



October 23, 2020

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in the Kaweah Delta Lifestyle Center Conference Room {5105 W. Cypress Avenue, Visalia} on Monday October 26, 2020 beginning at 3:30PM. Due to the maximum capacity allowed in this room per CDC social distancing guidelines {21}, members of the public are requested to attend the Board meeting via GoTo meeting - <https://www.gotomeet.me/CindyMoccio/kawahdeltaopenregularboardmeetings> or you can also dial in 669-224-3412 Access Code: 468-246-165.

The Board of Directors of the Kaweah Delta Health Care District will meet in an Open Board of Directors at 3:30PM (location and GoTo information above).

The Board of Directors of the Kaweah Delta Health Care District will meet in a Closed Board of Directors meeting at 3:31PM pursuant to Government Code 54956.9(d)(2), Government Code 54956.8, and Health and Safety Code 1461 and 32155.

The Board of Directors of the Kaweah Delta Health Care District will meet in an Open Board of Directors meeting at 4:00PM (location and GoTo information above).

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.

Due to COVID 19 visitor restrictions to the Medical Center - the disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Delta Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: cmoccio@kdhcd.org, or on the Kaweah Delta Health Care District web page <http://www.kawahdelta.org>.

KAWEAH DELTA HEALTH CARE DISTRICT
David Francis, Secretary/Treasurer

Cindy Moccio - Board Clerk / Executive Assistant to CEO

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



KAWEAH DELTA HEALTH CARE DISTRICT - BOARD OF DIRECTORS MEETING

The Lifestyle Center – Conference Rooms
5105 W. Cypress Avenue, Visalia, CA 93277

Due to the maximum capacity (21) allowed in this room per CDC social distancing guidelines - members of the public are requested to attend via GoTo meeting

Join from your computer, tablet or smartphone

<https://www.gotomeet.me/CindyMoccio/kaweahdeltaopenregularboardmeetings>

or Dial In: 669-224-3412 / Access Code: 468-246-165

Monday October 26, 2020

OPEN MEETING AGENDA {3:30PM}

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 it is 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 – 3:31PM**
 - 4.1. **Approval of closed meeting minutes** – September 28, 2020.
 - 4.2. **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 3 Case – *Dennis Lynch, Legal Counsel, Anu Banerjee, VP & Chief Quality Officer*
 - 4.3. **Conference with Real Property Negotiator {Government Code 54956.8}**: Property: APN’s 119-85-012, 199-85-013, 119-85-014. Negotiating party: Kaweah Delta Health Care District: Marc Mertz and Sequoia Gateway, LLC – price and terms – *Marc Mertz, Vice President – Chief Strategy Office*
 - 4.4. **Credentialing** - Medical Executive Committee (MEC) 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 MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 – *Byron Mendenhall, MD Chief of Staff*
 - 4.5. **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee — *Byron Mendenhall, MD Chief of Staff*
5. **ADJOURN**

CLOSED MEETING AGENDA {3:31PM}

1. **CALL TO ORDER**

2. **APPROVAL OF CLOSED MEETING MINUTES** – [September 28, 2020](#).

Recommended Action: Approval of the September 28th closed meeting minutes.

3. **[CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION](#)** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 3 Case

Dennis Lynch, Legal Counsel, Anu Banerjee, VP & Chief Quality Officer

4. **[CONFERENCE WITH REAL PROPERTY NEGOTIATOR](#)** {Government Code 54956.8}: Property: APN's 119-85-012, 199-85-013, 119-85-014. Negotiating party: Kaweah Delta Health Care District: Marc Mertz and Sequoia Gateway, LLC – price and terms.

Marc Mertz, Vice President – Chief Strategy Office

5. **[CREDENTIALING](#)** - Medical Executive Committee (MEC) 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 MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155.

Byron Mendenhall, MD Chief of Staff

6. **[QUALITY ASSURANCE](#)** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee.

Byron Mendenhall, MD Chief of Staff

7. **ADJOURN**

OPEN MEETING AGENDA {4:00PM}

Join from your computer, tablet or smartphone

<https://www.gotomeet.me/CindyMoccio/kaweahdeltaopenregularboardmeetings>

or Dial In: 669-224-3412 / Access Code: 468-246-165

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 Board discussion. 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. **CLOSED SESSION ACTION TAKEN** – Report on action(s) taken in closed session.

5. **OPEN MINUTES** – Request approval of the [September 28th](#) open meeting minutes.
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.

Action Requested – Approval of the open meeting minutes – September 28, 2020 open board of directors meeting minutes.

6. **RECOGNITIONS** – Lynn Havard Mirviss
- 6.1. Presentation of [Resolution 2096](#) to Betty Lynch, Bed Allocation, retiring from Kaweah Delta after 32 years of service.
 - 6.2. Presentation of [Resolution 2097](#) to Charles “David” Gaylor, Physical Therapist III, retiring from Kaweah Delta after 24 years of service.
 - 6.3. Presentation of [Resolution 2099](#) to [Sharmyir “Myra” Walker](#), Registered Nurse, Service Excellence October 2020.
 - 6.4. Presentation of [Resolution 2100](#) – Herb Hawkins, Board of Directors – recognition of service on the Kaweah Delta Board from 2015-2020.

7. **ANNUAL AUDITED FINANCIAL STATEMENT** – Report to Board from Moss Adams relative to the annual audited financial statement for fiscal year 2019/2020.

Kaweah Delta; Malinda Tupper, VP & Chief Financial Officer, Jennifer Stockton, Director of Finance, Moss Adams; John Feneis and Chris Pritchard

Recommended Action: Approval of the 2019/2020 Annual Audited Financial Statement.

8. **CONSENT CALENDAR** - All matters under the Consent Calendar will be approved by one motion, unless a Board member requests separate action on a specific item.

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.

Action Requested – Approval of the October 26, 2020 Consent Calendar.

8.1. REPORTS

- A. [Physician Recruitment](#)
- B. [Neuroscience Services](#)
- C. [Surgical Services](#)
- D. [Endoscopy](#)
- E. [The Lifestyle Center](#)

8.2. POLICIES

- A. Administrative
 - 1) [AP.02 – Conditions of Admissions](#) (Revised)
 - 2) [AP.26 – Encountering ill or injured people on district property](#) (Revised)
 - 3) [AP.86 – Disposals of Equipment](#) (Revised)
 - 4) [AP.138 – Use of non-district approved medical devices](#) (Revised)
 - 5) [AP.174 – Kaweah Delta District charge master maintenance](#) (Revised)
 - 6) AP.145 – Health Care decision for unrepresented patients (Reviewed)
 - 7) AP.113 – Receiving personal items at Kaweah Delta (Delete – to be added to employee handbook)

8.3. BOARD COMMITTEE MINUTES

- A. [Marketing & Community Relations](#) (October 7, 2020)
- B. [Quality Council](#) (October 15, 2020)

8.4. Until an updated panel of Personnel Hearing Officers has been approved by the Board of Directors to preside over KDHCD personnel hearings in accordance with Human Resources Policy HR 218, the CEO and the Vice President, Chief Human Resources Officer, after consultation with legal counsel, shall have the authority, on behalf of the Board of Directors, to appoint and set the compensation for such Personnel Hearing Officers on an “as needed” basis.

8.5. Approval of [Resolution 2101](#) rejecting the claim for Daniel Weaver and Elizabeth Weaver vs. Kaweah Delta Health Care District.

8.6. Approval of [Resolution 2102](#) rejecting the claim of Daniel Weaver vs. Kaweah Delta Health Care District.

8.7. Approval of [Resolution 2103](#) granting the application for leave to present late claim for Mindy Dowdy vs. Kaweah Delta Health Care District.

8.8. Approval of [Resolution 2104](#) rejecting the claim for Mindy Dowdy vs. Kaweah Delta Health Care District.

8.9. Approval of the Medical Direction, Administrative and Radiation Oncology [Services Agreement](#) entered into effective November 1, 2020 by and between Kaweah Delta Health Care District and Sequoia Radiation Oncology Services, Inc. (SROSI).

8.10. Recommendations from the Medical Executive Committee (October 2020)

- A. [Advanced Practice Provider Supervising Physician Agreement](#)
- B. [Privilege volume requirement – temporary revision](#)

9. QUALITY

9.1. [Sepsis Quality Focus Team Report](#) – An update on key performance measures and action plans focused on the care of the septic patient population.

Tom Gray, MD, Medical Director of Quality and Patient Safety, and Evelyn McEntire, Manager of Quality and Patient Safety

10. CREDENTIALS - 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.

Public Participation – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

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 MEC, 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.

11. REPORTS

- 11.1.** Chief of Staff – Report relative to current Medical Staff events and issues. *Byron Mendenhall, MD, Chief of Staff*
- 11.2.** Chief Executive Officer Report -Report relative to current events and issues. *Gary Herbst, Chief Executive Officer*
- 11.3.** Board President - Report relative to current events and issues. *Nevin House, Board President*

12. 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

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RESOLUTION 2096

WHEREAS, Betty Lynch, Bed Allocation, is retiring from duty at Kaweah Delta Health Care District after 32 years of service; and,

WHEREAS, the Board of Directors of the Kaweah Delta Health Care District is aware of her loyal service and devotion to duty;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Kaweah Delta Health Care District, on behalf of themselves, the hospital staff, and the community they represent, hereby extend their appreciation to Betty Lynch for 32 years of faithful service and, in recognition thereof, have caused this resolution to be spread upon the minutes of this meeting.

PASSED AND APPROVED this 26th day of October 2020 by a unanimous vote of those present.

President, Kaweah Delta Health Care District

ATTEST:

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



RESOLUTION 2097

WHEREAS, Charles “David” Gaylor, Physical Therapist III, is retiring from duty at Kaweah Delta Health Care District after 24 years of service; and,

WHEREAS, the Board of Directors of the Kaweah Delta Health Care District is aware of his loyal service and devotion to duty;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Kaweah Delta Health Care District, on behalf of themselves, the hospital staff, and the community they represent, hereby extend their appreciation to David Gaylor for 24 years of faithful service and, in recognition thereof, have caused this resolution to be spread upon the minutes of this meeting.

PASSED AND APPROVED this 26th day of October 2020
by a unanimous vote of those present.

President, Kaweah Delta Health
Care District
ATTEST:



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



RESOLUTION 2099

WHEREAS, the Department Heads of the KAWEAH DELTA HEALTH CARE DISTRICT are recognizing Sharmyir “Myra” Walker, with the Service Excellence Award for the Month of October 2020, for consistent outstanding performance, and,

WHEREAS, the Board of Directors of the KAWEAH DELTA HEALTH CARE DISTRICT is aware of her excellence in caring and service,

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the KAWEAH DELTA HEALTH CARE DISTRICT on behalf of themselves, the hospital staff, and the community they represent, hereby extend their congratulations to Sharmyir “Myra” Walker for this honor and in recognition thereof, have caused this resolution to be spread upon the minutes of the meeting.

PASSED AND APPROVED this 26th day of October 2020 by a unanimous vote of those present.

President, Kaweah Delta Health Care District

ATTEST:

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

Walker, Sharmyir

"Myra is an outstanding and thorough care giver. As a new grad, only having worked as a RN for about 8 months, Myra sets the bar high for all nurses, not just new grads.

At the time of her interview, when asked about a time that she went above and beyond for a patient, she told me of a patient she had cared for as an LVN around Thanksgiving. The patient was lamenting that she would miss the sweet potato pie that she normally enjoyed with her family at the holidays. Myra's response was to go home and bake a sweet potato pie and take it back to the patient. This small gesture is just one of the many examples of Myra's personality that exudes thoughtfulness towards her patients- a trait that she has demonstrated time and again as a new-grad on 5T.

Each day, as we complete our GEMBA rounds, I am astonished by the comprehensive way that Myra cares for her patients. She always knows why the patient is here, she knows pertinent diagnostic results, and she knows everything there is to know about lines, devices, wounds, infection risk etc. She speaks in an organized, eloquent, and respectful manner about each of her patients and she addresses every possible concern or risk before we can even bring it up. She truly leaves no stone unturned. She provides World Class care to all of her patients, every single day. Above all else, Myra is kind. She is always smiling and she demonstrates respect and kindness to all of her peers- something we all notice and admire.

Additionally, as a new grad, she has been tasked with helping orient some of our even newer-grads :) She boldly stepped up into the role and guides and mentors her new colleagues to help them learn to provide the same world-class care to their patients.

Myra is an incredible asset to not only our team, but to our organization. She is wise beyond her nursing years and she is a wonderful role model for all staff. For this reason and so many others, I would like to nominate Myra as Employee of the Month for Kaweah Delta. "

8/17/2020 13:24

Cauthen, Shannon



RESOLUTION 2100

WHEREAS, Mr. Herb Hawkins has served as a member of the Board of Director representing Zone 1 of the Kaweah Delta Health Care District from 2015–2020, and

WHEREAS, in that capacity Mr. Hawkins has supported the mission of the hospital through years of tremendous challenges and unprecedented growth, and;

WHEREAS, Mr. Hawkins has always been available, attentive, and responsive to the Board, Medical Staff, and Executive Team in carrying out the duties of his position, and;

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Kaweah Delta Health Care District on behalf of themselves, the District staff and the community they represent, hereby extend their appreciation to Herb Hawkins and, in recognition thereof, have caused this resolution to be spread upon the minutes of this meeting.

PASSED AND APPROVED this 26th day of October 2020 by a unanimous vote of those present.

President, Kaweah Delta Health Care District

ATTEST:

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

**Kaweah Delta Physician Recruitment and Relations
Medical Staff Recruitment Report - October 2020**

Prepared by: Brittany Taylor, Director of Physician Recruitment and Relations - btaylor@kdhcd.org - (559)624-2899

Date prepared: 10/21/2020

Central Valley Critical Care Medicine	
Adult Hospitalist	1
Intensivist	2

Delta Doctors Inc.	
OB/Gyn	1

Kaweah Delta Faculty Medical Group	
Family Medicine Associate Program Director	1
Family Medicine Core Faculty	2

Key Medical Associates	
Internal Medicine/Family Medicine	2

Other Recruitment	
Palliative Medicine	1
Anesthesiology	1

Valley Children's Health Care	
Maternal Fetal Medicine	2
Neonatology	1

Visalia Medical Clinic (Kaweah Delta Medical Foundation)	
Dermatology	1
Adult Primary Care	3
Colorectal Surgery (FY 2022)	1
Gastroenterology	1
Gynecology	1
OB/GYN	3
Orthopedic Surgery (Hand)	1
Otolaryngology	1
Radiology - Diagnostic	1
Urology	2

Candidate Activity

Specialty/Position	Group	Last Name	First Name	Availability	Referral Source	Current Status
Chronic Pain Anesthesia	Oak Creek Anesthesia	Truong, M.D.	Khoa	08/21	Direct referral	Currently under review
Colorectal Surgery	Visalia Medical Clinic (Kaweah Delta Medical Foundation)/IQ Surgical Associates	Ota, M.D.	Kyle	09/21	Current KD General Surgery resident	Offer extended
Family Medicine/Core Faculty	Visalia Medical Clinic (Kaweah Delta Medical Foundation)/Kaweah Delta Faculty Medical Group/Visalia Family Practice	Geiger, D.O.	Michael	08/21	Direct - UCSF Fresno Career Fair	Site Visit for VMC - 10/16/20 - Offer Extended; Site Visit for KDFMG - 10/21/20
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Al-Tai, M.D.	Zeena	08/21	Pacific Companies - 7/13/20	Currently under review
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Bassali, M.D.	Mariam	08/21	Referred by Dr. Martinez - 10/14/20	Currently under review
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Gutierrez, M.D.	Mario	TBD	Referred by Dr. Martinez - 8/14/20	Site visit pending dates
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Mohamed, M.D.	Hashem	ASAP	Direct Referral - Dr. Ahmed Amari	Site visit pending dates
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Sandoval, M.D.	Omar	08/21	Referred by Dr. Martinez -8/14/20	Site visit pending dates
Family Medicine	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Patty, M.D.	Christina	08/20	Direct - Local Candidate	Site Visit: 2/5/19; Offer accepted; Start Date: 1/4/21
Gastroenterology	Valley Hospitalist Medical Group	Aita, M.D.	John	ASAP	Carson Kolb - 8/4/20	Site visit pending dates
Gastroenterology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Hong, M.D.	Jessica	09/21	Direct Referral	Site Visit: 10/21/2020

Candidate Activity

Specialty/Position	Group	Last Name	First Name	Availability	Referral Source	Current Status
Gastroenterology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Sherid, M.D.	Muhammed	ASAP	Pacific Companies - 7/28/20	Site Visit: 10/7/2020
Hospitalist	Central Valley Critical Care Medicine	Malkhasian, M.D.	Armen	08/21	Direct - 9/8/20	Phone interview pending
Hospitalist	Central Valley Critical Care Medicine	Moers, D.O.	Diana	09/20	Direct - PracticeLink 3/24/2020	Offer accepted; Start date pending credentialing
Hospitalist	Central Valley Critical Care Medicine	Ramakuri, M.D.	Monica	09/20	Vista Staffing - 7/19/2020	Start Date: 10/7/20
Intensivist	Central Valley Critical Care Medicine	John, D.O.	Avinaj	08/21	Vista Staffing - 10/25/19	Site visit: 12/13/19; Offer accepted
Intensivist	Central Valley Critical Care Medicine	Agrawal, M.D.	Arun	08/21	Vista Staffing - 9/8/20	Site visit pending dates
Intensivist	Central Valley Critical Care Medicine	Akinjero, M.D.	Akintunde	08/21	Vista Staffing - 10/20/20	Currently under review
Intensivist	Central Valley Critical Care Medicine	Alperstein, M.D.	Adam	08/21	Vista Staffing - 9/21/20	Site visit pending dates
Intensivist	Central Valley Critical Care Medicine	Leger, M.D.	Kathleen	08/21	Comp Health - 8/24/20	Site visit pending in December
Internal Medicine	Visalia Medical Clinic (Kaweah Delta Medical Foundation)/Key Medical Associates/Central Valley Critical Care Medicine/ Delta Doctors	Malik, M.D.	Sara	08/21	Direct - Dr. Umer Hayyat's spouse	Site Visit: 10/7/20; Offer extended
Neonatology	Valley Children's Hospital	Alexander, M.D.	Steven	11/20	Valley Children's - 7/28/20	Virtual Interview: 7/31/20; Offer extended
Otolaryngology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Wickwire, M.D.	Peter	08/21	Enterprise Medical Staffing - 10/5/20	Phone interview pending
Palliative Medicine	Independent	Hernandez, M.D.	Sarah	08/21	PracticeMatch Email Blast	Site visit pending dates in November

Candidate Activity

Specialty/Position	Group	Last Name	First Name	Availability	Referral Source	Current Status
Radiation Oncology	Sequoia Radiation Oncology Services, Inc.	Ly, M.D.	David	44228	Direct referral	Offer accepted; Start date: 2/1/21
Urology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Hamdi, M.D.	Anas	08/22	Direct - Referral	Initial site visit: 9/9/20 Formal site visit to follow
Urology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Patel, M.D.	Neil	TBD	Los Angeles Career MD Fair 9/14/19	Site Visit: 9/25/20. Offer extended
Urology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Sohlberg, M.D.	Ericka	08/21	MDStaffers - 8/21/20	Site Visit: 11/16/20
Urology	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Talanki, M.D.	Varun	08/21	HealthCareers - 1/24/2020	Site visit pending dates

REPORT TO THE BOARD OF DIRECTORS

Neurosurgery

Tracy M. Salsa RN, Director of Clinical Operations
Contact Number: 559-624-4084 (office) or 909-226-3621 (mobile)
Dr. Joseph Chen, Medical Director

Board Meeting: October 26, 2020

Summary Issue/Service Considered

The Neurosurgery program, in partnership with Center Neurorestoration Associates (CNA), has been operating for three years growing each year in number of surgeries performed and patients treated. This service line provides neurosurgery access and coverage to patients who present to the emergency room, inpatient consultations, and outpatient consultations, primarily through Primary Care Provider referrals. There are nine neurosurgeons who provide 24-hour call coverage, including emergency on-call services. Our outpatient Neuroscience Center provides consultative and follow-up care to patients 5 days a week. Elective surgeries are performed several days a week with 25-30 hours of OR block time dedicated to neurosurgeries. Dr. Joseph Chen, our Medical Director, also performs Stereotactic Radiation Surgery at Sequoia Regional Cancer Center (SRCC).

Quality/Performance Improvement Data

The Neurosurgery/Neuroscience Teams are currently working on several key initiatives:

*Outpatient referral processing time under 5 calendar days – this metric has been met 98.4% this past year; >90% new patients are scheduled within 2 weeks of completed referral; outpatient clinic volume has increased 24% (2685 to 3318 visits) from previous year.

*Total neurosurgical cases (inpatient and outpatient) increased from 366 to 387, an increase of 5.7% from FY19; outpatient cases increased from 45 to 57, an increase of 27% from FY19; surgical site infection (SSI) rate is <1% with a goal of being 0%

*Coding audit completed – working with neuro-specific coders for complete and accurate coding of all neurosurgical cases to capture full revenue & reimbursement.

*StealthStation S8 surgical navigation system implemented; this advanced software and visualization system provides the neurosurgeon the ability to treat multiple metastatic tumors at the same time with high accuracy; patients receive high dose radiation with fewer treatments and decreases the need for painful surgery

*Neurosurgery program supports the efforts in providing quality outcomes to achieve Blue Distinction designation for spine surgery

*Neurosurgeons continue to be active participants in our graduate medical education program by mentoring residents

Policy, Strategic or Tactical Issues

Several key points:

- *CNA successfully recruited 2 neurosurgeons to add to their neurosurgeon group
- *PSA amendment with CNA executed – this amendment is through 2023.
- *Actively working with marketing department on several activities including a case study of a young man who had successful neurosurgical intervention. One-on-one meet and greet with several neurosurgeons (due to COVID19, this activity has been on hold but will resume soon) and educational opportunities for community physicians/referral sources; Dr. Chen, Medical Director, and Dr. Charles Liu are willing to participate in all marketing activities to increase referrals to this program.
- *Implementing new workflow to audit inpatient charges for consults and follow-up visits to ensure complete revenue/billing capture; working closely with revenue cycle team and documentation specialist team to find areas of improvements.
- *Collaborating with Director of Surgery and purchasing team to identify device costs for elective cases and leverage cost savings by group purchasing and possibly renegotiating contracts.
- *Evaluate and develop additional services to decrease out-migration of patients; opportunity with Visalia Medical Clinic group providers so referrals are kept within the KD system versus referrals to Los Angeles and San Francisco.

Recommendations/Next Steps

- *Inpatient represents a strong contribution margin which off-sets contribution loss in the outpatient clinic setting; focusing on volume increase in outpatient elective surgeries with a focus on outpatient clinic cost containment.
- *Continued focus on clinic operations – flexing staff schedule to match patient volume and maximize neurosurgeon time when in clinic.
- *Navigate restricted access to community physicians due to current pandemic – utilize technology for educational offerings, meetings with referring physicians, and case studies to increase community provider exposure to this highly talented neurosurgical team.

Approvals/Conclusions

Our continued partnership with CNA shows the dedication this neurosurgical group has to Kaweah Delta and our community. The high level of service, from a surgical and patient care standpoint, along with demonstrated excellent outcomes, aligns with our organizational values and mission. Efforts are focused on increasing awareness of the services this specialized surgery group provides thus increasing volume to this service line, resulting in increased clinic visits and elective surgeries. Another focus is maximizing scheduling and coverage to meet the demands of emergency/critical neurosurgical patients and increasing transfer acceptance. Continued focus on quality

metrics, daily assessment of clinic productivity reports to improve efficiency in the outpatient setting, and marketing strategies to increase community awareness of our neurosurgical program.

KDHCD ANNUAL BOARD REPORT

Neuroscience Services - Summary

FY2020

KEY METRICS - FY 2020 on the Twelve Months Ended June 30, 2020



*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

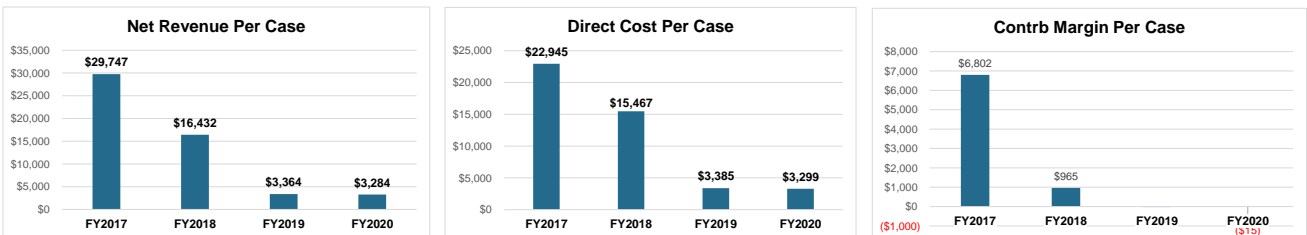
METRICS BY SERVICE LINE - FY 2020

SERVICE LINE	PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
Neuro Inpatient Surgery	330	\$11,378,659	\$10,029,407	\$1,349,252	(\$1,377,277)
Neuro Outpatient Surgery	57	\$486,737	\$820,968	(\$334,231)	(\$482,790)
Neuro Outpatient Clinic	3,318	\$302,436	\$1,371,991	(\$1,069,555)	(\$1,277,873)
Neurosciences Total	3,705	\$12,167,832	\$12,222,366	(\$54,534)	(\$3,137,940)

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
PATIENT CASES	202	386	3,051	3,705	▲ 21%	
Net Revenue	\$6,008,828	\$6,342,805	\$10,263,811	\$12,167,832	▲ 19%	
Direct Cost	\$4,634,824	\$5,970,148	\$10,327,704	\$12,222,366	▲ 18%	
Contribution Margin	\$1,374,004	\$372,657	(\$63,893)	(\$54,534)	▲ 15%	
Indirect Cost	\$1,010,574	\$1,420,907	\$2,193,222	\$3,083,406	▲ 41%	
Net Income	\$363,430	(\$1,048,250)	(\$2,257,115)	(\$3,137,940)	▼ -39%	
Net Revenue Per Case	\$29,747	\$16,432	\$3,364	\$3,284	▼ -2%	
Direct Cost Per Case	\$22,945	\$15,467	\$3,385	\$3,299	▼ -3%	
Conrb Margin Per Case	\$6,802	\$965	(\$21)	(\$15)	▲ 30%	

GRAPHS



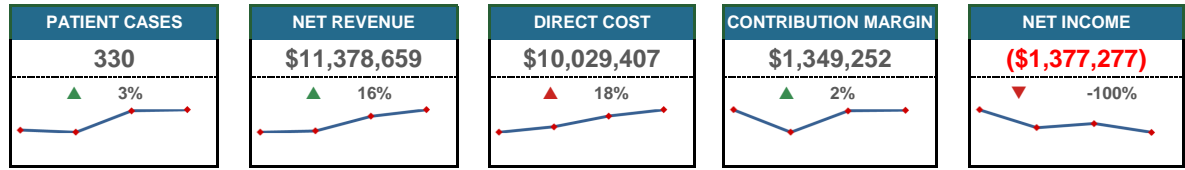
Source: Inpatient and Outpatient Service Line Reports
 Criteria: Service Line Reporting - Combined Inpatient and Outpatient
 Criteria: Inpatient (Neurological Surgery), Service Line= O/P Surgery and Surgeon Specialty = Neurological Surgery & Service Line = Neurosurgery Clinic

KDHCD ANNUAL BOARD REPORT

Neuroscience Services - Inpatient Neurosurgeon Cases

FY2020

KEY METRICS - FY 2020 on the Twelve Months Ended June 30, 2020

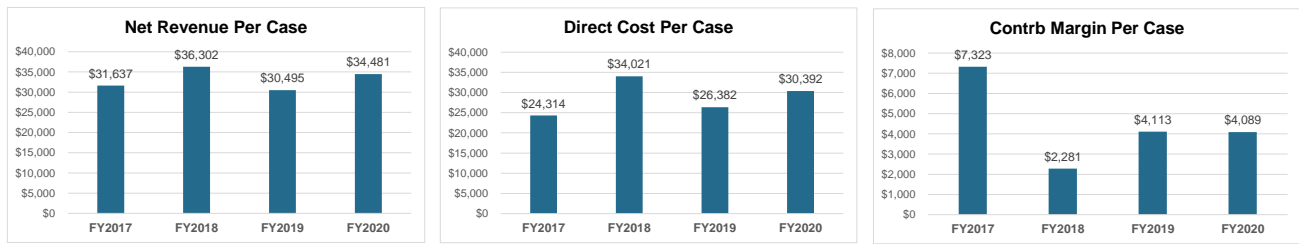


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Cases	188	173	321	330	▲ 3%	
Patient Days	1,307	1,602	1,985	2,371	▲ 19%	
ALOS	6.95	9.26	6.18	7.18	▲ 16%	
GM LOS	4.18	4.80	4.27	4.68	▲ 10%	
Net Revenue	\$5,947,770	\$6,280,215	\$9,789,004	\$11,378,659	▲ 16%	
Direct Cost	\$4,571,102	\$5,885,641	\$8,468,591	\$10,029,407	▲ 18%	
Contribution Margin	\$1,376,668	\$394,574	\$1,320,413	\$1,349,252	▲ 2%	
Indirect Cost	\$994,837	\$1,404,148	\$2,007,767	\$2,726,529	▲ 36%	
Net Income	\$381,831	(\$1,009,574)	(\$687,354)	(\$1,377,277)	▼ -100%	
Net Revenue Per Case	\$31,637	\$36,302	\$30,495	\$34,481	▲ 13%	
Direct Cost Per Case	\$24,314	\$34,021	\$26,382	\$30,392	▲ 15%	
Contrb Margin Per Case	\$7,323	\$2,281	\$4,113	\$4,089	▼ -1%	

PER CASE TRENDED GRAPHS

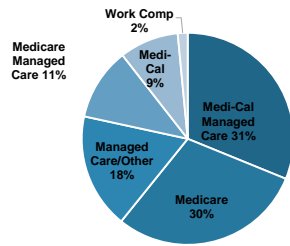


Note: FY2020 is annualized in graphs and throughout the analysis

PAYER MIX - 4 YEAR TREND

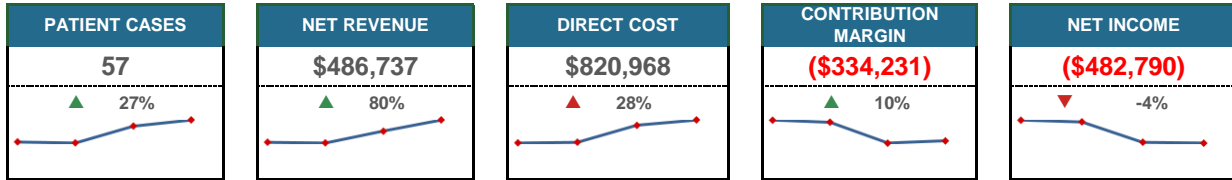
PAYER	FY2017	FY2018	FY2019	FY2020
Medi-Cal Managed Care	29%	17%	29%	31%
Medicare	40%	35%	30%	30%
Managed Care/Other	2%	28%	21%	18%
Medicare Managed Care	7%	9%	9%	11%
Medi-Cal	7%	7%	8%	9%
Work Comp	1%	2%	3%	2%
Cash Pay	13%	1%	1%	0%
County Indigent	1%	0%	0%	0%

FY 2020 PAYOR MIX-Based on Gross Revenue



Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Surgeon Speciality - Neurological Surgery

KEY METRICS - FY 2020 on the Twelve Months Ended June 30, 2020

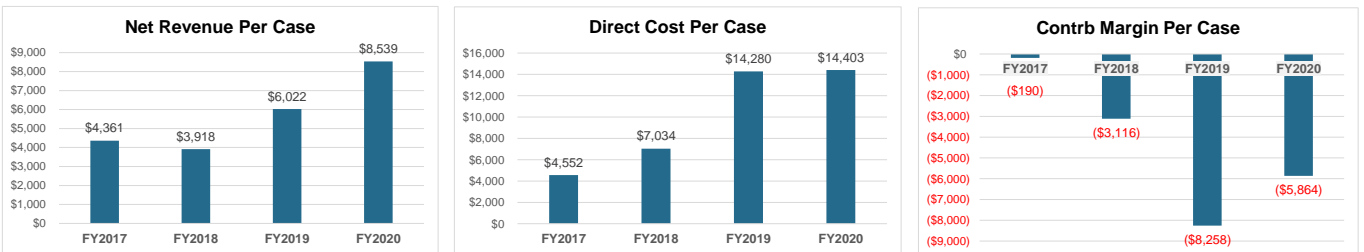


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Cases	14	12	45	57	▲ 27%	
Net Revenue	\$61,058	\$47,021	\$271,012	\$486,737	▲ 80%	
Direct Cost	\$63,722	\$84,412	\$642,609	\$820,968	▲ 28%	
Contribution Margin	(\$2,664)	(\$37,391)	(\$371,597)	(\$334,231)	▲ 10%	
Indirect Cost	\$15,737	\$16,696	\$93,991	\$148,559	▲ 58%	
Net Income	(\$18,401)	(\$54,087)	(\$465,588)	(\$482,790)	▼ -4%	
Net Revenue Per Case	\$4,361	\$3,918	\$6,022	\$8,539	▲ 42%	
Direct Cost Per Case	\$4,552	\$7,034	\$14,280	\$14,403	▲ 1%	
Contrb Margin Per Case	(\$190)	(\$3,116)	(\$8,258)	(\$5,864)	▲ 29%	

PER CASE TRENDED GRAPHS

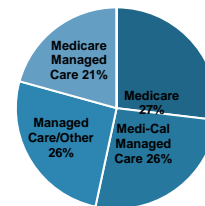


Note: FY2020 is annualized in graphs and throughout the analysis

PAYER MIX - 4 YEAR TREND

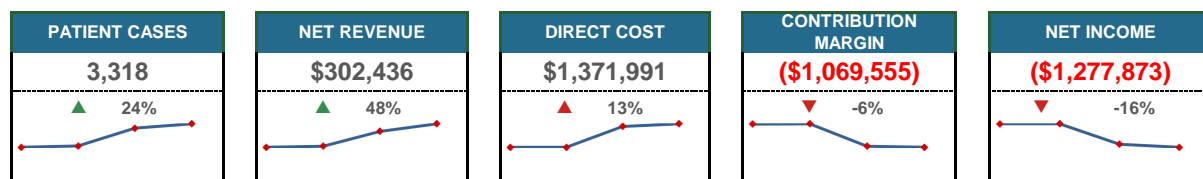
PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	41%	9%	21%	27%
Medi-Cal Managed Care	44%	46%	44%	26%
Managed Care/Other	0%	44%	26%	26%
Medicare Managed Care	8%	1%	4%	21%
Medi-Cal	0%	0%	5%	0%
Work Comp	7%	0%	0%	0%
Cash Pay	0%	0%	0%	0%
County Indigent	0%	0%	0%	0%

FY 2020 PAYOR MIX-Based on Gross Revenue



Notes:
 Source: Outpatient Service Line Reports
 Selection Criteria: Surgeon Speciality - Neurological Surgery

KEY METRICS - FY 2020 on the Twelve Months Ended June 30, 2020

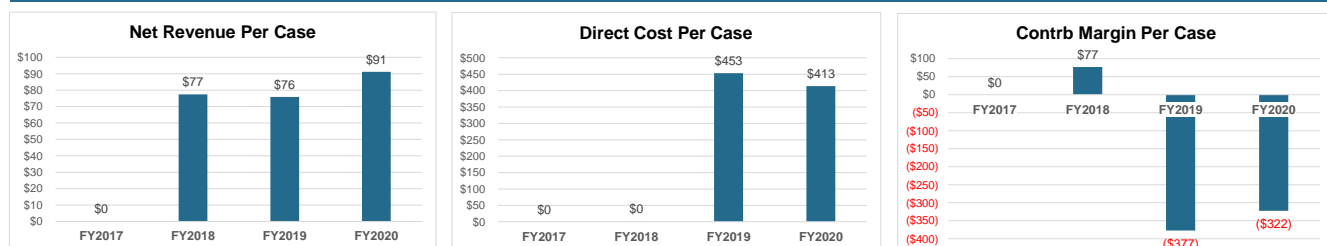


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Cases	0	201	2,685	3,318	▲ 24%	
Net Revenue	\$0	\$15,569	\$203,795	\$302,436	▲ 48%	
Direct Cost	\$0	\$95	\$1,216,504	\$1,371,991	▲ 13%	
Contribution Margin	\$0	\$15,474	(\$1,012,709)	(\$1,069,555)	▼ -6%	
Indirect Cost	\$0	\$63	\$91,464	\$208,318	▲ 128%	
Net Income	\$0	\$15,411	(\$1,104,173)	(\$1,277,873)	▼ -16%	
Net Revenue Per Case	\$0	\$77	\$76	\$91	▲ 20%	
Direct Cost Per Case	\$0	\$0	\$453	\$413	▼ -9%	
Contrb Margin Per Case	\$0	\$77	(\$377)	(\$322)	▲ 15%	

PER CASE TRENDED GRAPHS

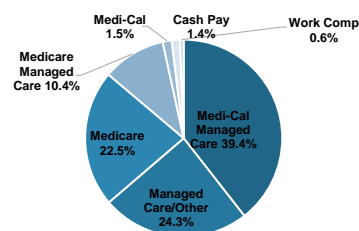


Note: FY2020 is annualized in graphs and throughout the analysis

PAYER MIX - 4 YEAR TREND

PAYER	FY2017	FY2018	FY2019	FY2020
Medi-Cal Managed Care	0.0%	48.8%	48.3%	39.4%
Managed Care/Other	0.0%	16.3%	16.8%	24.3%
Medicare	0.0%	21.6%	25.7%	22.5%
Medicare Managed Care	0.0%	5.9%	5.8%	10.4%
Medi-Cal	0.0%	2.9%	1.9%	1.5%
Cash Pay	0.0%	3.3%	1.0%	1.4%
Work Comp	0.0%	1.1%	0.5%	0.6%
County Indigent	0.0%	0.0%	0.0%	0.0%

FY 2020 Payer Mix-Based on Gross Revenue



Notes:
 Source: Outpatient Service Line Reports
 Selection Criteria: Service Line1 = Neurosurgery Clinic

REPORT TO THE BOARD OF DIRECTORS

Surgical Services

Brian Pearcy RN, BSN
Director of Surgical Services
bpearcy@kdhcd.org
(559) 624-2409

October 2020

Summary Issue/Service Considered

- Seek opportunities to grow volumes and services in Surgical Services.
- Continue to recruit and develop staff.
- See opportunities to decrease labor and supply costs.
- Continue to work on OR Efficiency.

Quality/Performance Improvement Data

- OR Task Force Committee created to improve OR Efficiency.
 - Goal is to decrease non-operative time for surgeons by 10 minutes and decrease Turnover time to 28 minutes.
 - Problem statement: In the Surgical Services Line there are delays causing procedures to run late, start late, or be rescheduled. This results in increased overtime, call back, increased turnover, dissatisfaction, and poor engagement to staff. Physicians are experiencing extended waiting periods, dissatisfaction, and lack of engagement.
 - Key Deliverables: Decrease turnover time, decrease non-operative time (surgeon wait time), standardization of throughput throughout the perioperative environment, increase satisfaction, increase engagement, and set clear expectations.
 - 2020 average Turnover time (Patient Out to Patient In) is 32 minutes and the national average Turnover time is 30 minutes. There is a small downward trend compared to 2019 average of 35 minutes.
 - Non-operative time (Surgeon Wait Time) does not have a national average to compare. Surgical Services focuses on non-operative time and develops processes around it to improve efficiency throughout the perioperative environment.
 - May 2020: Surgical Services leadership and ISS support created efficient workflows to schedule surgical procedures. All patient documents went electronic creating better-suited workflows for patients going through KATS and Ambulatory Surgery Center (ASC) prior to surgery.
 - Completed a Failure Mode & Effects Analysis (FMEA) to identify and evaluate failure modes resulting in delays. Supply location and identification, team member availability, patient factors, documentation, and communication were top five categories the team were focusing on.
- Block Utilization: Goal is to increase block utilization by 10%.
 - January 1, 2019: Block Utilization Improvement project began with the O.R. Governance Committee.
 - September 6, 2019: Data sent to surgeons with improvement goals.
 - March 2, 2020: Block time removed and adjusted from under-utilized surgeons.
 - July 16, 2020: Block assigned to 7 new surgeons.
 - Block utilization is reviewed every quarter by the O.R. Governance Committee and adjustments are made with low utilization surgeons.

- First Case Delays: Goal is to decrease delays by 30%.
 - Data collected and reviewed at the O.R. Governance meetings.
 - Data broken down into who is causing the delay: Surgeon, Anesthesia, ASC, OR, or Patient.
 - Surgeon documentation delays was the first delay the O.R. Governance wanted to improve.
 - April 2020: Surgical Services leadership and ISS team went to every surgeon's office to educate surgeons and medical assistants on electronic documentation. This is now required prior to KATS appointment and prior to day of surgery.
 - July 2020: Data broken down to show the number of minutes that were associated with delays and then broken down to how many cases the minutes on average could equate to.
 - Surgeon delays are the #1 reason for First Case Delays.
 - Data is reviewed monthly at the O.R. Governance Committee meetings. Block can be lost if surgeon compliance is not adhered to.
- Enhanced Recovery after Surgery (ERAS) program has made great improvements in the quality of care we provide to our patients who are having colorectal surgery.
 - **Surgical Site Infections (SSI)**
 - Colon Surgery, QTR. 1/20, **0.43**, Benchmark 0.909
- 2020 Association of Perioperative Registered Nurses (AORN) Surgical Smoke-Free Recognition Program – Gold Level Award Recipient
 - Kaweah Delta Medical Center is the 5th hospital in California to be recognized.
 - The operating room has become a smoke-free environment by utilizing a cautery pencil that sucks smoke away from the surgical site as well as out of the surrounding air.
- 2020 San Joaquin Valley College (SJVC) - Surgical Tech Employer of the Year
 - Currently train and educate Surgical Tech students from SJVC and we were awarded for contributing and providing a path for surgical technologists to advance their careers.
- April 2019: Surgery department received a Team Pyramid award.
- October 2020: Sterile Processing department received a Team Pyramid award.

Policy, Strategic or Tactical Issues

- Traded in SI Intuitive robot for the new XI robot.
 - Marketing strategies are underway.
- Primary Anesthesia group for anesthesia services contract renewed to a new group, Oak Creek Anesthesia.
- September 19, 2020: Held a South Valley Vascular Retreat with the vascular surgeons, Gary Herbst, Dan Allain, Marc Mertz, and nursing leadership.
 - Discussed operations, block times, turnover and non-operative times, anesthesia coverage, recruitment, new services, and marketing strategies.
- October 9, 2020: Held a Business Surgery meeting. Started discussions on different services; Orthopedics, Neuro, GI, Cardiac, and other new services we want to bring to Kaweah Delta Medical Center.
- Operating room (OR) surgical light project is going through the OSHPD approval process.
 - Main OR needs new overhead surgical lights.
- SPD construction project is going through the OSHPD approval process.
 - Lighting, electric power, new instrument washing sinks, and new cart washer.
- Reviewing feasibility of Ortho Robotic Surgery for Total Knee Arthroscopy procedures.

Recommendations/Next Steps

- Continued to encourage Unit Based Councils (UBC) as well as participation in our Comprehensive Unit Based Safety Program (CUSP). Staff are engaged and invested in these committees as a way to work together to provide high quality world-class care and improved throughput.
- Collaborate with Marketing to promote our Robotics program, Vascular program, and Orthopedics program.
- Collaborate with Marketing and physicians' offices to capture lost volume due to patients leaving the area for services.
- Continue to hire and fill all staffing vacancies in the Surgical Services areas.

Approvals/Conclusions

Surgical Services

- Strive for overall quality outcomes and set goals to continue to improve.
- FY20 projected surgical case volume was not met in the Main OR due to COVID-19. Surgical cases performed in FY20 were **10,446**, up slightly from **10,319** in FY19.
- **Net Patient Revenue per discharge** is trending upward, at a 4 year high of \$9,700 (up 4% in FY20).
- **Direct Cost per discharge** is trending upward, at a 4 year high of \$8,100, an increase of 10% from FY19 to FY20.
- **Contribution Margin per discharge** was at the highest in FY19 at \$1,925, contribution margin is currently close to \$1,600, down from FY19.
- Expenses are up in Surgical Services (mainly in departments 7450 Anesthesia and 7420 Surgery).
- **Anesthesia** expenses have increased substantially in physician fees over the past 3 fiscal years. There was a 76% increase from FY18 to FY19. There was a 14% decrease in FY20 in physician fees due to COVID-19 and decreased case volume. The majority of anesthesia expense are allocated to surgical cases.
- **Surgery** expenses have increased 11.2%. The major areas of increase are in payroll (increases in Management, RNs, and Registry Nursing).
- All supplies combined for FY20 are up 13.5% from FY17, and up 15.2% from FY19.
- Other medical fees have doubled since FY17 due to the need for high-level travelers to fill vacancies and staff shortages due to orientation and leaves of absences.
- There has been a large increase in Depreciation-Equipment.

Outpatient Surgery

- Volumes continue to increase each year. FY20 saw an increase to 5,444 O/P procedures over 4,653 in FY19.
- Net patient revenue per case in FY20 reflects a 10% increase over FY19.
- In recent years, direct cost per case has been relatively flat in FY20 the cost per case has increased by approximately 19%. Contribution margin loss per case was improving in FY19, however, the increase in direct cost per visit in FY20 has caused increase in the contribution margin loss.
- The increase in average direct cost is driven by fewer cases due to COVID, as well as increases in room/board costs for patients coming through the ED, and increases in OR/Anesthesia outlined above.

Inpatient Surgery

- Stable trend of cases and contribution margin.
- All inpatient service lines have a positive contribution margin.

General Surgery, Orthopedics, & Gynecology

- Case volumes were on track to surpass FY19, but will end flat due to COVID and closure/delay of elective cases during April and May.
- Net patient revenue per case at 4-year high for Gen. Surgery and GYN, stable for Ortho.

- Direct cost per case increases observed, especially from FY19 to FY20.
- Solid contribution margin, but ended lower due to COVID.
- Higher room/board, OR/Anesthesia, and implant costs (for Ortho) per case.
- Ortho service line, especially DRG 470 Major Joints hit hard by COVID closure.
- Orthopedic surgeries notable improvement to only .13 opportunity days.

Thoracic Surgery

- Results typically appear inconsistent each year when comparing to prior years due to low volumes, 31 cases in FY19 and FY20.
- Length of stay improved in FY19, but remains greater than the GMLOS.
- Lower utilization (days) improved financial performance in FY20.
Main DRG is three ECMO/Trach w/MV +96 hours w/Major OR Procs.

Neurosurgery

- Strong case trend in FY19 and FY20 over prior years does not reflect all cases neurosurgeons perform.
- Solid financial performance on these particular inpatient cases, with a positive contribution margin.
- ALOS vs. GMLOS: Opportunity days growing in FY20 vs. FY19 at approximately 3 days.

Vascular Surgery

- Case volume up 8% in FY20, with ALOS improvement.
- Solid financial performance, showing a positive contribution margin each year.

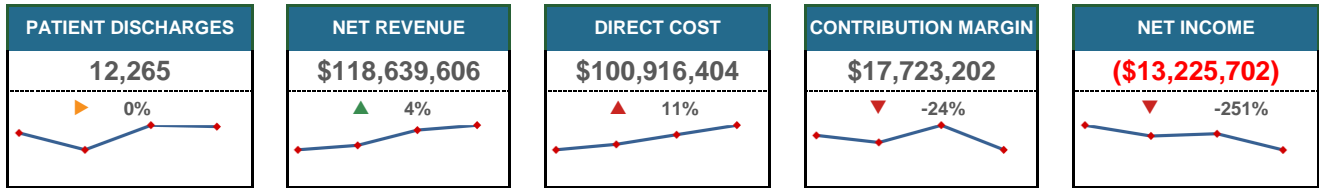
Urology Surgery

- FY20 is different from FY19 and prior years, although we see stronger financial performance in FY19 and FY20.
- Case volumes are down in FY20 vs. FY19, but patient days up significantly, therefore, ALOS is in excess of 2 days higher. GMLOS only increased .37 days.
- More Kidney and Ureter procedures in FY19 and FY20, however, FY20 with 8-9 day ALOS which suggest that the patient acuity is higher.
- Despite the higher acuity of patients in FY20, the contribution margin remains positive.

Robotic Surgery

- Outpatient financial results have improved tremendously over the last 4 years.
- Contribution margin has improved from a loss in FY17 to break even in FY20.
- Reasons are higher reimbursement and lower direct costs from prior years.
- Managed care business at 51% of payer mix for outpatient cases.
- Inpatient side has double the volume in FY20 at 96 cases, ALOS below GMLOS.
- Cases are GYN and Urology procedures, the uptick in cases in FY20 are Urology cases.

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020



*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

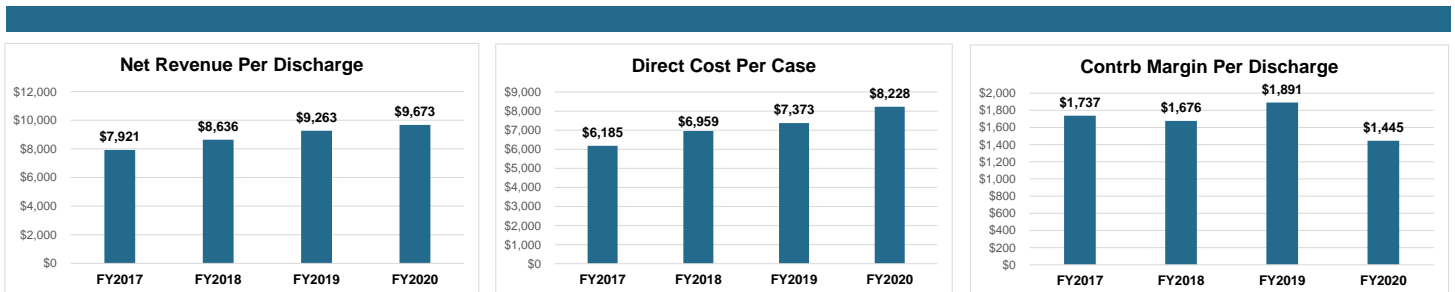
METRICS BY SERVICE LINE - FY 2020

SERVICE LINE	PATIENT DISCHARGES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
General Surgery	1,228	\$31,225,365	\$23,061,529	\$8,163,836	\$460,910
Inpatient Orthopedics	1,377	\$27,139,351	\$21,877,283	\$5,262,068	(\$405,159)
Inpatient Trauma MSDRGs	90	\$5,724,220	\$3,308,580	\$2,415,640	\$1,404,320
Inpatient Vascular Surgery	219	\$4,898,260	\$3,999,198	\$899,062	(\$394,849)
Inpatient Thoracic Surgery	31	\$3,081,876	\$2,443,827	\$638,049	(\$134,869)
Inpatient Neurosurgery	103	\$4,240,337	\$3,622,120	\$618,217	(\$411,799)
Inpatient Urology	167	\$3,128,497	\$2,542,828	\$585,669	(\$265,523)
Inpatient Gynecology	88	\$1,089,345	\$759,076	\$330,269	\$43,436
Inpatient Surgery in other SLs	344	\$8,775,141	\$7,291,507	\$1,483,634	(\$779,509)
Inpatient Robotic Surgery	97	\$1,495,200	\$931,087	\$564,113	\$238,711
Outpatient Surgery	5,823	\$22,697,708	\$28,453,018	(\$5,755,310)	(\$14,467,740)
Outpatient Robotic Surgery	175	\$841,741	\$928,984	(\$87,243)	(\$455,659)
Endoscopy	2,523	\$4,302,565	\$1,697,367	\$2,605,198	\$1,942,028
Surgical Services Totals	12,265	\$118,639,606	\$100,916,404	\$17,723,202	(\$13,225,702)

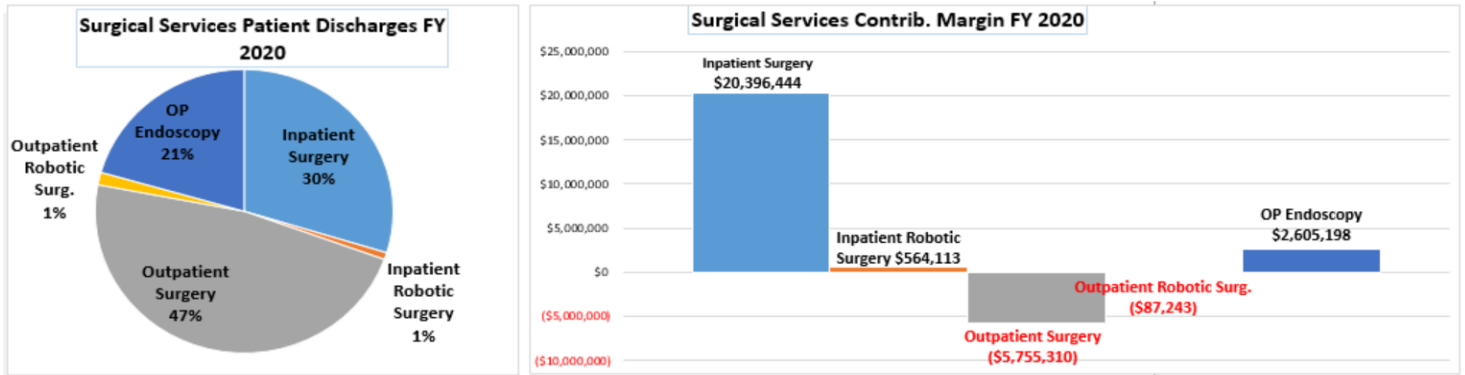
METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	12,073	11,557	12,309	12,265	0%	
Net Revenue	\$95,635,209	\$99,801,143	\$114,023,807	\$118,639,606	4%	
Direct Cost	\$74,669,157	\$80,428,885	\$90,751,151	\$100,916,404	11%	
Contribution Margin	\$20,966,052	\$19,372,258	\$23,272,656	\$17,723,202	-24%	
Indirect Cost	\$19,726,213	\$24,440,225	\$27,040,811	\$30,948,904	14%	
Net Income	\$1,239,839	(\$5,067,967)	(\$3,768,155)	(\$13,225,702)	-251%	
Net Revenue Per Discharge	\$7,921	\$8,636	\$9,263	\$9,673	4%	
Direct Cost Per Discharge	\$6,185	\$6,959	\$7,373	\$8,228	12%	
Contrb Margin Per Discharge	\$1,737	\$1,676	\$1,891	\$1,445	-24%	

GRAPHS

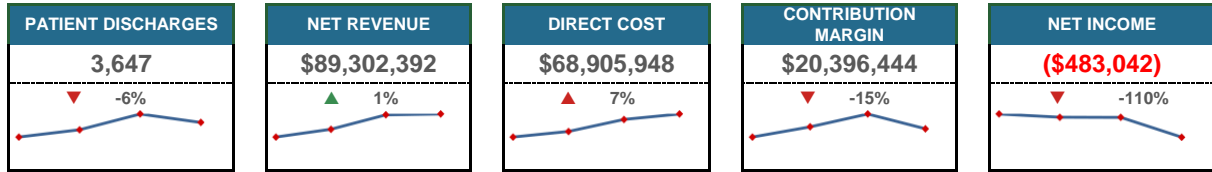


KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020



Notes:
 Source: Inpatient and Outpatient Service Line Reports
 Criteria: Inpatient Surgeries, Outpatient Surgeries and Endoscopy
 Criteria: specific selection for each Service Line (noted on the individual Service Line Tabs)

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020



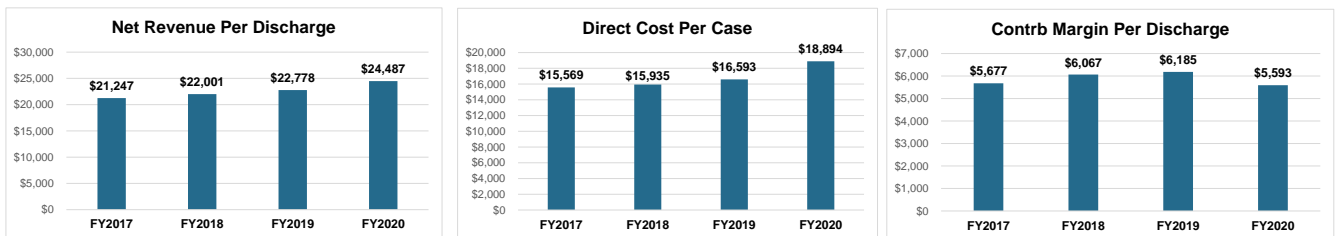
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS BY SERVICE LINE - FY 2020

SERVICE LINE	PATIENT DISCHARGES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
General Surgery	1,228	\$31,225,365	\$23,061,529	\$8,163,836	\$460,910
Inpatient Orthopedics	1,377	\$27,139,351	\$21,877,283	\$5,262,068	(\$405,159)
Inpatient Trauma MSDRGs	90	\$5,724,220	\$3,308,580	\$2,415,640	\$1,404,320
Inpatient Vascular Surgery	219	\$4,898,260	\$3,999,198	\$899,062	(\$394,849)
Inpatient Thoracic Surgery	31	\$3,081,876	\$2,443,827	\$638,049	(\$134,869)
Inpatient Neurosurgery	103	\$4,240,337	\$3,622,120	\$618,217	(\$411,799)
Inpatient Urology	167	\$3,128,497	\$2,542,828	\$585,669	(\$265,523)
Inpatient Gynecology	88	\$1,089,345	\$759,076	\$330,269	\$43,436
Inpatient Surgery in other SLs	344	\$8,775,141	\$7,291,507	\$1,483,634	(\$779,509)
Inpatient Surgery Summary	3,647	\$89,302,392	\$68,905,948	\$20,396,444	(\$483,042)

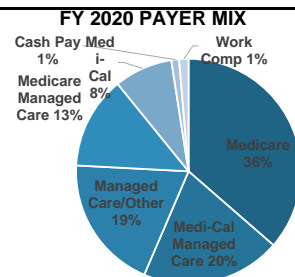
METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	3,236	3,440	3,885	3,647	-6%	
Net Revenue	\$68,754,332	\$75,685,101	\$88,492,952	\$89,302,392	1%	
Direct Cost	\$50,382,797	\$54,815,705	\$64,464,768	\$68,905,948	7%	
Contribution Margin	\$18,371,535	\$20,869,396	\$24,028,184	\$20,396,444	-15%	
Indirect Cost	\$12,714,579	\$16,084,863	\$19,278,247	\$20,879,486	8%	
Net Income	\$5,656,956	\$4,784,533	\$4,749,937	(\$483,042)	-110%	
Net Revenue Per Discharge	\$21,247	\$22,001	\$22,778	\$24,487	8%	
Direct Cost Per Discharge	\$15,569	\$15,935	\$16,593	\$18,894	14%	
Contrb Margin Per Discharge	\$5,677	\$6,067	\$6,185	\$5,593	-10%	

GRAPHS

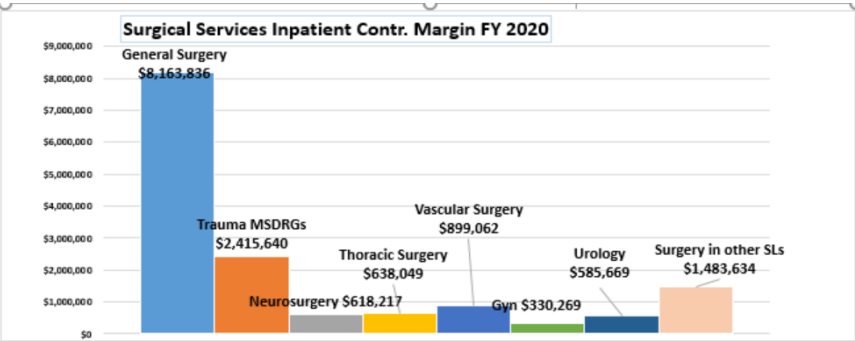
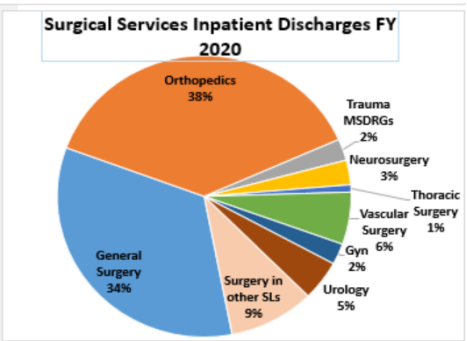


PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	40%	40%	39%	36%
Medi-Cal Managed Care	19%	20%	20%	20%
Managed Care/Other	22%	21%	20%	19%
Medicare Managed Care	9%	10%	12%	13%
Medi-Cal	8%	6%	6%	8%
Cash Pay	1%	1%	1%	1%
Work Comp	2%	2%	3%	1%
County Indigent	0%	0%	0%	0%



KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020



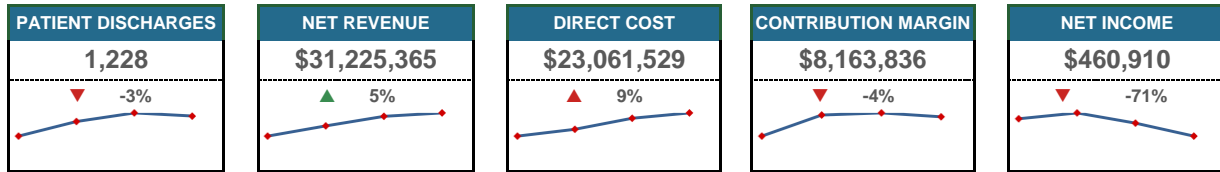
Notes:
 Source: Inpatient Service Line Reports
 Criteria: Inpatient Surgeries except robotic
 Criteria: specific selection for each Service Line (noted on the individual Service Line Tabs)

KDHCD ANNUAL BOARD REPORT

Surgical Services - General Surgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

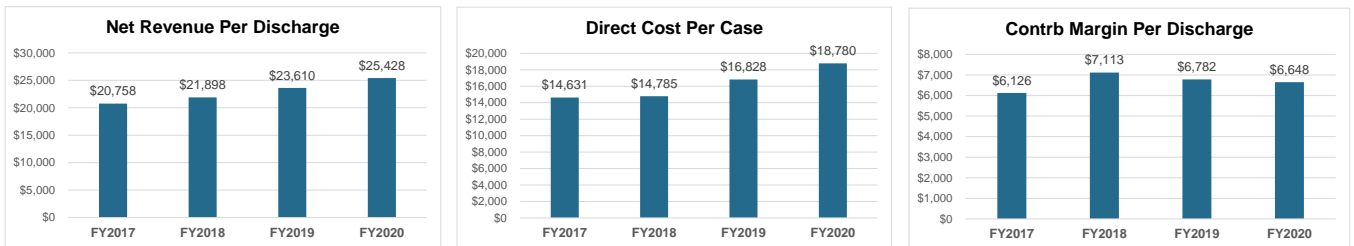


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	1,026	1,173	1,260	1,228	-3%	
Patient Days	6,835	7,762	8,551	8,418	-2%	
ALOS	6.66	6.62	6.79	6.86	1%	
GM LOS	5.39	5.36	5.31	5.52	4%	
Net Revenue	\$21,297,236	\$25,685,952	\$29,748,331	\$31,225,365	5%	
Direct Cost	\$15,011,735	\$17,342,387	\$21,203,062	\$23,061,529	9%	
Contribution Margin	\$6,285,501	\$8,343,565	\$8,545,269	\$8,163,836	-4%	
Indirect Cost	\$4,292,730	\$5,830,935	\$6,940,014	\$7,702,926	11%	
Net Income	\$1,992,771	\$2,512,630	\$1,605,255	\$460,910	-71%	
Net Revenue Per Discharge	\$20,758	\$21,898	\$23,610	\$25,428	8%	
Direct Cost Per Discharge	\$14,631	\$14,785	\$16,828	\$18,780	12%	
Contrb Margin Per Discharge	\$6,126	\$7,113	\$6,782	\$6,648	-2%	

PER CASE TRENDED GRAPHS

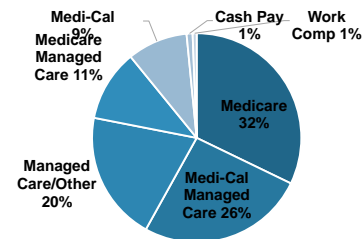


Note: FY2020 is annualized in graphs and throughout the analysis

PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	33%	34%	36%	32%
Medi-Cal Managed Care	25%	28%	23%	26%
Managed Care/Other	23%	21%	23%	20%
Medicare Managed Care	8%	8%	8%	11%
Medi-Cal	10%	7%	8%	9%
Cash Pay	1%	1%	1%	1%
Work Comp	1%	1%	1%	1%
County Indigent	0%	0%	0%	0%

FY 2020 PAYER MIX



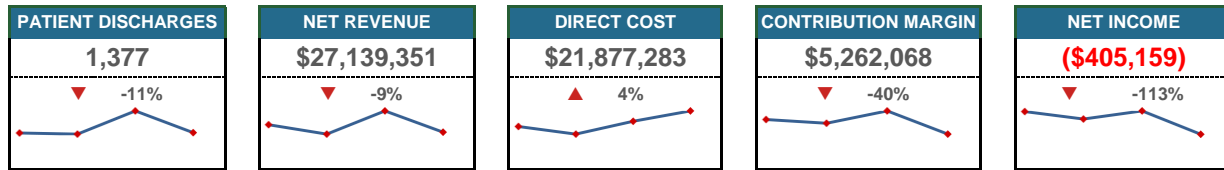
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is General Surgery, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Orthopedic Surgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

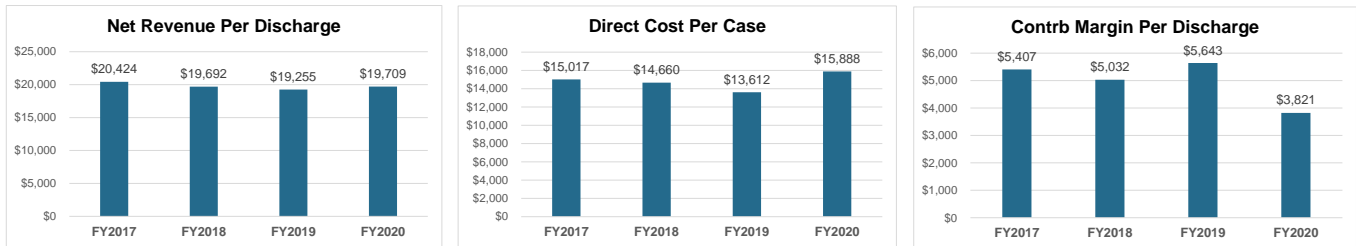


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	1,374	1,366	1,546	1,377	-11%	
Patient Days	5,759	5,067	5,255	4,531	-14%	
ALOS	4.19	3.71	3.40	3.29	-3%	
GM LOS	3.45	3.23	3.07	3.15	3%	
Net Revenue	\$28,062,040	\$26,899,147	\$29,767,647	\$27,139,351	-9%	
Direct Cost	\$20,632,756	\$20,025,058	\$21,043,760	\$21,877,283	4%	
Contribution Margin	\$7,429,284	\$6,874,089	\$8,723,887	\$5,262,068	-40%	
Indirect Cost	\$4,346,136	\$4,946,587	\$5,542,705	\$5,667,227	2%	
Net Income	\$3,083,148	\$1,927,502	\$3,181,182	(\$405,159)	-113%	
Net Revenue Per Discharge	\$20,424	\$19,692	\$19,255	\$19,709	2%	
Direct Cost Per Discharge	\$15,017	\$14,660	\$13,612	\$15,888	17%	
Contrb Margin Per Discharge	\$5,407	\$5,032	\$5,643	\$3,821	-32%	

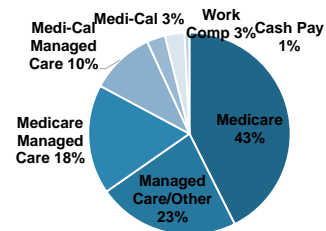
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	48%	51%	43%	43%
Managed Care/Other	23%	22%	22%	23%
Medicare Managed Care	11%	12%	16%	18%
Medi-Cal Managed Care	10%	9%	13%	10%
Medi-Cal	4%	3%	3%	3%
Work Comp	3%	3%	3%	3%
Cash Pay	1%	0%	1%	1%
County Indigent	1%	0%	0%	0%

FY 2020 Payer Mix



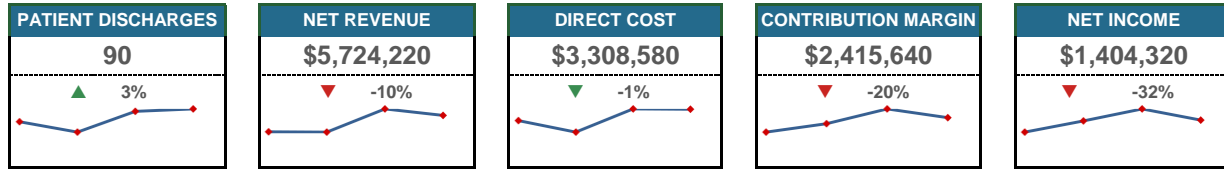
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Orthopedics, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Trauma Service Line*

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

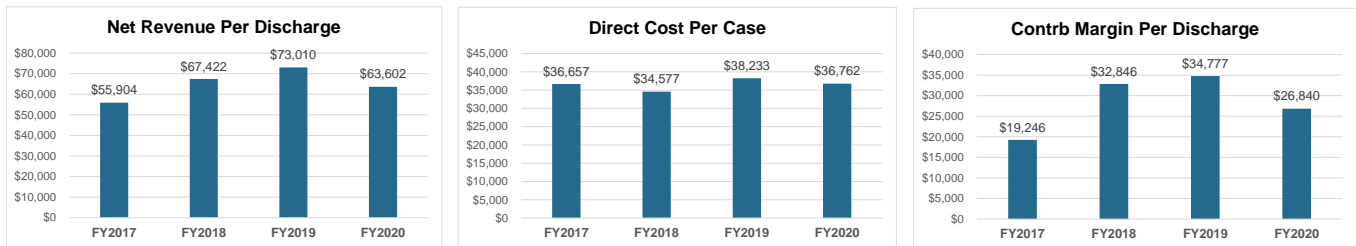


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

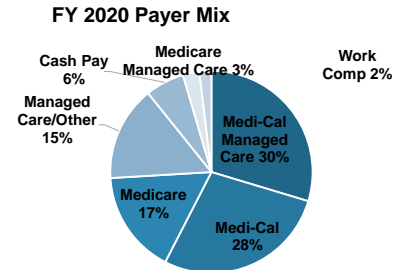
METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	74	61	87	90	▲ 3%	
Patient Days	856	625	983	961	▼ -2%	
ALOS	11.57	10.25	11.30	10.68	▼ -5%	
GM LOS	7.92	7.72	7.68	7.31	▼ -5%	
Net Revenue	\$4,136,861	\$4,112,770	\$6,351,863	\$5,724,220	▼ -10%	
Direct Cost	\$2,712,647	\$2,109,189	\$3,326,285	\$3,308,580	▼ -1%	
Contribution Margin	\$1,424,214	\$2,003,581	\$3,025,578	\$2,415,640	▼ -20%	
Indirect Cost	\$722,184	\$652,241	\$970,767	\$1,011,320	▲ 4%	
Net Income	\$702,030	\$1,351,340	\$2,054,811	\$1,404,320	▼ -32%	
Net Revenue Per Discharge	\$55,904	\$67,422	\$73,010	\$63,602	▼ -13%	
Direct Cost Per Discharge	\$36,657	\$34,577	\$38,233	\$36,762	▼ -4%	
Contrb Margin Per Discharge	\$19,246	\$32,846	\$34,777	\$26,840	▼ -23%	

PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medi-Cal Managed Care	29%	26%	35%	30%
Medi-Cal	18%	27%	15%	28%
Medicare	12%	8%	13%	17%
Managed Care/Other	30%	26%	27%	15%
Cash Pay	0%	4%	0%	6%
Medicare Managed Care	2%	3%	2%	3%
Work Comp	7%	4%	9%	2%
County Indigent	2%	2%	0%	0%



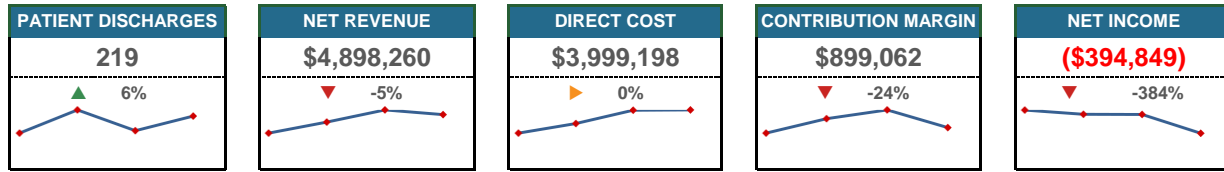
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Trauma, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Vascular Surgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

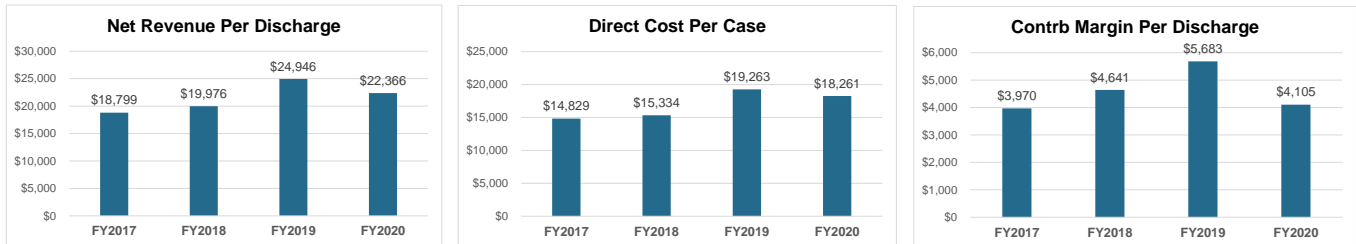


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	205	224	207	219	▲ 6%	
Patient Days	1,299	1,532	1,602	1,356	▼ -15%	
ALOS	6.34	6.84	7.74	6.19	▼ -20%	
GM LOS	4.29	4.41	4.56	4.26	▼ -7%	
Net Revenue	\$3,853,776	\$4,474,544	\$5,163,789	\$4,898,260	▼ -5%	
Direct Cost	\$3,039,902	\$3,434,849	\$3,987,344	\$3,999,198	▶ 0%	
Contribution Margin	\$813,874	\$1,039,695	\$1,176,445	\$899,062	▼ -24%	
Indirect Cost	\$822,946	\$1,117,841	\$1,258,086	\$1,293,911	▲ 3%	
Net Income	(\$9,072)	(\$78,146)	(\$81,641)	(\$394,849)	▼ -384%	
Net Revenue Per Discharge	\$18,799	\$19,976	\$24,946	\$22,366	▼ -10%	
Direct Cost Per Discharge	\$14,829	\$15,334	\$19,263	\$18,261	▼ -5%	
Contrb Margin Per Discharge	\$3,970	\$4,641	\$5,683	\$4,105	▼ -28%	

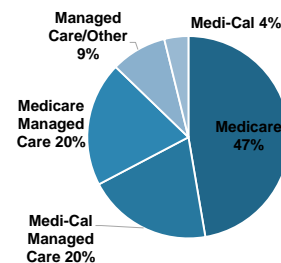
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	55%	60%	61%	47%
Medi-Cal Managed Care	18%	15%	15%	20%
Medicare Managed Care	12%	10%	11%	20%
Managed Care/Other	8%	11%	9%	9%
Medi-Cal	4%	3%	3%	4%
Cash Pay	1%	0%	0%	1%
Work Comp	1%	1%	0%	0%
County Indigent	0%	0%	0%	0%

FY 2020 Payer Mix



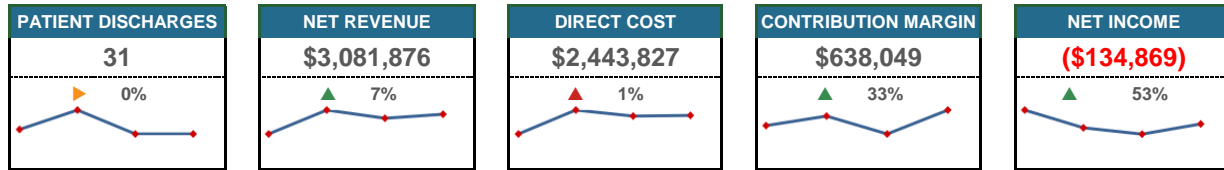
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Vascular Surgery, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Thoracic Surgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

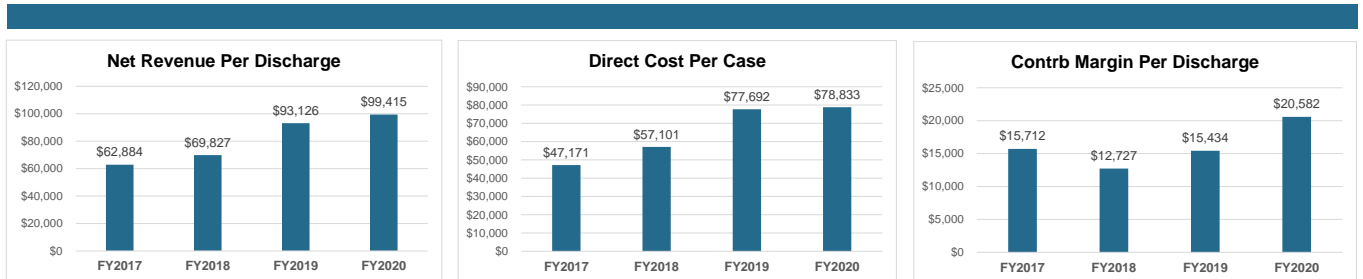


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	34	47	31	31	0%	
Patient Days	665	837	801	782	-2%	
ALOS	19.56	17.81	25.84	25.23	-2%	
GM LOS	12.42	13.22	12.99	14.85	14%	
Net Revenue	\$2,138,044	\$3,281,886	\$2,886,915	\$3,081,876	7%	
Direct Cost	\$1,603,823	\$2,683,726	\$2,408,464	\$2,443,827	1%	
Contribution Margin	\$534,221	\$598,160	\$478,451	\$638,049	33%	
Indirect Cost	\$458,817	\$790,675	\$768,465	\$772,918	1%	
Net Income	\$75,404	(\$192,515)	(\$290,014)	(\$134,869)	53%	
Net Revenue Per Discharge	\$62,884	\$69,827	\$93,126	\$99,415	7%	
Direct Cost Per Discharge	\$47,171	\$57,101	\$77,692	\$78,833	1%	
Contrb Margin Per Discharge	\$15,712	\$12,727	\$15,434	\$20,582	33%	

PER CASE TRENDED GRAPHS

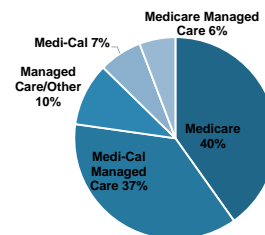


Note: FY2020 is annualized in graphs and throughout the analysis

PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	31%	18%	29%	40%
Medi-Cal Managed Care	17%	34%	10%	37%
Managed Care/Other	30%	20%	19%	10%
Medi-Cal	18%	7%	3%	7%
Medicare Managed Care	4%	18%	14%	6%
Cash Pay	0%	0%	0%	0%
Work Comp	0%	3%	24%	0%
County Indigent	0%	0%	0%	0%

FY 2020 Payer Mix - Annualized



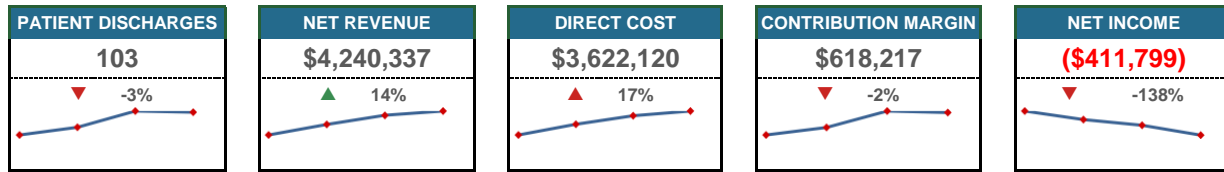
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Thoracic Surgery, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Neurosurgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

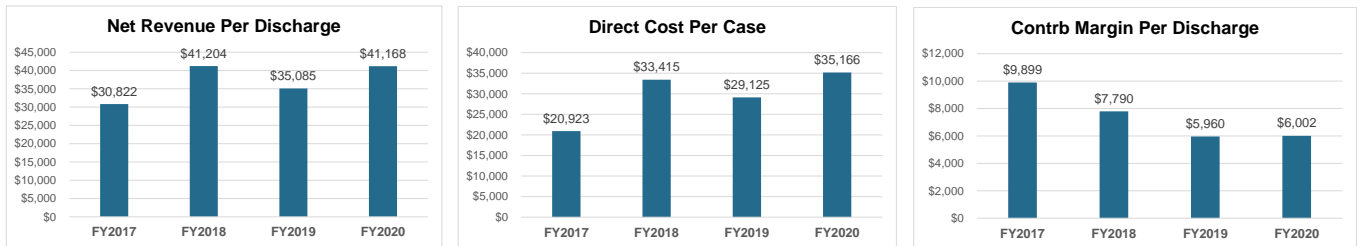


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	43	63	106	103	▼ -3%	
Patient Days	360	693	864	1,028	▲ 19%	
ALOS	8.37	11.00	8.15	9.98	▲ 22%	
GM LOS	6.13	5.59	5.50	5.91	▲ 7%	
Net Revenue	\$1,325,341	\$2,595,882	\$3,718,960	\$4,240,337	▲ 14%	
Direct Cost	\$899,670	\$2,105,129	\$3,087,225	\$3,622,120	▲ 17%	
Contribution Margin	\$425,671	\$490,753	\$631,735	\$618,217	▼ -2%	
Indirect Cost	\$250,901	\$524,620	\$805,062	\$1,030,016	▲ 28%	
Net Income	\$174,770	(\$33,867)	(\$173,327)	(\$411,799)	▼ -138%	
Net Revenue Per Discharge	\$30,822	\$41,204	\$35,085	\$41,168	▲ 17%	
Direct Cost Per Discharge	\$20,923	\$33,415	\$29,125	\$35,166	▲ 21%	
Contrb Margin Per Discharge	\$9,899	\$7,790	\$5,960	\$6,002	▲ 1%	

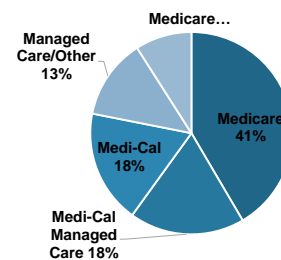
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	49%	36%	42%	41%
Medi-Cal Managed Care	16%	15%	18%	18%
Medi-Cal	14%	14%	14%	18%
Managed Care/Other	11%	28%	11%	13%
Medicare Managed Care	1%	6%	11%	9%
Work Comp	8%	0%	4%	1%
Cash Pay	0%	2%	0%	0%
County Indigent	1%	0%	0%	0%

FY 2020 Payer Mix



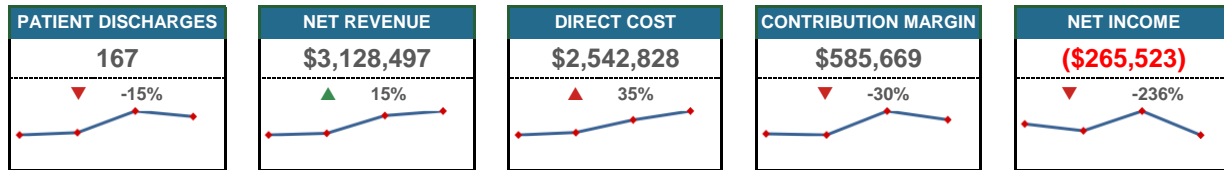
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Neurosurgery, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Urology Surgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

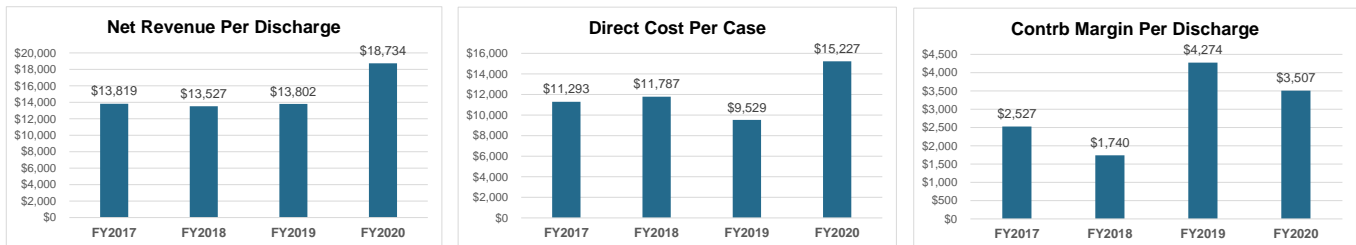


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	68	80	197	167	▼ -15%	
Patient Days	382	452	801	1,022	▲ 28%	
ALOS	5.62	5.65	4.07	6.12	▲ 50%	
GM LOS	3.79	3.61	3.44	3.81	▲ 11%	
Net Revenue	\$939,721	\$1,082,131	\$2,719,080	\$3,128,497	▲ 15%	
Direct Cost	\$767,903	\$942,927	\$1,877,191	\$2,542,828	▲ 35%	
Contribution Margin	\$171,818	\$139,204	\$841,889	\$585,669	▼ -30%	
Indirect Cost	\$221,848	\$320,619	\$646,706	\$851,192	▲ 32%	
Net Income	(\$50,030)	(\$181,415)	\$195,183	(\$265,523)	▼ -236%	
Net Revenue Per Discharge	\$13,819	\$13,527	\$13,802	\$18,734	▲ 36%	
Direct Cost Per Discharge	\$11,293	\$11,787	\$9,529	\$15,227	▲ 60%	
Contrb Margin Per Discharge	\$2,527	\$1,740	\$4,274	\$3,507	▼ -18%	

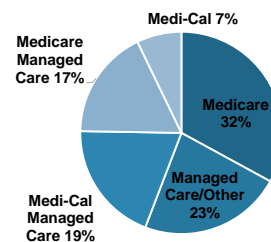
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	55%	37%	22%	32%
Managed Care/Other	22%	21%	24%	23%
Medi-Cal Managed Care	9%	23%	32%	19%
Medicare Managed Care	6%	11%	12%	17%
Medi-Cal	7%	9%	10%	7%
Cash Pay	0%	0%	0%	1%
Work Comp	0%	0%	0%	0%
County Indigent	0%	0%	0%	0%

FY 2020 Payer Mix



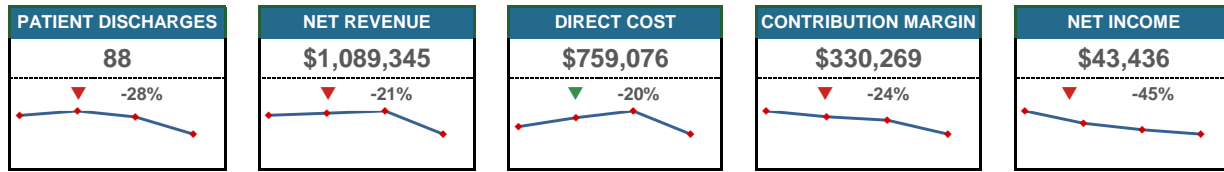
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Urology, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Gynecology

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

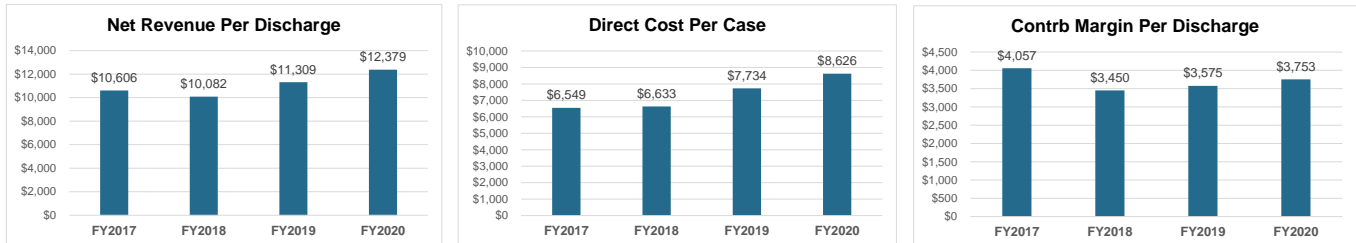


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	125	134	122	88	▼ -28%	
Patient Days	267	283	291	195	▼ -33%	
ALOS	2.14	2.11	2.39	2.22	▼ -7%	
GM LOS	2.21	2.15	2.23	2.33	▲ 4%	
Net Revenue	\$1,325,711	\$1,351,037	\$1,379,723	\$1,089,345	▼ -21%	
Direct Cost	\$818,572	\$888,773	\$943,597	\$759,076	▼ -20%	
Contribution Margin	\$507,139	\$462,264	\$436,126	\$330,269	▼ -24%	
Indirect Cost	\$267,306	\$327,388	\$356,478	\$286,833	▼ -20%	
Net Income	\$239,833	\$134,876	\$79,648	\$43,436	▼ -45%	
Net Revenue Per Discharge	\$10,606	\$10,082	\$11,309	\$12,379	▲ 9%	
Direct Cost Per Discharge	\$6,549	\$6,633	\$7,734	\$8,626	▲ 12%	
Contrb Margin Per Discharge	\$4,057	\$3,450	\$3,575	\$3,753	▲ 5%	

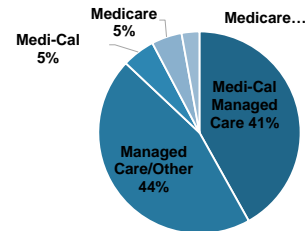
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medi-Cal Managed Care	43%	42%	53%	41%
Managed Care/Other	40%	36%	25%	44%
Medi-Cal	5%	5%	4%	5%
Medicare	9%	7%	10%	5%
Medicare Managed Care	1%	3%	2%	3%
Cash Pay	2%	7%	6%	3%
Work Comp	0%	0%	0%	0%
County Indigent	0%	0%	0%	0%

FY 2020 Payer Mix



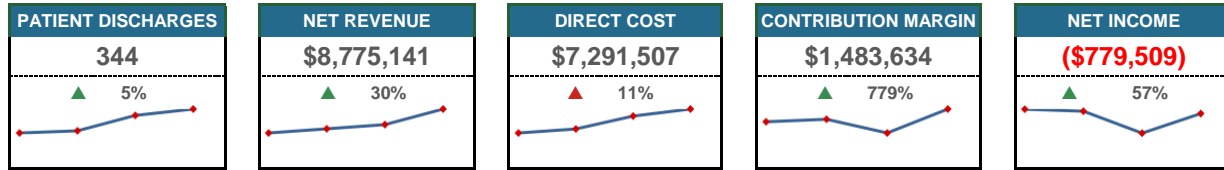
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Line is Gynecology, Surgery Flag= 1 and DaVinci Flag =0

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Surgery in other SLs

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

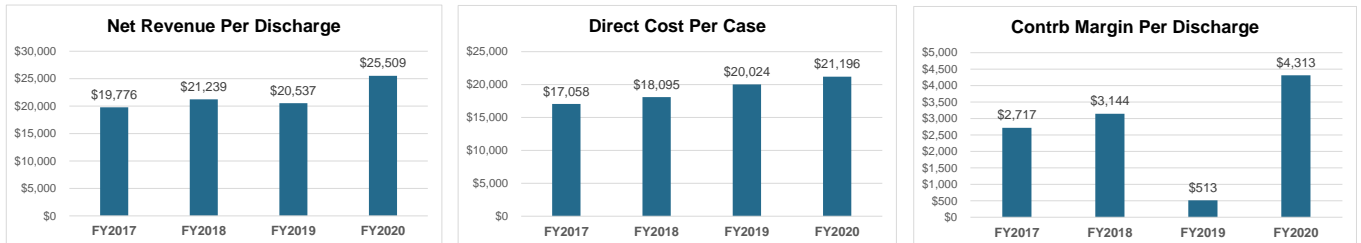


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

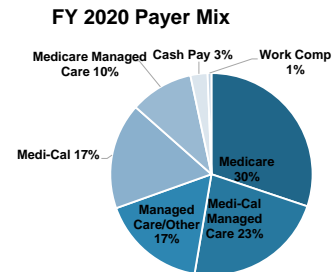
METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	287	292	329	344	▲ 5%	
Patient Days	1,819	1,826	2,109	2,172	▲ 3%	
ALOS	6.34	6.25	6.41	6.31	▼ -2%	
GM LOS	3.91	3.62	3.55	3.73	▲ 5%	
Net Revenue	\$5,675,602	\$6,201,752	\$6,756,644	\$8,775,141	▲ 30%	
Direct Cost	\$4,895,789	\$5,283,667	\$6,587,840	\$7,291,507	▲ 11%	
Contribution Margin	\$779,813	\$918,085	\$168,804	\$1,483,634	▲ 779%	
Indirect Cost	\$1,331,711	\$1,573,957	\$1,989,964	\$2,263,143	▲ 14%	
Net Income	(\$551,898)	(\$655,872)	(\$1,821,160)	(\$779,509)	▲ 57%	
Net Revenue Per Discharge	\$19,776	\$21,239	\$20,537	\$25,509	▲ 24%	
Direct Cost Per Discharge	\$17,058	\$18,095	\$20,024	\$21,196	▲ 6%	
Contrb Margin Per Discharge	\$2,717	\$3,144	\$513	\$4,313	▲ 741%	

PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	28%	28%	33%	30%
Medi-Cal Managed Care	27%	24%	26%	23%
Managed Care/Other	21%	21%	17%	17%
Medi-Cal	11%	13%	9%	17%
Medicare Managed Care	9%	9%	11%	10%
Cash Pay	0%	1%	0%	3%
Work Comp	3%	1%	3%	1%
County Indigent	1%	1%	0%	0%



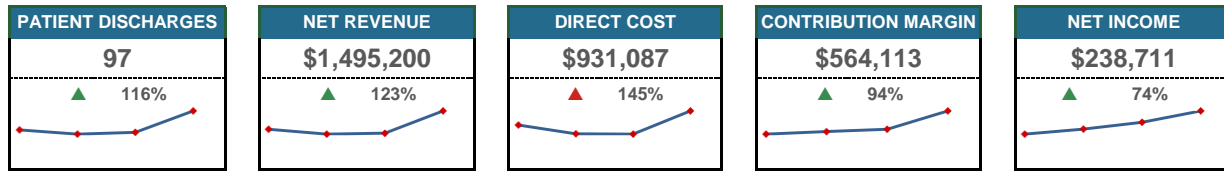
Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Service Lines excluding General Surgery, Gynecology, Neurosurgery, Orthopedics, Thoracic Surgery, Trauma, Urology and Vascular Surgery.

KDHCD ANNUAL BOARD REPORT

Surgical Services - Inpatient Robotic Surgery

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

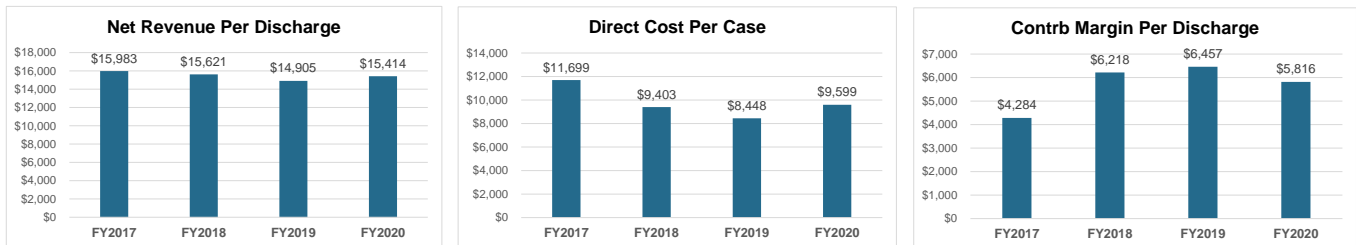


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	51	41	45	97	▲ 116%	
Patient Days	193	126	107	271	▲ 153%	
ALOS	3.78	3.07	2.38	2.79	▲ 17%	
GM LOS	2.19	2.35	2.42	2.96	▲ 22%	
Net Revenue	\$815,123	\$640,468	\$670,732	\$1,495,200	▲ 123%	
Direct Cost	\$596,651	\$385,540	\$380,149	\$931,087	▲ 145%	
Contribution Margin	\$218,472	\$254,928	\$290,583	\$564,113	▲ 94%	
Indirect Cost	\$186,092	\$178,002	\$153,363	\$325,402	▲ 112%	
Net Income	\$32,380	\$76,926	\$137,220	\$238,711	▲ 74%	
Net Revenue Per Discharge	\$15,983	\$15,621	\$14,905	\$15,414	▲ 3%	
Direct Cost Per Discharge	\$11,699	\$9,403	\$8,448	\$9,599	▲ 14%	
Contrb Margin Per Discharge	\$4,284	\$6,218	\$6,457	\$5,816	▼ -10%	

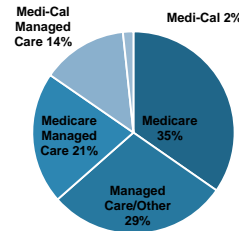
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

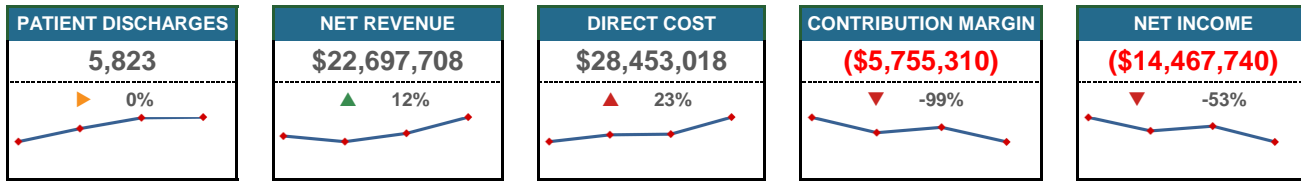
PAYER	FY2017	FY2018	FY2019	FY2020
Medicare	27%	30%	36%	35%
Managed Care/Other	39%	40%	40%	29%
Medicare Managed Care	17%	15%	13%	21%
Medi-Cal Managed Care	17%	13%	11%	14%
Medi-Cal	0%	0%	0%	2%
Cash Pay	0%	0%	0%	0%
Work Comp	0%	2%	0%	0%
County Indigent	0%	0%	0%	0%

FY 2020 Payer Mix



Notes:
 Source: Inpatient Service Line Report
 Selection Criteria: Inpatient Medical Center with Da Vinci Flag =1

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

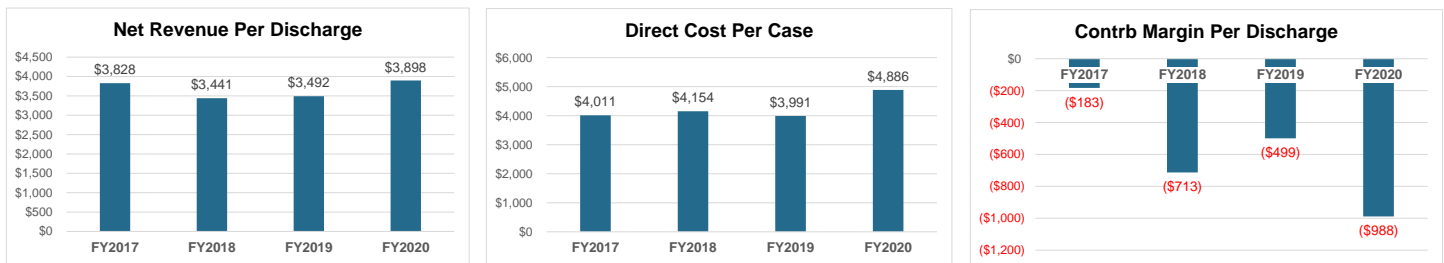


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	5,190	5,527	5,806	5,823	0%	
Net Revenue	\$19,867,517	\$19,017,388	\$20,272,358	\$22,697,708	12%	
Direct Cost	\$20,819,088	\$22,957,927	\$23,169,281	\$28,453,018	23%	
Contribution Margin	(\$951,571)	(\$3,940,539)	(\$2,896,923)	(\$5,755,310)	-99%	
Indirect Cost	\$5,697,679	\$7,009,675	\$6,544,972	\$8,712,430	33%	
Net Income	(\$6,649,250)	(\$10,950,214)	(\$9,441,895)	(\$14,467,740)	-53%	
Net Revenue Per Discharge	\$3,828	\$3,441	\$3,492	\$3,898	12%	
Direct Cost Per Discharge	\$4,011	\$4,154	\$3,991	\$4,886	22%	
Contrb Margin Per Discharge	(\$183)	(\$713)	(\$499)	(\$988)	-98%	

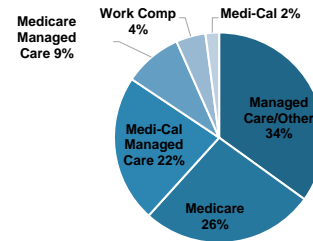
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Managed Care/Other	40%	37%	38%	34%
Medicare	25%	25%	24%	26%
Medi-Cal Managed Care	22%	22%	23%	22%
Medicare Managed Care	6%	7%	8%	9%
Work Comp	4%	5%	5%	4%
Medi-Cal	3%	3%	2%	2%
Cash Pay	1%	1%	1%	1%
County Indigent	0%	0%	0%	0%

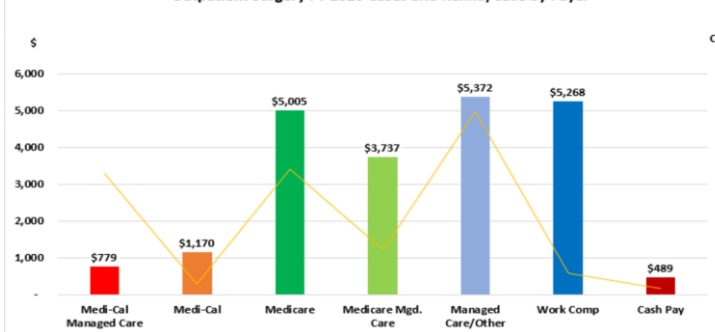
FY 2020 PAYER MIX



FY 2020 Case Volume and Contribution Margin by Payer

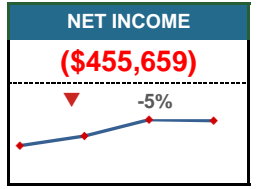
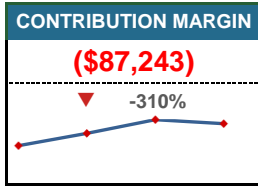
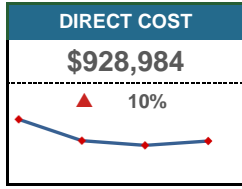
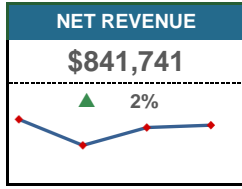
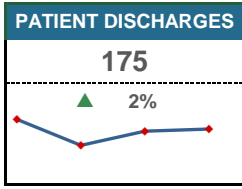
Payer	Case Volume	Reimb/ Case	Contri b. Margin / Case	Total Contribution Margin
Managed Care/Oth	2,074	5,372	622	1,290,500
Medicare	1,420	5,005	(232)	(330,140)
Medi-Cal Managed	1,372	779	(3,920)	(5,378,877)
Medicare Mgd. Car	515	3,737	(1,249)	(643,291)
Work Comp	241	5,298	278	67,117
Medi-Cal	129	1,170	(3,470)	(447,574)
Cash Pay	72	489	(4,348)	(313,045)
Total	5,823	3,898	(988)	(5,755,310)

Outpatient Surgery FY 2020 Cases and Reimb/Case by Payer



Notes:
Source: Outpatient Service Line Reports
Criteria: Outpatient Service Line is O/P Surgery and DaVinci Flag = 0

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

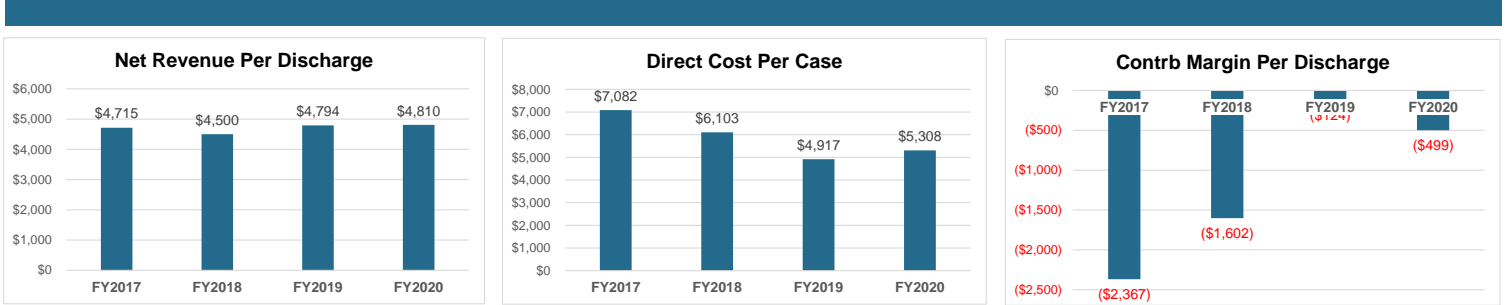


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	188	153	172	175	▲ 2%	
Net Revenue	\$886,437	\$688,555	\$824,512	\$841,741	▲ 2%	
Direct Cost	\$1,331,500	\$933,699	\$845,789	\$928,984	▲ 10%	
Contribution Margin	(\$445,063)	(\$245,144)	(\$21,277)	(\$87,243)	▼ -310%	
Indirect Cost	\$503,461	\$513,177	\$412,330	\$368,416	▼ -11%	
Net Income	(\$948,524)	(\$758,321)	(\$433,607)	(\$455,659)	▼ -5%	
Net Revenue Per Discharge	\$4,715	\$4,500	\$4,794	\$4,810	▶ 0%	
Direct Cost Per Discharge	\$7,082	\$6,103	\$4,917	\$5,308	▲ 8%	
Contrb Margin Per Discharge	(\$2,367)	(\$1,602)	(\$124)	(\$499)	▼ -303%	

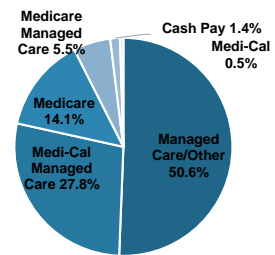
PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Managed Care/Other	55.9%	59.5%	57.1%	50.6%
Medi-Cal Managed Care	28.7%	27.1%	30.4%	27.8%
Medicare	8.3%	8.8%	9.1%	14.1%
Medicare Managed Care	0.0%	3.0%	1.5%	5.5%
Cash Pay	1.9%	0.5%	1.5%	1.4%
Medi-Cal	1.7%	1.1%	0.4%	0.5%
Work Comp	3.0%	0.0%	0.0%	0.0%
County Indigent	0.5%	0.0%	0.0%	0.0%

FY 2020 Payer Mix



Notes:

Source: Outpatient Service Line Reports
Criteria: Outpatient Service Line is DaVinci Flag

REPORT TO THE BOARD OF DIRECTORS

Endoscopy

Brian Piearcy RN, BSN
Director of Surgical Services
bpiearcy@kdhcd.org
(559) 624-2409

October 2020

Summary Issue/Service Considered

- Seek opportunities to grow Endoscopy outpatient procedures.
- Continue to recruit Endoscopy physicians.
- Seek opportunities to decrease labor and supply costs.

Quality/Performance Improvement Data

- Full procedure note completed within 24 hours of procedure: Goal is 100%
 - Currently at 70% compliance.
- Full post-op note completed before next level of care: Goal 100%
 - Currently at 87% compliance.
- All H&P elements are complaint: Goal 100%
 - Currently at 23% compliance.

Policy, Strategic or Tactical Issues

- Recruitment
 - Marc Mertz and team have been aggressively recruiting for endoscopy physicians.
- Physician education on documentation compliance.
- Purchased a new Manometry machine to identify problems with movement and pressure in the esophagus that lead to problems like heartburn. This will produce an increase in procedures for the overall department.
- 2019- Updated and refurbished the endoscopy department.

Recommendations/Next Steps

- Continue to encourage shared governance and develop a Unit Based Council. Implement the Just Culture Program throughout the department. Staff will be encouraged to invest and participate in the committees to improve outcomes and workflows.
- Collaborate with Marc Mertz and his team to recruit physicians to the area.
- Work with marketing to promote the endoscopy lab.
- Continue to investigate the need for another procedure room. Currently the department has two.

Approvals/Conclusions

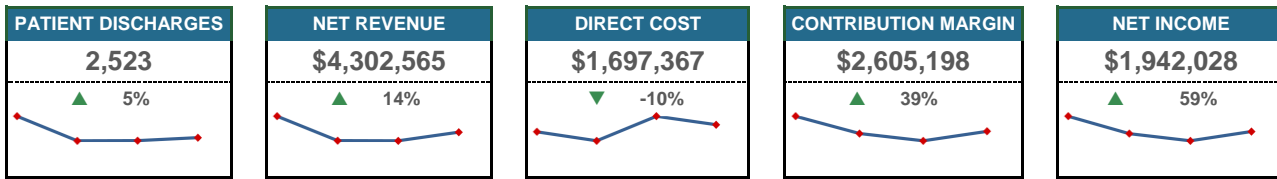
- Outpatient service line has historically strong Net Income, currently at a 3 year high of \$1.9 million.
- Case volumes up 5% in FY 2020, but still below 3,400 in FY 2017
- Predominantly Managed Care and Medicare business

KDHCD ANNUAL BOARD REPORT

Surgical Services - Outpatient Endoscopy

FY2020

KEY METRICS - FY 2020 Twelve Months Ended June 30, 2020

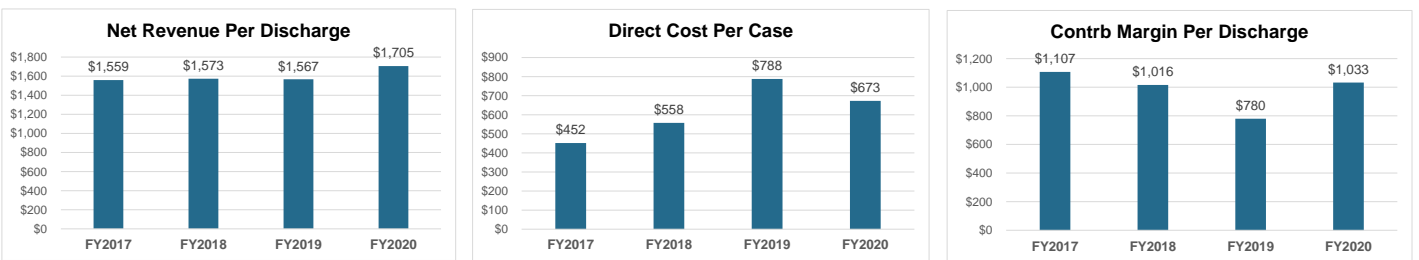


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

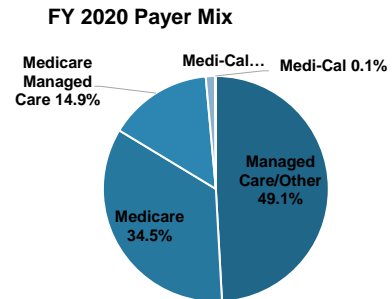
METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Discharges	3,408	2,396	\$2,401	2,523	▲ 5%	
Net Revenue	\$5,311,800	\$3,769,631	\$3,763,253	\$4,302,565	▲ 14%	
Direct Cost	\$1,539,121	\$1,336,014	\$1,891,164	\$1,697,367	▼ -10%	
Contribution Margin	\$3,772,679	\$2,433,617	\$1,872,089	\$2,605,198	▲ 39%	
Indirect Cost	\$624,402	\$654,508	\$651,899	\$663,170	▲ 2%	
Net Income	\$3,148,277	\$1,779,109	\$1,220,190	\$1,942,028	▲ 59%	
Net Revenue Per Discharge	\$1,559	\$1,573	\$1,567	\$1,705	▲ 9%	
Direct Cost Per Discharge	\$452	\$558	\$788	\$673	▼ -15%	
Contrb Margin Per Discharge	\$1,107	\$1,016	\$780	\$1,033	▲ 32%	

PER CASE TRENDED GRAPHS



PAYER MIX - 4 YEAR TREND (TOTAL CHARGES)

PAYER	FY2017	FY2018	FY2019	FY2020
Managed Care/Other	54.5%	51.2%	49.6%	49.1%
Medicare	35.2%	35.5%	34.2%	34.5%
Medicare Managed Care	8.4%	9.9%	13.0%	14.9%
Medi-Cal Managed Care	1.6%	3.1%	3.1%	1.3%
Medi-Cal	0.1%	0.1%	0.1%	0.1%
Cash Pay	0.1%	0.1%	0.1%	0.0%
Work Comp	0.0%	0.1%	0.0%	0.0%
County Indigent	0.0%	0.0%	0.0%	0.0%



Notes:
Source: Outpatient Service Line Reports
Criteria: Outpatient Service Line is Endoscopy

REPORT TO THE BOARD OF DIRECTORS

The Lifestyle Center

Patrick Tazio, Director
Contact number: 559-624-3407
October 26, 2020

Summary Issue/Service Considered

1. Providing medically-based health and fitness services for the prevention and rehabilitation of lifestyle-related illnesses.
2. Ensuring that The Lifestyle Center continues to provide a full continuum of programs and services to the community.

Analysis of financial/statistical data:

The Lifestyle Center experienced a contribution loss this fiscal year, largely due to the COVID-19 pandemic. The mandated closure of all gyms in California on March 11th cut off the facilities revenue stream, while some fixed costs remained.

Finished FY 2020 with a negative contribution margin of (\$-164,723) due to the three-month closure, as members were not charged monthly dues during that time. If we had remained open and maintained our performance, we would have had a positive contribution of approximately \$155,000. In FY 2019 the contribution margin was \$152,832.

Expenses were sharply reduced after the March 11th closure. Payroll, supplies, and electricity were cut to a minimum, and all minor equipment requests were moved to the FY2021 budget. However, some fixed expenses such as lawn, utilities, and other routine building maintenance have remained necessary.

Quality/Performance Improvement Data

Prior to our closure due to COVID-19, The Lifestyle Center was very close to meeting or in some cases exceeding national benchmark data provided by the Medical Fitness Association's 2017 Benchmarks for Success.

Compared to other facilities 40,000 – 59,999 square feet, The Lifestyle Center at 55,000 square feet had the lowest membership dues at \$45, with the highest being \$66. As a result, our gross revenue per member was \$321, compared to an average of \$657. However, our gross revenue per square foot was at \$65.07 compared to \$65.51 nationally. That being said, The Lifestyle Center served almost twice as many members as other facilities of the same size with an attrition rate of 2.17%-2.6% compared to other facilities experiencing a 2.8%-3.5% loss.

Prior to COVID-19, we already had a well-established cleaning schedule for the equipment. Now we have increased our cleaning frequency and added additional hand-sanitizer throughout the facility. We have added sanitizing stations to the fitness floor with disinfectant spray and cleaning supplies. We have placed disinfectant spray and cleaning towels on each piece of equipment. The showers and lockers are sanitized every two hours; and the free weight

equipment, showers and locker rooms are sanitized nightly using an electrostatic, disinfectant sprayer.

Policy, Strategic or Tactical Issues

1. The Lifestyle Center has continued to receive and process member cancellations during its closure without enrolling new members resulting in a significant membership decline. Down from 10,500 to 9,300. Since many of the other gyms remained open against the Governor's mandate, we saw a significant migration of members cancelling their membership to enroll at other fitness facilities.
2. During the closure, there has been a dramatic migration and loss of staff (25%) to other departments and other organizations.
3. Club 50 – The Lifestyle Center staff's and facilitates a low-cost senior fitness program at The Boys & Girls Club on Mondays, Wednesdays, and Fridays from 8:00a.m. – 12:00 noon; serving over 200 members.
4. Scholarships – The Lifestyle Center currently has 125 members with a medical need on a reduced rate scholarship.
5. Community Benefits – The Lifestyle Center contributed over \$85,000 in community benefits programs. Services were in the form of health screenings, lecture presentations, workshops, scholarships, community-based exercise programs, Club 50 at the Boys & Girls Club and membership donations.
6. Personal Trainers and Exercise Physiologists are continually researching new training methods to achieve the greatest benefits and results for our members.
7. Group Exercise Classes are closely monitored, adding new formats to stay current with new fitness trends.
8. Aquatic Classes and Programs are routinely evaluated, adding new classes and services as trends change within the industry.
9. Men's and Women's dry saunas were added to the pool area as a member amenity, which were very well received and highly utilized.

Recommendations/Next Steps

1. Work closely with the Marketing Department to develop a strong membership campaign to attract new members and bring previous members back.
2. Closely monitor enrollments and cancellations of members.
3. Focus on retention of existing members.
4. Work closely with Human Resources to recruit and replace essential positions.
5. Closely monitor financial performance and adjust expenses accordingly.
6. Add Recovery Services (cryo-therapy and compression-therapy) as a new revenue and service line.
7. Plan to replace the original twenty-four year old lockers and renovate the locker rooms in next year's budget, in order to remain competitive and attract new members.

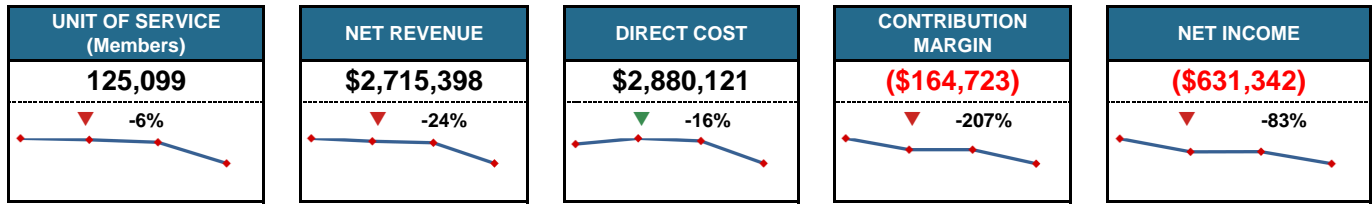
Approvals/Conclusions

In the coming year, The Lifestyle Center will focus on:

1. Developing a strong Membership Enrollment Campaign.
2. Building a customer base with our new Recovery Services.
3. Leasing the Café to an established food service organization.
4. Continue to review profitability and contribution margin to identify volume growth opportunities, cost containment, member satisfaction and employee engagement.

* FY 2020: TWELVE MONTHS ENDED JUNE 30, 2020

KEY METRICS - FY 2020 *

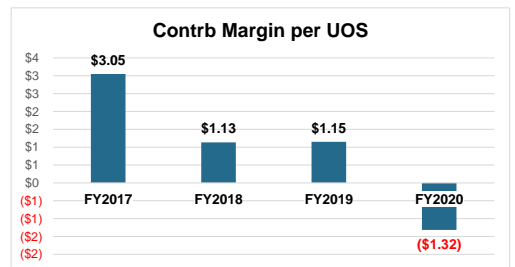
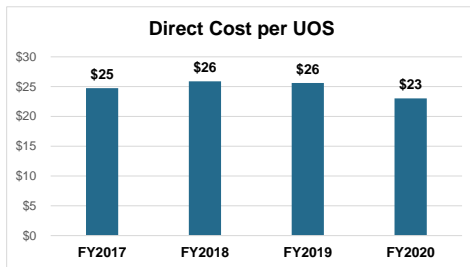
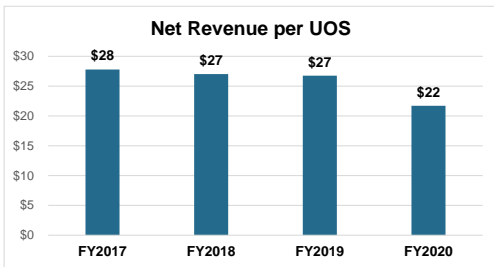


*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2017	FY2018	FY2019	FY2020	%CHANGE FROM PRIOR YR	4 YR TREND
Unit of Service (Members)	135,379	134,779	133,777	125,099	▼ -6%	
Net Revenue	\$3,762,544	\$3,642,156	\$3,579,154	\$2,715,398	▼ -24%	
Direct Cost	\$3,349,669	\$3,489,324	\$3,425,335	\$2,880,121	▼ -16%	
Contribution Margin	\$412,875	\$152,832	\$153,819	(\$164,723)	▼ -207%	
Indirect Cost	\$449,011	\$502,802	\$498,988	\$466,619	▼ -6%	
Net Income	(\$36,136)	(\$349,970)	(\$345,169)	(\$631,342)	▼ -83%	
Net Revenue per UOS	\$28	\$27	\$27	\$22	▼ -19%	
Direct Cost per UOS	\$25	\$26	\$26	\$23	▼ -10%	
Contrb Margin per UOS	\$3	\$1	\$1	(\$1)	▼ -215%	

PER CASE TRENDED GRAPHS



Note:
 Source: Non-Cerner Service Line Report



Subcategories of Department Manuals
not selected.

Policy Number: AP02	Date Created: No Date Set
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Conditions of Admissions	

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

POLICY:

The “Conditions of Admission,” has two primary functions:

1. To document the patient’s consent to hospitalization and routine services provided thereby;
2. To document financial responsibility for payment of hospital charges for services rendered.

The “Conditions of Admission” form also documents the relationship between the patient and the hospital with regard to several other important matters: release of information, nursing care/health care training personnel, personal belongings.

As a general rule, the form should be signed by the patient (and/or other appropriate party) upon admission, or as soon thereafter as possible. However, California law requires that emergency services and care be rendered without first questioning the patient (or any other person) as to his or her ability to pay.

PROCEDURE:

- I. The Patient Access Services (PAS) Registrar shall be responsible for making every attempt to obtain consent by getting proper signatures upon presentation for services.
- II. The PAS Registrar will utilize the COA (Conditions of Admission) script to describe the signing of the COA process to the patient.
- III. The PAS Registrar will be responsible for explaining the document to the patient and must be prepared to answer any questions regarding signing the COA.
 - a) The Registrar will explain the purpose of obtaining the patient’s signature on COA, which is for consent and treatment authorization and accepting financial responsibility.
 - b) The Registrar will inform the patient of the release of information section of the COA and obtain the patient’s signature ~~initials~~ in the

appropriate section; either authorizing release of the information or to request the information not be released.

- c) The Registrar will inform the patient of the assignment of insurance or health plans benefits to hospital-based physicians and obtain the patient's ~~signature initials~~ authorizing this assignment.
- d) ~~The Registrar will verify the patient's address with the patient as printed on the Conditions of Admission Form.~~

Commented [FC1]: The address is not printed on the COA. There is a label with patient name, FIN, gender, MRN and DOB but no address. We should remove 'D'.

- IV. If the patient is unable to sign a written signature, the Registrar will obtain a verbal consent from the patient or family member and complete the Telephone/Verbal Consent section of the Conditions of Admission. The Registrar will sign as the witness to the verbal consent and have another hospital employee serve as the second witness to the consent and sign as such. (See PAC02 - Who May Give Consent).
- V. The PAS Registrar will document that the COA was signed (in the Patient Notes section) by using the PA Notes function located in the Patient Management System.
- VI. If the PAS Registrar is unable to obtain the signature, it shall be documented on the COA. The Registrar must also note this under the PA Notes function that the signature was not obtained by using the PA Notes function located in the Patient Management System.
- VII. For patients whose COA remains unsigned upon arrival to the nursing unit, the nursing personnel should contact the Patient Access Services Department when the patient is able or available to sign. The Registrar will then go to the patient's room to have the document signed. The Registrar will document in PA Notes when the COA was signed.
- VIII. The completed COA will be scanned by the PAS registrar into EDM for global viewing in the patient EHR.
- IX. Refer to Patient Care Manual policy: Informed Consent Verification (See PR.05).

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Policy Number: AP26	Date Created: No Date Set
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Encountering ill or injured people on district property	

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

POLICY: Any Kaweah Delta Health Care District (hereinafter DistrictKaweah Delta) employee will attend to any sick or injured person they encounter on the DistrictKaweah Delta's property.

PROCEDURE:

- I. Any staff member encountering an ill or injured person on DistrictKaweah Delta property will attend to the individual and inquire if he/she would like to be seen in the Emergency Department (ED). If the person encountered wishes to be seen in the ED, the staff member will either escort him/her to the ED, assist with transport (e.g. wheelchair) or call for help by using 911, as appropriate. If the ill or injured person is unable to respond, 911 will be called. The DistrictKaweah Delta staff member will either attend to the person until they arrive in the ED or until 911 help arrives.
- II. During regular business hours, the House Supervisor and/or the Director of Risk Management shall be notified only if the person was injured on DistrictKaweah Delta property. Outside of regular business hours, the House Supervisor shall be notified.
- III. The staff member first arriving on the scene will be required to complete and submit an Occurrence report. This report shall contain all pertinent information describing the ~~the~~ event(s) which resulted in the occurrence.
- IV. These Occurrence reports will be reviewed by the Director of Risk Management.

Note: The Director of Risk Management is authorized to reduce or waive ED charges for a visitor injury occurring on DistrictKaweah Delta premises. Notification of the Director of Risk Management must be done promptly to assure the appropriate financial and legal response.

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approval



Policy Number: AP86	Date Created: 07/01/1999
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Disposals of Equipment	

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

POLICY: All disposals of ~~District~~ Kaweah Delta equipment with an original purchase price of \$52,000 or more shall be approved prior to disposition by the Chief Financial Officer (CFO) or designee. Negotiation of sales price or trade-in value shall take into account the remaining recorded value of the equipment in ~~the District~~ Kaweah Delta's fixed asset record and make every attempt to at least recover that value. All disposals of equipment must be communicated to the Finance Manager or designee for removal from ~~the District~~ Kaweah Delta's fixed asset records.

DEFINITION:

A disposal of equipment includes (i) equipment permanently retired from active operations, (ii) worn out or obsolete equipment being held in the warehouse (or other storage area) pending future disposal, (iii) the sale or trade-in of equipment, (iv) thief of equipment and (v) the donation of equipment for charitable purposes.

PROCEDURE:

1. BEFORE any action related to disposal is taken, department manager (or designee) must notify the Finance Accounting Manager or designee of impending disposal in order to determine current book value of equipment. Information provided by the requestor should include department cost center, equipment description, asset tag (if available), make, model, serial number and approximate date of acquisition.
2. Once book value is determined by Finance, all efforts should be made by the requestor to negotiate a sales price, trade-in credit, or continued use of the equipment to at least recover the remaining book value of the equipment.
3. **For Disposals to outside parties:** Prior to the finalization of the sale, trade-in or disposal arrangement, terms of the agreement shall be reviewed and approved by a Vice President ~~and by legal counsel~~, if

required for agreements under District Policy AP69, "Requirements for Contracting for Outside Service Providers".

- a. While negotiating sales terms, every effort shall be made to secure payment in a single payment.
 - b. Terms must include that equipment is sold, "as is" and the contract must include the Equipment Release Form included in this policy.
4. **For Disposals to employees:** In addition to Items 1-3 above, the following additional steps must be taken for equipment with an estimated market value greater than \$100 –
 - a. Notification of the sale and the bidding process should be announced to employees using standard ~~District Kaweah Delta~~ wide communications
 - b. Bids should be submitted using the Sealed Bid Form included in this policy.
5. Subsequent to the review and approval of the disposition agreements, such agreements shall be forwarded to the CFO or designee for approval.
6. Information related to the donation of equipment or supplies shall be forwarded to the CFO or designee for approval prior to the actual donation.
7. Upon completion of the disposal process the (i) signed disposal/sale agreement, including the Equipment Release Form, (ii) sales proceeds and (iii) evidence of the disposing asset's calculated book value determined by Finance must be forwarded to the Finance Accounting Manager or designee. This will ensure that the sale proceeds are properly deposited and the disposal transaction is properly reflected in ~~the District Kaweah Delta~~'s accounting records.
8. All disposals of equipment with an original purchase price less than \$52,000 shall be approved by the department Director currently using the equipment. If the department no longer has a use for the equipment, it must be offered to other ~~District Kaweah Delta~~ departments before being permanently disposed of, ~~or sent to the District warehouse for storage or future disposal. For items that are transferred to the warehouse, the warehouse manager shall make the determination based upon the condition of the equipment, whether it should be stored for possible future District use, sold to an outside party or employee, or permanently disposed.~~
9. Sales or donations of equipment or supplies to physicians is not allowed due to regulatory and compliance prohibitions.



**Kaweah Delta
Health Care District**

EQUIPMENT RELEASE FORM

Date: _____

I _____ understand that this piece of equipment of (list equipment, use separate sheet if needed)

is used and being sold "as is" and I the buyer – release the seller Kaweah Delta Health Care District, its staff members, officers, directors agents and assigns from any and all liability for any damage, injury or harm which may be caused by, a result of, or in any way associated with the use of this equipment. I take personal responsibility for any and all occurrences after taking possession of the equipment.

Buyer:

Seller:

Signature Date

Signature Date

Print Name

Print Name

Title

Title

Kaweah Delta Health Care District
400 West Mineral King Avenue
Visalia, California 93291-6263



**Kaweah Delta
Health Care District**

SEALED BID FORM

Name: _____

Employee #: _____

Department #: _____

BIDS

ITEM #1:

Minimum Bid Amount

Bid Submitted

Description: _____

ITEM #2:

Minimum Bid Amount

Bid Submitted

Description: _____

ADDITIONAL COST & INFORMATION

- Viewing equipment by appointment only scheduled through _____, Ext #_____
- Fees that will be the responsibility of the employee include: _____
- Employee must include the Kaweah Delta Equipment Release Form along with submission of Bid
- Equipment will not be transferred to the employee until payment has cleared employee bank. The employee will be charged \$25.00 for any returned checks due to insufficient funds or for any reason.

Signature: _____ **Date** _____
Bids must be received by _____ **P.M. on** _____, **201**_. **Submit your bid form to** _____, **Finance, extension #**_____.

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Policy Number: AP138	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 Non-District Approved Medical Devices	

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

POLICY: Patients of Kaweah ~~Delta Health Care District (District)~~ have the right to expect the highest quality in healthcare that we can provide. ~~Kaweah Delta~~The District will provide staff with the best quality and most effective medical equipment and technology to care for patients.

The evaluation and acquisition of medical technology, equipment, and devices is performed through the combined efforts of the Capital Committee~~Medical Technology Assessment~~, Value Analysis Committees, and Clinical Engineering. These committees ensure for the following:

- Appropriateness
- Cost effectiveness
- Quality
- Accuracy
- Durability
- Preventive maintenance
- Quality control
- Consistency
- Assessment of inherent risks associated with the use

At no time shall Kaweah Delta~~District~~ staff members use any medical technology, equipment, or device purchased for their own use (utilizing personal funds) for the treatment, diagnosis, or therapy of a patient of Kaweah Delta ~~Health Care District~~. This includes, but is not limited to:

- Pulse oximeters
- Any equipment for monitoring blood pressure
- Any equipment for monitoring blood glucose
- Thermometers
- ECG Analysis

Staff shall discuss the need for particular medical technology, equipment, or device with his/her manager.

Failure to comply with the below referenced policies may result in application of the procedures contained in the Progressive Discipline Policy, HR-216, up to and including termination.

Reference: EOC 6001
EOC 6015

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Approval



Subcategories of Department Manuals
not selected.

Policy Number: AP174	Date Created: 08/11/2020
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<u>Kaweah Delta District Patient Charge Service Catalog</u> District Charge Master Maintenance	

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

Purpose: To define the procedures for updating and maintaining Kaweah Delta's ~~the District's Patient Charge Master Service Catalog Master~~ and to describe the responsibilities ~~of~~ all areas that provide patient chargeable services. To assure that patient charges will be accurately generated without errors, edits or omissions and with appropriate coding necessary to promote billing compliance and to receive full, accurate payment for services provided.

Policy: The ~~District Charge Master's Patient Charge Service Catalog Charge Master~~ is maintained according to the procedures herein and is consistent with Centers for Medicare and Medicaid Services (CMS), California Department of Health Services (Medi-Cal), American Medical Association (AMA), Clinical Laboratory Improvement Amendment (CLIA), and other payer specific rules, guidelines and standards. Department Directors are responsible for oversight of charge integrity, charge capture, ~~and~~ ongoing maintenance and review of all charges within the scope of their responsibility.

Process:

A. New services, supplies or ongoing ~~Ongoing~~ changes:

1. If a new service line is to be implemented, adequate lead-time of no less than sixty (60) days, ~~of no less than 30 days~~ is required to establish the appropriate codes and pricing before the new service line is to be initiated.
2. For new patient chargeable supply items, ~~v~~ vendors or suppliers should be consulted to able to ~~to~~ recommend the appropriate Healthcare Common Procedure Coding System (HCPCS) code and suggested invoice or acquisition cost pricing for their supply item.
- ~~2-3.~~ _____ -If a consultant is used in consideration of any new patient medical service, they should be able to recommend appropriate coding and pricing of the new service.

~~3.4.~~ Departments have the ability to access and review the ~~District's Chargemaster —Catalog—Chargemaster~~ through Craneware; ~~the District's Kaweah Delta's Chargemaster reference toolCatalogmaster~~ maintenance software program. ~~All chargeable services, procedures, and supplies are created and maintained housed within the Soarian Financials Software System. All charges have a designated Service Provider Service ID (SPSID); —This is also commonly referred to as a Charge Description Master (CDM).~~ In order to request a new ~~Charge Description Master (CDM)~~ or make changes, deactivate, and/or reactivate a CDM, departments ~~may input changes directly into the Craneware application,~~ submit requests ~~using the via "E-mail, or contact the Compliance SpecialistRevenue Integrity Manager via telephone.CDM Charge Build and Request Form".~~ ~~The completed form shall and be submitted to the Chargemaster Analyst (via email) for review. The request will also be —and then— tracked using the through the JIRA Ticketing System.~~

4.5. Accurate CPT (Current Procedure Terminology), HCPCS, Revenue Codes (bill summary codes) and General Ledger codes are required when submitting modifications to the ~~Compliance SpecialistRevenue Integrity ManagerChargemaster Analyst.~~ If assistance in determining such information is required, the ~~Compliance SpecialistRevenue Integrity ManagerChargemaster Analyst~~ will provide assistance as necessary.

5.6. Patient chargeable items will be determined by the ~~Revenue Integrity ManagerChargemaster Analyst Compliance Specialist~~ in collaboration with Materials Management and Finance Departments. Appropriate pricing, general ledger, revenue codes, and CPT/HCPCS assignment must be submitted and approved prior to implementation. The ~~Compliance Patient Financial ServicesRevenue Integrity —~~Department will make the final determination as to appropriate coding and pricing of a new patient service supply item per guidelines.

~~A. If the new charge item is a supply, the requests should be initiated through the Compliance Specialist who will work with the District's Lawson Administrator to ensure that both systems are updated.~~

~~6.7.~~ The following process will be used to implement any and all CDM changes:

A. Changes made by departments will be routed to the ~~District's Revenue Integrity ManagerChargemaster Analyst Compliance Specialist~~ for review and ~~input of such changesapproval.~~ The Chargemaster Analyst will send the CDM Charge Build and Request Form to the ~~Director of Revenue Integrity and Director of Revenue Cycle~~ for review and approval.

~~Upon approval by the dDirectors noted above, All changes will be input into Craneware by the Department designee and/or Revenue Integrity Manager Soarian Financials Software System by the~~

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~~Chargemaster Analyst. CDM requests shall be ~~are~~ entered into both the Soarian Financials Testing Environment (TEST) and the Production Environment (PROD). Compliance Specialist. The Revenue Integrity Manager Chargemaster Analyst Compliance Specialist will review and modify items as necessary to assure appropriateness and accuracy. Once accepted, the Compliance Manager will review and approve necessary the modifications. Once a CDM has been input into the Production Environment (PROD), a notification will be sent by the Chargemaster Analyst to the Revenue Integrity team to assure appropriateness and accuracy within Soarian Financials.~~

~~B. Finally, and update the Invision Soarian Financial billing system will be updated through the Craneware interface scripting module (ISM).~~

~~C. The Revenue Integrity Manager Compliance Specialist will review the Soarian Financial system Invision to validate proper implementation, to the billing system.~~

~~DC. Change confirmation will be sent via E-mail/JIRA Ticketing System by the Revenue Integrity Chargemaster Analyst/Manager Compliance Specialist to the appropriate representatives as changes may need to be updated in the Soarian Financial/Cerner Millennium Clinical system/Invision Service Master and other ancillary systems.~~

~~DE. If the requesting department uses a computer sub-system that manages the services/inventory housed within their department, the department is responsible for the maintenance of their sub-system. It is the responsibility of the department to ensure that their sub-system will be able to generate patient charges without errors.~~

~~E. Monthly, all additions, modifications or other ~~one~~ updates from the Soarian Financials Software System will be imported into the Craneware Software Program.~~

B. Annual Updates

1. In the fourth quarter of each year, Medicare makes CPT/HCPCS coding changes. The effective and required implementation date of the changes is generally January 1st. The ~~Revenue Integrity Manager/Chargemaster Analyst Compliance Specialist~~ will work with the departments effected by these changes to make sure their department's service line is updated accordingly.
2. Periodic price ~~increases~~ and/or ~~wRVU adjustments~~ may occur due to ~~District~~ budgetary needs or for specific contracted services (i.e., ~~P~~athology, ~~R~~eference ~~L~~ab, ~~C~~ardiology). These price increases will be directed by the

Finance Department and coordinated through the ~~Compliance~~ Patient Financial Services Revenue Integrity Department. Changes to the wRVU values will be implemented based on Medicare and other regulatory bulletins.

3. The ~~Revenue Integrity Manager~~ Chargemaster Analyst ~~Compliance Specialist~~ will facilitate an annual review by the Department Directors / Managers of charges within their area(s) of responsibility. ~~Compliance~~ Patient Financial Services Revenue Integrity Department will require all departments to review their Charge Master for completeness and accuracy. Any changes, deactivations and/or reactivations resulting from the review will be updated as necessary.

~~eClinical Works (eCW) Modifications~~

~~Modifications to the eCW Billing System must be submitted to the Revenue Integrity Manager via e-mail or telephone.~~

~~The Revenue Integrity Manager will review, approve, and process modification to the eCW Billing System.~~

~~A change notification will be sent to the appropriate parties notifying them of the change.~~

3.

~~C. Other Ancillary Billing System Modifications~~

~~1. Modifications to other Billing Systems must be submitted to the Compliance Specialist via E-mail or telephone.~~

~~2. The Compliance Specialist will review, approve and submit to the Compliance Manager for final approval.~~

~~3. Once approved, the Compliance Manager will work with the appropriate party to assure implementation to the Ancillary Billing system.~~

~~4. A change notification will sent to all affected parties by the Compliance Specialist.~~

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"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."

approval

Marketing & Community Relations Committee
Wednesday, October 7, 2020
Kaweah Delta Medical Center – 520 West Mineral King Avenue
Support Services Building- Granite Room 4TH Floor

ATTENDING: Directors Nevin House (Chair) and Garth Gipson; Marc Mertz, Vice President of Strategic Planning & Business Development; Raymond Macareno, Senior Communications Specialist; Laura Florez-McCusker, Director of Media Relations; Melissa Withnell, Communications Specialist; Jennifer Manduffie, Senior Graphic Designer; Yolanda Chavez, Senior Graphic Designer; Kaci Hansen, Social Media Specialist; Maria Rodriguez Ornelas, Communications Specialist; and Kelsie Davis, recording.

Called to order at 10:00AM

Public/Medical Staff Participation- None.

Marketing- *Karen Tellalian, Interim Director of Marketing*

- Ms. Tellalian notified the group that Jennifer Corum's last day was Friday, October 2nd. In her stead and helping out will be Raymond Macareno.
- Ms. Tellalian let the group know that there are monthly meetings that are happening called surgical services meeting to determine where and what we can market or highlight.
- Director House asked that we start promoting specialty and start focusing on outreach with clinics.
- Director House asked if we could target geographical locations and utilize XM Radio ads to target certain age groups.
- Director House also asked if we could see a bump in a service line after a marketing campaign. Mr. Macareno noted he would provide statistics at future meetings.
- Directors House and Gipson asked to be provided the HealthGrades statistics on the revenue generating information for service lines.
 - The handout is attached to the minutes and was distributed to both directors.

Community Engagement- *Deborah Volosin, Director of Community Engagement*

- Ms. Volosin noted that we are kicking off our in person community advisory committees.
- Director House asked why our numbers are dropping off for both the community engagement webinars and Employee huddles. Ms. Volosin noted our numbers reflect only online numbers. Mr. Macareno is to provide the difference in numbers.
- Director House asked if we could get our wait times of our clinics like our main Kaweah Delta website added to our Facebook page. Also, if we should be looking at adding more physicians to help with wait times, especially at the Demaree Clinic.

Social Media Update- *Laura Florez-McCusker, Director of Media Relations*

- Laura gave an update on the public information officer meetings that is scaled back to one time a week.
- Laura updated on the review trackers and online analytics.
 - Laura provided the directors her online analytics. The handout is attached to the minutes.

Adjourned- 11:28AM

Nevin House, Chair

<p>day. As the bath is done, they can check them off. 3N is now piloting it. All units at Kaweah will start the bath piloting board starting 10/27. Providing some additional CNA education on how to ensure CNAs are bathing around the central line appropriately. Will continue to monitor in gemba dashboards.</p> <ul style="list-style-type: none"> • Health Information Management Documentation H&P – Providers that are out of compliance feel these are the only documents they need. Anu has a meeting set up with the doctors who are out of compliance. Paper documentation continues to happen. Trying to reduce the paper compliance percentage. <p>Catheter Associated Urinary Tract Infection (CAUTI) Quality Focus Team Report – Report on CAUTI rates and quality improvement actions aimed at reducing these healthcare acquired infections. <i>Kari Knudsen, MPA, BSN, RN, NE-BC, Director of Post-Surgical Care.</i></p> <ul style="list-style-type: none"> • Did not achieve our goals for fiscal year 2020. Ended the year at 1.12. Goal for fiscal year 2021 is less than or equal to 0.727. Committee asked how come we had five in May? Kari stated she would have to go back to look at each one of them and will provide a summary. Quality and patient safety investigate every single CAUTI; the themes are the same, culturing practices of physicians, patients getting a catheter when they really do not need it, or don't continue to need it. Two of the five were COVID related which shows how disruptive COVID has been overall. • KAIZEN Root Cause – Since April 2020, we have incorporated strategies to address seven of the root causes. Total catheter days rounded on is 4198. Huge effort from so many people. An extraordinary amount of hours are spent looking at catheters - 97 percent of patients had daily baths; 92 percent have order and valid rationale, 178 catheters were removed because of the Gemba. • ICU shift huddle has been through adjustments. The new bath board will be a more effective measure to ensure bathing. Gemba looks at the bath completed the previous day; bath board is in the moment. November dashboard will look different. • IUC shift huddle data, insertion missed as a part of the huddle was removed in July. The data is reported as the overall huddle completion, and then when the huddle was not completed as intended, which of the 2 parts were being missed. • Plans for Improvement – Order management and how the catheter gets in the patient in the first place. 17 Cerner changes are underway. Created CAUTI reduction email group that goes to all patient care leaders– IP analyst looks at catheter data daily, looking at elements that produce a CAUTI. • Made changes to the case review process which will allow the committee to focus on action and measurement versus case review. The new case review form will go live 	<p>Anu Banerjee & Dr. Gray</p> <p>Kari Knudsen</p>	
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<p>this month to track actions and the lessons learned with be reported back to the QFT to see if there is anything actionable.</p> <ul style="list-style-type: none"> • Made changes to UA orders. Went live July 28. Added mandatory criteria to testing, addressed both ways and we control those reasons. • IUC power plan – has an order to change catheter at 30 days; went live at on August 25. Building a task that will task the nurse at 30 days. Embedding IUC power plan into every other existing power plan. Taking a less aggressive approach so we continue to work with providers. • Adult urinary retention management order went live September 29. Retention issue, patients have retention for a variety of reasons either chronic or acute. Algorithm exists in a policy. Walks the nurse through to effectively manage. You do not want an order for a culture only without an associated UA. Culture only order was being overused. Dr. Tang wanted to change the name of the order to include restricted use. • Evaluating the reason for insertion of an IUC. Neurogenic bladder and chronic retention are going to be priorities. It is unusual to have as much as we do; we think it is a convenience to use it as a reason for IUC insertion and it also be related to not having an option for attributing acute retention as a reason for IUC insertion. We want to make sure providers know how retention is managed now so they feel comfortable to discontinue the ICU. This topic is on the agenda for GME because many resident physicians are ordering. Also trying to get it on the hospitalists’ staff meeting to talk to them because they take care of many inpatient admissions. • Bathing prioritization reevaluation underway in collaboration with CLABSI QFT to standardize how this work is prioritized. • Safety Summit CAUTI education for newly hired staff will be relaunched post COVID. • Sandy has been working on post gemba rapid cycle. She has gotten out five Foley catheters and a central line within 11 days of rounding. Catheters are the root causes. Patients have Foley catheters and they do not appear to need them. Advocating getting the catheter out of the patient, completing afternoon follow-up with a resident who can write the order to get the catheter out. Retention management – physicians do not understand or are uncomfortable with removing the catheter. Huge commitment from nursing, GME and quality. Dr. Winston’s commitment to making sure a resident is always available is huge! Gives the residents a better perception of the big picture of caring for inpatients. 		
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<p>Update: Proposed Clinical Quality Goals – A review of current performance and actions focused on the fiscal year 2020 clinical quality goals. <i>Sandy Volchko, RN, DNP, Director of Quality and Patient Safety.</i></p> <ul style="list-style-type: none"> • Sepsis – The preference is to wait until we have three months of data to start reporting the compliance rates. Denominator – CMS does a random audit on the total number of patients and picks only 20-30 patients per month. Gary asked, “why wouldn’t we say every single patient that we diagnosed, what percent did we not fully follow the bundle?” Sandy stated we doubled the sample size a couple of years ago that are abstracted for CMS. We count concurrent the patients that the coordinators follow. Core measures is a manual abstraction, to abstract all charts we need more FTEs. Need the resources to extract the volume. We could report all the results from our sepsis coordinator cases, but results on CMS hospital compare could show something different. The number we report is the exact number that is reported to CMS. • COVID patients are being removed so sample size is shrinking. 21 patients is the sample size. 14 of the 21 were compliant – 67 percent in July. Preliminary number for August is 80 percent. Of the 7 fallouts, only 1 was a sepsis coordinator case. 3 of the remaining 6 were sepsis alerts that occurred when our coordinators would typically be working, but were working back at the bedside due to staff shortages due to COVID-19. • Anu’s goal is that we apply 100 percent of the time the sepsis bundle with every patient so that luck does not play a factor. Sepsis coordinator should not have to follow the bundle, at some point it needs to happen, we should not need the sepsis coordinator. Every sepsis case the coordinator follows has the complete bundle. Approximately 50-60 percent of sepsis patients are seen by the sepsis coordinators. We try to continuously make everyone a sepsis coordinator, but it is so complex and extremely complicated. • Abstractors need to look into sepsis patients. Some patients do not have sepsis but are being tagged as Sepsis. 	Sandy Volchko	
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Adjourned: 9:07am

Approved By: COMMITTEE MINUTES WERE APPROVED FOR DISTRIBUTION TO THE BOARD BY THE COMMITTEE CHAIR ON October 22, 2020.

RESOLUTION 2101

WHEREAS, a claim on behalf of Daniel Weaver and Elizabeth Weaver has been presented on September 8, 2020 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 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 September 8, 2020, was rejected by the Board of Directors on October 26, 2020."

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 October 26, 2020.

President, Kaweah Delta Health Care District

ATTEST:

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

/cm

RESOLUTION 2102

WHEREAS, a claim on behalf of Daniel Weaver has been presented on September 4, 2020 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 National Choice Lawyers, 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 September 4, 2020, was rejected by the Board of Directors on October 26, 2020."

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 October 26, 2020.

President, Kaweah Delta Health Care District

ATTEST:

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

/cm

RESOLUTION 2103

WHEREAS, an application for Leave to Present a Late Claim on behalf of Claimant Mindy Dowdy, dated August 31, 2020, which you presented to the Kaweah Delta Health Care District on September 4, 2020 to the Board of Directors of the Kaweah Delta Health Care District,

IT IS HEREBY RESOLVED AS FOLLOWS:

1. The aforementioned application, which was presented on September 4, 2020, for leave to present a claim after expiration of the time allowed by law for doing so is hereby granted.
2. In accordance with Government Code Section 913, the Secretary of the Board of Directors is hereby directed to give notice of the granting of said claim to the Law Offices of Marshall Silberberg, in the following form:

"Notice is hereby given that the application for leave to present a claim after expiration of the time allow by law for doing so, which you presented to the Board of Directors of the Kaweah Delta Health Care District on September 4, 2020, was granted by the Board of Directors on October 26, 2020."

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 October 26, 2020.

President, Kaweah Delta Health Care District

ATTEST:

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

/cm

RESOLUTION 2104

WHEREAS, a claim on behalf of Mindy Dowdy has been presented on March 4, 2020 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 the Law Offices of Marshall Silberberg, 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 March 4, 2020, was rejected by the Board of Directors on October 26, 2020."

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 October 26, 2020.

President, Kaweah Delta Health Care District

ATTEST:

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

/cm

**KAWEAH DELTA HEALTH CARE DISTRICT
MEDICAL DIRECTION, ADMINISTRATIVE AND RADIATION ONCOLOGY SERVICES
AGREEMENT**

Regarding the Service of: **Radiation Oncology**

This Medical Direction, Administrative and Radiation Oncology Services Agreement (“**Agreement**”), is entered into as of November 1, 2020 by and between **KAWEAH DELTA HEALTH CARE DISTRICT** (“**District**”), a local health care district organized and existing under the laws of the State of California, Health and Safety Code §§ 32000 *et seq.* and **SEQUOIA RADIATION ONCOLOGY SERVICES, INC. (SROSI)**, a California professional medical corporation (“**Medical Group**”):

RECITALS

1. District operates health care facilities known as Kaweah Delta District Medical Center located at 400 W Mineral King Ave, Visalia, California (“**Medical Center**”) and related facilities which serve communities in the Tulare and Kings Counties, State of California (“**Service Area**”). The District operates a radiation oncology department (the “**Department**”) at the Medical Center and at Sequoia Regional Cancer Center – Visalia (“**Visalia Center**”), located at 4945 W Cypress Ave, Visalia, California 93277, and Sequoia Regional Cancer Center – Hanford (“**Hanford Center**”), located at 1443 West 7th Street, Hanford, California 93230. The Medical Center, the Visalia Center and the Hanford Center are collectively referred to as the “**Facilities**.” Except for the Hanford Center, the term “Facilities” does not include facilities which are not both owned and operated exclusively by the District.
2. Medical Group employs or contracts with California licensed physicians (each a “**Contractor**”) to render professional services under this Agreement. The Contractors upon the effective date of this Agreement are listed in **Exhibit A**.
3. District has developed multiple Accreditation Council for Graduate Medical Education (“**ACGME**”) accredited Residency Programs in order to enhance the provision of medical services in the Service Area, and meet the medical and mental health needs of the communities served by the District. In this Agreement, “**Faculty Members**” refers to Contractors who are designated as Faculty Members pursuant to **Exhibit G**.
4. District, through its Board of Directors, has determined that it continues to be in the best interests of its patients that Medical Group have the exclusive right and responsibility to provide the Radiation Oncology Services (as defined in **Exhibit B**) within the Department at the Facilities, because an exclusive contract will facilitate the administration of the Department and the training of personnel therein; enhance interdepartmental communications at District; simplify and permit more flexibility in scheduling; promote better availability of radiation oncology services; enhance convenience to and safety of patients; encourage more efficient use of equipment and personnel; enhance collaboration among physicians providing the Radiation Oncology Services; improve the relationships between the Department, the Medical Staff and other services of the Facilities; afford effective utilization; provide consistent service and quality control; provide prompt availability of professional service; simplify scheduling of patients and physician coverage and enhance the efficient and effective administration of the Department – all of which will enhance the access and quality of patient care and better serve the public health needs of the Service Area.

NOW, THEREFORE, in consideration of the mutual agreements set out below, the parties agree as follows:

AGREEMENT

Section 1 Term and Termination.

- 1.1. **Term.** This Agreement shall be effective as of **February 1, 2021** (“**Effective Date**”), provided that it shall have been approved by the District’s Board of Directors and executed and delivered on behalf of the District. Unless sooner terminated, this Agreement shall expire and be of no further force and effect as of **January 31, 2024**.

- 1.2. **Termination without Cause. Termination without Cause.** After the effective date, either party may terminate this Agreement, without cause, by providing not less than ninety (90) days’ prior written notice stating the intended date of termination, provided that the intended date of termination shall not be sooner than January 31, 2023. Medical group’s agreements with its Contractors shall provide that each Contractor may terminate his or her participation in this Agreement, without cause, by providing not less than ninety (90) days’ prior written notice to District stating the intended date of termination. Following a termination pursuant to this Section, District shall not enter into a new agreement or reinstate this Agreement for the Services on different financial terms within one (1) year of the Effective Date or any subsequent amendment of the financial terms, whichever date is later.

- 1.3. **Material Breach.** Either party may terminate this Agreement at any time in the event the other party engages in an act or omission constituting a material breach of any term or condition of this Agreement. The party electing to terminate this Agreement pursuant to this Section shall provide the breaching party with not less than ten (10) days’ prior written notice specifying the nature and extent of the material breach. The breaching party shall have ten (10) days from the date of the notice to remedy the breach and conform its conduct to this Agreement. If corrective action is not taken within the time specified to the satisfaction of the party that gave the notice, that party may terminate this Agreement on written notice to the other. For purposes of this Section, “**material breach**” shall mean any breach of the terms or conditions of this Agreement, which is substantial and material to the stated purpose of this Agreement as set forth in the Recitals hereto.

- 1.4. **Termination of Contractor.** The District may terminate this Agreement on thirty (30) days’ prior written notice to Medical Group if any of Medical Group’s Contractors ceases for any reason to provide services under this Agreement, and Medical Group fails to replace the Contractor with a permanently assigned substitute reasonably acceptable to District within sixty (60) days’ of the Contractor’s termination.

- 1.5. **Immediate Termination.** District may terminate this Agreement immediately upon the occurrence any of the following events:
 - 1.5.1. Upon District’s loss of certification as a Medicare provider;
 - 1.5.2. Upon the closure of the Facilities, except that if District closes one or more, but not all, of the Facilities, the parties agree to negotiate in good faith to agree on amendments to this Agreement as necessary to continue this Agreement; in the event that the parties cannot agree on amendments to this Agreement within thirty (30) days of the notice of termination, Medical Group or District may terminate this Agreement on thirty (30) days’ notice to the other party;

1.5.3. If Medical Group or any Contractor is excluded, debarred or otherwise ineligible to participate in any federal health care program or in federal procurement or non-procurement program or if Medical Group is convicted of or pleads no contest to a crime. For purposes of this Agreement, “**crime**” shall mean a felony as defined by the laws of the State of California or the United States of America punishable by imprisonment for a term of at least one (1) year.

1.5.4. Upon Medical Group’s or a Contractor’s failure to comply with Section 3.1.

1.6. **Termination of an Individual Contractor.** Upon request by District, Medical Group shall remove from service under this Agreement any Contractor who (i) is convicted of a crime other than a minor traffic violation; (ii) has a guardian or trustee of its person or estate appointed by a court of competent jurisdiction; (iii) becomes disabled so as to be unable to perform the duties required by this Agreement despite reasonable accommodation; (iv) fails to maintain professional liability insurance required by this Agreement; (v) has his or her license(s) and/or privileges required to provide services contemplated by this Agreement either suspended, revoked or otherwise limited; (vi) discontinues the provision of Radiation Oncology Services; (vii) is excluded, debarred or otherwise ineligible to participate in any federal health care program or in federal procurement or non-procurement programs or is convicted of or pleads no contest to a crime; or (viii) fails to comply with any of the terms and conditions of this Agreement after being given notice of that failure and a reasonable opportunity to comply; or whose continued provision of Services, in the determination of District, presents an immediate threat to the health or wellbeing of patients of the District.

1.7. **Effect of Termination on Medical Staff Membership and Clinical Privileges.** Medical Group and each Contractor agrees and acknowledges that (a) upon termination of this Agreement without cause or for any cause or reason, the clinical privileges of each Contractor to provide services in the Department (and if these are the Contractor’s only clinical privileges, his or her Medical Staff membership also) shall forthwith terminate, without further action by or on behalf of the District or the District’s Medical Staff, and without right of review, fair hearing or appeal; and (b) the clinical privileges and Medical Staff membership of any Contractor to provide services in the Department shall similarly terminate if he or she ceases, without cause or for any cause or reason, to be employed or contracted by Medical Group to provide services under this Agreement. Medical Group shall include a provision implementing this one in its employment agreements or contracts with Contractors. Upon termination of this Agreement Medical Group shall immediately vacate the Department and the Facilities.

1.8. **Termination of Certain Services.** Either party shall have the ability to terminate the Billing Services or Contracting Services provided by District hereunder, which termination shall not have an effect on the Medical Group’s obligation to perform the Radiation Oncology Services or Medical Director Services consistent with the term of this Agreement.

1.9. **Tax-Exempt Financing.** If District is advised by its bond counsel that any amendment is required to this Agreement in order to establish or maintain the exemption from federal income tax of any obligations issued by or on behalf of the District, the parties shall, at the request of the District, cooperate to effect such amendment. If the parties fail to agree to such an amendment within thirty (30) days of the District’s request, the District may terminate this Agreement on thirty (30) days’ notice to Medical Group. The Medical Group is not entitled to and will not take any tax position that is inconsistent with being a service provider to the Hospital with respect to the Facilities and the Hospital. For example, the Medical Group shall not claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the Hospital or the Facilities.

- 1.10. **Survival.** Upon any termination of this Agreement, neither party shall have further rights against, or obligations to, the other party except with respect to any rights or obligations accruing prior to the date and time of termination and any obligations, promises or arrangements which expressly extend beyond the termination, including, but not limited to, the following: 0 (Term and Termination); Section 3.19 (Billing); Section 3.4 (Quality); Section 3.28 (Books and Records); Section 3.31 (Confidentiality); Section 6 (Insurance and Indemnification); and Section 7.6 (Miscellaneous Provisions).

Section 2. Independent Contractor Relationship. The parties acknowledge that, in performing the Medical Director Services and Radiation Oncology Services, (i) Medical Group (and each Contractor) shall be an independent contractor with respect to District; (ii) this Agreement is not a contract of employment within the meaning of Cal. Labor Code §2750 and Medical Group and Contractors are not employees of District for any purpose; and (iii) nothing contained in this Agreement shall be construed to create a partnership, agency or joint venture between District and Medical Group (or any Contractor) or to authorize either District or Medical Group (or any Contractor) to act as a general or special agent of the other in any respect, except as may be specifically set forth in this Agreement, and (iv) District shall have no obligation under this Agreement to compensate or pay taxes for, or provide employee benefits of any kind to, or on behalf of, any Contractor or any other person employed or retained by Medical Group or any Contractor.

Section 3. Medical Group and Contractor Obligations.

- 3.1. **Status.** Medical Group and each Contractor (as to himself/herself) represents and warrants that, as applicable, Medical Group and each Contractor:

- 3.1.1. Maintains an unlimited license to practice medicine in the state of California;
- 3.1.2. Is certified or is eligible for certification by the American Board of Radiation Oncology;
- 3.1.3. Maintains membership on the Medical Staff of Medical Center, with appropriate clinical privileges;
- 3.1.4. Is a participating provider in the Medicare and Medi-Cal programs, and in other government health plans in which District participates;
- 3.1.5. Participates in continuing education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by Medical Group's continuing medical education policy;
- 3.1.6. Is covered by the policy of professional liability insurance maintained by Medical Group pursuant to Section 6.1;
- 3.1.7. Is free to enter into this Agreement, and is not violating any terms of any other agreement between Medical Group or Contractor and any third party by entering into this Agreement; and
- 3.1.8. Is not an excluded, debarred or suspended provider for any federal health care program, federal procurement program or of the U.S. Food and Drug Administration.

3.2. **Status of Contractors.**

- 3.2.1. This Agreement is entered into for the purpose of securing the personal services of Contractors. Each Contractor shall be an employee or independent contractor of Medical Group. The

assignment of physicians to this Agreement shall be subject to the approval of the District. The Contractors listed in **Exhibit A** are hereby approved. It is agreed that the continued service of each Contractor listed as a Principal in **Exhibit A** is a material obligation of Medical Group.

3.2.2. Each Contractor shall sign an acknowledgment, in the form of **Exhibit C**, of the obligations of Medical Group hereunder, the exclusivity of the Radiation Oncology Services as described in Section 3.5 below, and the effect on their clinical privileges and medical staff membership of the termination of this Agreement or the termination of their employment with Medical Group under Section 1.7. This Agreement does not confer any rights on Contractors individually, and only the District and the Medical Group shall have the right to assert the benefits of this Agreement.

3.3. **Service Obligations.** Medical Group shall have the exclusive right and obligation to provide the Radiation Oncology Services at the Facilities in accordance with the service obligations set forth in **Exhibit B** hereto. The Medical Group shall have the responsibility to hire and make available sufficient Contractors meeting the requirements of Section 3.1 and such Contractors shall be approved pursuant to Section 3.2. The Medical Group shall also provide the Medical Director Services in accordance with the obligations set forth in **Exhibit D**.

3.4. **Quality.** Medical Group shall provide its Radiation Oncology Services to District in accordance with high professional standards of care in the area of radiation oncology and consistent with the quality standards of District as determined by the applicable oversight committee, applicable standards of The Joint Commission, and District's quality assurance/performance improvement programs and in compliance with all laws and regulations. Medical Group shall, upon request and reasonable notice by District, make available to District for examination all of its records and data with respect to the Radiation Oncology Services covered by this Agreement, including all quality data and employee competencies. Medical Group shall upon request and upon reasonable notice by District, permit District to audit and inspect all such records and data necessary to ensure compliance with the terms of this Agreement. The quality of care and the efficiency of service may be reviewed by the relevant District administrative or Medical Staff committees in accordance with District policies and procedures and the Medical Staff Bylaws and Rules and Regulations on an ongoing basis and may be reviewed by District periodically.

3.5. **Exclusivity; No Solicitation.** Without the written consent of the District, neither Medical Group nor any Contractor shall provide Radiation Oncology Services at any location within the Service Area except the Facilities. However, the Medical Group and the Contractors may refer patients and services to any provider of their selection, within or outside the Service Area. If Medical Group desires to provide Radiation Oncology Services at other locations within the Service Area, District and Medical Group will meet to review the reasons and justification for the request. Medical Group further agrees that during the term of this Agreement and for a period of twelve (12) months thereafter, Medical Group shall not, and shall cause its employees and Contractors not to, directly or indirectly, solicit, induce or encourage any employee or contractor of the District to terminate or leave his or her employment or engagement with the District (except that nothing in this section shall prohibit Medical Group from hiring any person who responds to a general advertisement for employment that is not directed to employees or contractors of the District).

3.6. **Physician Compensation.** Medical Group shall be solely responsible for the compensation and benefits of Contractors, including their salary, time off and other benefits, and the withholding and payment of employment-related taxes and contributions. Medical Group shall not compensate

Contractors or assign cases on the basis of the patient's ability to pay or the identity of any patient's third party payer, or on the basis of a Contractor's referrals for hospital services.

3.7. **Equipment.** Medical Group shall ensure that the Contractors are properly trained in the use of the equipment furnished by District for the Department, that they use it in accordance with the manufacturer's specifications, and that they promptly report any damage or defects to the District.

3.8. **Business Manager; Use of Office Space.**

3.8.1. Medical Group employs a business manager (the "**Business Manager**") or billing personnel who is responsible for supporting Medical Group's practice under this Agreement. Subject to the terms of this Section 3.8, the Medical Group and its Business Manager shall have the non-exclusive use of three (3) office spaces at the District's Visalia Center and two (2) office spaces at the District's Hanford Center, solely to support the provision by Medical Group of its services under this Agreement. The Business Manager shall be responsible for assisting Medical Group and its Contractors in administrative tasks that relate to the Medical Group's medical practice under this Agreement, such as scheduling, coverage, licenses, credentialing, completion of patient records, oversight of billing and collection of professional fees, compliance with this Agreement, and other tasks required for Medical Group's practice under this Agreement.

3.8.2. Specifically, the parties agree that the District provides in the Department and the work of the Business Manager:

- (1) Two (2) offices are allocated for use by Medical Group at the Hanford Center.
- (2) Two (2) offices in the Visalia Center are allocated for use by Medical Group's Contractors.
- (3) One (1) office in the Visalia Center will be used by Medical Group's contractors or providers (nurse practitioner ("NP") or physician assistant ("PA") for clinical duties associated with Medical Group's Radiation Oncology Services.
- (4) The Business Manager may share the same office space as the PA, subject to the following conditions:
 - (a) The Business Manager must go through Human Resources for proper screening and processing as a non-employee and must follow the District's dress code, personal identification and rules of conduct for non-employees present in District departments.
 - (b) The Business Manager shall perform the types of administrative services that are described above.
 - (c) The Business Manager shall not lead, direct or manage District employees in their work.
- (5) Medical Group shall provide any computer equipment, hardware, software, fax machine, copy machine, business supplies and any other items as necessary for the Business Manager to perform his or her assigned work. The Medical Group and its Business Manager shall not utilize District equipment and supplies except for the

purpose of providing the Services and obtaining information as permitted under paragraph (6) below.

- (6) Medical Group may have access to the District's health information systems, solely for treatment and for obtaining information for Medical Group's health care operations in connection with the provision of the Radiation Oncology Services, such as scheduling, billing, and related email communications; provided Medical Group shall limit its access and use for health care operations to the minimum necessary, and shall comply with the provisions of Section 7.11 (HIPAA).
- (7) Medical Group shall at all times have exclusive access to a workstation in the Viewing Room for performing simulations and radiation therapy planning.
- (8) The Medical Group, the Business Manager and the PA will use the offices and other facilities of the District solely to provide or support the provision of care to District patients and other services contemplated by this Agreement.
- (9) Contractors and the PA may have continuing access and use of District computers already provided for their use within the guidelines for use of District computers for members of the Medical Staff.
- (10) Medical Group shall be solely responsible to compensate the Business Manager and the PA for their services, including tax withholding, benefits and insurance (e.g., workers' compensation). The District shall not be responsible for any tax obligations or any liabilities for any work-related injuries or other actions or omissions by Medical Group's employees or agents.

3.9. **No Discrimination.** Medical Group shall provide the Radiation Oncology Services to all patients of the Facilities, regardless of the patients' race, color, ethnicity, religion, national origin, ancestry, citizenship, age, sex, preexisting medical condition, disability, insurance status, economic status, ability to pay for medical services, marital status, gender identity, sexual orientation or any other category protected by law, except to the extent that a circumstance such as age, sex, preexisting medical condition or physical or mental disability is medically significant to the provision of appropriate medical care to the patient.

3.10. **Standards of Service.** Medical Group shall, and shall require all Contractors to:

- 3.10.1. Provide services under this Agreement in accordance with appropriate standards of clinical practice, all applicable federal and state laws and regulations, all applicable rules and regulations of the Medical Board of California, and the standards of the American Board of Radiology;
- 3.10.2. Comply with all applicable medical staff bylaws, rules, regulations, policies and procedures of District (including its code of conduct and conflict of interest policies and procedures), and the terms and conditions of this Agreement;
- 3.10.3. Comply, participate in and cooperate with District's compliance, utilization management, quality assurance, risk management, peer review and credentialing committees, programs and procedures;

- 3.10.4. Comply with all applicable standards and recommendations of the Joint Commission, Title 22 of the California Code of Regulations and other accreditation and regulatory bodies, and with all protocols applicable to the Department as adopted or amended by District, after consultation with Medical Group, from time to time;
- 3.10.5. Complete accurate and timely medical records of Radiation Oncology Services provided in the Department;
- 3.10.6. Maximize capabilities and treatment regimens of radiation oncology equipment. Attend appropriate educational in services to support same.
- 3.10.7. Cooperate and participate in medical staff and administrative evaluations of the Department and Medical Group's services.
- 3.11. **Contracts with Third Party Payers.** District may from time to time enter into agreements with third party payers to furnish the services of District at negotiated rates, or the services of both the District and Medical Group at negotiated global rates. To the maximum extent permitted by law, Medical Group agrees to work diligently and in good faith with District toward successful negotiation of third party payer contracts, and to enter into contracts with such payers on reasonable terms. It is the expectation of the parties that concessions made by the respective parties to this Agreement, in the course of negotiating rates, shall be proportional.
- 3.12. **Additional Obligations.** Medical Group and Contractors shall support and assist the efforts of the District to develop and operate the Facilities as a regional cancer treatment center. Without limiting the foregoing, the Medical Group and the Contractors shall:
 - 3.12.1. Assist the District in obtaining and maintaining accreditation of the Facilities by the Joint Commission and other appropriate accrediting agencies.
 - 3.12.2. Participate actively on the medical staffs of the Medical Center and of Hanford Community Medical Center, and such other hospitals as the District may request, and attend departmental meetings at such hospitals and visit with referring physicians.
 - 3.12.3. Attend and participate actively in tumor boards and cancer boards at the Medical Center and Hanford Community Medical Center.
 - 3.12.4. Comply with, and assist the District to comply with, all laws, regulations and standards applicable to the provision of Services at the Facilities, including Medicare conditions of participation and the licensing standards of the California Department of Public Health.
- 3.13. **Review of Activities.** Medical Group and District shall meet as necessary to review and discuss the course of performance under this Agreement to ensure that the covenants of this Agreement are mutually respected and executed, and to agree upon necessary changes. The parties shall use best efforts to cooperate with each other and to assist each other's performance under this Agreement.
- 3.14. **Services to Medicare and Other Patients.** Medical Group shall conduct the Radiation Oncology Services in a manner consistent with District's charitable purpose of providing medical service to a broad class of patients in the Service Area, maintaining Medicare and Medi-Cal provider status and treating Medicare and Medi-Cal inpatients in a nondiscriminatory manner during the term of this Agreement.

- 3.15. **Uncompensated Care.** Medical Group shall ensure that Contractors provide uncompensated care to patients as reasonably requested by District throughout the term of this Agreement, and shall cooperate in designating the patient recipients of uncompensated care.
- 3.16. **Professional Operation of Service.** Medical Group shall assume responsibility for the professional operation of the Radiation Oncology Service and shall ensure that Contractors provide professional services required by District for the Radiation Oncology Service during the designated service hours as defined in **Exhibit B.** Any procedures that are beyond the credentials of Contractors shall be referred to another provider.
- 3.17. **Administrative Directives.** Medical Group and Contractors shall conform to any and all lawful directive issued from time to time by District's Chief Executive Officer, VP of Post-Acute Care Services and/or Chief Medical Officer, provided that such directives are consistent with the scope and principles of this Agreement.
- 3.18. **Documentation.** Medical Group and Contractors shall document in the electronic medical record, including entry of orders in the District's KD*Hub Powerchart system (for inpatient records) and Aria (for outpatient records). Contractors shall use KD*Hub and Aria not less than the minimum standard established by Meaningful Use requirements in effect during the contract period. Contractors shall use applicable downtime procedures for documentation when necessary. All documentation must be in compliance with Medical Staff requirements and any applicable state or federal regulation.
- 3.19. **Billing.** Medical Group shall be responsible for all billing and collection of fees for Radiation Oncology Services provided by Medical Group during the term of this Agreement. District shall provide certain administrative support services as set forth in **Exhibit E** in connection with the Medical Group's billing for its professional services. Except as provided in **Exhibit G,** Medical Group shall retain collections from all professional fees generated from Radiation Oncology Services. Medical Group's fees for professional services rendered to patients of District shall comply with Section 3.29 below, and shall be billed directly by Medical Group or its billing agent to patients for whom the Radiation Oncology Services were rendered, or their respective third party payers. Except as set forth in **Exhibit E,** District shall have no responsibility for the collection or amount of such fees, and no interest in such fees. Medical Group shall cooperate with compliance initiatives of the District. The parties shall comply with applicable laws and regulations and with the requirements of payers, including requirements for identification of the Medical Center as the site-of-service, accurate diagnosis, procedure coding, and chart documentation. The parties shall have reasonable access to records necessary to verify each party's compliance with this Agreement. Each party shall promptly correct or assist the other party in correcting any billing errors. Medical Group shall provide prompt notice to District of any and all changes in Medical Group's billing practices and fee structures. District shall provide prompt notice to Medical Group of any and all changes in District's billing practices and fee structures that relate to the Radiation Oncology Services provided by Medical Group.
- 3.20. **License; Medical Staff; Additional Qualifications.** Each Contractor shall at all times keep and maintain a valid license to engage in the practice of medicine in the State of California and Medical Staff membership and/or privileges as may be required under the Medical Staff Bylaws, Rules and Regulations for Contractor to provide the services contemplated by this Agreement.
- 3.21. **Records.** Medical Group shall prepare administrative and business records and reports related to the Radiation Oncology Service in such format and upon such intervals as District may require. In addition,

Medical Group (and each Contractor) shall furnish any and all information, records and other documents related to the Radiation Oncology Service which District may request in furtherance of its quality assurance, utilization review, risk management and any other plans and/or programs adopted by District to assess and improve the quality and efficiency of District's services. As reasonably requested, Contractors shall participate in one or more of such plans and/or programs.

- 3.22. **Licenses and Permits.** Medical Group (and Contractors) shall assist District in obtaining and maintaining any and all licenses, permits and other authorizations, plus achieving accreditation standards, which are dependent upon, or applicable to, in whole or in part, Medical Group's Radiation Oncology Services under this Agreement.
- 3.23. **Conflict of Interest.** Medical Group (and, as applicable, each Contractor) shall inform District of any other arrangements which may present a conflict of interest or materially interfere in Medical Group's or any Contractor's performance of duties under this Agreement. In the event Medical Group or a Contractor pursues conduct which does in fact constitute a conflict of interest or which materially interferes with (or is reasonably anticipated to interfere with) Medical Group's or Contractor's performance under this Agreement, District may exercise its rights and privileges under 0.
- 3.24. **Use of Facilities.** Neither Medical Group nor any Contractor shall use, or permit any of its/his/her employees or agents to use any part of the Facilities for any purpose other than the performance of services under this Agreement. Without limiting the generality of the foregoing, no part of the premises of the Facilities shall be used at any time as an office for private practice and delivery of care for non-District patients. This provision shall not apply to any office for private practice at any professional building owned by District or any of its affiliates, pursuant to a separate lease agreement.
- 3.25. **Authority.** Neither Medical Group nor any Contractor shall enter into any contract in the name of District or otherwise bind District in any way without the express written consent of District.
- 3.26. **Regulatory Compliance.** Medical Group and Contractors shall perform all Radiation Oncology Services under this Agreement in accordance with any and all requirements and accreditation standards applicable to District and the Radiation Oncology service, including, without limitation, those requirements imposed by the Joint Commission, the Medicare/Medicaid conditions of participation and any amendments thereto.
- 3.27. **Compliance Program.** Medical Group and each Contractor shall (i) comply with all District policies, procedures and codes of conduct ("**Standards**"); (ii) sign and adhere to any disclosures or attestations related to District's compliance program; and (iii) participate in and support the compliance program. With respect to Medical Group's and each Contractor's business dealings with District and their performance of the Radiation Oncology Services, neither Medical Group nor any Contractor shall act in any manner that conflicts with or violates the Standards, nor cause another person to act in any manner which conflicts with or violates the Standards. Medical Group and each Contractor shall comply with the Standards (as they may be revised in the future), as they relate to Medical Group's business relationship with District and its affiliates, employees, agents, contractors, and suppliers.
- 3.28. **Books and Records.** Upon written request of the Secretary of Health and Human Services, the Comptroller General or any of their duly authorized representatives, Medical Group and Contractors shall make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection must be available for up to four (4) years after the rendering of such services. If Medical Group or any Contractor carries out any

of the duties of this Agreement through a subcontract with a value of ten thousand dollars (\$10,000.00) or more over a twelve (12) month period with a related individual or organization, Medical Group or Contractor agrees to include this requirement in any such subcontract. This Section 3.28 is included pursuant to and is governed by the requirements of 42 C.F.R. Sections 300-304. No attorney-client, accountant-client or other legal privilege shall be deemed waived by District, Medical Group or Contractor by virtue of this Agreement.

- 3.29. **Schedule of Fees.** Medical Group shall prepare a schedule of fees representing its full compensation for professional services rendered to patients under this Agreement. The fee schedule(s), and any change thereto, shall be approved in advance by District in order for District to ensure that fees and charges are reasonable, fair and consistent with the basic commitment of District to provide adequate health care to all residents within the Service Area. The schedule must, at all times, comply with all applicable laws, rules, regulations and contractual arrangements with third party payers. The fees set out therein shall at all times be reasonable and competitive. Nothing herein shall be construed to cause Medical Group to violate any federal or state laws concerning the establishment of fees.
- 3.30. **Notification of Certain Events.** Medical Group (and each Contractor) shall notify District, in writing, within twenty-four (24) hours of the occurrence of any of the following: (i) Medical Group (or any Contractor) becomes the subject of, or is otherwise materially involved in, any government investigation regarding business practices, the provision of services under this Agreement or the provision of professional services, including, without limitation, being served with a search warrant in connection with such activities; (ii) any Contractor's Medical Staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto; (iii) Medical Group (or any Contractor) becomes the subject of any suit, action or other legal proceeding arising out of professional services and/or the Radiation Oncology Services provided under this Agreement; (iv) Medical Group (or any Contractor) is required to pay damages or any other amount in any professional liability (malpractice) action by way of judgment or settlement; (v) any Contractor becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior; (vi) any Contractor becomes incapacitated or disabled from providing the Radiation Oncology Services, or voluntarily or involuntarily retires from the practice of medicine; (vii) any Contractor's license to practice medicine in the State of California is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto; (viii) any Contractor changes his or her medical specialty; (ix) Medical Group (or any Contractor) is convicted of a crime as defined in Section 1.5.3; (x) any Contractor's federal Drug Enforcement Agency ("DEA") Number is revoked; (xi) any event or occurrence which has a material adverse effect on Medical Group's (or any Contractor's) ability to perform any or all of the Radiation Oncology Service under this Agreement; (xii) Medical Group (or any Contractor) is debarred, suspended or otherwise ineligible to participate in any federal or state health care program; or (xiii) Medical Group or any Contractor ceases to meet the requirements of Section 3.1.
- 3.31. **Confidentiality.** Medical Group (and each Contractor and/or Employee) understands and acknowledges that Medical Group (and each Contractor and/or Employee) shall have access to confidential information ("**Confidential Information**") concerning District's business. Medical Group (and each Contractor and/or Employee) shall have a duty at all times not to use Confidential Information in competition with District or to disclose or permit disclosure of Confidential Information to any other person, firm, corporation, entity or third party, during the term of this Agreement or at any time thereafter. For purposes of this Agreement, "**Confidential Information**" shall include, without limitation, any and all secrets or confidential technology, proprietary information, customer or patient

lists, trade secrets, records, notes, memoranda, data, ideas, processes, methods, techniques, systems, formulas, patents, models, devices, programs, computer software, writings, research, personnel information, customer or patient information, plans or any other information of whatever nature in the possession or control of District that is not generally known or available to members of the general public or the medical profession, including any copies, worksheets or extracts from any of the above. Medical Group (and each Contractor) further agrees that if this Agreement is terminated for any reason, neither Medical Group nor any Contractor shall take or retain, without prior written authorization from District, originals or copies of any records, papers, programs, computer software, documents, x-rays or other imaging materials, slides, medical data, medical records, patient lists, fee books, files or any other matter of whatever nature which is or contains Confidential Information. This Section 3.31 shall survive the termination or expiration of this Agreement.

- 3.32. **Medical Group's Representative.** Communications made by District or its designee to the Medical Group's President, or such other person as Medical Group may designate with the approval of District ("**Medical Group's Representative**") shall be considered as made to Medical Group. The District may treat statements made by the Medical Group's Representative regarding this Agreement or the administration of the Department as made on behalf of and with the authority of the Medical Group.
- 3.33. **Medical Residency Programs.** Medical Group acknowledges that District is a teaching facility accredited by the Accreditation Council for Graduate Medical Education (ACGME) for teaching and training of medical residents, including residency programs in family medicine, emergency medicine, behavioral medicine and general surgery. Subject to Paragraph 6 of **Exhibit B**, Medical Group further acknowledges that the resident physicians are trainees practicing on a progressive continuum of independence and authority, and accordingly the residents must have collegial access to attending staff and medical directors for consultation and teaching, and that all patient care services provided by the residents are supervised by attending physicians

Section 4. District's Obligations. District shall perform the following undertakings:

4.1. **Compensation.**

- 4.1.1. **Radiation Oncology Services.** District shall provide income guarantee as provided in Exhibit G for a period for the first twelve months. After the first twelve months, District shall not compensate Medical Group for the Radiation Oncology Services, it being agreed that Medical Group's sole compensation for such services shall be the professional fees it collects for such services.
- 4.1.2. **Medical Director Services.** District shall compensate the Medical Group for the Medical Director Services as set forth in **Exhibit D**.
- 4.1.3. **Reimbursement of Recruitment Costs.** District shall reimburse the Medical Group for the costs of recruiting David Ly, M.D. to be a Contractor to the Medical Group, as provided in Exhibit G.

4.2. **Facilities and Services Provided by District.**

- 4.2.1. **Space and Services.** District shall provide on District premises the space designated by District for the Department, plus any expendable supplies, equipment and services necessary for

the proper operation of the Department. The minimum services to be provided by District are janitor, standard facility telephone, laundry and utilities.

4.2.2. **Personnel.** District shall employ all non-physician technical and clerical personnel it deems necessary for the proper operation of the Department. District will consult with Contractor regarding the hiring of technical personnel for the Department, provided that the District shall retain full discretion in decisions relating to the hiring and employment of its personnel. The Contractors shall direct and supervise the clinical work and services of Department personnel. However, District shall retain full administrative control and responsibility for all such Department personnel and the compensation, benefit and all aspects of employment of the Department personnel. Medical Group (and Contractors) shall comply with District policies regarding gifts to the Department personnel or any other District employee.

4.3. **District's Professional and Administrative Responsibilities.** To the extent required by Title 22, Cal. Code of Regulations §70713, District shall retain professional and administrative responsibility for the Radiation Oncology Service. District's retention of these responsibilities shall not alter or modify, in any way the hold harmless, indemnification, insurance or independent contractor provisions of this Agreement. Medical Group shall apprise District's administration of recommendations, plans for implementation and continuing assessment through dated and signed reports, which shall be retained by District for follow-up action and evaluation of performance.

4.4. **Billing Services.** District shall provide the Billing Services set forth in **Exhibit E**, and shall be compensated for such services as set forth therein.

4.5. **Contracting Services.** District shall provide the Contracting Services set forth in **Exhibit F**, and shall be compensated for such services as set forth therein.

Section 5. Change of Circumstances. In the event (i) Medicare, Medicaid, any third party payer or any federal, state or local legislative or regulatory authority adopts any law, rule, regulation, policy, procedure or interpretation thereof which establishes a material change in the method or amount of reimbursement or payment for services under this Agreement; or if (ii) any or all such payers/authorities impose requirements which require a material change in the manner of either party's operations under this Agreement and/or costs related thereto, then, upon the request of either party materially affected by any such change in circumstances, the parties shall enter into good faith negotiations for the purpose of establishing such amendments or modifications as may be appropriate in order to accommodate the new requirements and change of circumstances while preserving the original intent of this Agreement to the greatest extent possible. If, after thirty (30) days of such negotiations, the parties are unable to reach an agreement as to how or whether this Agreement shall continue, either party may terminate this Agreement upon thirty (30) days prior written notice.

Section 6. Insurance and Indemnification.

6.1. **Medical Group and Contractor Insurance.** Medical Group shall ensure that each Contractor shall keep and maintain professional liability insurance coverage with such insurance companies, issued upon such forms and containing such terms and limitations reasonably acceptable to District. The insurance coverage shall provide District defense for claims arising solely on the basis of vicarious liability or ostensible or apparent agency, for the act or inaction of Contractors. As a minimum, the insurance shall provide coverage in the amount of one million dollars (\$1,000,000.00) per occurrence, three million dollars (\$3,000,000.00) in the aggregate. If the insurance is maintained on a claims-made basis, the insurance shall continue throughout the term of this Agreement; and upon the termination of this

Agreement, or the expiration or cancellation of the insurance, each Contractor shall purchase, or arrange for the purchase of, either (i) an extended reporting endorsement (“**Tail Coverage**”) for the maximum period that may be purchased from its insurer; (ii) “**Prior Acts**” coverage from the new insurer with a retroactive date on or prior to the date each Contractor began performing services under this Agreement; or (iii) maintain continuous coverage with the same carrier for the period of the statute of limitations for personal injury. All insurance must be kept and maintained without cost or expense to District. In the event any Contractor does not purchase required coverage, District, in addition to other rights it may have by law or under the terms of this Agreement, shall be entitled, but not obligated to purchase such coverage and obtain immediate reimbursement from Medical Group or the affected Contractor for the cost thereof. District may enforce its right of reimbursement through set-off against any sums otherwise payable to Medical Group. Each Contractor shall (i) provide District with a certificate or certificates of insurance certifying the existence of all coverages required hereunder; and (ii) request his/her insurance carriers to provide District with not less than thirty (30) days prior written notice in the event of a change in the professional liability policies of Contractor.

- 6.2. **District Insurance.** During the term of this Agreement, District shall keep and maintain, at its sole cost and expense, professional and general liability coverage for the acts and omissions of District, its officers, directors, employees and agents (excluding Contractors if deemed to be an agent notwithstanding the contrary intent of the parties). Medical Group (and each Contractor) acknowledges that District is currently self-insured for professional and general liability coverage.
- 6.3. **Medical Director Insurance.** District, at its sole cost and expense, shall provide insurance coverage in amounts satisfactory to Medical Group with respect to the Director’s administrative duties under this Agreement. It is understood by both parties that District is self-insured for professional and public liability.
- 6.4. **Indemnification.** Each party specifically reserves any common law right of indemnity and/or contribution which either party may have against the other. In addition, Medical Group (and Contractors) shall indemnify, defend and hold District harmless from and against any and all claims for wages, salaries, benefits, taxes and other withholdings and charges payable to, or in respect to, Medical Group (or Contractors) for services provided under this Agreement.

Section 7. Miscellaneous Provisions.

- 7.1. **Notice.** Any notice required or desired to be given in respect to this Agreement shall be deemed to be given upon the earlier of (i) actual delivery to the intended recipient or its agent, or (ii) upon the third business day following deposit in the United States mail, postage prepaid, certified or registered mail, return receipt requested. Notice to either party may be given by the other party, in writing, personally delivered, or deposited in the United States mail, postage prepaid and addressed to the appropriate party, as follows:

If to District:

Kaweah Delta Health Care District
Attn: Jag Batth, VP
400 West Mineral King Avenue
Visalia, California 93291-6263

If to Medical Group:

Sequoia Radiation Oncology Services, Inc.
Attn: Tangel Chang, D.O.
4945 West Cypress
Visalia, California 93277

With copy to both of the following:

Kaweah Delta Health Care District

Law Offices of Dennis M. Lynch

Attn: Ben Cripps, Chief Compliance Officer
400 West Mineral King Avenue
Visalia, California 93291-6263

Attn: Dennis Lynch
Post Office Box 2685
Visalia, California 93279-2685

Notice to Contractors shall be to the addresses set forth in **Exhibit C**.

- 7.2. **Entire Agreement.** This Agreement contains the entire agreement of the parties hereto and supersedes all prior agreements, contracts and understandings, whether written or otherwise, between the parties relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 7.3. **Partial Invalidity.** In the event any provision of this Agreement is found to be legally invalid or unenforceable for any reason, the remaining provisions of the Agreement shall remain in full force and effect provided the fundamental rights and obligations remain reasonably unaffected.
- 7.4. **Assignment.** Because this is a personal service contract, neither Medical Group nor any Contractor may assign any of its/his/her rights or obligations hereunder without the prior written consent of District. District may assign this Agreement to any successor to all, or substantially all of District's operating assets or to any affiliate of District. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 7.5. **Regulatory Requirements.** The parties expressly agree that nothing contained in this Agreement shall require any Contractor to refer or admit any patients to, or order any goods or services from, District. Notwithstanding any other provision of this Agreement, neither party shall knowingly or intentionally act in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medicaid programs (42 U.S.C. §1320a-7b).
- 7.6. **Dispute Resolution.** The parties firmly desire to resolve all disputes arising hereunder without resort to litigation in order to protect their respective business reputations and the confidential nature of certain aspects of their relationship. Accordingly, any controversy or claim arising out of or relating to this Agreement, or breach thereof, shall first be addressed by and between Medical Group and the District's VP of Post-Acute Care Services (or his/her designee). If still unresolved to the mutual satisfaction of the parties, any dispute relating to the quality of Services shall be referred to the District's Medical Executive Committee for recommendation to District's Board of Directors for final resolution; any other dispute shall be referred directly to the Board of Directors. The Board of Directors shall, within a reasonable time, notify Medical Group of its decision as to the dispute. The parties expressly agree litigation may not be commenced regarding the terms and conditions of this Agreement or any controversy or dispute hereunder unless and until the contractual procedures and remedies set forth described in this Section are first exhausted.
- 7.7. **Third Party Beneficiaries.** This Agreement is entered into for the sole benefit of District and Medical Group. Nothing contained herein or in the parties' course of dealing shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Agreement.
- 7.8. **Governing Law.** This Agreement shall be governed by the laws of the State of California.

- 7.9. **Approvals.** Neither this Agreement nor any amendment of or modification hereto shall be effective or legally binding upon either party unless it is set forth in a written document executed by the party to be bound.
- 7.10. **Attorneys' Fees.** If any legal action at law or in equity or any arbitration proceeding, is brought for the interpretation or enforcement of this Agreement or any part hereof, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs incurred in that action or arbitration proceeding, in addition to any other relief to which it may be entitled.
- 7.11. **HIPAA.** For the purposes of compliance with the privacy provisions of the Health Information Portability and Accountability Act of 1996 (HIPAA), Medical Group's relationship with District may be considered as that of "Business Associate." As used hereunder, the terms "Business Associate," "Protected Health Information," "use," and "disclosure" shall have the meanings ascribed to them in 42 C.F.R. §§ 164.101 and 164.501. If Medical Group is a "Business Associate," Sections 7.11.1 through 7.11.9 shall apply:
- 7.11.1. Medical Group agrees to conduct business with District in accordance with all applicable laws and regulations, including HIPAA and the regulations promulgated thereunder. Medical Group further agrees to comply with all policies and procedures adopted by District related to use and disclosure of Protected Health Information.
- 7.11.2. Medical Group shall use and disclose Protected Health Information solely for the purpose of providing the Radiation Oncology Services, or as required by law. Medical Group shall use, disclose or request only the minimum Protected Health Information necessary to provide the Radiation Oncology Services, and shall comply with the District's minimum necessary policies and procedures.
- 7.11.3. Medical Group shall use appropriate safeguards and comply, where applicable, with the HIPAA Security Rule with respect to Electronic Protected Health Information, to prevent use or disclosure of Protected Health Information otherwise than as provided for by this Agreement.
- 7.11.4. Medical Group will immediately report to District any use or disclosure of Protected Health Information not provided for by this Agreement of which Medical Group becomes aware, including breaches of unsecured Protected Health Information as required by the Data Breach Notification Rule (45 CFR § 164.410), and any security incident of which Medical Group becomes aware.
- 7.11.5. Any breach by Medical Group of the obligations under the confidentiality provisions of this Agreement and/or HIPAA shall be grounds for immediate contract termination at the discretion of District.
- 7.11.6. Medical Group will ensure that any of Medical Group's subcontractors that create, receive, maintain, or transmit protected health information on behalf of Medical Group agree in writing to the same restrictions and conditions that apply to Medical Group with respect to such information, including compliance with the HIPAA Security Rule with respect to electronic protected health information.

- 7.11.7. At the request of District, Medical Group agrees to make available Protected Health Information for access, amendment or accounting in accordance with the requirements of 42 C.F.R. Sections 164.524, 164.526, 164.528.
- 7.11.8. Medical Group agrees to make available to the Secretary of Health and Human Services, or any designated representative thereof, any and all internal policies, books and records relating to the use and disclosure of Protected Health Information for the purposes of determining District's compliance with HIPAA.
- 7.11.9. Medical Group agrees that upon termination of this Agreement, Medical Group shall return or destroy all Protected Health Information, and Medical Group agrees to refrain from maintaining any copies of such Protected Health Information in any form. The provisions of this Agreement regarding the uses and disclosures of Protected Health Information shall continue beyond the termination of this Agreement.
- 7.11.10. Notwithstanding any other provision of this Agreement to the contrary, if any, nothing in this Agreement, or in the parties' course of dealings, shall be construed as conferring any third party beneficiary status on any person or entity not named a party to this Agreement.
- 7.11.11. Any and all patient records and charts produced as a result of either party's performance under this Agreement shall be and remain the property of District, both during and after the term of this Agreement. Consistent with applicable law and patient privacy, Medical Group shall be permitted to inspect and/or duplicate, patient charts or records to the extent necessary to meet professional responsibilities to patients. Medical Group shall be solely responsible for maintaining legal requirements for patient confidentiality (including in compliance with the terms of this Section 7.11) with respect to any information obtained pursuant to this Section 7.11 and shall make no further disclosure of such information except as authorized by law.

7.12. **Cross Referenced Agreements.** According to regulations implementing 42 U.S.C. §§1395nn *et seq.*, respecting the prohibition of physician referrals to entities with which those physicians or their family members have financial arrangements, all arrangements must be cross referenced for audit purposes. As such, the following list constitutes all agreements (including space leases, equipment leases, professional service agreements, medical directorships, or any other agreement), existing as of the date of this Agreement between District, Medical Group and Contractors (or the family members of Contractors. Such agreements are hereby deemed amended to include reference to this Agreement in accordance with the applicable regulations:

Name of Contracted Party	Relation to Medical Group	Description of Contract	Start of Term	End of Term	Executive Team Member
		N/A			

- 7.13. **Modification.** This Agreement may be modified only by written instrument executed by the party to be bound.
- 7.14. **Compliance with Laws.** District and Medical Group agree to comply with all applicable statutes and regulations, both state and federal, governing the operation and administration of District, as well as standards set forth by the Joint Commission.

7.14.1. In addition to the obligations of the parties to comply with applicable federal, state and local laws respecting the conduct of their respective businesses and professions, District and Medical Group each acknowledge that they are subject to certain federal and state laws governing the referral of patients which are in effect or will become effective during the term of this Agreement. These laws include:

- (1) Prohibition on payments for referral or to induce the referral of patients (California Business and Professions Code §650; California Labor Code §3215; and the Medicare/Medicaid Fraud and Abuse Law, §1128B of the Social Security Act); and
- (2) Prohibition on the referral of patients by a physician for certain designated health care services to an entity with which the physician (or his/her immediate family) has a financial relationship including (California Business and Professions Code §§650.01 and 650.02, and §1877 of the Social Security Act).

7.14.2. Nothing in this Agreement is intended or shall be construed to require either party to violate the California or federal laws described in Section 7.14.1, and this Agreement shall not be interpreted to:

- (1) Require Medical Group or any Contractor to make referrals to District, be in a position to make or influence referrals to District, or otherwise generate business for the District.
- (2) Restrict any Contractor from establishing staff privileges at, referring any patient to, or from otherwise generating any business for any other entity of Contractor's choosing.
- (3) Provide for payments in excess of the fair market value or comparable compensation paid to physicians for similar services in comparable locations and circumstances.

7.14.3. In the event of any changes in law or regulations implementing or interpreting the Internal Revenue Act or the Medicare and Medicaid Patient Protection Act of 1987, including the adoption or amendment of Medicare Fraud and Abuse Safe Harbor Regulations, or to any other Federal or State law relating to the subject matter of such Acts, to fraud and abuse, or to payment-for-patient referral, including the laws referenced in Section 7.14.1, the parties shall use all reasonable efforts to revise this Agreement to conform and comply with such changes.

7.15. **Force Majeure.** Neither party shall be liable nor deemed to be in default for any delay or failure in performance under the Agreement or other interruption of service or employment deemed resulting, directly or indirectly, from: Acts of God; acts of civil or military authority; acts of terrorism, bioterrorism, or public enemy; bomb threats; computer virus; epidemic; power outage; acts of war; accidents; fires; explosions; earthquakes; floods; failure of transportation, machinery, or supplies; vandalism; strikes or other work interruptions by District's employees; or any similar or dissimilar cause beyond the reasonable control of either party. Both parties shall, however, make good faith efforts to perform under this Agreement in the event of any such circumstance.

7.16. **Execution in Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

7.17. **Legal Counsel.** Each party understands the advisability of seeking legal counsel and financial/tax advice and has exercised its own judgment in this regard

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective on the date first set forth above. This Agreement shall be binding when all signatories listed below have executed this Agreement.

DISTRICT:

KAWEAH DELTA HEALTH CARE DISTRICT

By: _____

Jag Batth

Vice President of Post Acute Care Services

MEDICAL GROUP:

**SEQUOIA RADIATION ONCOLOGY SERVICES,
INC.**

A California professional corporation

By: _____

Tangel Chang, D.O.

President

EXHIBIT A
LIST OF CURRENT CONTRACTORS

Initial Contractors

Principals:

Tangel Chang, D.O., President of Tangel Chang, D.O., Inc.

David Ly, M.D., President of David Ly, M.D., Inc.

EXHIBIT B
RADIATION ONCOLOGY SERVICE OBLIGATIONS

1. **Services.** The Radiation Oncology Services to which this Agreement applies are the following:

All Radiation Oncology Services provided at the Facilities. “Radiation Oncology Services” means the professional component of the services from time to time listed by the Centers for Medicare and Medicaid Services as “Radiation Therapy Services and Supplies” in the *List of CPT/HCPCS Codes Used to Define Certain Designated Health Service Categories under Section 1877 of the Social Security Act* at http://www.cms.gov/Medicare/Fraud-and-Abuse/PhysicianSelfReferral/List_of_Codes.html, or an equivalent list by which such list is replaced, and all medical services necessarily incidental to such services.

2. **Standards.** Medical Group shall provide Radiation Oncology Services accordance with the obligations set forth in this **Exhibit B** by being present at or available to the Facilities in performance of this Agreement. Medical Group and its Contractors shall be available to members of District’s Medical Staff and other staff in connection with the performance of Radiation Oncology Services and shall perform the undertakings set forth in this **Exhibit B**.
3. **Radiation Oncology Staffing Schedule.** Medical Group has the responsibility to provide all Radiation Oncology Services necessary for the proper operation of the Department 0800 – 1700 nine (9) hours per day, five (5) days per week excluding emergent inpatient or outpatient treatments which may involve Saturday, Sunday, or holidays, at the Facilities.

After hours coverage will be covered by contractor on an on call basis as necessary for emergency radiation oncology requests. Discussions regarding treatment and times will be mutually acceptable to referring physician and contractor.

The parties acknowledge that Medical Group may be occasionally unable to meet the staffing schedules set forth below for short periods owing to unforeseen circumstances. Such brief and occasional failures shall not be deemed a material breach of this Agreement as long as Contractor is diligently working to re-establish the schedule. Contractor shall provide two (2) weeks’ notice prior to changing the schedule to assure patient care takes priority to scheduling, except for when emergency arises. Contractor shall provide at minimum two Radiation Oncologists at all times except for when other providers (NP or PA) provide coverage. Contractor agrees to provide a Radiation Oncologist (e.g. locum tenens coverage) for all vacations lasting more than two (2) consecutive days to meet the two (2) Radiation Oncologist staffing requirement. The parties acknowledge that Contractor may be occasionally unable to meet the staffing schedules set forth below for short periods of unforeseen circumstances. Such brief and occasional failures shall not be deemed a material breach of this agreement as long as Contract is diligently working to re-establish the schedule. At no time shall there be a need to credit charges for a lack of physician presence.

Medical Group shall provide the following coverage:

3.1 **Sequoia Regional Cancer Center – Visalia.**

- 3.1.1 Monday – Friday. District holidays not included unless radiation oncologists determine full complement of per case patient therapy treatments require holiday treatment

delivery. Generally requires Restricted In-house Coverage by one (1) radiation oncologists.

3.1.2 8:00 a.m. – 5:00 p.m., (one (1) hour lunch), eight (8) hour shifts. This can be variable dependent upon patient load, scheduling of patients, and summer schedule. (Summer schedule involves 7:30 a.m. start for patient convenience.) Restricted In-house Coverage by one (1) radiation oncologists is generally required unless the patient load requires less, based on daily schedule.

3.1.3 Unrestricted Coverage twenty-four (24) hours, seven (7) days per week in the event emergent treatment services required.

3.2 Sequoia Regional Cancer Center – Hanford.

3.2.1 Monday – Friday. District holidays not included unless radiation oncologist determine full compliment of per case patient therapy treatments require holiday treatment delivery. Generally requires one (1) radiation oncologist in the department (i.e., Restricted In-house Coverage).

3.2.2 8:00 a.m. – 5:00 p.m., (one (1) hour lunch, eight (8) hour shifts. This can be variable dependent upon patient load, scheduling of patients, and summer schedule. (Summer schedule can involve earlier start for patient convenience.) Restricted In-house Coverage by one (1) radiation oncologist is required unless the patient load requires less.

3.2.3 Unrestricted Coverage twenty-four (24) hours, seven (7) days per week in the event emergent treatment services required.

4. Kaweah Delta Medical Center.

4.1 Hours as needed, depending upon type of treatment that is needed that may require inpatient treatment delivery at our cancer outpatient center. Routinely these therapies are scheduled at the outpatient center.

4.2 Unrestricted Coverage twenty-four (24) hours, seven (7) days per week in the event emergent treatment services required.

5. Performance Expectations. Medical Group has the responsibility to expedite delivery of care to all patients who are referred to the District's Facilities. Certain parameters shall be met that apply to each practitioner to ensure that efficient professional care is provided. The following performance expectations will serve as a guide to be followed that should minimize turnaround time for treatment.

5.1 Inpatient referrals. Patients shall be consulted, and if appropriate, treatment delivered within 24 hours if emergent. Treatment plan will dictate need for treatment as Inpatient at the outpatient center, then as appropriate transitioned to outpatient status.

5.2 Outpatient referrals.

5.2.1 Referral to consult – Base time frame goal after referral made, generally not to exceed 14 (fourteen) days. Due to circumstances beyond Medical Group's control, the time frame may be influenced by the patient. (Second opinions, alternative facilities, patient

procrastination, insurance, nursing and technical availability based on current budget, etc.).

- 5.2.2 Consult to treatment – Delivery turnaround goal not to exceed 10 (ten) days for 3-D treatments, and 14 (fourteen) days for IMRT treatments. Due to circumstances beyond Medical Group's control, the time frame may be influenced by the patient. (Second opinions, alternative facilities, patient procrastination, insurance, nursing and availability based on current budget, etc.).

5.3 Contractor responsibilities.

- 5.3.1 Document in the electronic medical record as set forth in Section 3.18 of the Agreement.
- 5.3.2 Maintain consistency with setting up treatment plan with patients. Once a patient plan is started, whenever possible the same radiation oncologist shall complete and verify the treatment plans until the electronic verifications gates are passed, and the treatment delivered. This step requires continuity of physician planning to avoid redundant and repeated steps to delivery.
- 5.3.3 Departmental representation at meetings, etc., can be distributed amongst any of the Contractors of the Medical Group.
- 5.3.4 A Contractor must always be present and immediately available within any of the Facilities in order for therapies to be done at that Facility. If there are any limiting physician determinations (i.e. signing off on prescriptions or ports) prior to delivery of treatment, a physician is required to be present.
- 5.3.5 Each Contractor is responsible for the initiation and completion of that patient's treatment. Unless discussed and agreed upon between group members, transference of physician responsibility should be minimized.
- 5.3.6 When any Contractors are on leave for vacation or any other scheduled time period, the responsibilities for filling the expectations of staffing is the accountability of the Medical Group.
- 5.3.7 Subcontractors can be utilized or obtained under the guidance of the Contractor and Medical Staff Office for proper credentialing.
- 5.3.8 Contractors, when scheduled, must arrive at the scheduled time indicated, and stay the full extent of the shift, unless volumes indicate the ability to leave early or stay later than the prescribed shift.
- 5.3.9 Prior to leaving at the end of the shift, the Contractor is required to check with staff to insure leaving is acceptable, and that any professional needs are no longer required.
- 5.3.10 Whenever possible, Contractors will participate in daily, morning patient review (15 minutes in duration) to proactively determine required physician verifications and to expedite the current days treatment schedule. Additional required participants include management, dosimetry, simulation, and nursing.

6. **Medical Residency Programs.** As described in Section 3.33, District provides residency training programs accredited by ACGME. Physicians who contract with District are expected to actively engage in the residency training programs to meet all required educational components mandated by the ACGME. Active engagement includes but is not limited to:

- Supervision, at an appropriate level, of all residents assigned to the service;
- Assignment of patients from the service, to the residents;
- Acceptance of residents on each service offered at the District;
- Provide an adequate number of qualified supervising physicians on the service;
- Timely completion of evaluations regarding resident performance and program quality;
- Professional role-modeling in behaviors and attitudes.

Resident physicians, as required by the ACGME, will complete evaluations on all teaching faculty on a regular basis. Performance of physicians who do not regularly meet the minimum scores on evaluation shall be subject to evaluation by the Designated Institutional Official and the Chief Medical Officer, as well as the District Executive Team and Board of Directors.

Physicians who participate in preparation and presentation of lectures or who are entitled to receive reimbursement of professional development funds may be eligible for compensation as set forth in the District's Office of Graduate Medical Education's policies for "Reimbursement of GME-Related Expenses" and "Conference Lectures and Presentations."

EXHIBIT C
CONTRACTOR ACKNOWLEDGMENT

The undersigned (each a “**Contractor**”) acknowledge that they provide services to Kaweah Delta Health Care District under the terms of an exclusive contract between the District and Sequoia Radiation Oncology Medical Associates, Inc. (the “**Medical Group**”). Accordingly, the undersigned acknowledges that:

1. Without the written consent of the District, a Contractor may not provide Radiation Oncology Services at any location within the District’s Service Area except the Facilities. However, a Contractor may refer patients and services to any provider of his or her selection, within or outside the Service Area. If Contractor desires to provide Radiation Oncology Services at other locations within the Service Area, District and Medical Group will meet to review the reasons and justification for the request;
2. During the period Contractor provides services under the Agreement and for a period of twelve (12) months thereafter, Contractors shall not, directly or indirectly, solicit, induce or encourage any employee or contractor of the District to terminate or leave his or her employment or engagement with the District (except that nothing in this section shall prohibit Contractor from hiring any person who responds to a general advertisement for employment that is not directed to employees or contractors of the District); and
3. On termination of the Agreement without cause or for any cause or reason, or upon termination of the undersigned’s employment or contract with the Medical Group, the clinical privileges of the undersigned to provide services in the District’s radiation oncology service that are exclusively assigned under the Agreement (and if these are the undersigned’s only clinical privileges, his or her Medical Staff membership also) shall forthwith terminate, without further action by or on behalf of the District or the District’s Medical Staff, and without right of review, fair hearing or appeal.

Principals:

By: _____
Tangel Chang, D.O.
4945 West Cypress
Visalia, California 93277

By: _____
David Ly, M.D.
4945 West Cypress
Visalia, California 93277

**EXHIBIT D
MEDICAL DIRECTOR
DUTIES AND RESPONSIBILITIES**

1. **Approval of Radiation Oncology Director and Time Commitment.**

1.1 **Overview and Approval.** Tangel Chang, D.O. is hereby designated as the Medical Director of Radiation Oncology. Medical Director designation can be changed at any time in writing by the Vice President of Post-Acute Care Services.

1.2 **Time Commitment.**

1.2.1 Director (or his or her substitute as provided below) agrees to spend up to a maximum of **twenty (20) hours monthly** in performance of the itemized Medical Director Obligations in this Agreement. Director shall be available to members of District's Medical Staff and other staff in connection with the performance of Services.

1.2.2 Director shall submit complete, accurate and contemporaneous time records documenting all time spent in providing services pursuant to this Agreement. Such time records shall be submitted in intervals and on such forms as District may require. The time record is used to account for time spent fulfilling duties specified in this Agreement. Compensation shall be disbursed **only** on properly completed records in accordance with the terms of this Agreement. Director shall attest that the hours shown on the time records as "incurred" are actually performed by Director. Additionally, Director shall attest that the hours shown on the time records are only for services consistent with those required in this Agreement.

1.2.3 Director **shall** submit complete and accurate time records for Medical Director Services rendered during the **previous month** to the VP of Post-Acute Care Services on **a monthly basis by the third (3rd) day of each month**. The time records **shall** include the **date**, the **length of time** and a **description** of Services provided.

1.3 **Substitute Medical Director.** Medical Group shall provide, at Medical Group's sole cost and expense, a substitute physician as medical director for Director if unable to provide services required under this Agreement for good reasons, including, but not limited to, absence. As a condition of providing Medical Director Services under this Agreement, any such substitute shall first be approved by the VP of Post-Acute Care Services. Additionally, any such substitute shall otherwise satisfy all qualification requirements applicable to Director. The Director shall maintain overall responsibility for the medical direction of the Department.

This Agreement is entered into for the purpose of securing the personal services of Director. It is agreed that the continued service of Director under this Agreement is a material obligation of Medical Group. No substitutes for Director may be contracted under this Agreement without the prior consent of District, and any substitute shall provide services on an occasional and temporary basis only. Any discontinuation of service by Director, or any attempted substitution without District's consent, shall be deemed a material breach of Medical Group's obligations, entitling District to terminate this Agreement immediately.

2. **Compensation.** District shall compensate the Medical Group for Director's performance of Medical Director Services as follows:

- 2.1 District shall disburse the sum of **two hundred fifty dollars (\$250.00)** per hour for the Medical Director Services rendered during the term of this Agreement. Compensation for Director's performance in accordance with this Agreement is ***limited annually to sixty thousand dollars (\$60,000)***
- 2.2 Disbursement shall not occur unless District receives complete, accurate and contemporaneous time records as identified in Paragraph 1.2.2 of this Exhibit for all time spent in providing Medical Director Services pursuant to this Agreement.

3. **Medical Director's Obligations.** The Director shall perform the following duties:

- 3.1 When appropriate assist in coordinating the quality, availability, safety and appropriateness of patient care, clinical case review, records and the radiation oncology medical services furnished in District's facilities.
- 3.2 Assist District in the performance of utilization review, quality assurance, cost containment functions and risk management programs for radiation oncology services.
- 3.3 Coordinate continuing education programs for radiation oncology staff, nurses and active Medical Staff members in specialized skills required for the performance of services in radiation oncology.
- 3.4 When appropriate, assist in developing, in conjunction with District, appropriate policies and procedures for the operation of the Department.
- 3.5 Assist in supervising the clinical operation of District's Department.
- 3.6 Maintain such records, and prepare or assist in the preparation of such reports, as may be necessary in order to comply with the requirements of any governmental agency, accrediting body, funding source or similar entity.
- 3.7 Perform such other administrative duties as reasonable requested by District.
- 3.8 Provide input into the clinical staffing and scheduling needs.
- 3.9 Review the monthly radiation oncology statistics to identify trends and opportunities for improvement.
- 3.10 Participate in clinical case reviews.
- 3.11 Participate in the development, planning and implementation of new services for radiation oncology.
- 3.12 Be available, as needed, to investigate and mediate operational and patient care concerns, physician-physician and physician-staff disagreements.
- 3.13 Coordinate physician coverage and scheduling eight (8) hours per day, five (5) days per week, excluding holidays, to assure optimum availability and service to patients and compliance with the Contract Parameters set forth on Exhibit B.

4. **Secondary Responsibilities.**

- 4.1 Identify educational opportunities for radiation oncology staff and the Medical Staff.
- 4.2 Provide unstructured education for District staff, as needed.
- 4.3 Investigate and implement new medical practices and techniques.
- 4.4 Annually, provide one (1) continuing medical education (“**CME**”) course to the Medical Staff regarding the radiation oncology or other topics identified by the Chief Executive Officer and/or Chief Financial Officer.

5. **Clinic and Quality Responsibilities.** Actively participate in hospital staff and Medical Staff Performance Improvement (“**PI**”) and Compliance activities as follows:

- 5.1 Participate as requested in review and approval of manuals, policies, procedures and forms.
- 5.2 Collaborate with staff to establish PI objectives and monitoring systems to measure outcomes.
- 5.3 Ensure compliance with Joint Commission, DHS, CMS and other relevant organizations’ requirements.
- 5.4 Attend MEC meetings if needed to report.
- 5.5 Attend Quality Counsel meetings, as needed.
- 5.6 Assist in evaluating Staff Competencies in coordination with the management of District.
- 5.7 Confer as needed with the Bioethics Committee.
- 5.8 Meet with attending physicians, consultants and hospital staff to implement Clinical Pathways and Case and Utilization Management at the patient care level, when authorized by the Rules and Regulations of the Medical Staff or when delegated authority by the MEC and the Clinical Department.

This does *not* include Director’s attendance or participation at Medical Staff meetings or for peer review which is Director’s responsibility as a member of the Medical Staff. Any activity which requires the peer expertise service of Director is excluded from Director’s administrative responsibilities under this Agreement. However, if Director is providing a formal presentation to the Medical Staff while representing the Service, then the activity is compensable under this Agreement.

6. **Administrative Responsibilities.** Work effectively with District’s Medical Staff and hospital staff to ensure the efficient and effective integration of service within the organization. When appropriate, exercise clinical knowledge in assisting the design of systems, policies and procedures to affect the services identified in this Section. Serve as a medical liaison to District’s Medical Staff, hospital staff and Board of Directors in the development and assessment of the following, as needed:

- 6.1 Policies and procedures
- 6.2 Operating and capital budgets
- 6.3 Medical technologies and supplies

- 6.4 Information systems
- 6.5 Educational needs of staff and physicians
- 6.6 Long-range and strategic planning
- 6.7 Operating objectives and goals
- 6.8 Communications and marketing plans
- 6.9 Recruitment, staffing and retention of Department staff.

EXHIBIT E
BILLING SERVICES

7. Billing Services. District shall track and verify patients' insurance and determine if there are required co-payments for professional services, the amount due and terms of payment, and shall log copayment information in Medical Group's system and collect co-payments when the patient comes in. Upon receipt into the District's electronic health record system of physician's order for simulation, District will input the appropriate CPT code for the simulation (collectively "**Billing Services**").

8. Compensation for Billing Services. In consideration of the Billing Services described above, Medical Group shall pay District the sum of **Two Hundred Seventy Five Dollars (\$275)** per week, which the parties agree represents the fair value of such services, which will increase three percent (3%) annually. Payment shall be made to the District at such address as District may direct on or before the last day of each month.

EXHIBIT F
CONTRACTING SERVICES

1. Contracting Services. District agrees to assist Medical Group in the review and negotiation of contracts between Medical Group and all managed care organizations with which Medical Group contracts. Such assistance will include analysis of current reimbursement, recommendations regarding possible new reimbursement, communication and negotiation with the listed managed care organizations.
2. Designated Employee. The employee through whom District will provide the Contracting Services under this Agreement is Candice Marques-Butler (the “**Designated Employee**”). District agrees that it will not change the Designated Employee under this Agreement without the consent of Medical Group, such consent not to be unreasonably withheld.
3. Compensation. In consideration of the Contracting Services rendered by District, Medical Group shall pay District the sum of **Two Hundred Dollars (\$200)** per hour. District shall, on a monthly basis, submit to Medical Group an itemization of the hours worked and the Contracting Services provided during that month. Medical Group shall pay District for Contracting Services duly performed and properly documented within fifteen (15) days of the date Medical Group receives an invoice and supporting documentation from District. The \$200 per hour fee for the Contracting Services shall be due from Medical Group as the result of the Designated Employee providing work on review and negotiation of the managed care contract(s). District shall, through the Designated Employee, work diligently to assist Medical Group in negotiating a contract that is acceptable to Medical Group and the managed care organization. The obligation of Medical Group to pay District, however, is not contingent upon Medical Group and the managed care organization ultimately signing a contract.
4. Appointment. Medical Group hereby appoints District as its agent for the negotiation of contracts between Medical Group and the managed care organizations with which it wishes to contract.
5. Authority. Consistent with the provisions of this Agreement, District shall have the responsibility and commensurate authority to provide consultation, analysis and negotiation services for Medical Group with respect to contracts between Medical Group and the managed care organizations with which it wishes to contract. Consistent with that authority, District shall be authorized to communicate with such organizations on Medical Group’s behalf, and to negotiate contract terms for Medical Group with such organizations. Nothing contained in this Agreement, however, shall authorize, or be deemed to authorize, District to finally bind Medical Group to any contractual term with any managed care organization. Medical Group shall be so bound only after Medical Group has personally signed with such organization a written contract containing the terms to which Medical Group and the managed care organization are bound.
6. Patient Referrals. District and Medical Group agree that the services to be provided to Medical Group hereunder do not require, are not payment for, and are not in any way contingent upon the referral, admission, or any other arrangement for the provision of any item or service offered by District to patients of Medical Group or patients of any other provider in any facility, laboratory, infusion center, or health care operation controlled, managed, or operated by District, in whole or in part.
7. No Market Leverage. Both Medical Group and District agree that in assisting Medical Group with the negotiation and analysis of Medical Group’s managed care contracts, District’s Designated Employee will use her personal expertise and experience in negotiating for Medical Group, and in advising Medical Group about the terms being offered. Nothing in this Agreement is intended, nor will it be permitted to be construed, to require or permit District or its Designated Employee to use the District’s own market

influence, as distinguished from the personal experience and expertise of its Designated Employee, to persuade managed care contractors to provide any contractual arrangements or terms to Medical Group.

8. No Guarantee of Increased Reimbursement. District agrees to use reasonable and good faith efforts through its Designated Employee to assist Medical Group in obtaining improved reimbursement under its contract with the referenced managed care organizations. Both parties agree, however, that District is making no representation that Medical Group will achieve increased reimbursement with respect to any individual contract or with respect to the contracts overall, or that to the extent Medical Group does achieve increased reimbursement that it will be the maximum reimbursement achievable under the circumstances.
9. No Legal Services. The Contracting Services to be provided to the Medical Group shall not be construed to be the provision of legal counsel or legal advice to Medical Group. The Designated Employee who will be providing assistance to Medical Group is not an attorney and does not purport to give legal advice to Medical Group in the course of providing Contracting Services under this Agreement. Neither District nor the Designated Employee will have the managed care contracts for Medical Group subjected to review by counsel, nor will the Designated Employee be consulting with counsel for the benefit of Medical Group. Medical Group acknowledges that it has been advised to have all managed care contracts reviewed by its own counsel prior to signing them.
10. No Liability for Failure to Perform. Neither District nor any of its directors, officers, agents or employees, including the Designated Employee, shall have any responsibility for nonpayment or any other nonperformance by managed care organizations with whom Medical Group contracts, or for nonperformance by Medical Group. In negotiating and consulting with Medical Group about contracts with managed care organizations for which Medical Group requests District's assistance, District is making no representations or warranties about any managed care organization or about Medical Group, or the ability of any of them to enter into or perform the terms of any contract ultimately signed by Medical Group.

DISTRICT:

KAWEAH DELTA HEALTH CARE DISTRICT

By: _____
Jag Batth
Vice President of Post Acute Care Services

MEDICAL GROUP:

**SEQUOIA RADIATION ONCOLOGY SERVICES,
INC.**
A California professional corporation

By: _____
Tangel Chang, D.O.
President

EXHIBIT G

GUARANTEE OF COLLECTIONS REIMBURSEMENT OF RECRUITMENT COSTS

Guarantee of Collections.

1. **Monthly Financial Report.** As long as any Guarantee Payments, as defined below, remain outstanding, within ten (10) days after the end of each month of this Agreement and each of the six (6) months following the termination or expiration of this Agreement, Medical Group shall submit to District an itemized report ("Monthly Financial Report") for the prior month setting forth the following:
 - 1.1 Medical Group's billings for Radiation Oncology Services;
 - 1.2 "Program Collections," which means revenues or receipts received by or on behalf of Medical Group or any of its Contractors during the applicable month from any and every source in any way related to Radiation Oncology Services performed at the Facilities, including (without limitation) (i) reimbursement for services, (ii) payments under policies of business interruption insurance, and grants from government agencies relating to services provided, lost revenues, or reimbursement of costs (except insofar as such grants are intended and used to cover unanticipated costs that are not reimbursable under this Agreement), and (iii) Abandoned Collections, as defined below; but excluding Guarantee Payments made by the District under this Agreement, and less refunds, recoupments, offsets, takebacks or withholds.
 - 1.3 Clinical Compensation Costs, as defined below;
 - 1.4 Accounts receivable; and
 - 1.5 Other financial information maintained by Medical Group as the District may be reasonably request.

The Monthly Report for each January, April and July shall contain the foregoing information for the quarter ending with that month, and the Monthly Report for each October shall contain the foregoing information for the year ending with that month.

2. **Audit; Abandoned Collections.** District may at its sole discretion, audit, either internally or through an independent consultant, Medical Group's coding, billing and collection activities. If as a result of an audit, District identifies claims that have not been billed in a manner consistent with industry standards, Medical Group agrees to resubmit claims, where necessary and appropriate. If the audit identifies claims that were not billed by Medical Group in a manner consistent with industry standards, and Medical Group is not able to resubmit such claims to the payor by statute or payor requirements for timely claim submission ("Abandoned Collections"), the amount of Abandoned Collections, adjusted to reflect the Medical Group's historical collections rate for the payor, shall be added to Medical Group's Program Collections during the Term of this Agreement; provided that the Abandoned Collections shall not include the professional portion of any global rates that were billed and collected by District. For purposes of this Agreement, Abandoned Collections shall not include any charity care discount or other appropriate decision to reduce the charges to or payable by a Program patient; however, Abandoned Collections shall include any courtesy discount (including professional courtesy to a health provider or any family members of a health care provider) unrelated to individual need or appropriate exigent circumstances. The amount

of Abandoned Collections identified subsequent to the expiration or termination of this Agreement that relate to Radiation Oncology Services performed by Medical Group during the Term of this Agreement shall be promptly repaid by Medical Group to District in an amount equal to what would have been paid by the payor to Medical Group had the collections not been abandoned, taking into consideration the historical collections rate for the payor.

3. **Compensation.**

3.1 Provided the Medical Group provides the Monthly Reports as required by Section 1, as compensation for Radiation Oncology Services provided during the first twelve (12) months of the term of this Agreement (the “Guarantee Period”), District shall pay Medical Group amounts sufficient to ensure that its Program Collections for Radiation Oncology Services provided during the Guaranty Period are at least equal to the sum of the following (the “Guaranteed Amount”)—

3.1.1 Medical Group’s Clinical Compensation Cost during the Guarantee Period, which shall be an amount equal to \$570,000.00 dollars (\$47,500) per month per full-time-equivalent (FTE) Contractor providing Radiation Oncology Services. On the Effective Date, there will be 2 FTE Contractors providing Radiation Oncology Services, and the Medical Group’s Clinical Compensation Cost will be **Ninety-Five Thousand Dollars (\$95,000)** per month. The Clinical Compensation Cost will be adjusted *pro rata* to reflect any adjustment in the number of FTE Contractors assigned to provide Radiation Oncology Services, provided that it shall not be increased without the prior written approval of the District; plus

3.1.2 Medical Group’s Administrative Expenses in the amount of **Seven Thousand Five Hundred Dollars (\$7,500)** per month.

For purposes of this provision, an FTE Contractor provides 2,000 hours per year on-site and personally present in the Department, providing clinical services or administrative services directly related to the provision of clinical services.

3.2 Except as set forth in Section 3.4 and 3.5, Medical Group shall retain Program Collections.

3.3 By the 10th day of each month (or five (5) business days after receipt of the Monthly Report for the prior month, if later), the District shall pay the Medical Group its estimate (based on the most recent Monthly Report) of the amount by which the Guaranteed Amount exceeds Program Collections for the month (each such payment, a “Guarantee Payment”).

3.4 If in any month during the term of this Agreement Program Collections exceed the Guaranteed Amount, the Medical Group shall promptly pay the excess to the District (each such payment, an “Excess Collection Payment”); provided that the aggregate Excess Collection Payments shall not exceed the aggregate Guarantee Payments theretofore made by the District; and provided, further, that, with the consent of the District, the excess may be retained by the Medical Group to be set off against future Clinical Compensation Costs and Administrative Expenses that are guaranteed under Section 3.1.

3.5 Upon expiration or termination of this Agreement which is not superseded by an extended or new agreement between the parties for Radiation Oncology Services, the District shall determine the aggregate Guarantee Payments made to Medical Group that were not offset by Excess Collection Payments (the “Outstanding Guaranty Amount”). As long as any of

the Outstanding Guarantee Amount remains unpaid, but for no longer than the six (6)-month period following the expiration or termination of this Agreement: (i) Medical Group shall continue to provide Monthly Reports as required by Section 1; and (ii) Medical Group shall pay District all its Program Collections for Radiation Oncology Services provided while this Agreement was in effect, less Medical Group's actual billing and collection costs.

4. Reimbursement of Recruiting Expenses.

4.1 Upon the execution of this Agreement, and provided David Ly, M.D. has relocated his practice to the Service Area and is prepared to practice full-time under this Agreement, the District shall pay the Medical Group the sum of (i) \$10,000 for Dr. Ly's relocation expenses (the "Relocation Expense Payment"), and (ii) \$25,000 for a signing bonus for Dr. Ly (the "Recruitment Bonus"). Medical Group shall pass through the Relocation Expense Payment and the Recruitment Bonus to Dr. Ly in full, without deduction or offset, and shall retain no portion of either. The Relocation Expense Payment shall not be refundable. The Recruitment Bonus shall be refundable as provided in Section 4.2.

4.2 Provided Dr. Ly maintains a full-time practice in the Service Area, providing Radiation Oncology Services under this Agreement or otherwise to a broad cross-section of residents of the Service Area, including participants in the Medicare, Medi-Cal and other government health care programs, the Recruitment Bonus shall become vested as to the amount of \$2,083 at the end of each calendar month, and shall be wholly vested on the second anniversary of the Effective Date. If Dr. Ly ceases to comply with the requirements of this Section, the portion (if any) of the Recruitment Bonus not then vested shall be immediately due and payable to the District, and shall bear interest at the rate of ten percent (10%) per annum, or the highest rate permitted by law, whichever is lower, until paid.

4.3 The Medical Group agrees that—

4.3.1 It will maintain records of the receipt and payment of the Relocation Expense Payment and the Recruitment Bonus for a period of six (6) years, and will make them available to the District and the Secretary of Health and Human Services upon request; and

4.3.2 It will not seek to impose any restrictions on Dr. Ly that would preclude him from maintaining a practice in the Service Area if he ceases to practice on behalf of Medical Group.

By signing below, Dr. Ly acknowledges and agrees that any obligation to repay any portion of the Recruitment Bonus as provided above is his personal obligation, and not an obligation of the Medical Group:

Acknowledged and agreed:

David Ly, M.D.

Date: _____

Advanced Practice Provider Name: _____ Date: _____
Please Print

Collaboration/Supervision Requirements for all Advanced Practice Providers

As required by CCR Title 16 Division 13.8 Physician Practice Act Section 1399.545 (g); CA Business and Professions Code Section 3502, at all times, the collaborating/supervising Physician must not supervise more than four (4) Advanced Practice Providers at one time.

Consultation and Referral:

The Advanced Practice Provider will seek physician consultation in a timely manner for the following situations:

- Conditions which fail to respond to management in an appropriate time.
- Any condition, which is beyond the Advanced Practice Provider's scope of training or experience.
- Any unexplained physical examination or historical finding.
- All unstable or potentially unstable patients, after initial care has been started.
- Any patient who requests to see a physician rather than an Advanced Practice Provider.

Collaborating/supervising physician agreement: As a collaborating/supervising physician for the Advanced Practice Provider noted above. I agree to accept full professional responsibility for the collaboration or supervision and direction of the applicant in the performance of functions and services for which the applicant is granted authorization to provide. To the best of my knowledge and belief, the applicant is duly qualified to perform the services for which authorization has been requested in this application. I hereby certify that the applicant is covered by malpractice liability insurance as required. I am covered by malpractice liability insurance to supervise applicant as required. I agree to notify the medical staff office in the event that either insurance coverage is reduced, restricted or terminated, or if there is a change in the employment status of applicant. I have read and agree to be bound by the Governing documents as applicable.

Nurse Practitioner

Supervising Physician's Responsibility for Supervision and/or Collaboration

Once initial competency is established, and the Nurse Practitioner's (NP) standardized procedures have been defined and approved, the NP is authorized to perform approved standardized procedures without the direct observation, supervision, or approval of a physician. Physician consultation must be available at all time, either on-site or by immediate electronic communication, when needed for any reason, as defined by the individual standardized procedure. With respect to the ordering or furnishing of drugs or devices by the NP, the supervising physician must be available by telephone at the time of patient examination by the NP.

Delegation of Services Physician Assistant Agreement for Physician Assistant

Supervising Physician's Responsibility for Supervision of Physician Assistants:

As outlined in Section 1399.545 of the Physician Assistant Regulations, the Supervising Physician will:

- Be available by electronic communication, or in person, at all times when the PA is caring for patients.
- Delegate to the PA only those procedures and tasks that are part of the usual and customary practice of the Supervising physician and which the PA has demonstrated competence in performing.
- ~~Review, sign, and date the medical record of every patient treated by the PA within thirty (30) days of the patient encounter or, if operating under adopted protocols, the Supervising Physician shall review, countersign, and date a minimum of 5% sample of medical records of patients treated by the PA functioning under these protocols within thirty (30) days. The Physician shall select for review those cases which by diagnosis, problem, treatment or procedure represent in his/her judgment the most significant risk to the patient.~~
- ~~Review, sign, and date the medical record of every patient in which the PA has administered a Schedule II medication, or issued a drug order for a Schedule II medication, within seven (7) days of the patient encounter.~~
- Maintain continuing responsibility for the progress of the patients and all services provided by the PA.

Supervising Physician's Signature

Printed Name

Date

Advanced Practice Provider Declaration: My signature below signifies that I fully understand the Collaboration/Supervising Requirements, as pertains to me, and agree to comply with its terms without reservation.

Advanced Practice Provider Signature

Printed Name

Date

Credentials Committee

October 14, 2020

At the October 14, 2020 Credentials Committee meeting members discussed the difficulty physicians are experiencing in regard to meeting volume requirements for core and advanced privileges due to lowered hospital activity during the Pandemic.

The Credentials committee is recommending that, in addition to OPPE data, peer references, NPDB and state licensure review, the last **three years** of activity logs be utilized instead of the last two years. This would pertain to Core and advanced privileges at the time of initial and reappointments. If approved, the Credentials committee would re-evaluate the need for this adjustment in January 2022.

Forward to MEC for recommendation to the Board.

At the October 20, 2020 MEC meeting members unanimously approved the recommendation from the Credentials Committee to utilize provider activity logs for the last three years (instead of two years) to meet privileging volume requirements for core and advanced privileges.

Forward to Kaweah Delta Board for approval.

Sepsis Quality Focus Team

Board of Directors meeting
October 2020

Dr. Tom Gray, Medical Director – Quality & Patient Safety

tgray@kdhcd.org (559) 624-2117

Evelyn McEntire, Quality Improvement Manager

emcentir@kdhcd.org (559) 624-5297

Abbreviations

- ALOS: Average length of stay
- CMS: Centers for Medi-care and Medi-caid
- DRG: Diagnosis-related group
- FY: Fiscal year
- FYTD: Fiscal year to date
- LOS: Length of stay
- QI: Quality improvement

Why focus on Sepsis?

Sepsis is a medical emergency.

- Sepsis is the leading cause of death in U.S. hospitals (Approximately 1 in 3 septic patients will die from sepsis.)
- Sepsis is the #1 cost of hospitalization in the U.S.
- Sepsis is the #1 cause for hospital readmissions, costing more than \$3.5 billion annually nationwide
- ***Time is essential*** in diagnosing and treating sepsis. For every hour sepsis goes untreated, mortality increases by 8%
- Sepsis is one of the current Kaweah Delta leadership clinical quality goals.

SEP-1 Early Management Bundle

CMS Requirement and Evidence-Based Treatment

Three Hours

- Blood Cultures prior to antibiotics
- Lactic Acid & REPEAT in 6 hours if elevated (>2)
- Broad-Spectrum antibiotics
- 30ml/kg Crystalloid fluids for initial hypotension/
Lactic Acidosis (SBP<90 or LA \geq 4)
- **MUST DOCUMENT WEIGHT THAT YOU USED TO
CALCULATE FLUIDS – IT CAN BE AN ESTIMATED
WEIGHT OR IBW)**

Six Hours Septic Shock

If hypotension persists after fluid administration-

- Vasopressors
 - Reassessment (if hypotension persists or initial LA \geq 4). Any of the following:
 - CVP
 - SvO₂
 - Bedside Cardiovascular US
 - Passive Leg Raise
- OR**
- Focus Exam – by provider (Five of the following):
 - VS, SpO₂, Cardiopulmonary, Cap refill, skin, & peripheral pulses, UO

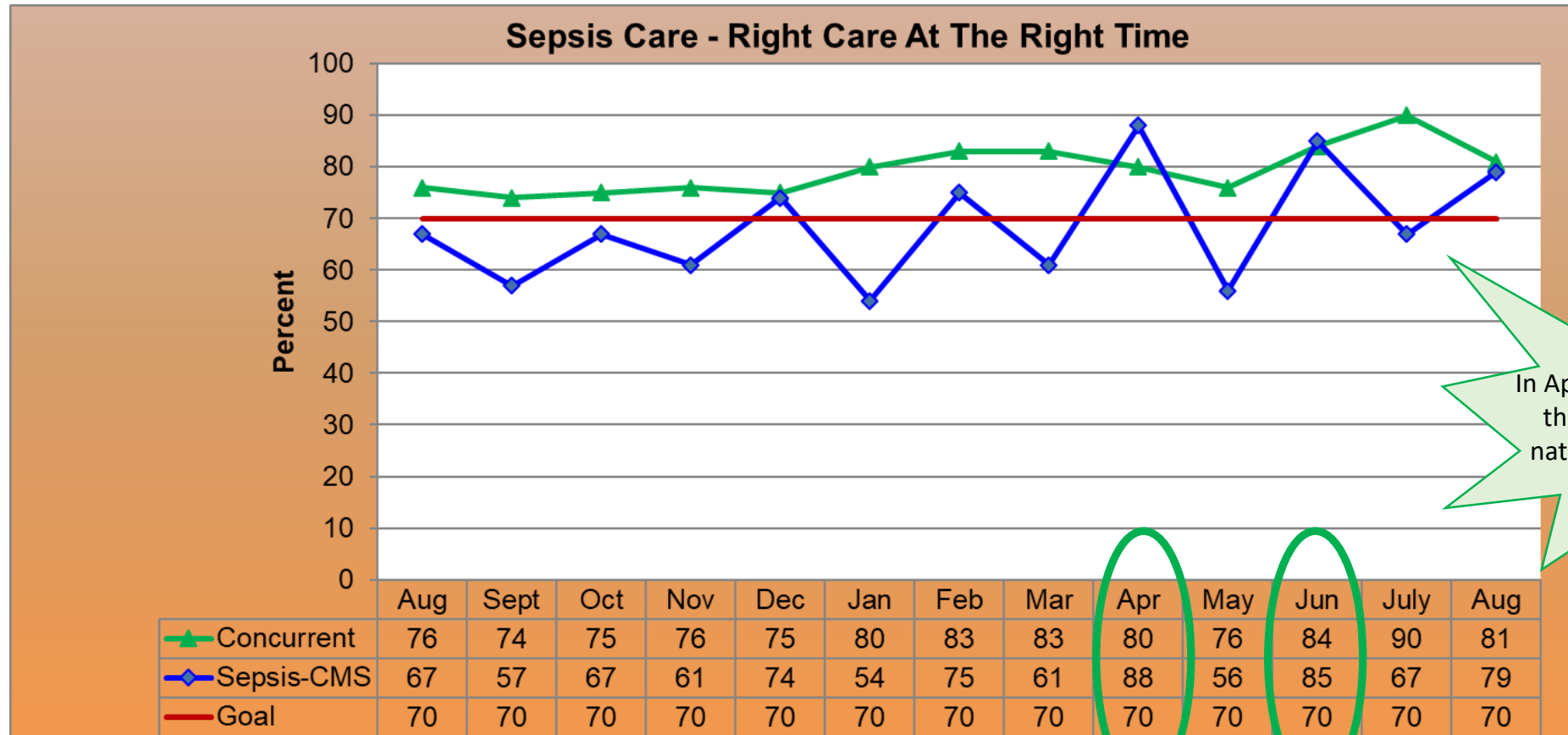


SEP-1 Early Management Bundle Compliance

National Compliance = 59%

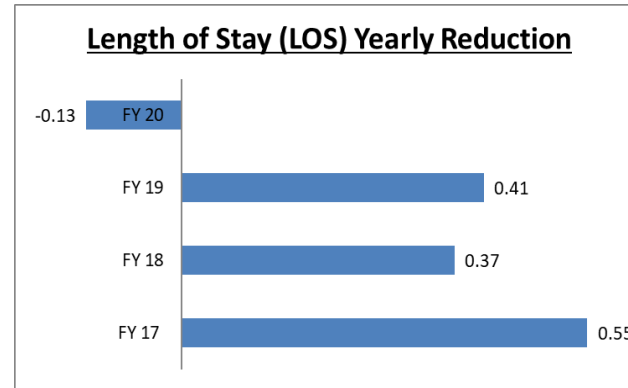
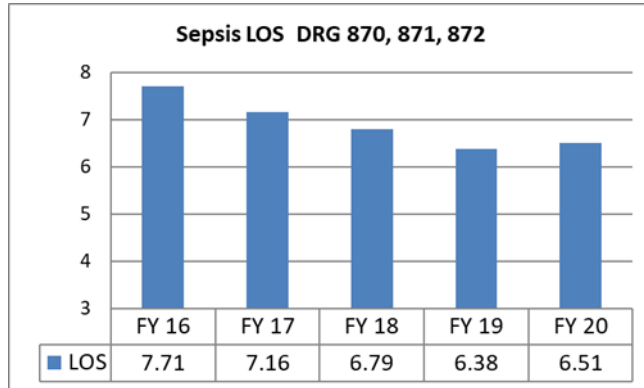
CA State Compliance = 63%

Kaweah Delta New FY 2021 Goal = 70%

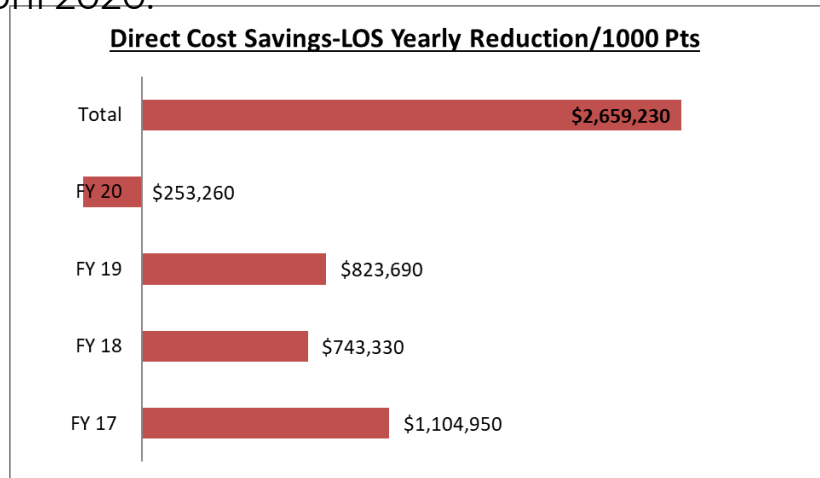


In April & June, KDMC is in the TOP DECILE in the nation for sepsis bundle compliance!

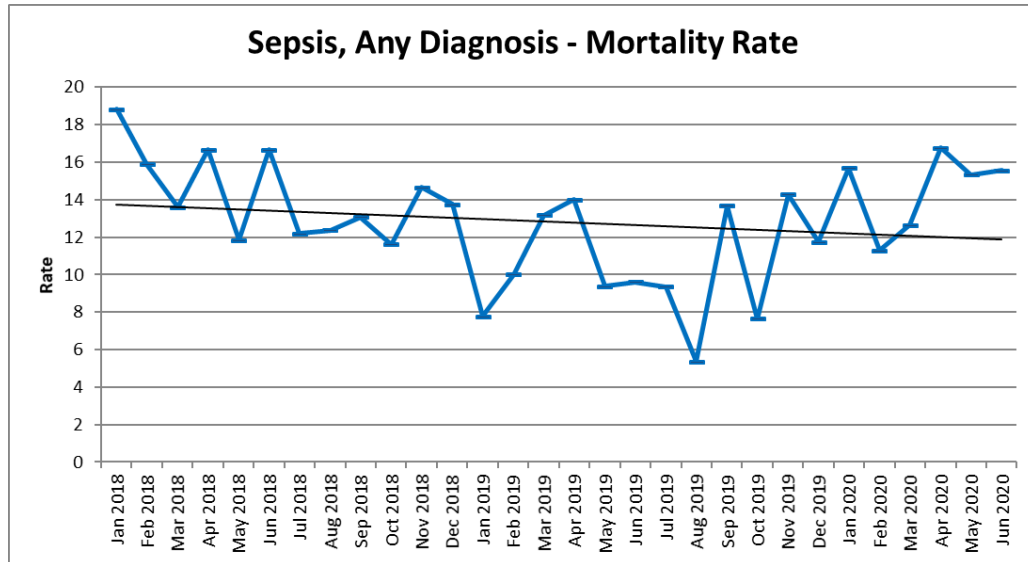
Sepsis at Kaweah Delta - LOS



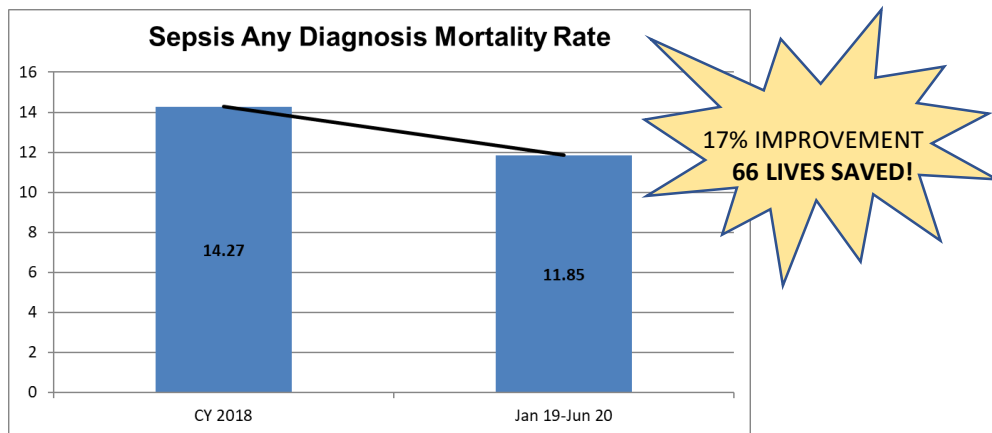
FY20 LOS continued to show a reduction through March; however, we have seen an increase in LOS for septic patients as related to COVID-19 infections beginning April 2020.



Sepsis at Kaweah Delta -



A downward trend is evident from February 2019 through May 2020; however, we have seen an increase in mortalities for septic patients as related to COVID-19 infections beginning June 2020.



Sepsis at Kaweah Delta – Cost

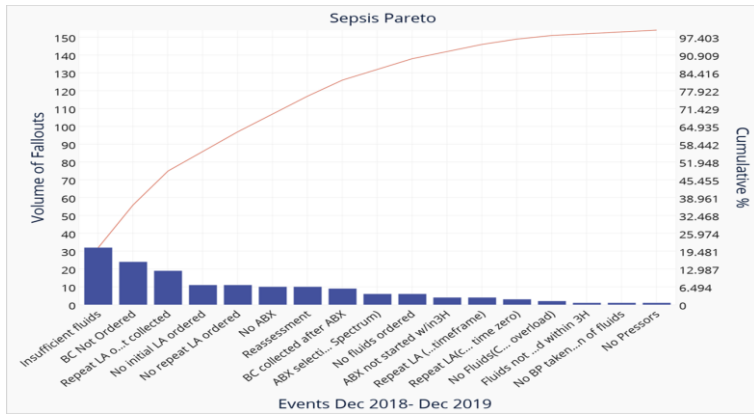
- Most expensive healthcare condition in U.S.
- Estimated \$62 billion annually (Sepsis Alliance, 2020)
- \$2.69 million savings at Kaweah Delta if LOS reduction by 1 day

Kaweah Delta Sepsis Costs (FY20)

Total Cases	1,340
Average LOS	6.24
Direct Cost / Day	\$2,009
Direct Cost / Case	\$12,536

Sepsis KAIZEN Project

80/20 Rule



Top Fallouts

Fall Out	Total	Cumulative Total	%	Cumulative %
Insufficient Fluids	32	32	20.78	20.78
BC Not Ordered	24	56	15.58	36.36
Repeat LA Not Collected	19	75	12.34	48.70
No Initial LA Ordered	11	86	7.14	55.84
No Repeat LA Ordered	11	97	7.14	62.99
No Abx	10	107	6.49	75.47
Reassessment	10	117	6.49	75.47
BC Collected after Abx	9	126	5.84	81.82

Prioritized QI Strategies

Group Strategy Affects	Improvement Strategy	DIFFICULTY or Cost/ Time to Implement Rate 5 to 1 High = 1 Low = 5	FEASIBILITY (Likelihood of Success/ability to achieve the outcome Rate 5 to 1 High = 5 Low = 1	SCOPE Strategy affects multiple or a high volume root cause Rate 5 to 1 High = 5 Low = 1	LEVERAGE (Positive Impact on Other Processes) Rate 5 to 1 High = 5 Low = 1	Total Project Priority
ED Pro	2. ED - Build and utilize SEP-1A "Catch Up" order set so all bundle components can be ordered (not "grayed out") COMPLETE	4.0	5.0	5.0	5.0	500.0
CC/INPT RN	6. Make form revisions to "provider notification"; provide prompts for critical thinking and order set initiation, and differently to eliminate confusion IN PROCESS	2.0	4.0	4.0	5.0	160.0
ED Pro & CC/HOS	1. Build dot phrase - if it's not Sepsis, document it COMPLETE	4	2	4	5	160.0
ED Pro/ED GME	9. Schedule ED and GME regular education/awareness of bundle, and order set usage IN PROCESS	2	4	4	4	128.0
ED Pro	1. Improve ED provider notification by Sepsis Coordinator when attempting to avoid fallouts concurrently IN PROCESS	4.0	2.0	4.0	3.5	112.0
ED/CC RN	20. Hand off sheet/pathway checklist (concerns about paper lost); can checklist be triggered electronically for RN when order set is used? This way checklist is available electronically, and can be available to print anywhere in patients Sepsis hospitalization course regardless of location. Similar to existing workflow with MRI safety forms, belonging forms "ad hoc" forms. Ideally it populate, and reminder to complete IN PROCESS	3	2	4	4	96.0
CC/INPT RN	7. Mandatory for RN to fill out "provider notification form" after sepsis alert fires - alerts suppressed for 48hrs, so RNs do not receive multiple alerts. THIS IS DEPENDENT ON #6 Investigate what happens if you bypass the alert one time it appears very difficult to get it back - further education/awareness of where to find alert IN PROCESS	4.5	3.0	2.0	3.0	81.0
CC/INPT RN	10. (Q&P/S) obtain safety summit compliance rates to validate if new staff are getting instructions upon hire of requirements COMPLETE	4	3	2	3	72.0
ED Pro	16. Reflex alert, when Abx ordered (specific list of Abx provider gets alert "do you want IN PROCESS	4	4	4	1	64.0
ED/CC/HOS pro	15. > 128ml/hr option added to ED AND INPATIENT ADULT SEPSIS order set COMPLETE	4	3	2	2	48.0
ED/CC/HOS Pro	19. Add to ED AND INPATIENT order set Reflex LA order when previous LA > COMPLETE	2	4	4	1	32.0
ED/CC/HOS Pro	17. Dot phrase for when Abx are urgent, so provider documentation is in COMPLETE	4	3	1	1	12.0
CC/INPT RN	8. Evaluate what clin Ed provides to new RNs about sepsis alerts and how to respond? Ideally hands on training upon hire, look at alerted patient and walk through documentation IN PROCESS	1	4	2	1	8.0
CC/HOS Pro	22. Standardized documentation of attending reassessment (Dr. Malli's phrase) IN PROCESS	3	2	1	1	6.0
ED RN	13. ED Techs input height and weight in EMR; RN input for BIBA patient HOLD dependent on #6 IN PROCESS	2	1	1	1	2.0
ED RN	14. IBW automated in fluid order when height and weight are documented COMPLETE	2	1	1	1	2.0

- Kaizen work began March 2020
- Key Stakeholders: Physicians, GME Residents, Nursing, ISS, Clinical Education in ED, ICUs, ICCUs
- Over 20 identified QI strategies identified
- Seven (7) strategies have been completed and implemented
- Eleven (11) strategies are in development and nearing completion
- Four (4) strategies in parking lot
- Concurrent and CMS bundle compliance are trending above national and state averages
- Data reveals an increase in compliance of the 3-hour and 6-hour bundles (Former top fallouts: repeat LA, fluid administration, and reassessment)
- Second Sepsis Coordinator joined team in May 2020 (7 days/week coverage)

Summary

	Aug 2020	FYTD %	FY21 Goal	FY20	Last 6 Months FY20
SEP-1 (Bundle Compliance)	79%	73%	≥ 70%	67%	69%
Sepsis Coordinator Bundle Compliance	79%	87%	≥ 70%	78%	81%

Top Initiatives (six sigma teamwork):

- Sepsis alert notification of providers, revision of electronic form and mandatory follow up
- Sepsis handoff, electronic version to ensure flow from ED to inpatient

Provider-level Initiatives

- Sepsis Coordinators using secure messaging with ED providers in real time
- Meeting with Hospitalist group in September; ongoing guidance for providers
- Resident education

Questions?

