan Stanley	1,650,000
National Rural	950,000
Oracle Corp	900,000
Pepsico Inc	1,320,000
Pfizer Inc.	465,000
PNC Bank	925,000
PNC Funding Corp	494,000
Ryder System Inc	420,000
State Street Corp	1,075,000
Texas Instruments	810,000
Toyota Motor	1,950,000
Unitedhealth Group	595,000
United Parcel	450,000
US Bancorp	900,000
Visa Inc	1,100,000
Verizon Owner Trust	600,000

KAWEAH DELTA HEALTH CARE DISTRICT SUMMARY OF FUNDS March 31, 2019
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Walmart Inc.	800,000
Walt Disney Co	375,000
Wells Fargo Company	1,150,000
3M Company	540,000
	<u>\$ 41,984,000</u>

Investment summary of U.S. government agency:

Federal National Mortgage Association (FNMA)	\$ 6,580,000
Federal Home Loan Bank (FHLB)	3,975,000
Federal Farmers Credit Bank (FFCB)	2,700,000
US Treasury Bill	61,185,000
	<u>\$ 74,440,000</u>

Investment summary of municipal securities:

California ST High	\$ 1,250,000
California ST	530,000
Sacramento Ca Public	1,200,000
San Francisco	935,000
San Marcos Ca Redev	1,185,000
Univ Of CA	400,000
	<u>\$ 5,500,000</u>

Investment summary of Supra-National Agency:

Intl Bk	\$ 2,550,000
Inter Amer Dev Bk	1,800,000
	<u>\$ 4,350,000</u>