July 23, 2021

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in the Sequoia Regional Cancer Center Maynard Faught Conference Room on Monday July 26, 2021 beginning at 3:30PM in open session followed by a closed session beginning at 3:31PM pursuant to Government Code 54956.9(d)(2), 54956.9(d)(1) and Health and Safety Code 1461 and 32155 followed by an open session at 4:00PM and a closed session following the 4:00PM Open meeting pursuant to Government Code 54957(b)(1).

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 Health Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health 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.kaweahhealth.org.

KAWEAH DELTA HEALTH CARE DISTRICT
Garth Gipson, Secretary/Treasurer

Cindy Moccio

Cindy Moccio
Board Clerk / Executive Assistant to CEO

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

KAWEAH DELTA HEALTH CARE DISTRICT
BOARD OF DIRECTORS MEETING

Sequoia Regional Cancer Center - Maynard Faught Conference Room
4945 W. Cypress Avenue

Monday July 26, 2021

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 jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or cmoccio@kaweahhealth.org to make arrangements to address the Board.
4. **APPROVAL OF THE CLOSED AGENDA – 3:31PM**
   - 4.1. **Conference with Legal Counsel – Anticipated Litigation –** Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case **-** *Ben Cripps, Chief Compliance Officer and Rachele Berglund, Legal Counsel*
   - 4.2. **Conference with Legal Counsel – Anticipated Litigation –** Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case **-** *Evelyn McEntire, Director of Risk Management and Rachele Berglund, Legal Counsel*
   - 4.1. **Conference with Legal Counsel** – Existing Litigation – Pursuant to Government Code 54956.9(d)(1) – *Rachele Berglund, Legal Counsel, Ben Cripps, Chief Compliance Officer, and Evelyn McEntire, Director of Risk Management*
     - A. Gene Price and Diane Price – Case # - 287060
     - B. Cori Shipman vs Mark Needham, Kaweah Health – Case # VCU287291
   - 4.2. **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee — *Evelyn McEntire, Director of Risk Management*
   - 4.3. **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 – *Monica Manga, MD Chief of Staff*

4.4. **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee –– *Monica Manga, MD Chief of Staff & Gary Herbst, CEO*

4.5. **Approval of the closed meeting minutes** – June 28, 2021.

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 July 26, 2021 closed meeting agenda.

5. **ADJOURN**

CLOSED MEETING AGENDA {3:31PM}

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

   Ben Cripps, Chief Compliance Officer and Rachele Berglund, Legal Counsel
3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –** Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case

   Evelyn McEntire, Director of Risk Management and Rachele Berglund, Legal Counsel
4. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** – Pursuant to Government Code 54956.9(d)(1)

   4.1. Gene Price and Diane Price – Case # - 287060

   4.2. Cori Shipman vs Mark Needham, Kaweah Health – Case # VCU287291

   Rachele Berglund, Legal Counsel, Ben Cripps, Chief Compliance Officer, and Evelyn McEntire, Director of Risk Management
5. **QUALITY ASSURANCE** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee.

   Evelyn McEntire, Director of Risk Management
6. **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 & 32155.

   Monica Manga, MD Chief of Staff
7. **QUALITY ASSURANCE** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee.

   Monica Manga, MD Chief of Staff

8. **APPROVAL OF THE CLOSED MEETING MINUTES** – June 28, 2021.

   Action Requested – Approval of the closed meeting minutes – June 28, 2021.

9. **ADJOURN**

OPEN MEETING AGENDA {4:00PM}

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 jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or cmoccio@kaweahhealth.org to make arrangements to address the Board.

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

5. **OPEN MINUTES** – Request approval of the June 28, 2021 open 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 – June 28, 2021 open *board of directors meeting minutes.*

6. **RECOGNITIONS** – *Garth Gipson*

   6.1. Presentation of Resolution 2137 to Jodi Chaires in recognition as the World Class Employee of the Month recipient – July 2021

   6.2. Presentation of Resolution 2138 to Lisa Harrold, Director of Rehab and Skilled Services, retiring from Kaweah Health after 28 years of service.

7. **2021 EMPLOYEE AND PHYSICIAN ENGAGEMENT SURVEY –** Executive summary of overall performance, high performing themes, and areas of focus for the physician and employee engagement surveys.

   Lisa Downing, MBA, RD, Advisor at Press Ganey Associates

8. **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.
   Monica Manga, MD Chief of Staff

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 provision al 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 provision al 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.

9. CHIEF OF STAFF REPORT – Report relative to current Medical Staff events and issues.

Monica Manga , MD Chief of Staff

10. 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 July 26, 2021 Consent Calendar.

10.1. REPORTS

A. Kaweah Health Home Infusion Pharmacy
B. Kaweah Health Retail Pharmacy
C. Kaweah Health Lifestyle Fitness Center
D. Sleep Center
E. Respiratory Services
F. Physician Recruitment

10.2. POLICIES

A. Administrative
1) Catering Guidelines – AP.39 – Revised
2) Against Medical Advice (AMA): Patient Leaving – AP.178 – Revised
3) Physician Referral – AP.31 - Revised

10.3. Resolution 2139, a Resolution of the Board of Directors, Kaweah Delta Health Care District, directing Tulare County, California, to levy a tax to pay the principal of an interest on general obligation bonds for the fiscal year beginning July 1, 2021 and ending June 30, 2022.

10.4. Approval to granting of application for leave to present late claim for Cori Shipman. Approval to reject the claim of Cori Shipman.

10.5. Recommendations from the Medical Executive Committee (July 2021)

A. History and Physical Required Elements for Outpatient Procedures/Outpatient Surgery-Proposed

B. Medical Staff Services policies

1) Medical Staff Well-Being Committee – MS.02 – Revised
2) Impaired Practitioner Policy – MS.40 – Revised

C. Medical Staff Bylaws and Rules and Regulations

1) Bylaws 9.D.10
2) Bylaws Appendix A.A.2
3) Bylaws Appendix A.D
4) Rules & Regulations 3.4
5) Rules & Regulations 6.2(a)
6) Rules & Regulations 6.2 (b)
7) Rules & Regulations 12.4 (a)

11. **KAWEAH HEALTH MEDICAL GROUP –** Annual review of Kaweah Health Medical Group.

Paul Schofield, CEO – Kaweah Delta Medical Foundation

12. **PROFORMA FOR CHILD AND ADOLESCENT PSYCHIATRY FELLOWSHIP** – Review and discussion of Kaweah Health opportunities to grow graduate medical education in the Central Valley and review of proforma for proposed child and adolescent psychiatry fellowship.

Lori Winston, M.D., Vice President Medical Education & Designated Institutional Officer & Jennifer Stockton, Director of Finance

13. **QUALITY – ANNUAL INFECTION PREVENTION** - A review of key quality measures and improvement actions associated with care of the maternal child health population.

Shawn Elkin, MPA, BSN, RN, PHN, CIC, Kaweah Health Infection Prevention Manager

14. **QUALITY – SAFETY ATTITUDES QUESTIONNAIRE AND ACTION PLAN –** A review of Safety Culture Questionnaire results, analysis and action plans for improvement.

Sandy Volchko, RN, DNP, Director of Quality and Patient Safety

15. **FINANCIALS** – Review of the most current fiscal year financial results and budget.

Malinda Tupper –Vice President & Chief Financial Officer

16. REPORTS

16.1. Chief Executive Officer Report - Report relative to current events and issues.

Gary Herbst, Chief Executive Officer

16.2. Board President **-** Report relative to current events and issues.

David Francis, Board President

17. APPROVAL OF CLOSED AGENDA AS FOLLOWS: Closed Meeting Agenda – Immediately following the 4:00pm open session

- **Personnel** – Consideration of the employment of a potential employee {Vice President & Chief Compliance and Risk Management Officer} per Government Code 54957(b)(1) – *Gary Herbst, CEO and Board of Directors*
- **CEO Evaluation** – Discussion of with the Board and the Chief Executive Officer relative to the evaluation of the Chief Executive Officer pursuant to Government Code 54957(b)(1) – *Rachele Berglund, Legal Counsel & Board of Directors*

18. ADJOURN

CLOSED MEETING AGENDA

1. CALL TO ORDER

2. PERSONNEL – Consideration of the employment of a potential employee {Vice President & Chief Compliance and Risk Management Officer} per Government Code 54957(b)(1)

Gary Herbst, CEO and Board of Directors

3. CEO EVALUATION – Board and the Chief Executive Officer relative to the evaluation of the Chief Executive Officer pursuant to Government Code 54957(b)(1)

Gary Herbst, CEO, Rachele Berglund, Legal Counsel & Board of Directors

4. 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.

KAWEAH DELTA HEALTH CARE DISTRICT

BOARD OF DIRECTORS MEETING

MONDAY JULY 26, 2021

CLOSED MEETING SUPPORTING DOCUMENTS

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KDHCD - BOARD OF DIRECTORS MEETING

MONDAY JULY 26, 2021

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KAWEAH DELTA HEALTH CARE DISTRICT

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The Open Board meeting minutes for the 06.28.21 meeting will be posted by 5:00PM 07.23.21

The Open Board meeting minutes for the 06.28.21 meeting will be posted by 5:00PM 07.23.21

The Open Board meeting minutes for the 06.28.21 meeting will be posted by 5:00PM 07.23.21

RESOLUTION 2137

WHEREAS, KAWEAH DELTA HEALTH CARE DISTRICT recognizes Jodi Chaires, Application Analyst III, with the World Class Employee of The Month Award – July 2021 for consistent outstanding performance and,

WHEREAS, Ms. Chaires embodies the Mission of Kaweah Health; *Health is our passion, Excellence is our focus, Compassion is our promise* and,

WHEREAS, Ms. Chaires embraces the Pillar of Kaweah Health - *Deliver Excellent Service* and,

WHEREAS, the Board of Directors of the KAWEAH DELTA HEALTH CARE DISTRICT is aware of Ms. Chaires 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 Kaweah Health staff, and the community they represent, hereby extend their congratulations to Ms. Chaires 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 July 2021 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 2138

WHEREAS, Lisa Harrold, is retiring from duty at Kaweah Delta Health Care District after 28 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;

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 appreciation to Lisa Harrold for 28 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 July 2021 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 Health
2021 Employee/Physician Engagement Survey
Executive Overview

Lisa Downing, MBA, RD
Press Ganey Workforce Solutions
July 2021

Executive Summary

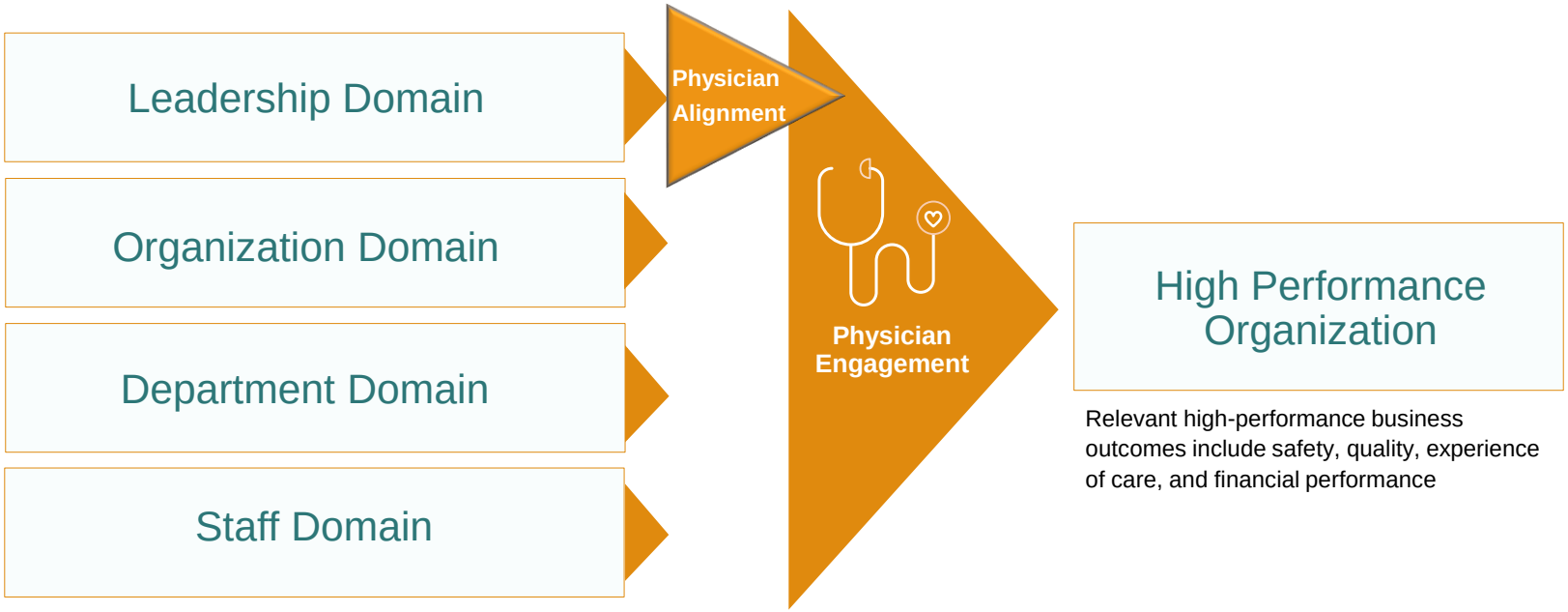
	Overall Performance	High Performing Themes	Areas of Focus
PHYSICIAN	Overall Engagement increased from the 10th percentile in 2019 to the 29th percentile in 2021 Overall Alignment decreased from the 33rd percentile in 2019 to the 28th percentile in 2021 Overall Response Rate of 47% vs. national avg. of 45%	Confidence in Kaweah's success in the coming years* Timeliness of information relayed* Significant improvement in "intent to stay"	High-quality care and service Organizational value of different backgrounds Physician Alignment
EMPLOYEE	Overall Engagement decreased from the 50th percentile in 2019 to the 23rd percentile in 2021 34% of work units are Team Index 1 77% of work units have high or moderately high Leader Index	Availability of tools/resources* Feelings of accomplishment* Coworker value of different backgrounds	High-quality care and service Respect Team Index

** These items perform below the Nat'l Healthcare Avg but higher than other items when compared internally*

Physician Survey Results

Our Model of Physician Engagement

Our research-based model is foundational to measurement, reporting, and improvement planning within the Press Ganey Workforce and Engagement Solution



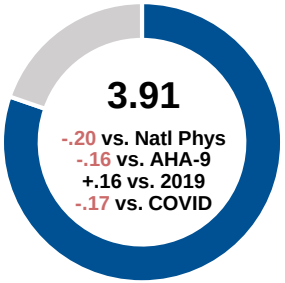
Relevant high-performance business outcomes include safety, quality, experience of care, and financial performance

Physician Results at a Glance

Survey Admin: May-June 2021
n=226, 47% Response Rate (2019: 57%)

Engagement

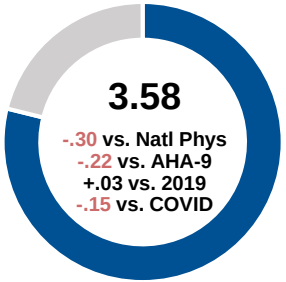
Physicians' emotional attachment and commitment to organization



	2021	2019
Natl Phys	29th	10th
AHA-9	30th	20th

Alignment

The extent to which physicians feel a strong connection with leadership and a shared vision to execute the mission and vision



	2021	2019
Natl Phys	28th	33rd
AHA-9	32nd	38th

*COVID Physician Norm: March – Dec 2020

Physician Engagement

			Difference from:		
Engagement Item	2021 KH	% Unfav	Natl Phys Avg	AHA-9 Phys Avg	2019 KH
34. If I am practicing medicine three years from now, I am confident that I will be working with Kaweah Health.	**3.96**	**5%**	**-.07**	**-.04**	**+.24**
35. Overall, I am satisfied working with Kaweah Health.	**3.97**	**4%**	**-.12**	**-.09**	**+.16**
31. I would recommend Kaweah Health to other physicians and medical staff as a good place to practice medicine.	**3.92**	**8%**	**-.18**	**-.14**	**+.18**
33. I would stay with Kaweah Health if offered a similar position elsewhere.	**3.78**	**10%**	**-.19**	**-.15**	**+.21**
32. I am proud to tell people I am affiliated with Kaweah Health.	**3.95**	**6%**	**-.26**	**-.22**	**+.08**
30. I would recommend Kaweah Health to family and friends who need care.	**3.88**	**7%**	**-.40**	**-.33**	**+.10**
2021 KH Engagement	**3.91**	**7%**	**-.20**	**-.16**	**+.16**

Note – In this presentation **BLUE/RED** notes a statistically significant difference.

Natl Phys Avg +/- .14 AHA-9 Phys Avg +/- .14 History +/- .20

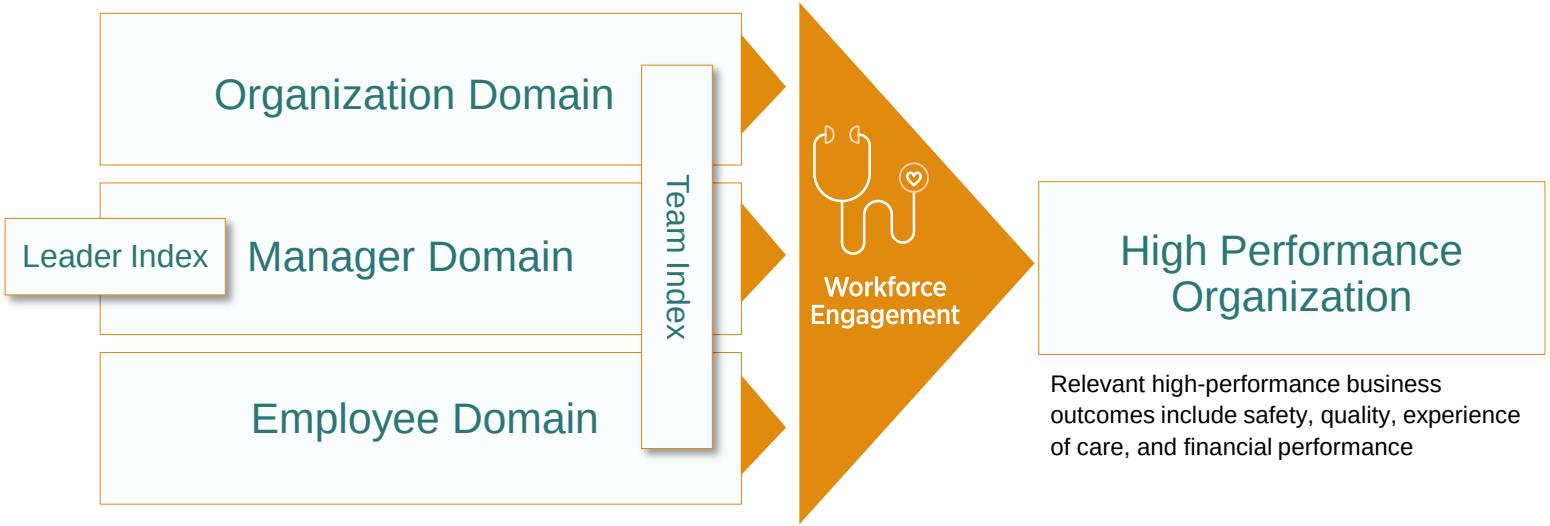
Physician Alignment

			Difference from:		
Alignment Item	2021 KH	% Unfav	Natl Phys Avg	AHA-9 Phys Avg	2019 KH
19. I have adequate input into decisions that affect how I practice medicine.	**3.53**	**20%**	**-.19**	**-.05**	**+.13**
24. Overall, I am satisfied with the performance of hospital administration.	**3.64**	**15%**	**-.21**	**-.15**	**+.03**
22. I have confidence in hospital administration's leadership.	**3.56**	**17%**	**-.26**	**-.21**	**-.07**
21. Hospital administration is responsive to feedback from physicians.	**3.44**	**21%**	**-.27**	**-.15**	**+.01**
23. Kaweah Health treats physicians with respect.	**3.73**	**13%**	**-.35**	**-.27**	**+.04**
20. I can easily communicate any ideas and/or concerns I may have to hospital administration.	**3.57**	**19%**	**-.41**	**-.32**	**+.05**
2021 KH Alignment	**3.58**	**18%**	**-.30**	**-.22**	**+.03**

Employee Survey Results

Our Model of Workforce Engagement

Our research-based model is foundational to measurement, reporting, and improvement planning within the Press Ganey Workforce and Engagement Solution



Employee Engagement Results Overview

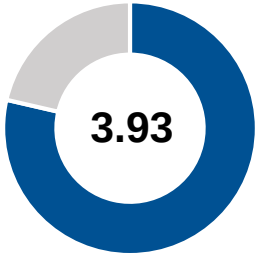
Survey Admin: May-June 2021
n=3,707, 84% Response Rate (2019: 92%)

Engagement

Employees' emotional attachment and commitment to organization

	Natl HC	AHA-9	COVID*	2019
2021	-.16	-.20	-.16	-.19

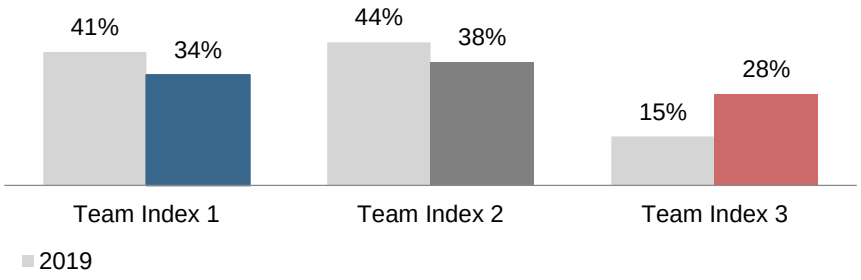
*COVID Employee Norm: March – Dec 2020



	Natl HC	AHA-9	2019
2021	23rd	18th	51st

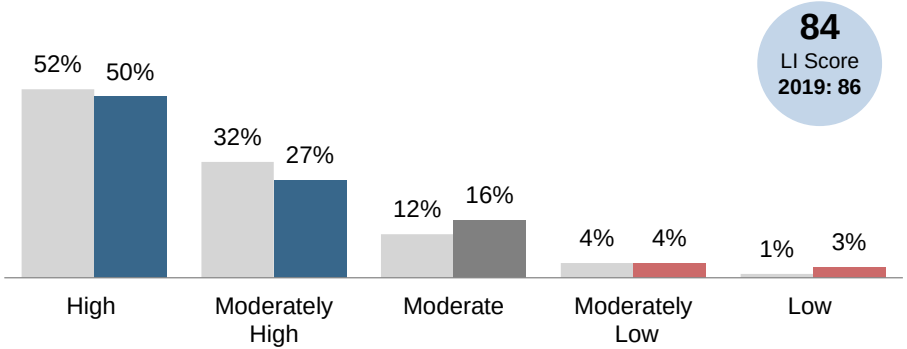
Team Index

Measure of the health & functioning of the team and support needed.



Leader Index

Measure of manager effectiveness & relationship with team



Employee Engagement

			Difference from:		
Engagement Item	2021 KH	% Unfav	Natl HC Avg	AHA-9	2019 KH
37. I would like to be working at this organization three years from now.	**4.00**	**8%**	**-.12**	**-.16**	**-.17**
44. I would recommend this organization as a good place to work.	**3.93**	**7%**	**-.15**	**-.19**	**-.22**
45. Overall, I am a satisfied employee.	**3.86**	**9%**	**-.15**	**-.18**	**-.21**
26. I am proud to tell people I work for this organization.	**4.08**	**5%**	**-.18**	**-.23**	**-.19**
27. I would stay with this organization if offered a similar position elsewhere.	**3.71**	**13%**	**-.18**	**-.24**	**-.18**
33. I would recommend this organization to family and friends who need care.	**3.98**	**6%**	**-.25**	**-.25**	**-.16**
2021 KH Engagement	**3.93**	**8%**	**-.16**	**-.20**	**-.19**

Note – In this presentation **BLUE/RED** notes a statistically significant difference.

Natl HC Avg +/- .04 AHA-9 Emp Avg +/- .04 History +/- .06

Next Steps

Recommendations

- **Employee Survey:**
  - Action Plan at Organization & Workgroup levels
  - Provide support for lower Index Teams and Leaders
  - Plan for regular communication about continuous improvement efforts

- **Physicians:**
  - Build opportunities for greater collegiality and teamwork between physicians and departments
  - Collaborate with physicians to understand perceptions of high-quality care and service
  - Partner with physicians to foster a climate of trust and increased communication with administration

- **Integrated Improvement: Key Driver of Engagement**
  - Employees and Physicians collaborate on defining and implementing aspects of high-quality care/service

Discussion

REPORT TO THE BOARD OF DIRECTORS

Kaweah Health Home Infusion Pharmacy

James McNulty, Director of Pharmacy (624-2470)
Clint Brown, Outpatient Pharmacy Manager (624-4588)
July 8, 2021

Summary Issue/Service Considered

Kaweah Health Home Infusion Pharmacy (KHHIP) is a closed-door pharmacy that services the community, along with patients discharged from the hospital who need prolonged intravenous medication therapy at home. In addition, KHHIP is the preferred pharmacy for Kaweah Home Health and is contracted with Kaweah Health Hospice to provide all of their pharmacy needs. KHHIP is able to leverage 340b drug savings and passes these on to Kaweah Health Hospice to reduce their overall drug spend and maximize savings for the organization.

Analysis of financial/statistical data:

- KHHIP Units of Service (UOS) were 306,277 (6% increase from FY 20)
- Net Revenue totaled $2.8M (4% increase from FY 20)
- Net Revenue/UOS has seen a slight downward trend over the last 3 years and is attributed to a high cost patient that KHHIP stopped servicing Q2 of 2019. Claims are still be evaluated, submitted, and contractually adjusted off accordingly by the accounting team
- Direct Costs have consistently decreased over the last 3 yrs also directly correlating to the high cost patient no longer on service, along with drug spend and labor optimization (6% decrease from FY20)
    - Pharmaceutical expense decreased 15% from FY20 (result of optimized drug spend)
    - Techs/Specialist expense increased 2.4% from FY20 (result of increased hospice volume and associated call-back/delivery expenses)
    - Patient supply expense increased 11.3% from FY20 (direct result of Pandemic price increases and manufacturer shortages)
- Direct Costs/UOS saw a positive 11% decrease compared to FY20
- KHHIP had a contribution margin of $438K showing a healthy 94% increase from FY20
- KHHIP Payer mix shift compared to FY20
- Gross revenue no longer dependent on top 6 patients
    - FY19 – 56% → FY20 – 38% → FY21 – 26%
- KHHIP directly contributed to the organizational savings by passing on 340b pharmaceutical costs to Kaweah Hospice (estimated FY21 drug cost savings of $2.1M)

Quality/Performance Improvement Data

- High Risk Medication Error Rates: Goal is to ensure 100% accuracy with compounding High Alert-High Risk Medications to reduce potential error and patient harm. This quality metric involves medications considered to be high risk by KD Home Infusion based on therapeutic class and risk for patient harm. These medications include but are not limited to opioids and total parenteral nutrition (TPN) with additives. The process involves

independent review of orders and double check by two pharmacists during medication processing and preparation. Date range evaluated was July 1, 2020 – June 30, 2021.
    - 24 opioid compounds were evaluated w/ 100% accuracy for preparation and dispensing
    - 1174 TPN compounds were evaluated w/ 100% accuracy for preparation and dispensing
- Appropriate Patient Identification Rate: Goal of this quality measure is to reduce the likely rate of wrong patient, wrong medication errors that may take place upon order entry and/or dispensing/delivery. This quality metric involves the intake team, along with pharmacist and pharmacy technician to utilize 2 patient identifiers upon new patient intake and any time an order is processed/filled/dispensed/delivered. Date range evaluated was July 1, 2020 – June 30, 2021.
    - 20,526 prescriptions were processed/dispensed/delivered with 100% accuracy for right patient being identified
- TPN Compound Verification: Total Parental Nutrition (TPN) is a complex sterile compound requiring multiple manipulations of multiple ingredients and involves multiple intricate measurements for accuracy. Goal of this quality measure is to ensure accuracy of TPN compounds, all measurements, and reduce mediation errors. This involves double verification of order entry by two Pharmacists, double verification by Pharmacist and Technician for medications to be compounded, and Pharmacist verification of the technician programmed TPN compounder device prior to preparation. Date range evaluated was July 1, 2020 – June 30, 2021
    - 1174 TPNs were evaluated during the specified time period and 100% were found to be compliant with the TPN verification process
- Prescription Transcription/Dispensing Accuracy: The goal of this quality metric is to ensure appropriate and accurate dispensing of medication orders to minimize medication errors and potential patient harm. The target is to achieve >90% accuracy with transcribing, processing, labeling, and dispensing prescriptions.
    - 20,526 prescriptions were processed during July 1, 2020 – June 30, 2021 with a total of 99.99% accuracy.
    - Six medication errors were identified with a thorough evaluation of both errors in order to determine the root cause with corrections in processes, where feasible. Patient harm was absent in all six cases and steps to correct the deficiencies have been implemented w/o report of repeat errors moving forward.

Policy, Strategic or Tactical Issues

- Commence work with a Home Infusion based consulting group to evaluate the service line and identify areas of opportunity and then working to optimize these particular areas to improve work efficiency and maximize contribution margin and net revenue
- The current hospice contract was implemented in 2015 and has not been re-evaluated for consideration on rate adjustment. Over 65% of the home infusion volume is attributed to hospice therapy yet only 20% of the KHHIP gross revenue (payer mix) is associated with Hospice. Re-evaluate the current Hospice contract for benchmark data and consideration for rate adjustment
- New USP 797 sterile compounding guidelines and a recent clean room gap analysis at KHHIP have identified a need for some updates to our current clean room to be compliant and continue to operate as a sterile clean room and support our current line of business. We have engaged KH Facilities and outside contractors to perform the necessary udpates
- Medi-Cal Managed Care accounted for 20% in total gross revenue for FY 2021. This may shift to Medi-Cal fee for service (currently on hold). Will need to monitor changes to reimbursement and shift in payer mix should this take place. Based on early reports, it is anticipated that this may result an expected 5-7% decrease in Medi-Cal reimbursement

    - Therapies for this particular payer will need to be evaluated along with reimbursement rates and necessary formulary adjustments to optimize formulary and ensure maximization of net revenue.
- Continue work with marketing and physician liaisons to more actively and aggressively market KHHIP services to the hospital and community providers to increase patient volume as we have in FY 2021

Recommendations/Next Steps

- Work with consulting group to optimize efficiency and net revenue
- Work with physician groups to increase awareness and encourage service utilization to optimize patient volume and net revenue
- Work with Hospice leadership on opportunities to maximize formulary and consider re-negotiating our current contract based on benchmark data for reimbursement rates and pass along 340b drug rates
- Commence work on pharmacy clean room remodel to ensure USP 797 compliance
- Continue to focus on quality metrics to ensure high quality patient care with strategies focused on mitigating medication errors and potential patient harm.
- Monitor reimbursement rates and Medi-Cal specific therapies to determine necessary adjustments moving forward

Approvals/Conclusions

Kaweah Health Home Infusion Pharmacy is a world class pharmacy offering multiple services for the community and the organization. Over 65% of the business line is dedicated to meeting the pharmacy needs of Kaweah Health Hospice. It is important to recognize that KHHIP saves KH Hospice an estimated $2M in drug spend costs on an annual basis by directly passing on 340b savings. This is not recognized in the financial reports or contribution margin for KHHIP and should not be undervalued or overlooked as an overall contribution and cost savings initiative to the organization. By passing along direct drug cost savings, the direct costs for KH Hospice are significantly reduced resulting in an increased overall contribution margin. Over the next year, increased attention and focus will be given to evaluating and optimizing the KHHIP service line and looking to optimize the overall efficiency of services provided and maximize the contribution margin to the organization.

KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Kaweah Health Home Infusion Pharmacy

FY 2021 The Annualized Eleven Months Ended May 31, 2021

KEY METRICS - FY 2021 ANNUALIZED

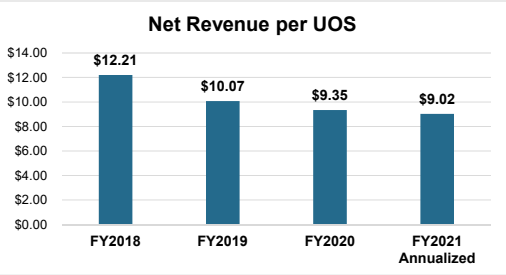
UNIT OF SERVICE (Treatment Days)	NET REVENUE	DIRECT COST*	CONTRIBUTION MARGIN	NET INCOME
306,277	$2,763,998	$2,326,227	$437,771	($482,012)
▲ 6%	▲ 2%	▼ -6%	▲ 94%	▲ 38%

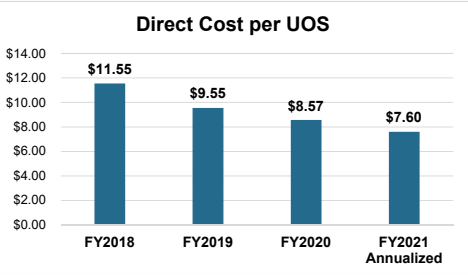
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

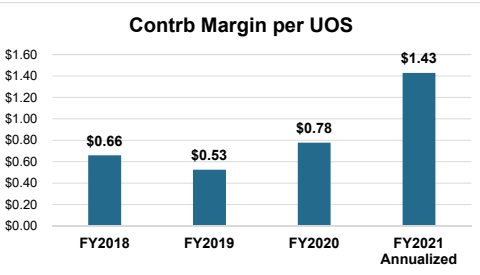
METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2018	FY2019	FY2020	FY2021 Annualized	%CHANGE FROM PRIOR YR	4 YR TREND
Unit of Service (Treatment Days	297,228	271,515	289,687	306,277	▲ 6%	
Net Revenue	$3,627,679	$2,735,170	$2,707,500	$2,763,998	▲ 2%	
Direct Cost*	$3,431,576	$2,592,554	$2,481,980	$2,326,227	▼ -6%	
Contribution Margin	$196,103	$142,616	$225,520	$437,771	▲ 94%	
Indirect Cost	$855,481	$917,098	$1,000,161	$919,783	▼ -8%	
Net Income	($659,378)	($774,482)	($774,641)	($482,012)	▲ 38%	
Net Revenue per UOS	$12.21	$10.07	$9.35	$9.02	▼ -3%	
Direct Cost per UOS	$11.55	$9.55	$8.57	$7.60	▼ -11%	
Contrb Margin per UOS	$0.66	$0.53	$0.78	$1.43	▲ 84%	

PER CASE TRENDED GRAPHS

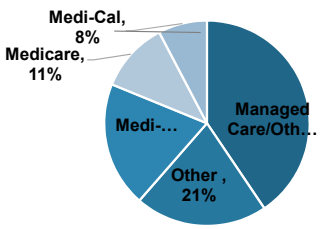






PAYER MIX - 4 YEAR TREND (Patient Visits)

PAYER	FY2018	FY2019	FY2020	FY2021 Annualized
Managed Care/Other	62%	56%	39%	41%
Other	19%	24%	27%	21%
Medi-Cal Managed Care	1%	4%	15%	20%
Medicare	11%	9%	9%	11%
Medi-Cal	7%	8%	9%	8%



Note

1. A new system, CareTend, was implemented on July 1, 2020.
2. The new system counts UOS differently in FY 2021 by a factor of 2.1. This factor was determined by Martha Tercero and used to adjust Budget. This same factor was used to adjust UOS for FY 2018 - FY 2020, to keep the financial trend on an consistent basis.
3. The dramatic payer mix shift from FY 2019 to FY 2020 is related to a handful of patients. One Blue Cross patient who had $3.4 million in charges in FY 2019 was discharged and had minimal gross revenue in FY 2020.
4. The "Managed Care/Other" payer category represents Mgd. Care patients and KDH Employees.
5. The "Other" payer category represents Hospice, Dialysis, County Indigent and Cash Pay.

***IMPORTANT NOTE** per pharmacy leadership, regarding KHHIP and Hospice: During FY 2021, KHHIP provided cost savings estimated at $2.1 million to Hospice through the ability to buy drugs at lower prices.

REPORT TO THE BOARD OF DIRECTORS

Kaweah Health Retail Pharmacy

James McNulty, Director of Pharmacy (624-2470)
Clint Brown, Outpatient Pharmacy Manager (624-4588)
July 6, 2021

Summary Issue/Service Considered

Kaweah Health Retail Pharmacy (KHRP) is an open door pharmacy that services the community. In addition, it offers a meds-to-beds program for patients discharged from the hospital to increase medication adherence and decrease re-admissions. The pharmacy also works closely with the Kaweah Health Specialty Center (KHSC) ambulatory care pharmacy team to process prescriptions for the employees and their dependents that are participating in the Employee Wellness Specialty program designed for those with chronic illnesses. This collaborative program improves health outcomes for the patients and decreases drug costs for the organization. In addition to this program, the pharmacy and the pharmacy team that works at KHSC, also offer the community a medication assistance program for patients that cannot afford their medications. This improves medication adherence, decreases health complications, and prevents potential ED visits and/or hospitalizations for medication related issues. Hours of operation for the pharmacy are 9 am-7 pm M-F, 9 am-1pm Saturday.

Analysis of financial/statistical data:

- 74K prescriptions were processed, resulting in a 17% increase from FY20
- Net Revenue totaled $7.85M which was a 22% increase from FY20 and exceeded FY21 budget by $1.8M
- KHRP had a positive contribution margin of $3M resulting in a 31% increase from FY20
- Overall Net Income increased 36% from FY20 ($1.8M in FY19 vs. $2.5M in FY20)
- The largest contributors to the financial success of the pharmacy are:
    - Pharmacy Ambulatory Care Service Programs (operated at KHSC) (55%)
    - Community Prescriptions (21%)
    - Concierges Prescriptions (21%)
        - **Med-Assist** (program operated by ambulatory care pharmacy team at Kaweah Health Specialty Clinic and eligible prescriptions filled at Kaweah Health Pharmacy)
            - 133 participating patients (56% increase from FY20)
            - 2,320 claims (107% increase from FY20)
            - $1.15M in net revenue (140% increase from FY20)
            - $205K in direct patient savings (120% increase from FY20)
            - Diabetic patient avg. A1c decrease: 1.3%
        - **Employee Wellness Program** (program operated by ambulatory care pharmacy team at Kaweah Health Specialty Clinic and eligible prescriptions filled at Kaweah Health Pharmacy)
            - 163 participating patients (42% increase from FY20)
            - 2,170 claims (17% increase from FY20)
            - $1.58M in net revenue (20% increase from FY20)
            - Avg. annual direct savings to patients: $1,400 per patient
            - Diabetic patient avg. A1c decrease: 0.3%

Quality/Performance Improvement Data

Pharmacy Quality Improvement: Discuss, Focus, Improve (DIFI) is a tool designed to report, document and maintain records of pharmacy related errors that can be reviewed monthly and discussed with staff to improve operations, systems, workflows, or other pharmacy related aspects, thereby assuring a continual process of improvement and mitigation of medication error related incidents. The team focuses on major categories of pharmacy workflow (Data Entry, Filling, Dispensing, and Inventory Management) each month to further discuss and improve upon. Items discussed are posted and further discussed at morning huddles to improve processes and aid in systematic change. DIFI was introduced in Nov 2019. A three month sample comparison from 2019 was compared for the same three month sample period in 2020 and as a result of this ongoing program, there was a 77% reduction in reported/observed errors.

340B Regulatory Compliance: The 340b program is a highly regulated program by the federal government and ensuring 100% accuracy and compliance is paramount to the ongoing success of the services provided through the pharmacy. Goal is to perform weekly prescription audits to monitor eligibility of 340b-qualified prescriptions. Claims are ran through a spreadsheet to ensure the pharmacy is correctly billing and being appropriately reimbursed for the eligible prescriptions. The audit identifies trends in systematic processing errors and allows changes to avoid this moving forward, in turn, mitigating compliance risk and maximizing pharmacy profitability.

Meds-to-Beds Concierges Rx Capture: Goal is to monitor the number of patients that are eligible to receive medications at time of discharge from our pharmacy and actually receive them compared to those eligible and choose to have their prescriptions filled at an outside pharmacy upon discharge. Literature suggests that hospital readmission are as high as 25-30% as a direct result of mediation related errors and/or discharge medications not being picked-up post discharge. This service was specifically designed to reduce readmission rates and decrease healthcare costs associated with readmissions. Data indicates that hospitals with a meds-to-beds program typically capture 40-65% of eligible discharged medications. Our goal has been to capture at least 80% of the eligible discharged prescriptions. For the time period July 1, 2020 – June 30, 2021 we saw a total capture rate of 86% (10% increase from FY20) with 28K prescriptions delivered (9% increase) to patients at time of discharge. These increases are largely attributed to the COVID-19 pandemic and patients/family members looking to obtain their prescriptions before leaving the hospital.

Curbside Prescription Pick-Up: With the onset of COVID-19 in March 2020 and in an effort to improve our concierges capture rate, the pharmacy worked to implement a curbside prescription pick-up option for the community and discharged patients. Curbside pick-up followed recommendations put forth by the Centers of Disease Control and Prevention (CDC) and also was designed to accommodate nursing staff as an option to expedite the discharge of their patient without having to wait on medications being delivered to the bedside. The patient and/or family is able to pick-up their prescriptions at the pharmacy without leaving their car. We provide contactless delivery to assist with recommended social distancing guidelines. Patients, Nursing Staff, and the Community have all expressed their satisfaction with this service.

Policy, Strategic or Tactical Issues

- Focus on expansion of the Employee Wellness Specialty Program by increasing awareness amongst employees and dependents by continued work with Human Resources and Marketing to promote the clinical and financial benefit of the program
- Focus on expansion and optimization of the Med-Assist Program by working with SIH leadership, working with key HUMANA providers within our community, and increasing our pharmacist presence within designated provider clinics to promote, screen and enroll eligible patients
- Continue to monitor the potential shift of managed Medi-Cal to Fee For Service (FFS) Medi-Cal (currently on hold) and any expected decrease in reimbursement for this population. Anticipated decrease of $290K

Recommendations/Next Steps

- Continue to offer world-class care to our community, patients, employees and their dependents
- Continue to optimize our meds-to-beds concierges service to reach goal of 80% capture rate by improving delivery times to nursing units and increasing utilization in our curbside prescription pick-up
- Continue to grow and expand both Med Assist and Employee Wellness programs
- Evaluate potential 340b prescription opportunity from our hospital based rural health clinics

Approvals/Conclusions

Kaweah Health Pharmacy is a world-class ambulatory care retail pharmacy that offers multiple services for the community, hospital patients, and our employees and their dependents. The pharmacy optimizes patient care by leveraging 340b savings to lower drug cost for the pharmacy, maximize reimbursement margins, and pass on savings to the patient to increase medication adherence and decrease overall healthcare costs. In addition, the services provided help reduce readmission rates and unnecessary health care costs for the organization. It is a financially stable business that has seen continued growth over the last 3 years and provides significant contribution margins to the organization. A great portion of this financial success is a direct result of the collaborative effort with our Ambulatory Care Pharmacy team and the specialized patient services they offer (Med Assist and Employee Wellness Program) at the Kaweah Health Specialty Clinic.

KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Kaweah Health Retail Pharmacy

FY 2021 Annualized on the Eleven Months Ended May 31, 2021

KEY METRICS - FY 2021 ANNUALIZED

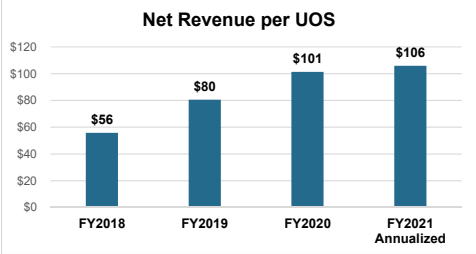
UNIT OF SERVICE (Rx Scripts)	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
74,212	$7,855,243	$4,769,080	$3,086,162	$2,503,175
▲ 17%	▲ 22%	▲ 18%	▲ 31%	▲ 36%

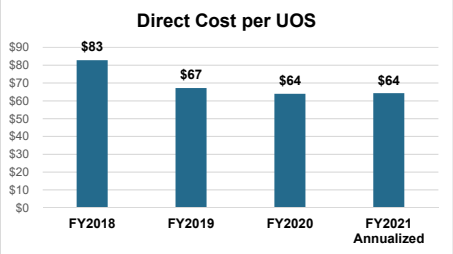
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

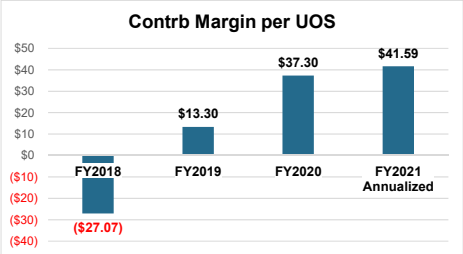
METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2018	FY2019	FY2020	FY2021 Annualized	%CHANGE FROM PRIOR YR	4 YR TREND
Unit of Service (Rx Scripts)	41,664	58,116	63,347	74,212	▲ 17%	
Net Revenue	$2,322,912	$4,676,491	$6,414,053	$7,855,243	▲ 22%	
Direct Cost	$3,450,753	$3,903,549	$4,051,172	$4,769,080	▲ 18%	
Contribution Margin	($1,127,841)	$772,942	$2,362,881	$3,086,162	▲ 31%	
Indirect Cost	$0	$140,910	$524,276	$582,987	▲ 11%	
Net Income	($1,127,841)	$632,032	$1,838,605	$2,503,175	▲ 36%	
Net Revenue per UOS	$56	$80	$101	$106	▲ 5%	
Direct Cost per UOS	$83	$67	$64	$64	▶ 0%	
Contrb Margin per UOS	($27)	$13	$37	$42	▲ 11%	

PER CASE TRENDED GRAPHS







Notes:
Source: Non-Cerner Service Line Report

REPORT TO THE BOARD OF DIRECTORS

Lifestyle Fitness Center

Patrick Tazio, Director
Contact number: 559-624-3407
July 26, 2021

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 Fitness Center continues to provide a full continuum of programs and services to the community.

Analysis of financial/statistical data:

The Lifestyle Fitness Center experienced a contribution loss this fiscal year due to the COVID - 19 pandemic. The mandated re-closure of all gyms in California on July 15th cut off the facilities revenue stream; while some fixed costs remained.

Finished FY 2021 with a negative contribution margin of approximately ($-683,943) due to the nine-month closure, as members were not charged monthly dues during that time. If we had remained open, we would have produced a positive contribution margin.

Expenses were sharply reduced after the July 15th closure. Payroll, supplies, and electricity were cut to a minimum; with all minor equipment and most capital equipment requests moved to the FY2022 budget. However, some fixed expenses such as lawn, utilities, and other routine building maintenance remained necessary.

In August, we became a State Approved Emergency Employer Sponsored Child Care for Kaweah Health employees due to schools being closed and only offering virtual education. During the course of the program, we had 80 children enrolled in four cohorts' ages 4yrs.-11yrs.

In addition, in January we also became the COVID-19 drive-thru collection site for Kaweah Health until we re-opened.

Quality/Performance Improvement Data

Prior to our closure due to COVID-19, The Lifestyle Fitness 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 Fitness 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 feet was at $65.07 compared to $65.51 nationally. That being said, prior to our closure The Lifestyle Fitness 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 Fitness Center has continued to receive and process member cancellations during its closure without enrolling new members resulting in significant membership decline. Down from 10,500 to 8,400.
2. During the closure saw a dramatic migration and loss of staff (25%) to other departments, other organizations and other States.
3. 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.
4. 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 a.m. – 12 noon; serving over 200 members.
5. Scholarships – The Lifestyle Center currently has 125 members with a medical need on a reduced rate scholarship.
6. Community Benefits – The Lifestyle Center generally contributes 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.
7. Personal Trainers and Exercise Physiologist are continually researching new training methods to achieve the greatest benefits and results for our members, as well as programs for those that have not exercised during the mandatory closure.
8. Group Exercise Classes are closely monitored adding new formats to stay current with new fitness trends.
9. Aquatic Classes and Programs are routinely evaluated adding new classes and services as trends change within the industry.
10. Men's and Women's dry saunas were added to the pool area as a member amenity prior to our closure, 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. Promote 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 vendor.
4. Continue to review profitability and contribution margin to identify opportunities for volume growth, cost containment, member satisfaction and employee engagement.

KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Kaweah Health Lifestyle Fitness Center

FY 2021 - The Annualized Eleven Months Ended May 31, 2021

KEY METRICS - FY 2021

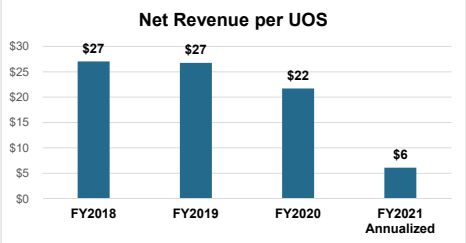
UNIT OF SERVICE (Members)	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
107,438	$653,885	$1,337,829	($683,943)	($1,084,688)
▼ -14%	▼ -76%	▼ -54%	▼ -262%	▼ -65%

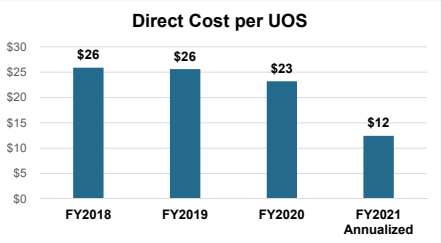
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

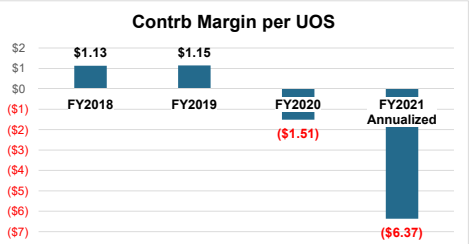
METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2018	FY2019	FY2020	FY2021 Annualized	%CHANGE FROM PRIOR YR	4 YR TREND
Unit of Service (Members)	134,779	133,777	125,099	107,438	▼ -14%	
Net Revenue	$3,642,156	$3,579,154	$2,715,398	$653,885	▼ -76%	
Direct Cost	$3,489,324	$3,425,335	$2,904,232	$1,337,829	▼ -54%	
Contribution Margin	$152,832	$153,819	($188,834)	($683,943)	▼ -262%	
Indirect Cost	$502,802	$498,988	$466,619	$400,744	▼ -14%	
Net Income	($349,970)	($345,169)	($655,453)	($1,084,688)	▼ -65%	
Net Revenue per UOS	$27	$27	$22	$6	▼ -72%	
Direct Cost per UOS	$26	$26	$23	$12	▼ -46%	
Contrb Margin per UOS	$1	$1	($2)	($6)	▼ -322%	

PER CASE TRENDED GRAPHS







Notes:

Kaweah Health received $125,000 of reimbursement from our Business Interruption insurance carrier, which would partially cover the interruption of the service.

Source: Non-Cerner Service Line Report, Lifestyle Fitness Center

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

Sleep Center

Wendy Jones, BS, RRT, RPFT, Director, (559) 624-2329
Sasha Nevarez, RPSGT, Manager (559) 624-6797
July 2021

Summary Issue/Service Considered

1. Continue to develop and achieve optimum balance of priorities that provide and sustain high quality care, outstanding service, regulatory compliance and profitability while sustaining an Ideal Work Environment.
2. Ensuring our Sleep Disorders Center continues to provide a full complement of sleep testing services that support the needs of our communities as a District Center of Excellence.
3. Continue to support/provide education for our community, physicians and residents regarding the benefits of preventative management of sleep disorders to mitigate long term risks associated with developing heart failure, hypertension, diabetes, and kidney disease in our at risk populations.

Analysis of Financial/Statistical Data:

The Sleep Center's financial results are slightly up from FY 2020, with an increase to our net revenue and net income. The Sleep Center shows a 42% increase in net income and a 3% increase to our contribution margin. Our overall volume remains nearly the same with only a 1% decrease in volume. Home Sleep Testing has increased over time but is holding steady at approximately 35% to 40% of the business. On the payer side, the Sleep Center saw a slight reduction in Managed Care business and slight increase in Medicare Managed Care in FY 2020. There was nearly no change in our Medicare and Managed Medicare payers. Managed Care patients continue to hold strong at 51% of the volume.

Quality/Performance Improvement Data

The following Quality measures have been developed based on American Academy of Sleep Medicine (AASM) standards to ensure the highest quality care is delivered to patients with sleep-disordered breathing.

Monitoring and Reporting: The Sleep Center Performance Improvement (PI) program monitors and reports the following biannually to our Prostaff Committee:

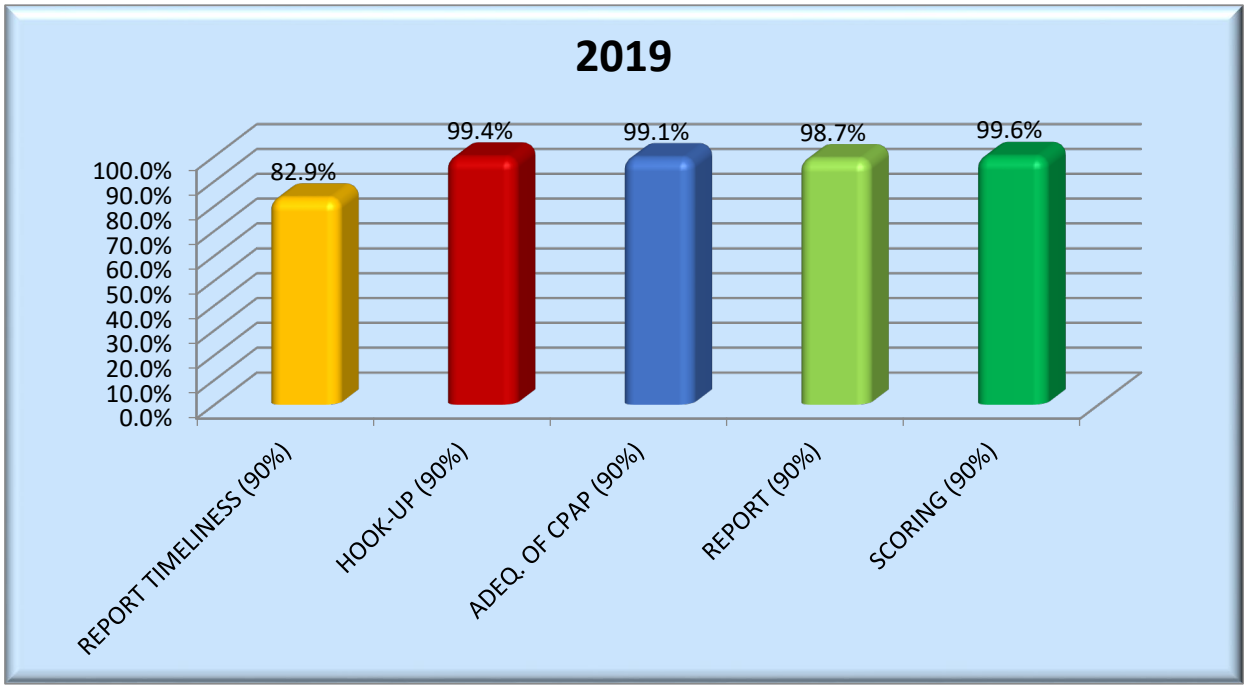
Report Timeliness:
Time from the date of study to the date of dictation. The Sleep Disorder Center (SDC) standard is 15 days or less. The PI threshold for total timeliness is ≥90%

Hook Up Procedure:
Quality of electrode/ sensor application and the resulting quality of signal acquisition. The PI threshold for hook up quality is ≥90% for all American Board of Sleep Medicine (ABSM) cases.

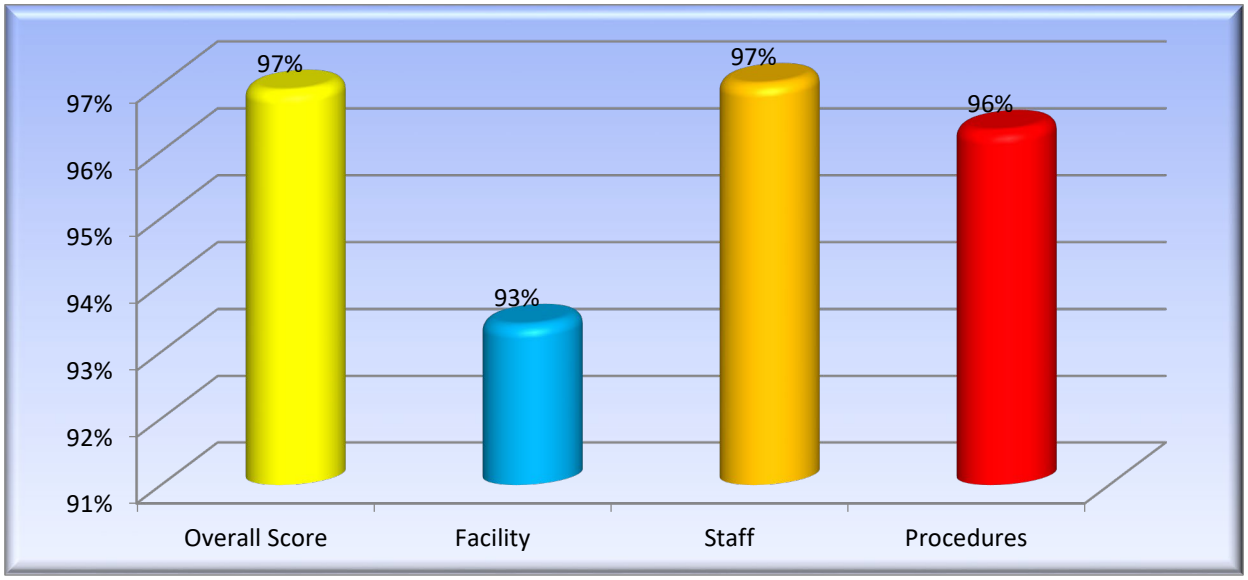
Adequacy of Positive Airway Pressure (PAP) Titration:
Patients receive expert assessment and intervention with optimal application of PAP ranges to correct obstructive sleep disorders. The Performance Improvement (PI) threshold for adequacy of PAP titration is >90% as established by the ABSM.

Reporting:
There must be correlation between the preliminary technical report generated by the Sleep Technologist and the final report generated by the scoring Sleep Physician specific to the severity of sleep disordered breathing. The PI threshold for agreement is >90% as established by the ABSM.

Scoring:
All sleep studies will be assessed for quality of signals/data, sleep staging, event recognition, appropriateness of interventions and identification of sleep disordered breathing with severity by Certified Technical and Professional Staffs. The PI threshold for the quality of technical scoring is >90% as established by the ABSM.



Monitoring and Reporting: Sleep Center Patient Satisfaction Program consists of a satisfaction survey that is mailed to every sleep center patient. We monitor and report quarterly on the following:



Facility Sore: Accessibility, cleanliness, amenities and comfort of the sleep center. Threshold score is >90%

Staff Score: Staff friendliness, attentiveness, professionalism and knowledge of the service provided center. Threshold score is >90%

Procedure: Scheduling, technical explanation, testing procedure. Threshold score is >90%

Policy, Strategic or Tactical Issues

1. Continue to monitor and implement latest Centers for Medicare & Medicaid Services (CMS) reimbursement guidelines.
2. Carefully monitor overall polysomnography reimbursement in an effort to sustain profitability including the monitoring and efficient management of Medi-Cal (payer) sources
3. Continue to stay abreast of Home Sleep Study trends and potential impact on In-Lab testing
4. Medical Director will continue to be actively engaged in educating both our community and the providers we serve.
5. Initiate plan for application for AASM Recertification starting July 2021 with final reaccreditation in March 2022.

Recommendations/Next Steps

1. Continue to provide an ideal work environment for staff.
2. Develop and maintain an efficient budget that allows for both high quality diagnostic services, excellent patient outcomes and increased profitability.

3. Continue to meet or exceed quality benchmarks.
4. Maintain and or implement new practice standards set forth by the AASM.
5. Continue to work closely with our Medical Director in the ongoing development, planning and implementation of sleep disorder services that optimize diagnostic evaluation, treatment and preventative health care for our community.
6. Continue to respond to Medicare/Medi-Cal initiatives related to reimbursement for sleep testing at the State and National levels in order to optimally align our services with financial viability.

Conclusions

1. Continue working to overcome financial challenges with identified payer groups.
2. Home Sleep Testing growth has stabilized for 2019, 2020 at or near 1000 studies annually.
3. In lab testing volumes continue to remain stable even with our increasing Home Sleep Testing, increasing insurance standards and increased volume.
4. Sustain staff job satisfaction score at 92% or greater
5. Maintain patient experience scores >90%

Top Priorities for 2022:

- Patient and Provider satisfaction.
- Staff recognition, job satisfaction, reward, education and professional development
- Continue the provision of highest quality sleep testing in the Valley.
- Focus on Physician education (Medical staff/GME) specific to Sleep Medicine.
- Focus on preventative medicine specific to Sleep Disordered Breathing.
- Remain provider of choice for sleep testing.
- Continue to improve financial strength through further expansion of our Home sleep testing program.
- Acquire and gain the confidence of new referral sources within our community

KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Respiratory Services - Sleep Disorders Center

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED

PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
2,301	$1,427,852	$1,144,178	$283,673	($184,281)
▼ -1%	▲ 3%	▼ -1%	▲ 23%	▲ 42%

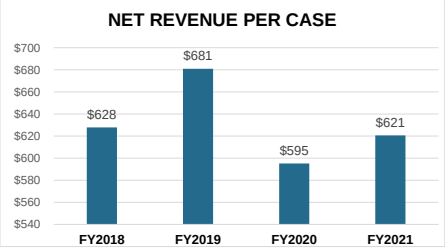
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

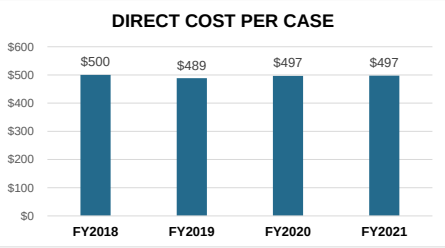
METRICS SUMMARY - 4 YEAR TREND

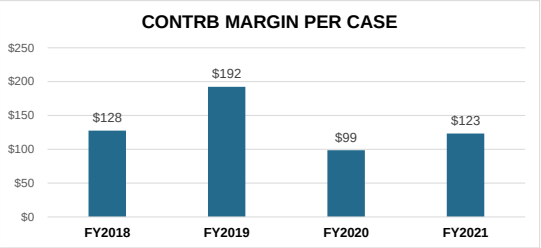
*Annualized

METRIC	FY2018	FY2019	FY2020	FY2021	%CHANGE FROM PRIOR YR	4 YR TREND
PATIENT CASES	2,566	2,724	2,329	2,301	▼ -1%	
NET REVENUE	$1,611,006	$1,854,870	$1,386,230	$1,427,852	▲ 3%	
DIRECT COST	$1,283,788	$1,331,083	$1,156,513	$1,144,178	▼ -1%	
CONTRIBUTION MARGIN	$327,218	$523,787	$229,717	$283,673	▲ 23%	
INDIRECT COST	$431,585	$469,086	$546,305	$467,954	▼ -14%	
NET INCOME	($104,367)	$54,701	($316,588)	($184,281)	▲ 42%	
NET REVENUE PER CASE	$628	$681	$595	$621	▲ 4%	
DIRECT COST PER CASE	$500	$489	$497	$497	▶ 0%	
CONTRB MARGIN PER CASI	$128	$192	$99	$123	▲ 25%	

PER CASE TRENDED GRAPHS



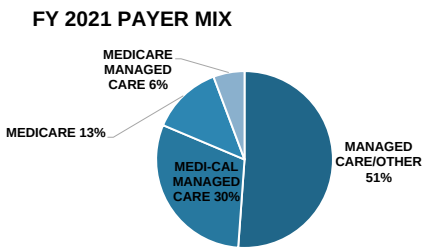




PAYER MIX - 4 YEAR TREND

*Annualized

PAYER	FY2018	FY2019	FY2020	FY2021
MANAGED CARE/OTHER	47%	56%	54%	51%
MEDI-CAL MANAGED CARE	30%	21%	29%	30%
MEDICARE	19%	18%	12%	13%
MEDICARE MANAGED CARE	3%	4%	4%	6%



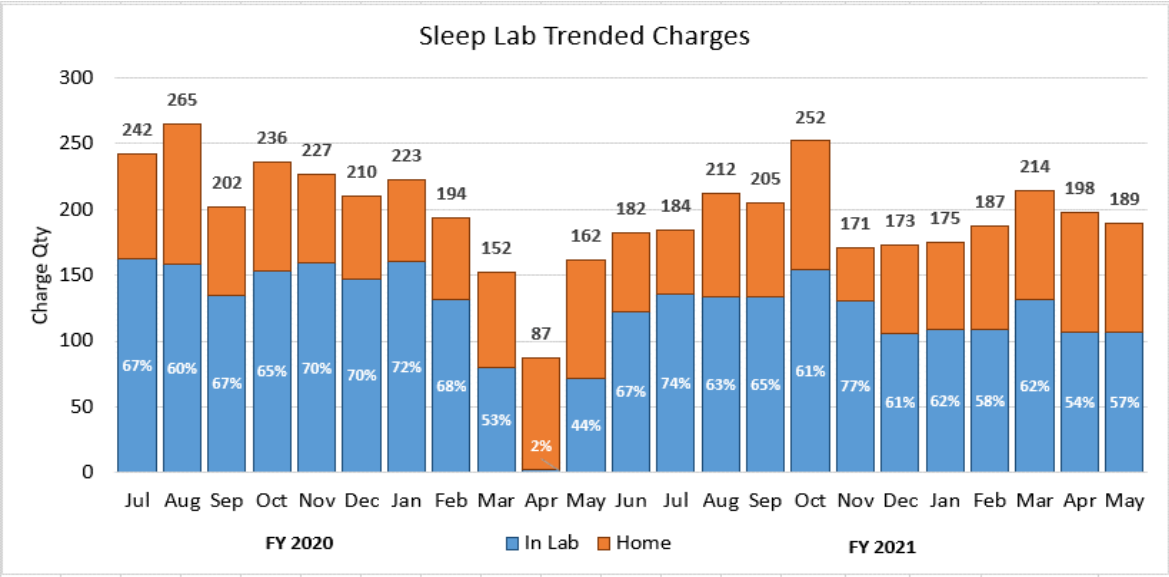
KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Respiratory Services - Sleep Disorders Center

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED



Note: ▫
Source: Outpatient Service Line Report
Selection Criteria: Service Line 1 = Respiratory Services and Service Line 2 = Sleep Disorders Center
Chart is based on charges

KAWEAH HEALTH ANNUAL BOARD REPORT

Respiratory Services - Outpatient EEG

FY2021 Annualized

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED

PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
363	$64,330	$68,506	($4,176)	($27,600)
▼ -1%	▼ -11%	▼ -12%	▲ 28%	▲ 18%

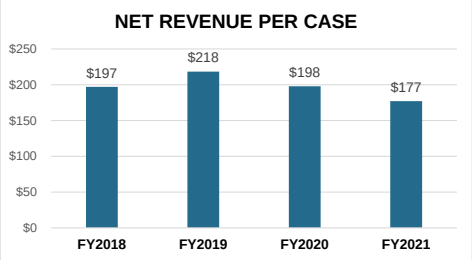
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

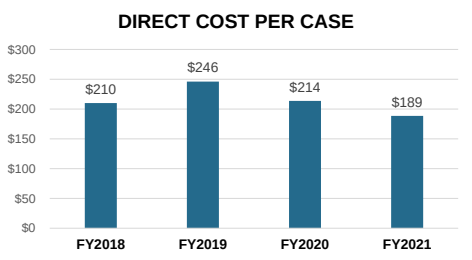
METRICS SUMMARY - 4 YEAR TREND

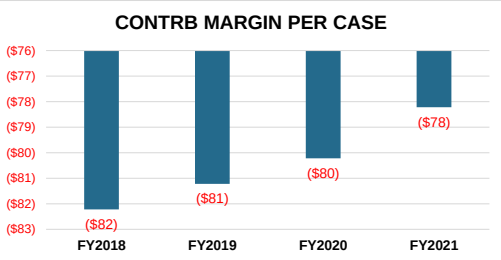
*Annualized

METRIC	FY2018	FY2019	FY2020	FY2021	%CHANGE FROM PRIOR YR	4 YR TREND
PATIENT CASES	410	370	366	363	▼ -1%	
NET REVENUE	$80,802	$80,807	$72,433	$64,330	▼ -11%	
DIRECT COST	$86,137	$91,035	$78,222	$68,506	▼ -12%	
CONTRIBUTION MARGIN	($5,335)	($10,228)	($5,789)	($4,176)	▲ 28%	
INDIRECT COST	$36,879	$24,954	$27,941	$23,424	▼ -16%	
NET INCOME	($42,214)	($35,182)	($33,730)	($27,600)	▲ 18%	
NET REVENUE PER CASE	$197	$218	$198	$177	▼ -11%	
DIRECT COST PER CASE	$210	$246	$214	$189	▼ -12%	
CONTRB MARGIN PER CASI	($82)	($81)	($80)	($78)	▲ 2%	

PER CASE TRENDED GRAPHS



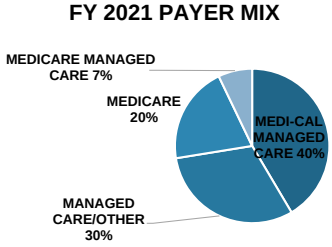




PAYER MIX - 4 YEAR TREND

*Annualized

PAYER	FY2018	FY2019	FY2020	FY2021
MEDI-CAL MANAGED CARE	34%	29%	40%	40%
MANAGED CARE/OTHER	35%	39%	31%	30%
MEDICARE	25%	22%	21%	20%
MEDICARE MANAGED CARE	6%	7%	5%	7%



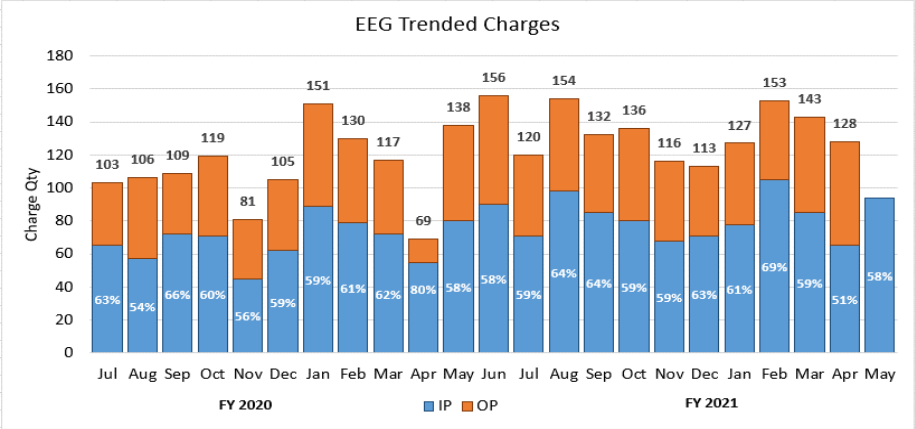
KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Respiratory Services - Outpatient EEG

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED



Note: ▫
Source: Outpatient Service Line Report
Selection Criteria: Service Line 1 = Respiratory Services and Service Line 2 = EEG
Chart is based off of EEG Charges

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

Respiratory Services

Wendy Jones, BS, RRT, RPFT, Director, (559) 624-2329
Johnny Mata, BS, RRT-NPS, Manager, (559) 624-2192
July 2021

Summary Issue/Service Considered

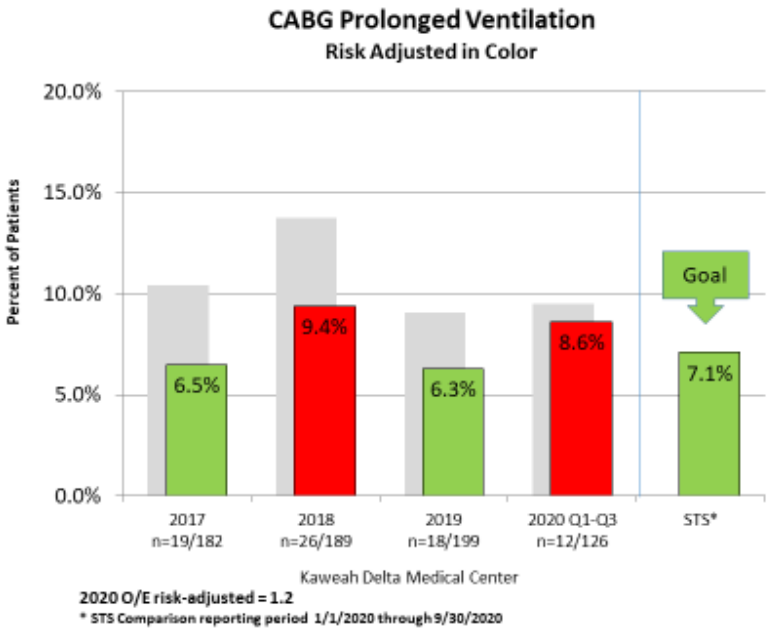
1. Respiratory Services will continue to provide/support primary and advanced respiratory care services emphasizing stabilization, maintenance, and restorative goal driven patient care.
2. As active and vital members of acute, emergent, critical, sub-acute and rehabilitative care teams, we continue to work jointly with physicians, nurses, Allied Health Leaders, and the Executive Team to assure the provision of:
   - High Quality Care
   - Optimal Patient safety
   - Service excellence
   - Optimal health outcomes
   - Financial Stability
   - Cultural change resulting in establishing and maintaining ideal work environments for our staffs and physicians.
3. Specific Clinical Focus:
   - In collaboration with our Critical Care Intensivists and RNs, we will continue to dedicate our full attention on utilization of our Ventilator Associated Events (VAE) bundle as a means to continue to reduce ventilator days associated with hospital acquired infections.
   - Continue to work collaboratively with Rapid Response Team (RRT) to:
     * Decrease RRT response time
     * Decrease code blue events
     * Decrease transfers to higher levels of care
     * Provide optimal care and patient safety by improving our knowledge and assessment skills through routine and frequent utilization of our 10 signs of vitality initiative.
     * Support Clinical Lab Technicians with performing Arterial blood gas draws as needed during when certified Lab Technicians are not available during RRTs.
   - Continue to actively support our Intensivist group while enculturating necessary change to assure a continuum of care and service excellence is sustained.
   - Continue to work collaboratively with our Neonatologists and nursing staffs in the provision of clinical excellence resulting in optimal patient outcomes in our Neonatal population.
   - Provide necessary resources to develop a Chronic Obstructive Pulmonary Disease (COPD) management program within our acute care setting which will then transition to our Chronic Disease Management Clinic with the goal of lowering 30 day readmissions and geographic length of stays.

- Continue to support integration of Respiratory Care Practitioners (RCP's) into the expanding Emergency Department staffing mix to provide advanced clinical expertise to the ED team.
- Focus on "preventative care measures" as a platform driving respiratory health for our community through education and outreach opportunities.
- Continue to support respiratory care education for our Residents.

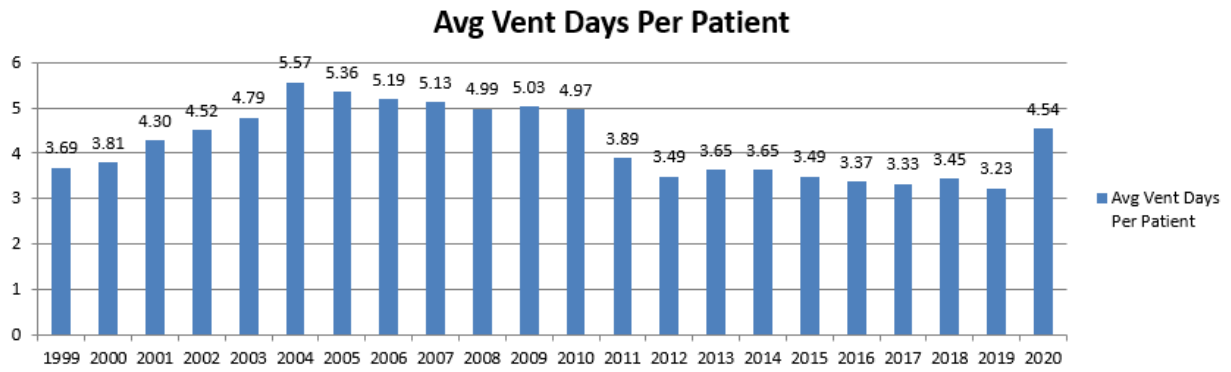
Quality/Performance Improvement Data

The following Quality measures are in place:

- Respiratory Care practitioners continue to work closely with Anesthesia, Cardiac Surgeons, Intensivists, and nursing staff on rapidly weaning patients post-coronary artery bypass graft (CABG) surgery in 24 hours or less. While we continue to improve we remain relentless in our pursuit and commitment to achieving The Society of Thoracic Surgeons (STS) national benchmark of 7.2%. As a direct result of our collaboration and commitment we have improved in 2019 to 8.3% which is within 1.1% of achieving the STS benchmark.



- **Average Ventilator Days Per Patient**
  As a continuing reflection of the success of our collaboration with our multidisciplinary critical care team we continue to support and champion our Ventilator Acquired Pneumonia (VAP) bundle as key to continuing success with:
  - Decreasing Ventilator Days
  - Increase throughput
  - Improving patient safety by rapid weaning and extubation
  - Reduction in hospital acquired infections
  - Reducing overall Hospital Length of Stay
  - Reducing Direct Expense when possible



Policy, Strategic or Tactical Issues

Ideal Work Environment:

1. Provide staff with continuing education through the American Association for Respiratory Care (AARC) to help fulfill license requirements while advancing clinical knowledge in pursuit of best practices.
2. Encourage staff to advance their education by offering loan repayment for baccalaureate level achievement.
3. Provide staff with educational resources culminating in RRT-ACCS (Registered Respiratory Therapist-Adult Critical Care Specialist) or RRT-NPS (registered Respiratory Therapist-Neonatal Pediatric Specialist) credentials.
4. Reward and recognize staff for living our Mission and Vision Statements.
5. Work collaboratively with our Medical Director on developing Respiratory Care policies, procedures and processes designed to standardize/optimize best evidence based respiratory care throughout the District.
6. Maintain an internal per diem pool of RCP's to support fluctuations in staffing in an effort to maintain uncompromising high quality care while optimizing our financial performance..
7. Develop a clinical ladder for professional advancement based on established standards.

Service Excellence:

1. Daily rounding with staff to identify top patient care priorities with a goal of care planning to assure patient expectation are achieved and optimal outcomes met.
2. Celebrate staff achievements/contributions/recognition for supporting our Mission, Values, Goals and Behavioral Standards of Performance.
3. Weekly "newsletter' from Manager informing staff of current events/education opportunities and staff recognition.

Quality Outcomes:

1. Continue to support VAE improvement process.
2. Work collaboratively with District Leaders on hardwiring Kaweah Care initiatives
3. Continue to support/manage our quality initiatives resulting in our exceeding HCAPS benchmarks.

Financial Strength:

1. Manage personnel resources and supply utilization to achieve productivity/financial goals set forth during the annual budget development process.
2. Continue to monitor and assess technological/professional advancements that add value, operational efficiency and have potential to increase profitability.
3. Validate value in all aspects of care and service.

Recommendations/Next Steps

1. Continue to recognize and reward staffs for walking the talk.
2. Development of education program for managing COPD in our acute care population that will transition to our Chronic Disease Management Clinic.
3. Challenge every RCP with developing two cost saving initiatives per year.
4. Develop a plan to move all Certified Respiratory Therapists to Registered Respiratory Therapist credential.

Conclusions

Although faced with wide variations in patient care demands our respiratory care service continues to provide exceptional acute, critical, emergent, rehabilitative, and Sub-Acute Care for the communities we serve.

Top priorities for 2021:

- Staff recognition, reward, satisfaction, education and professional development.
- Continue to work with the physician group from Valley Children's Hospital to advance our expertise with caring for our pediatric population.
- Continue to support our Intensivist group through sustaining strong working relationships, shared vision, and standardized ventilator management.
- Sustain optimal clinical care and expertise designed to enhance Physician satisfaction and collaboration.
- Closely monitor vital clinical indicators/core measures to assure optimal patient safety, outcomes, experiences, operational efficiency and profitability.
- Continue to emphasize our professional paradigm shift to preventative health care management of Cardio-Pulmonary Disease for the communities we serve.

KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Respiratory Services - Summary

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED

PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
6,272	$49,895,756	$36,951,183	$12,944,572	$776,477
▲ 16%	▲ 126%	▲ 117%	▲ 157%	▲ 160%

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

METRICS BY SERVICE LINE - FY 2021 ANNUALIZED

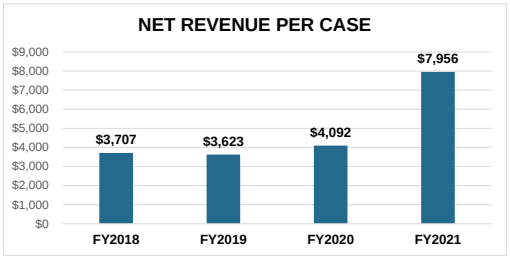
SERVICE LINE	PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
PULMONARY INPATIENT	2,491	$48,112,052	$35,619,169	$12,492,883	$896,637
SLEEP DISORDERS CENTER OUTPATIEN	2,301	$1,427,852	$1,144,178	$283,673	($184,281)
PULMONARY FUNCTION OUTPATIENT	1,117	$291,523	$119,330	$172,192	$91,721
OUTPATIENT EEG	363	$64,330	$68,506	($4,176)	($27,600)
RESPIRATORY SERVICES TOTAL	6,272	$49,895,756	$36,951,183	$12,944,572	$776,477

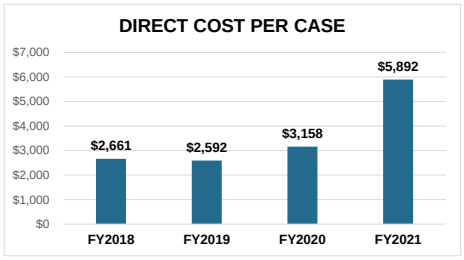
METRICS SUMMARY - 4 YEAR TREND

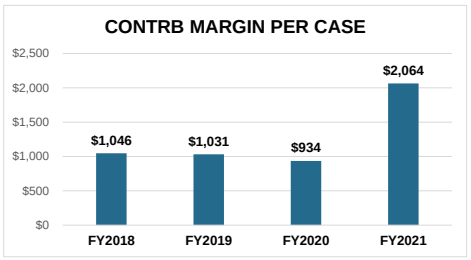
*Annualized

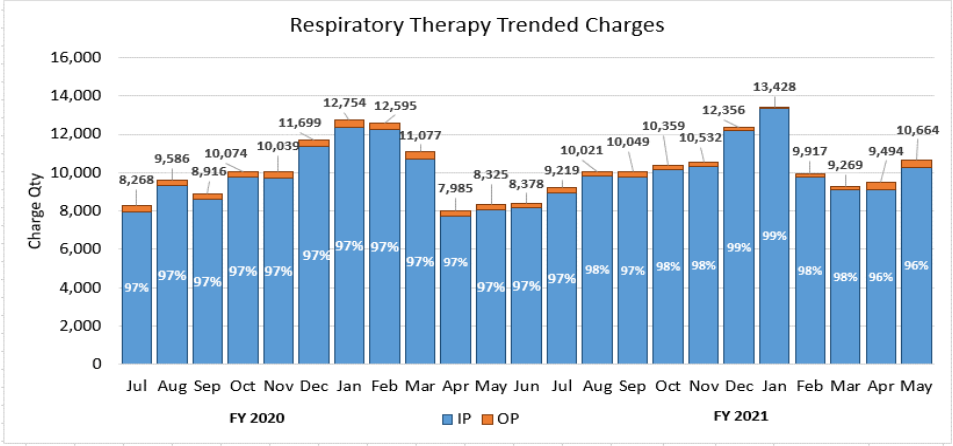
METRIC	FY2018	FY2019	FY2020	FY2021	%CHANGE FROM PRIOR YR	4 YR TREND
PATIENT CASES	6,139	5,968	5,385	6,272	▲ 16%	
NET REVENUE	$22,756,879	$21,621,184	$22,037,047	$49,895,756	▲ 126%	
DIRECT COST	$16,334,835	$15,467,753	$17,005,475	$36,951,183	▲ 117%	
CONTRIBUTION MARGIN	$6,422,044	$6,153,431	$5,031,572	$12,944,572	▲ 157%	
INDIRECT COST	$6,066,213	$5,704,538	$6,318,714	$12,168,095	▲ 93%	
NET INCOME	$355,831	$448,893	($1,287,142)	$776,477	▲ 160%	
NET REVENUE PER CASE	$3,707	$3,623	$4,092	$7,956	▲ 94%	
DIRECT COST PER CASE	$2,661	$2,592	$3,158	$5,892	▲ 87%	
CONTRB MARGIN PER CASE	$1,046	$1,031	$934	$2,064	▲ 121%	

GRAPHS









Report Notes:

The inpatient Pulmonary service line has a significantly higher contribution margin this year due to the high number of COVID patients in FY 2021. However, this represents only a subsection of our total COVID inpatients and offsets the overall negative financial experience during the pandemic.

Selection Criteria: Kaweah Delta Medical Center Inpatient Pulmonary Service Line and Outpatient Service Line 1 Respiratory Services.

KAWEAH HEALTH ANNUAL BOARD REPORT

FY2021 Annualized

Respiratory Services - Pulmonary

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED

PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
2,491	$48,112,052	$35,619,169	$12,492,883	$896,637
▲ 49%	▲ 137%	▲ 128%	▲ 168%	▲ 190%

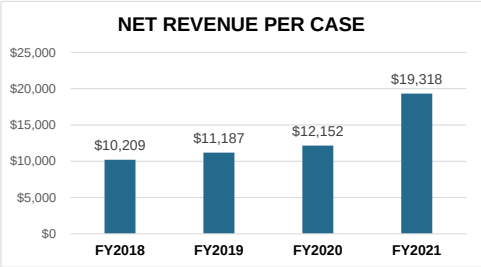
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

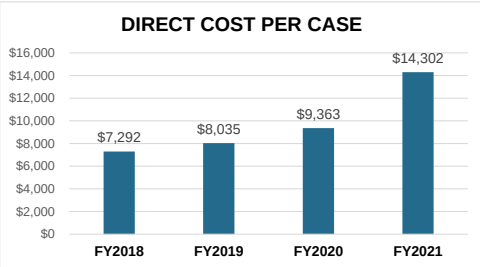
METRICS SUMMARY - 4 YEAR TREND

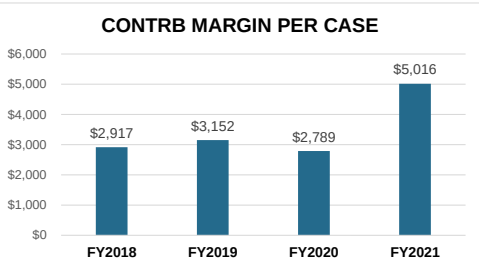
*Annualized

METRIC	FY2018	FY2019	FY2020	FY2021	%CHANGE FROM PRIOR YR	4 YR TREND
PATIENT CASES	2,036	1,732	1,672	2,491	▲ 49%	
PATIENT DAYS	9,535	7,919	7,680	17,824	▲ 132%	
ALOS	4.68	4.57	4.59	7.16	▲ 56%	
GM LOS	3.89	3.85	4.02	5.09	▲ 27%	
OPPORTUNITY LOS	0.79	0.72	0.57	2.07	▲ 261%	
NET REVENUE	$20,784,720	$19,376,064	$20,318,069	$48,112,052	▲ 137%	
DIRECT COST	$14,846,664	$13,917,394	$15,654,215	$35,619,169	▲ 128%	
CONTRIBUTION MARGIN	$5,938,056	$5,458,670	$4,663,854	$12,492,883	▲ 168%	
INDIRECT COST	$5,519,898	$5,134,656	$5,661,728	$11,596,246	▲ 105%	
NET INCOME	$418,158	$324,014	($997,874)	$896,637	▲ 190%	
NET REVENUE PER CASE	$10,209	$11,187	$12,152	$19,318	▲ 59%	
DIRECT COST PER CASE	$7,292	$8,035	$9,363	$14,302	▲ 53%	
CONTRB MARGIN PER CASI	$2,917	$3,152	$2,789	$5,016	▲ 80%	

PER CASE TRENDED GRAPHS



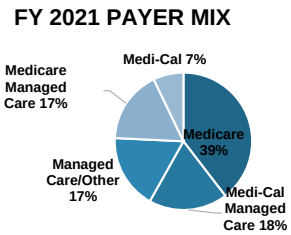




PAYER MIX - 4 YEAR TREND (GROSS REVENUE)

*Annualized

PAYER	FY2018	FY2019	FY2020	FY2021
Medicare	56%	54%	49%	39%
Medi-Cal Managed Care	18%	19%	20%	18%
Managed Care/Other	9%	9%	13%	17%
Medicare Managed Care	12%	11%	12%	17%
Medi-Cal	4%	5%	5%	7%



Report Notes:

The inpatient Pulmonary service line has a significantly higher contribution margin this year due to the high number of COVID patients in FY 2021. However, this represents only a subsection of our total COVID inpatients and offsets the overall negative financial experience during the pandemic.

Source: KHMC, Inpatient Service Line Report

Selection Criteria: Service Line 1 = Pulmonary

KAWEAH HEALTH ANNUAL BOARD REPORT

Respiratory Services - Pulmonary Function

FY2021 Annualized

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED

PATIENT CASES	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
1,117	$291,523	$119,330	$172,192	$91,721
▲ 10%	▲ 12%	▲ 2%	▲ 20%	▲ 50%

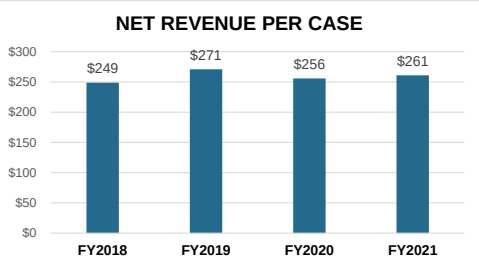
*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

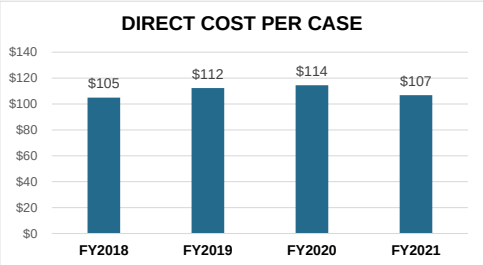
METRICS SUMMARY - 4 YEAR TREND

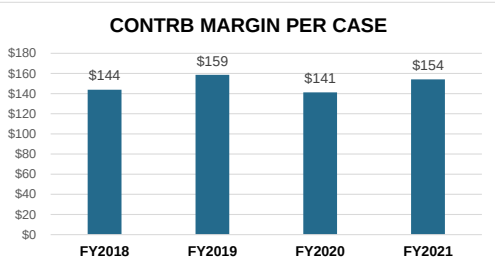
*Annualized

METRIC	FY2018	FY2019	FY2020	FY2021	%CHANGE FROM PRIOR YR	4 YR TREND
PATIENT CASES	1,127	1,142	1,018	1,117	▲ 10%	
NET REVENUE	$280,351	$309,443	$260,315	$291,523	▲ 12%	
DIRECT COST	$118,246	$128,241	$116,525	$119,330	▲ 2%	
CONTRIBUTION MARGIN	$162,105	$181,202	$143,790	$172,192	▲ 20%	
INDIRECT COST	$77,851	$75,842	$82,740	$80,471	▼ -3%	
NET INCOME	$84,254	$105,360	$61,050	$91,721	▲ 50%	
NET REVENUE PER CASE	$249	$271	$256	$261	▲ 2%	
DIRECT COST PER CASE	$105	$112	$114	$107	▼ -7%	
CONTRB MARGIN PER CASI	$144	$159	$141	$154	▲ 9%	

PER CASE TRENDED GRAPHS



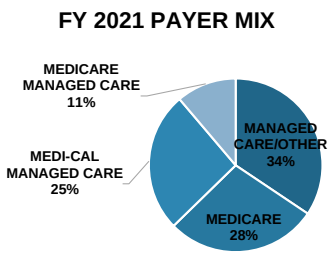




PAYER MIX - 4 YEAR TREND

*Annualized

PAYER	FY2018	FY2019	FY2020	FY2021
MANAGED CARE/OTHER	29%	33%	32%	34%
MEDICARE	45%	39%	34%	28%
MEDI-CAL MANAGED CARE	15%	15%	19%	25%
MEDICARE MANAGED CARE	10%	11%	13%	11%



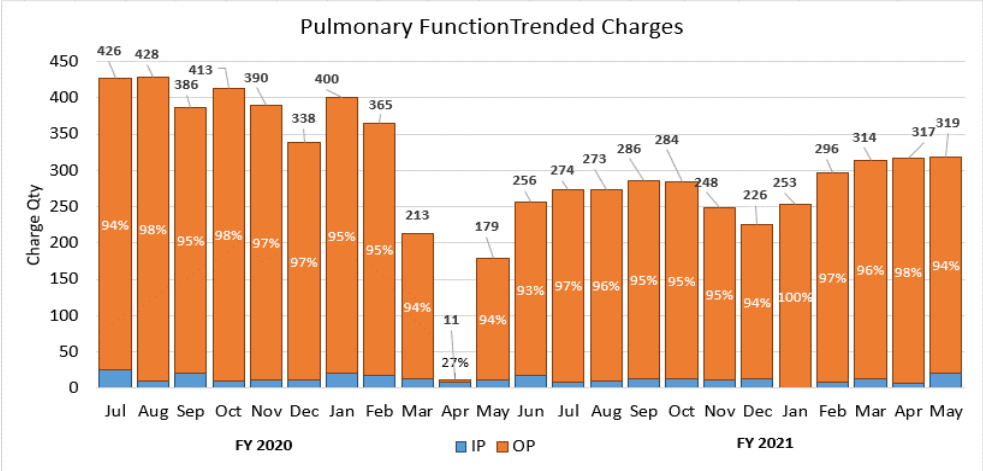
KAWEAH HEALTH ANNUAL BOARD REPORT

Respiratory Services - Pulmonary Function

FY2021 Annualized

*** FY 2021 ANNUALIZED ON THE ELEVEN MONTHS ENDED MAY 31, 2021**

KEY METRICS - FY 2021 ANNUALIZED



Note: ▫

Source: Outpatient Service Line Report

Selection Criteria: Service Line 1 = Respiratory Services and Service Line 2 = Pulmonary Function

Second Chart is based off of Pulmonary Charges

Physician Recruitment and Relations
Medical Staff Recruitment Report - July 2021

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

Date prepared: 7/21/2021

Central Valley Critical Care Medicine	
Intensivist (1- Part-Time; 1 - Full-Time)	2

Delta Doctors Inc.	
OB/Gyn	1

Kaweah Delta Faculty Medical Group	
Family Medicine Associate Program Director	1

Kaweah Health Medical Group	
Dermatology	2
Family Medicine	3
Internal Medicine	1
Gastroenterology	2
Orthopedic Surgery (Hand)	1
Otolaryngology	2
Pulmonology	1
Radiology - Diagnostic	1
Rheumatology	1
Urology	3
Physical Therapist	1

Key Medical Associates	
Internal Medicine/Family Medicine	2

Oak Creek Anesthesia	
General Anesthesia	1.5
Certified Registered Nurse Anesthetist	3.5
Program Director - Anesthesia	1

Other Recruitment	
Hematology/Oncology	1
Interventional Cardiology	1
Neurology	1

Valley Children's Health Care	
Maternal Fetal Medicine	2

Valley Hospitalist Medical Group	
GI Hospitalist	1

Candidate Activity						
Specialty/Position	**Group**	**Last Name**	**First Name**	**Availability**	**Referral Source**	**Current Status**
Colorectal Surgery	Kaweah Health Medical Group	Ota, M.D.	Kyle	08/21	Current KD General Surgery resident	Offer accepted; Start Date: 8/4/2021
Anesthesia	Oak Creek Anesthesia	Rogers, M.D.	Dan	TBD	PracticeLink - 7/12/21	Currently under review
Anesthesia	Oak Creek Anesthesia	Janiczek, M.D.	David	06/22	Direct	Offer accepted; pending execution of contract
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Baldwin	Joy	TBD	Direct - 4/15/21	Site visit pending dates
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Caceres	Cesar	TBD	Direct - 5/21/21	Offer accepted; pending execution of contract
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Sobotka	Tyler	TBD	Direct - 6/1/21	Offer accepted; pending execution of contract
Dermatology	Kaweah Health Medical Group	Chang, M.D.	Judy	09/22	Curative - 6/11/2021 (Spouse is Dr. Ming Lee, Dermatology-Mohs)	Currently under review
Dermatology - Mohs Surgery	Visalia Medical Clinic (Kaweah Delta Medical Foundation)	Chu, M.D.	Thomas	08/21	Curative - 2/24/21	Site Visit: 4/6/21; Offer pending
Dermatology - Mohs Surgery	Kaweah Health Medical Group	Lee, M.D.	Ming	09/22	Curative - 6/11/2021 (Spouse is Dr. Judy Chang, Dermatology)	Currently under review
Family Medicine	Kaweah Health Medical Group	Hsueh, D.O.	Marion	09/21	Direct referral	Site Visit: 3/23/21; Start Date: 9/20/2021
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Rangel-Orozco, M.D.	Daniela	08/22	Kaweah Health Resident	Site visit pending dates
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Bassali, M.D.	Mariam	08/21	Referred by Dr. Martinez - 10/14/20	Site Visit: 3/10/21; Start Date: 8/16/2021
Hospitalist	Central Valley Critical Care Medicine	Malik, M.D.	Sara	08/21	Direct - Dr. Umer Hayyat's spouse	Site Visit: 10/7/20; Tentative Start Date: August 2021

Candidate Activity						
Specialty/Position	**Group**	**Last Name**	**First Name**	**Availability**	**Referral Source**	**Current Status**
Hospitalist	Central Valley Critical Care Medicine	Reed, M.D.	Jennifer	08/21	Vista Staffing - 1/18/21	Tentative Start Date: 8/1/2021
Intensivist	Central Valley Critical Care Medicine	Dierksheide, M.D.	Julie	09/21	Vista Staffing - 4/15/21	Start Date: 9/9/21
Intensivist	Central Valley Critical Care Medicine	Hansen, M.D.	Diana	09/21	Vista Staffing - 2/25/21	Tentative Start Date: September 2021
Intensivist	Central Valley Critical Care Medicine	John, D.O.	Avinaj	07/21	Vista Staffing - 10/25/19	Site visit: 12/13/19; Start Date: 7/26/21
Intensivist	Central Valley Critical Care Medicine	Akinjero, M.D.	Akintunde	08/21	Vista Staffing - 10/20/20	Virtual Interview: 11/30/20; Tentative Start Date: August 2021
Intensivist	Central Valley Critical Care Medicine	Islam, M.D.	Tasbirul	TBD	PracticeLink - 5/5/21	Site Visit: 7/21/21
Intensivist	Central Valley Critical Care Medicine	Montano, M.D.	Nicholas	07/22	PracticeMatch - 6/28/21	Currently under review
Intensivist	Central Valley Critical Care Medicine	Li, M.D.	William	07/22	Vista Staffing - 7/12/21	Currently under review
Intensivist	Central Valley Critical Care Medicine	Lin, M.D.	Yann-Bor	TBD	Vista Staffing - 6/7/21	Currently under review
Interventional Cardiology	Independent	Singla, M.D.	Atul	TBD	Direct referral	Site Visit: 6/14/21; Offer pending
Neonatology	Valley Children's	Singh, M.D.	Himanshu	08/22	Valley Children's - 3/31/21	Site Visit: 4/19/2021; Offer accepted. Start date 8/29/2022
Otolaryngology	Kaweah Health Medical Group	Nguy, M.D.	Peter	07/22	Curative - 5/5/21	Site visit pending dates
Otolaryngology	Kaweah Health Medical Group	Nguyen, D.O.	Cang	07/22	Curative - 3/15/21	Offer accepted
Palliative Medicine	Independent	Grandhe, M.D.	Sundeep	08/21	Direct -12/7/20	Virtual Interview: 12/28/20; Offer accepted; Start Date: 9/1/21
Pediatrics	Kaweah Health Medical Group	Galindo, M.D.	Ramon	09/23	Direct referral - 6/28/21	Currently under review

Candidate Activity						
Specialty/Position	**Group**	**Last Name**	**First Name**	**Availability**	**Referral Source**	**Current Status**
Physical Therapy	Kaweah Health Medical Group	Bogue	Kaitlin	09/21	CliniPost - 7/12/21	Phone Interview: 7/13/21
Physical Therapy	Kaweah Health Medical Group	Kimmich	Rachel	09/21	CliniPost - 7/13/21	Phone Interview: 7/14/21
Psychiatry - Child & Adolescent	Precision Psychiatry	Pereyra, M.D.	Aubree	07/21	Kaweah Health Resident	Start Date: 7/26/2021
Radiology	Kaweah Health Medical Group	Park, D.O.	Peter	08/22	Merritt Hawkins - 6/4/21	Currently under review
Urology APP	Kaweah Health Medical Group	Dhanoa	Kirat	09/21	Direct	Virtual Interview: 3/17/21; Offer accepted; Start Date: 9/8/2021
Urology	Kaweah Health Medical Group	Patel, M.D.	Neil	10/21	Los Angeles Career MD Fair 9/14/19	Site Visit: 9/25/20; Part-Time; Tentative Start date: 10/1/2021
Vascular Surgery Hospitalist	South Valley Vascular	Lu, M.D.	Joyce	09/21	South Valley Vascular	Site Visit: 6/17-18/2021; Offer accepted
Vascular Surgery	South Valley Vascular	Nguyen, M.D.	Alexander	09/21	South Valley Vascular	Offer accepted

Kaweah Delta Health Care District

Subcategories of Department Manuals not selected.

Policy Number: AP39	**Date Created: No Date Set**
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	**Date Approved: Not Approved Yet**
Approvers: Board of Directors (Administration), Executive Team A	

Catering Guidelines

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

Policy: The primary purpose of the Catering Department within the District is to provide catering service to the staff of Kaweah Delta Health Care District. Non-profit groups may schedule an event as space and services are available.

Procedure: The Food & Nutrition Service Departments of the District will provide full catering for meetings of the District Board, Administration, Medical Executive Committee and Foundation without Vice President (VP) authorization. In addition Medical Staff committee meetings and Human Resource meetings do not require VP authorization. All other request for catering exceptions must be approved by the VP of the requesting department.

All requests for ~~room reservations and~~ ~~catering for~~ standing meetings are to be completed using Catertrax Online. Standing meeting can be made Via CaterTrax online up to 12 months in advance. ~~HR Online by November 15th for the following year. Confirmations will be sent automatically by HR Online~~. ~~The on-line catering system is set-up to have 15 minute increments in-between catering events to allow staff time for clean-up, and set-up of catering events~~.

All catering events are charged to departments or areas using the service. Hospital District representatives will utilize in-house catering unless a VP authorizes otherwise or unless outside catering is more cost effective. Charges are based on the number of guests ordered not the number of guests who were serviced. When rooms are reserved with no food ordered, the group is responsible for returning the room to its original condition. ~~If the room is not left clean and orderly, the group will be charged a fee of $30.00 per room~~. N. A minimum charge of $25 will be assessed for orders not meeting the minimum amount of $25 unless approved by the Vice President.

A catering menu is available online via CaterTrax. ~~HR Online. At the Downtown Campus,~~ ~~all~~ All catering requests must be received within the Food & Nutrition Service Department no less than 48 Hours prior to the actual occurrence of the event or meeting.

Commented [HL1]: VP's have not been approving. Can be designated to be approved in Catertrax system.

Commented [HL2]: We don't charge a fee from FNS

Commented [HL3]: We

Full meal service will be limited to meetings held in any of the district facilities; ddowntown campus, south campus and west campus. Please call 624-5081 2727 for pre-approval of other sites.

PROCEDURE:

I. Catering Requests Forms

Catering Requests can only be made using CaterTrax. Access to Catertrax will be granted to authorized personnel by calling The food service department at ext. 2781. forms are available on the KDNet via HR Online . The on-line request form must be completed appropriately providing all necessary information and must be received by food services Catering Reservations 48 hours prior to the for event.s Any changes to the original order must be done prior to 24 hours of the event.

II. Food & Nutrition Service requires 24 -hour notice for cancellation of a scheduled catering event. Failure to provide 24 -hour notice will result in the ordering department being charged for food cost of the event. The department/individual that ordered the event is responsible for canceling the event online using CaterTrax Online. using HR Online.

III. Completion of Catering Request Forms

A. The On-line Catering Request- form must contain all of the information requested including:

1. Name, telephone number, and department of individual requesting service;
2. Name, date, day, time, and location of event;
3. Number of individuals expected to attend; and,
4. Menu items requested.

B. If after the catering request form has been completed and submitted via HR Online and the information provided requires revision, i.e., number of individuals attending changes, it is the responsibility of the requester to immediately notify Catering Reservations at (559) 624-2292 with updated information.

Commented [HL4]: Catertrax

III. Catering Menu- call 2727 or 2292

IV. Cost Accounting

Department catering cost reports are available from CaterTrax Online.A monthly summary of costs associated with catering will be prepared and forwarded to the Manager of departments utilizing catering services. A monthly summary of the catering costs will be forwarded to tThe Finance Department will transfer and these costs will be transferred to the requesting departments cost center.

V. Catering Guidelines for Service

Catering Guidelines for service Catering Guidelines
Type of Food Service Available

Hospital Committees	Menus developed with the Executive Chef
Board Committees	Menus developed with the Executive Chef
Dept Meetings < 2 hrs	Call 624-27275081
Dept Meetings > 2 hrs	Call 624-50812727
Open House	Menu to be developed with Food and Nutrition Service
Educational Events	
Lamaze Class	Beverage Service Only
Staff Member Class	Beverage Service Only
Community Class	Beverage/Muffins or Cookies
Student Tours	Juice and Cookies
Special Events	Special Requests require VP Signature
Outside Groups	Special Requests require VP Signature

"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."

Kaweah Delta Health Care District

Administrative Manual
Patient Care Manual

Policy Number: AP178	**Date Created: 08/02/2000**
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	**Date Approved: Not Approved Yet**
Approvers: Board of Directors (Administration)	

Against Medical Advice (AMA): Patient Leaving

Policy: When a patient desires to leave against the advice of their attending, physician, the physician must attempt to provide the patient with potential consequences of the action involved in leaving including risks, benefits, and alternatives to treatment. An adult patient with capacity has the right to decide whether or not to submit to medical treatment.

Definitions:

Capacity- a person's ability to understand the nature and consequences of a decision and to make and communicate a decision, and includes in the case of proposed health care, the ability to understand its significant benefits, risks and alternatives.

Procedure:

I. Any staff person who becomes aware of a patient's desire to leave Against Medical Advice (AMA) will contact the nurse in charge of the patient's care.

II. The nurse will confirm the patient's desire to leave and inform the attending physician of patient's desire to leave AMA. The nurse will request that the attending physician speak with the patient to inform the patient of the risks of leaving AMA.

III. The physician should determine whether the patient has capacity, using above definition, to make health care decisions.

A. If the physician determines the patient has capacity and patient chooses to leave after risks, benefits, and alternatives have been explained, the patient's decision should be respected.

B. If the physician determines patient does not have capacity, the decision to leave AMA should be made by legal representative as appropriate. If patient does not have legal representative, consult with Risk Management and/or hospital legal counsel immediately. The patient may be placed on a hold pursuant to California Health and Safety Code 1799.111. Please see attachment A.

C. If patient attempts to leave prior to physician evaluation and staff determine patient is unsafe (confused, danger to self or others) then all reasonable attempts will be made to prevent patient from leaving. Staff will notify the house supervisor and/or nurse manager immediately to discuss and determine appropriate course of action.

IV. The nurse will:

A. Encourage the patient to speak with the attending physician either in person or via telephone (in-person is preferred). If the patient wishes to leave prior to speaking with physician, inform patient that physician has been notified to explain risks, benefits, and alternatives. If patient leaves prior to speaking with physician, document efforts in the medical record.

B. Notify the physician of the reasons (if known) why the patient desires to leave AMA.

C. Notify the physician of any viable alternatives that may resolve the patient's desire for leaving.

V. The nurse or designee will inform the following of the patient's desire to leave AMA:

A. Patient and Family Services

B. Nurse Manager, charge nurse, or Nursing Supervisor

VII. The nurse, Nurse Manager, charge nurse or House Supervisor will:

A. Request that the patient sign the KDHCD Authorization and Release Form: "Against Medical Advice".

B. Document in the patient's medical record

1. Notification of patient's physician
2. Date and time patient leaves unit AMA
3. Condition of patient
4. If patient has refused to sign the AMA form and the stated reasons for the refusal.

VIII. The nurse will inform the attending physician of the time the patient leaves the unit.

IX. The physician will:

A. Determine if patient has capacity to make decisions.

B. Document current signs/symptoms patient is having that warrants further medical treatment. Physician will document patient verbalized understanding of these.

C. Discuss risks of refusing current treatment and/or recommended treatments including possible permanent disabilities and even death.

D. Provide patient with alternatives to treatment that may be available.

E. Document a detailed statement in medical record and/or on AMA form as to reasons patient is refusing treatment.

F. The physician should provide the patient with appropriate follow up care recommendations and instructions including but not limited to the following: appropriate medications/prescriptions to treat condition, follow up appointments, and referrals as appropriate to ensure patient has access to care.

G. Staff will take precautions to ensure the patient leaves the facility in a safe manner. This may include escorting patient to exit via wheelchair and/or arranging taxi/bus ride home. If patient attempts to drive and is deemed by staff to be unsafe to drive, please notify security and local police department. These actions to be documented in the medical record.

X. The nurse will complete an Occurrence Report.

XI. The nurse will inform the Case Management Department for Third Party Payor notification.

Related Documents:

None

References:

None

"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."

Attachment A

California Health and Safety Code Section 1799.111

(a) Subject to subdivision (b), a licensed general acute care hospital, as defined in subdivision (a) of Section 1250, that is not a county-designated facility pursuant to Section 5150 of the Welfare and Institutions Code, a licensed acute psychiatric hospital, as defined in subdivision (b) of Section 1250, that is not a county-designated facility pursuant to Section 5150 of the Welfare and Institutions Code, licensed professional staff of those hospitals, or any physician and surgeon, providing emergency medical services in any department of those hospitals to a person at the hospital shall not be civilly or criminally liable for detaining a person if all of the following conditions exist during the detention:

(1) The person cannot be safely released from the hospital because, in the opinion of the treating physician and surgeon, or a clinical psychologist with the medical staff privileges, clinical privileges, or professional responsibilities provided in Section 1316.5, the person, as a result of a mental disorder, presents a danger to himself or herself, or others, or is gravely disabled. For purposes of this paragraph, "gravely disabled" means an inability to provide for his or her basic personal needs for food, clothing, or shelter.

(2) The hospital staff, treating physician and surgeon, or appropriate licensed mental health professional, have made, and documented, repeated unsuccessful efforts to find appropriate mental health treatment for the person.

(A) Telephone calls or other contacts required pursuant to this paragraph shall commence at the earliest possible time when the treating physician and surgeon has determined the time at which the person will be medically stable for transfer.

(B) In no case shall the contacts required pursuant to this paragraph begin after the time when the person becomes medically stable for transfer.

(3) The person is not detained beyond 24 hours.

(4) There is probable cause for the detention.

(b) If the person is detained pursuant to subdivision (a) beyond eight hours, but less than 24 hours, both of the following additional conditions shall be met:

(1) A discharge or transfer for appropriate evaluation or treatment for the person has been delayed because of the need for continuous and ongoing care, observation, or treatment that the hospital is providing.

(2) In the opinion of the treating physician and surgeon, or a clinical psychologist with the medical staff privileges or professional responsibilities provided for in Section 1316.5, the person, as a result of a mental disorder, is still a danger to himself or herself, or others, or is gravely disabled, as defined in paragraph (1) of subdivision (a).

(c) In addition to the immunities set forth in subdivision (a), a licensed general acute care hospital, as defined in subdivision (a) of Section 1250 that is not a county-designated facility pursuant to Section 5150 of the Welfare and Institutions Code, a

licensed acute psychiatric hospital as defined by subdivision (b) of Section 1250 that is not a county-designated facility pursuant to Section 5150 of the Welfare and Institutions Code, licensed professional staff of those hospitals, or any physician and surgeon, providing emergency medical services in any department of those hospitals to a person at the hospital shall not be civilly or criminally liable for the actions of a person detained up to 24 hours in those hospitals who is subject to detention pursuant to subdivision (a) after that person's release from the detention at the hospital, if all of the following conditions exist during the detention:

(1) The person has not been admitted to a licensed general acute care hospital or a licensed acute psychiatric hospital for evaluation and treatment pursuant to Section 5150 of the Welfare and Institutions Code.

(2) The release from the licensed general acute care hospital or the licensed acute psychiatric hospital is authorized by a physician and surgeon or a clinical psychologist with the medical staff privileges or professional responsibilities provided for in Section 1316.5, who determines, based on a face-to-face examination of the person detained, that the person does not present a danger to himself or herself or others and is not gravely disabled, as defined in paragraph (1) of subdivision (a). In order for this paragraph to apply to a clinical psychologist, the clinical psychologist shall have a collaborative treatment relationship with the physician and surgeon. The clinical psychologist may authorize the release of the person from the detention, but only after he or she has consulted with the physician and surgeon. In the event of a clinical or professional disagreement regarding the release of a person subject to the detention, the detention shall be maintained unless the hospital's medical director overrules the decision of the physician and surgeon opposing the release. Both the physician and surgeon and the clinical psychologist shall enter their findings, concerns, or objections in the person's medical record.

(d) Nothing in this section shall affect the responsibility of a general acute care hospital or an acute psychiatric hospital to comply with all state laws and regulations pertaining to the use of seclusion and restraint and psychiatric medications for psychiatric patients. Persons detained under this section shall retain their legal rights regarding consent for medical treatment.

(e) A person detained under this section shall be credited for the time detained, up to 24 hours, in the event he or she is placed on a subsequent 72-hour hold pursuant to Section 5150 of the Welfare and Institutions Code.

(f) The amendments to this section made by the act adding this subdivision shall not be construed to limit any existing duties for psychotherapists contained in Section 43.92 of the Civil Code.

(g) Nothing in this section is intended to expand the scope of licensure of clinical psychologists.

BOARD OF DIRECTORS
KAWEAH DELTA HEALTH CARE DISTRICT

RESOLUTION 2139

A RESOLUTION DIRECTING TULARE COUNTY, CALIFORNIA, TO LEVY A TAX TO PAY THE PRINCIPAL OF AND INTEREST ON GENERAL OBLIGATION BONDS OF THE DISTRICT.

WHEREAS, by Resolution No. 1312 (the *"Ballot Resolution"*) adopted by the Board of Directors of Kaweah Delta Health Care District (the *"Board"*) on July 22, 2003, the Board determined and declared that public interest and necessity demanded the acquisition, construction and/or reconstruction, improvement and equipping of additional health care facilities to expand Kaweah Delta Hospital of Kaweah Delta Health Care District (the *"District"*); and

WHEREAS, by the Ballot Resolution, the Board duly called an election to be held on November 4, 2003, for the purpose of submitting to the electors of the District a proposition to incur bonded indebtedness to finance all works, property, parking and structures necessary or convenient for the acquisition, improvement, construction and/or reconstruction of an expansion to Kaweah Delta Hospital, as more fully defined herein (the *"Project"*); and

WHEREAS, an election was held in the District on November 4, 2003, for the purpose of submitting to the qualified voters of the District a proposition for incurring bonded indebtedness of the District in the aggregate principal amount not to exceed $51,000,000 to finance the Project; and

WHEREAS, the Registrar of Voters of Tulare County, California, duly canvassed the return of said election and, as the result of such canvass, certified to the Board that more than two-thirds of the votes cast on said proposition favored the incurring of such bonded indebtedness; and

WHEREAS, in 2004, the District issued its General Obligation Bonds, Election of 2003, Series 2004 (the *"2004 Bonds"*) in the aggregate principal amount of $51,000,000 for the purposes authorized and on the conditions set forth in Ordinance No. 04-02 (the *"Ordinance"*); and

WHEREAS, on January 6, 2014, the Board adopted Resolution No. 1795 authorizing the issuance of its General Obligation Refunding Bonds, Series 2014 (the "*2014 Bonds*") in an amount sufficient to provide for the advance refunding and redemption, on August 1, 2014, of the 2004 Bonds maturing on or after August 1, 2015; and

WHEREAS, on January 30, 2014, the Board issued its 2014 Bonds in the aggregate principal amount of $48,906,000 pursuant to Chapter 4, Division 23 (Sections

32300 *et seq.*) of the California Health & Safety Code (the *"Authorizing Law"*), Chapter 3, Part 1, Division 2, Title 5 of the California Government Code and Resolution No. 1795;

WHEREAS, pursuant to the Authorizing Law, the District is authorized to direct Tulare County, California, in which jurisdiction the District is located (the *"County"*), to levy an *ad valorem* tax on all property within the District for the purpose of paying the principal and interest coming due on the 2014 Bonds,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF KAWEAH DELTA HEALTH CARE DISTRICT AS FOLLOWS:

Section 1. Recitals. All of the recitals herein are true and correct. To the extent that the Recitals relate to findings and determinations of the Board, the Board declares such findings or determinations to be made hereby.

Section 2. Tax Levy. For the purpose of paying the principal of and interest on the 2014 Bonds, and subject to the provisions below, the Board hereby directs the County to levy and collect, in each successive fiscal year, commencing with the District's fiscal year beginning July 1, 2021, and ending June 30, 2022 a tax sufficient to pay the annual interest on the 2014 Bonds as the same becomes due and also such part of the principal thereof as becomes due before the proceeds of a tax levied at the time for making the next general tax levy can be made available for the payment of such interest or principal. Attached to this Resolution as Exhibit A is the annual debt service schedule for the 2014 Bonds. Attached to this Resolution as Exhibit B is the property tax rate set by the Board for the fiscal year ending June 30, 2022.

The levy of taxes for the 2014 Bonds takes into account amounts on deposit in the General Obligation Refunding Bond Fund of the District established pursuant to Resolution No. 1795 of the District to pay debt service on the 2014 Bonds during such year as estimated by the Chief Financial Officer.

Said tax shall be in addition to all other taxes levied for District purposes, shall be levied and collected by the County at the same time and in the same manner as other taxes of the District are levied and collected, and shall be used only for the payment of the 2014 Bonds, and the interest thereon.

Pursuant to Sections 32127 and 32204 of the California Health & Safety Code, all taxes collected by the County pursuant to this Section 2 shall be paid into the treasury of the District and deposited forthwith in a special account of the District as set forth in Resolution No. 1795 of the District.

Section 3. Request for Necessary County Actions. The Board of Supervisors, the Treasurer, the Tax Collector, the Auditor and other officials of the County are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property within the District sufficient to provide for the payment of all principal of, redemption premium (if any), and interest on the 2014 Bonds, as the same shall become due and payable, and

to transfer the tax receipts from such levy to the District for deposit into the District's General Obligation Refunding Bond Fund. The Chief Financial Officer is hereby authorized and directed to deliver certified copies of this Resolution to the clerk of the Board of Supervisors of the County, and the Treasurer, Tax Collector and Auditor of the County.

Section 4. Ratification. All actions heretofore taken by officials, employees and agents of the District with respect to the request and direction for the tax levy described herein are hereby approved, confirmed and ratified.

Section 5. General Authority. The President of the Board, the Secretary/Treasurer, the Chief Executive Officer and the Chief Financial Officer, and their respective designees, are each hereby authorized, empowered and directed in the name and on behalf of the District to take any and all steps, which they or any of them might deem necessary or appropriate in order to ensure that the County levies and collects the property taxes as described herein and otherwise to give effect to this Resolution.

Section 6. This Resolution shall take effect immediately upon enactment.

THE FOREGOING RESOLUTION WAS PASSED AND ADOPTED by the Board of Directors of Kaweah Delta Health Care District on July 26, 2021 by the following vote:

AYES: Francis, Gipson, Havard Mirviss, Olmos & Rodriguez

NOES: n/a

ABSENT: n/a

David Francis
President, Board of Directors
Kaweah Delta Health Care District

Attest:

Garth Gipson
Secretary/Treasurer, Board of Directors
Kaweah Delta Health Care District

EXHIBIT A

BOND DEBT SERVICE

Kaweah Delta Health Care District of Tulare County, California
General Obligation Refunding Bonds, Series 2014
(Refunds Series 2004 G.O. Bonds)
FINAL

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2014			956,281.17	956,281.17	956,281.17
02/01/2015			950,997.85	950,997.85	
08/01/2015	1,089,000	** %	950,997.85	2,039,997.85	2,990,995.70
02/01/2016			930,734.35	930,734.35	
08/01/2016	1,193,000	** %	930,734.35	2,123,734.35	3,054,468.70
02/01/2017			908,535.15	908,535.15	
08/01/2017	1,301,000	** %	908,535.15	2,209,535.15	3,118,070.30
02/01/2018			884,325.80	884,325.80	
08/01/2018	1,412,000	** %	884,325.80	2,296,325.80	3,180,651.60
02/01/2019			858,044.95	858,044.95	
08/01/2019	1,530,000	** %	858,044.95	2,388,044.95	3,246,089.90
02/01/2020			829,571.50	829,571.50	
08/01/2020	1,651,000	** %	829,571.50	2,480,571.50	3,310,143.00
02/01/2021			798,844.10	798,844.10	
08/01/2021	1,779,000	** %	798,844.10	2,577,844.10	3,376,688.20
02/01/2022			765,734.30	765,734.30	
08/01/2022	1,913,000	** %	765,734.30	2,678,734.30	3,444,468.60
02/01/2023			730,134.10	730,134.10	
08/01/2023	2,054,000	** %	730,134.10	2,784,134.10	3,514,268.20
02/01/2024			691,907.70	691,907.70	
08/01/2024	2,211,000	** %	691,907.70	2,902,907.70	3,594,815.40
02/01/2025			650,759.75	650,759.75	
08/01/2025	2,380,000	** %	650,759.75	3,030,759.75	3,681,519.50
02/01/2026			606,469.35	606,469.35	
08/01/2026	2,550,000	** %	606,469.35	3,156,469.35	3,762,938.70
02/01/2027			559,011.15	559,011.15	
08/01/2027	2,725,000	** %	559,011.15	3,284,011.15	3,843,022.30
02/01/2028			508,297.60	508,297.60	
08/01/2028	2,917,000	** %	508,297.60	3,425,297.60	3,933,595.20
02/01/2029			454,010.45	454,010.45	
08/01/2029	3,113,000	4.090%	454,010.45	3,567,010.45	4,021,020.90
02/01/2030			390,349.60	390,349.60	
08/01/2030	3,328,000	4.090%	390,349.60	3,718,349.60	4,108,699.20
02/01/2031			322,292.00	322,292.00	
08/01/2031	3,547,000	4.090%	322,292.00	3,869,292.00	4,191,584.00
02/01/2032			249,755.85	249,755.85	
08/01/2032	3,803,000	4.090%	249,755.85	4,052,755.85	4,302,511.70
02/01/2033			171,984.50	171,984.50	
08/01/2033	4,066,000	4.090%	171,984.50	4,237,984.50	4,409,969.00
02/01/2034			88,834.80	88,834.80	
08/01/2034	4,344,000	4.090%	88,834.80	4,432,834.80	4,521,669.60
	48,906,000		25,657,470.87	74,563,470.87	74,563,470.87

EXHIBIT B

TAX RATE FOR FISCAL YEAR 2021-2022

.018020 per $100 of assessed value

July 26, 2021

Kelli D. Burritt, Esq.
WINER, BURRITT & SCOTT LLP
21700 Oxnard Street, Suite 2070
Woodland Hills, CA 91367

RE: Notice of Granting of Application for Leave to Present Late Claim for Cori Shipman

NOTICE IS HEREBY GIVEN that the Application for Leave to Present Late Claim on Behalf of Claimant Cori Shipman, dated July 2, 2021, which you presented to Kaweah Health on July 7, 2021, was granted on July 26, 2021.

RE: Notice of Rejection of Claim of Cori Shipman

NOTICE IS HEREBY GIVEN that the amended claim, which you presented to the Board of Directors of Kaweah Health on July 2, 2021, was rejected on its merits by the Board of Directors on July 26, 2021

WARNING (Pursuant to Govt. Code §913(b))

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.

Sincerely,

Garth Gipson
Secretary/Treasurer, Board of Directors

cc: Richard Salinas, Attorney at Law

History and Physical Required Elements for Outpatient Procedures/Outpatient Surgery-Proposed

- Chief complaint
- History of present illness
- Pertinent Current and past medical problems
- Surgical history
- Medications ~~with dosage and timing~~
- Allergies and reactions
- ~~Family history~~
- ~~Social history~~
- ~~Review of Systems~~
- ~~Vitals (For Pediatric Patients weight~~, ~~height, developmental age and head circumference are required)~~
- Heart exam
- Lung exam
- Examination of pertinent body parts
- ~~Applicable laboratory and radiologic data that leads to the main diagnosis or any secondary diagnoses~~
- Main diagnosis
- ~~Secondary diagnoses~~
- Treatment plans for main ~~and secondary diagnoses~~ ("see orders" is not appropriate)
- ~~Mental Health Patients require more components in the H&P~~

~~Mental status exam, Cranial nerves 1 through 12 individually examined~~

- Meets all Timeliness Criteria

Appendix D

Policy Submission Summary

Manual Name: Medical Staff Services			**Date: 7/20/21**
Support Staff Name: April McKee			
Routed to:			**Approved By: (Name/Committee – Date)**
☐ **Department Director** ☐ **Medical Director** *(if applicable)* ☐ **Medical Staff Department** *(if applicable)* ☐ **Patient Care Policy** *(if applicable)* ☐ **Pharmacy & Therapeutics** *(if applicable)* ☐ **Interdisciplinary Practice Council** *(if applicable)* ☐ **Credentials Committee** *(if applicable)* ☐ **Executive Team** *(if applicable)* ☒ **Medical Executive Committee** *(if applicable)* ☒ **Board of Directors**			7/21/21
Policy/Procedure Title	**#**	**Status** (New, Revised, Reviewed, Deleted)	**Name and Phone # of person who wrote the new policy or revised an existing policy**
Medical Staff Well-Being Committee	MS 02	Revised	Teresa Boyce x2365 & Glenda Zarbock
Impaired Practitioner Policy	MS 40	Revised	Teresa Boyce x2365, Gary Herbst, and Glenda Zarbock

Policy Number: MS 02	Date Created: 02/01/2007
Document Owner: April McKee (Medical Staff Svcs Manager)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration), Medical Executive Committee	

MEDICAL STAFF WELL-BEING COMMITTEE

PURPOSE:

In order to maintain and improve the quality of care and assist staff members in the maintenance of appropriate standards of personal performance, the medical staff Well-Being Committee (WBC) is responsible to take note of and to evaluate issues related to the health, ~~,~~ ~~well being~~well-being or impairment of medical staff/allied health members.

DEFINITION:

1. Impaired practitioner: one who is unable to practice medicine with reasonable skill and safety to patients because of physical or mental illness, including deterioration through the aging process or loss of motor skill, or abuse or excessive use of drugs, including alcohol.

   Recognition of impairment of practitioners:
   a. Irritability: mood swings; negative attitude; argumentative; inappropriate anger; overreaction of criticism; altercations with staff, peers and patients; “personality change”
   b. Inaccessibility: frequent tardiness; frequent absence; “MIA” missing in action (frequent trips to bathroom, parking lot); prolonged lunch breaks; unavailable when on call; frequent beeper failure; frequent illness
   c. Cognitive impairment: lack of concentration; confusion; forgetfulness; difficulty thinking/speaking
   d. Physical impairment (resulting in the inability to provide optimal patient care): loss of motor skills; problems with balance; poor coordination and clumsiness
   e. Mental impairment: disruption in thinking, feeling, moods, and ability to relate to others
   f. Incidentals: disheveled appearance; tremors; “green tongue” from mints; bruises; needle tracks; heaving drinking at staff or social functions; off-duty intoxication; runny nose; raspy voice; alcohol on breath; red, yellow or black and blue eyes; dilated or constricted pupils; staff, patient or peer complaints; slurred speech; black outs; subject of hospital gossip (marital problems, DUI, financial problems, “party” reputation, etc.)

COMPOSITION:

A minimum of five (5) active members of the medical staff shall be appointed by the chief of staff, a majority of ~~which~~whom, including the chair, shall be physicians. The membership shall include a psychiatrist and up to 5 immediate Past Chiefs of Staff who no longer serve on MEC.~~>~~ Except for initial appointments, each shall serve a term of two (2) years, and the terms shall be staggered. Insofar as possible, members of the committee shall not serve as active participants on other peer review or quality improvement committees while serving on this committee.

Individuals who are not members of the medical staff may be appointed when such appointment will materially increase the effectiveness of the work of the committee.

Involvement of the following qualified physicians is desirable:

1. Physician recovering from alcoholism and/or other chemical dependence;
2. Psychiatrist or physician with mental health and/or addiction medicine training

RESPONSIBILITIES:

The role of the Well-Being Committee is advisory in nature, and not a substitute for a personal physician or a disciplinary body. The Committee's focus should be the needs of the physician in question. It will report only to MEC and to the physician in question.

~~REFERRALS TO THE COMMITTEE:~~

~~1. Practitioners who develop a physical/mental impairment are required to "self-report" to the chief of staff/designee. The practitioner agrees to notify the chief of staff/designee immediately in writing upon learning that he/she has developed substance abuse, mental or physical illness, or sustained any injury which could have an effect on the exercise of his/her clinical privileges.~~

~~2. Any person, practitioner or employee, suspecting a practitioner of being impaired must initiate a report to the Well-Being Committee. The individual making the report does not have to have proof of the impairment, but must state the facts leading to the suspicions, including dates, times, locations. The report will be forwarded to the chief of staff, via the medical staff office.~~

~~3. A charge of, or arrest for, driving while intoxicated/under the influence will automatically trigger a referral to the Well Being Committee.~~

The Committee:

1. Will be the identified point within the District where information and concerns about the health of an individual medical/allied health member can be delivered for consideration and evaluation.

2. May receive and assess reports related to the health, well-being or impairment of medical/allied health staff members; seek corroboration and additional information.

3. The referring source will be advised that follow-up action was taken.

4. Provide advice, recommendations and assistance to the Practitioner in question; provide recommendations for treatment and/or education; provide assistance in obtaining what is recommended.

5. Monitor Practitioner for compliance with the terms of a monitoring agreement.

6. Assist Practitioner with reinstatement issues.

7. Educate Practitioners and other organization staff about physician health, well-being and impairment; about appropriate responses to different levels and kinds of distress and impairment; about treatment, recovery and monitoring; about the responsibilities of the medical staff in response to concerns about a Practitioner's health; and about appropriate resources for prevention, treatment, rehabilitation, monitoring and reinstatement.

8. When the medical staff receives a notification that a physician has entered a substance abuse recovery program, this communication should trigger the development of a monitoring agreement between the Well-Being Committee and the physician in diversion.

   a. Once practitioner has completed a program, the Well-Being Committee will establish a post-monitoring agreement whereby the practitioner agrees to provide an attestation at the time of reappointment. Attestation will address continued compliance regarding their particular issue.

9. Maintenance of confidentiality of the licensed independent practitioner seeking referral or referred for assistance is maintained by the Well-Being Committee, except as limited by applicable law, ethical obligation, or when the health and safety of a patient is threatened."

10. In the event information received by the committee clearly demonstrates that the health or known impairment of a medical/allied health member poses an unreasonable risk of harm to patients or others in the hospital, that information shall be conveyed to the Chief of Staff for assuring that appropriate follow-up action is taken.

REFERRALS TO THE COMMITTEE:

1. Practitioners who develop a physical/mental impairment are required to "self-report" to the chief of staff/designee. The practitioner agrees to notify the chief of staff/designee immediately in writing upon learning that he/she has developed substance abuse, mental or physical illness, or sustained any injury which could have an effect on the exercise of his/her clinical privileges.

2. Any person, practitioner or employee, suspecting a practitioner of being impaired must initiate a report to the Well-Being Committee. The individual making the report does not have to have proof of the impairment, but must state the facts leading to the suspicions, including dates, times, locations. The report will be forwarded to the chief of staff, via the medical staff office.

3. A charge of, or arrest for, driving while intoxicated/under the influence will automatically trigger a referral to the Well Being Committee.

4. If a practitioner enters a health, treatment, or monitoring program without involvement of the WBC and the organization receives notification of entry into the program, the communication will trigger the development of a specific monitoring agreement between the WBC and the practitioner.T

TREATMENT AND MONITORING OF THE IMPAIRED PRACTITIONER

The ~~Well Being Committee (~~WBC~~)~~, acting on behalf of the Medical Executive Committee, is responsible for assessing the situation and identifying the most appropriate treatment and monitoring requirements ~~made of~~for the practitioner. Examples include participation in initial and ongoing treatment and maintenance of abstinence from alcohol and any drugs or non-prescribed medications. The practitioner is required to comply, and the ~~medical staff~~WBC monitors the practitioner for compliance with those requirements for a specific length of time. The purpose of monitoring is to assure the Medical Executive Committee and the Governing Board that the physician is in recovery, continues in recovery and is participating in an appropriate recovery program.

The WBC may engage the services of a third party monitoring service~~s~~ to carry out the necessary elements of a monitoring agreement and report to the WBC. The WBC receives and evaluates reports from those services and reports up to the Chief of Staff compliance/non-compliance of the practitioner under the monitoring agreement. The Chief of Staff will report up to the Medical Executive Committee and the Governing Board. If the practitioner withdraws or terminates participation in the agreed upon monitoring program, the WBC will notify the Chief of Staff for appropriate action by the Medical Executive Committee.

~~If a practitioner enters a health, treatment, or monitoring program without involvement of the WBC and the organization receives notification of entry into the program, the communication will trigger the development of a specific monitoring agreement between the WBC and the practitioner.~~

MONITORING PLAN

A monitoring plan will be specific to the physician and includes the following elements:

- Evaluation
- Completion of initial treatment;

- On-going treatment/counseling;
- Facilitated monitoring groups;
- Drug testing;
- Regular face to face contact with a knowledgeable and approve observer;
- Reports made to the coordinator of monitoring;
- Regular conferences.

The monitoring plan should be reviewed periodically, e.g., every six months, by the WBC or its designee to keep it tailored to current circumstances while the monitoring period progresses.

At the recommendation of the WBC and Chief of Staff there may be concurrent peer review and regular record review for all monitored physicians, for a period of time to be determined in each case.

Lapse or relapse is not uncommon for those recovering from substance use disorder. The response to the lapse/relapse will be the same as the handling of the initial complaint. A lapse or relapse alone should not be considered cause for termination of privileges. The WBC will consider intensifying the treatment and/or monitoring program, and may require the physician to take a leave from patient care for a period of time.

REPORTING

Reports from the following entities will be regularly and consistently gathered and reviewed by the WBC:

- From the hospital or other practitioner work place;
- From a workplace monitor;
- From results of testing for drug/alcohol use;
- From an aftercare coordinator;
- From treating physicians and/or other treatment providers.

Per California Code of Regulations, Title 22 70703(d), reports of activities and recommendations relating to the assistance provided to impaired practitioners are to be made to the Medical Executive Committee and the governing body, at least quarterly.

CONFIDENTIALITY

Physician information obtained by the WBC is confidential and should be disclosed outside the WBC only to another Medical Staff committee in order to assist that committee with its physician evaluation activities, at the written request of the individual involved, or to any other entity upon advice from Medical Staff Legal Counsel.

The physician's identity and information about the situation needs to be known only to the signers of the monitoring agreement, the monitors and the medical staff committee responsible for the monitoring.

~~**COMPOSITION:**~~

~~A minimum of five (5) active members of the medical staff shall be appointed by the chief of staff, a majority of which, including the chair, shall be physicians. The membership shall include a psychiatrist and up to 5 immediate Past Chiefs of Staff who no longer serve on MEC> Except for initial appointments, each shall serve a term of two (2) years, and the terms shall be staggered. Insofar as possible, members of the committee shall not serve as active participants on other peer review or quality improvement committees while serving on this committee.~~

~~Individuals who are not members of the medical staff may be appointed when such appointment will materially increase the effectiveness of the work of the committee.~~

~~Involvement of the following qualified physicians is desirable:~~

~~1. Physician recovering from alcoholism and/or other chemical dependence;~~
~~2. Psychiatrist or physician with mental health and/or addiction medicine training~~

RECORD KEEPING

~~Only those records should be kept which are appropriate to the charges given to the committee by the medical staff.~~

Records for each case being monitored must include a copy of the signed monitoring agreement, copies of all signed forms authorizing disclosure of information to the committee, and adequate information to assess the physician's status in recovery and compliance with the elements in the agreement.

Records must be retained indefinitely, or as long as the physician practices - plus five years. Records must be kept in strict confidence and in a secured storage area.

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

Policy Number: MS 40	Date Created: 05/17/2021
Document Owner: April McKee (Medical Staff Svcs Manager)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration); Medical Executive Committee; Boyce, Teresa; McKee, April; Moccio, Cindy	
Impaired Practitioner Policy	

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

I. **Purpose:** Substance abuse can adversely impact patient care and workplace safety. Use and abuse of alcohol or controlled substances may impair the ability of a medical staff member and advanced practice provider (collectively, Practitioner) to provide services and may endanger the individual, his or her co-workers, patients and the public. This policy is developed to provide for patient safety and to help eliminate the problem of workplace substance abuse.

II. **Policy:** It is the ~~medical~~ Medical ~~staff's~~ Staff's policy to continuously strive toward preventing Practitioners from providing patient care services while impaired and toward maintaining a work environment free from illegal drug use and abuse of other substances. It is also the ~~medical~~ Medical ~~staff's~~ Staff's policy that the integrity, ~~well~~ well-being, confidentiality, and professional activity and personal privacy of the Practitioner under review be protected to the extent permitted by law.

III. **Applicability of Policy:** This policy applies to all Practitioners holding membership or privileges at Kaweah Delta Health Care District (KDHCD).

IV. **Definitions:**

A. Controlled substance – Any and all chemical substances or drugs listed in any controlled substances acts or regulations applicable under any federal, state or local laws. ~~Where these laws are conflicting (e.g. medical marijuana) legal counsel will render an opinion regarding the legality of use of such substances by practitioners.~~

B. Illegal drug – Any controlled substance the possession of which is illegal under any federal, state or local laws. Where these laws are conflicting (e.g.: medical marijuana) legal counsel will determine the legality of such substances.

C. Substance Use Disorder (SUD) – A disease that affects a person's brain and behavior and leads to an inability to control the use of a legal or illegal drug medication. Substances such as alcohol, marijuana, and nicotine also are considered drugs.

D. Opioid Use Disorder (OUD) – A chronic lifelong disorder, with serious potential consequences including disability, relapses or death. OUD, also known as opioid addiction, is defined as a problematic pattern of opioid use leading to clinically significant impairment or distress.

E. Alcohol Use Disorder (AUD) – A drinking problem that becomes severe. AUD is a chronic relapsing brain disorder characterized by an impaired ability to stop or control alcohol use despite adverse social, occupational, or health consequences.

~~C.~~F. Drug or alcohol test – Any test administered to determine the presence or absence of a chemical or drug in a person's urine or blood. Testing should be done by a reputable laboratory with a definitive testing modality and NOT a screening test, which may be unreliable. When warranted by the circumstances, a Practitioner may be required to submit hair or nail samples for drug or alcohol testing.

~~D.~~G. Under the influence – A condition that impairs or may impair a Practitioner's ability to provide medical services in a safe and productive manner and/or may adversely affect his or her safety or that of patients or other Practitioners. This must be shown to be reasonably present at the time of occurrence.

H. At High Risk of Impairment – As used in this policy, a Practitioner is at high risk of impairment in the performance of patient care duties when the Practitioner has or is suspected to have a Substance Abuse Disorder, Opioid Use Disorder, and/or Alcohol Use Disorder.

~~E.~~I. Screening Physical Exam – An immediate thorough exam that includes, as appropriate, bedside point-of-care (POC) testing [blood glucose, ethanol breathalyzer, EKG, etc] mini-mental status exam, neurological exam, GCS, and/or toxidrome evaluations. This exam will be documented.

~~F.~~J. Chief of Staff Designee ~~or Designee~~ – Any Officer of the Medical Staff: Vice Chief of Staff, Past Chief of Staff or Secretary/Treasurer; The Chief Medical Officer may be asked on a case by case basis to act as a Chief of Staff Designee in the absence of all Officers of the Medical Staff.

V. Prohibited Actions:

The following are prohibited while engaging in activities related to patient care at any KDHCD ~~facilities~~facility:

1. Possessing, consuming, or being under the influence of alcohol or illegal drugs.
2. Exhibiting physical or mental impairment likely to adversely affect patient care or workplace safety.
3. Distribution, sale, or purchase of controlled substances or illegal drugs while on KDHCD property, even if the illegal drug itself is not actually possessed on KDHCD premises.
4. Use or being under the influence of ~~other~~ any substances that cause an altered psycho physiological state, where there is any possibility such use may impair the Practitioner's ability to safely provide medical services to patients or may adversely affect their safety or patient safety and care or the safety of other individuals.
5. Diversion or stealing any medications, including controlled substances, from KDHCD.

VI. Circumstances Requiring Recusal From Follow Up Actions

A member of the Medical Staff ~~shall~~must recuse himself or herself from the follow-up actions described in Sections VII, VIII, and IX of this ~~document~~policy whenever an absolute conflict of interest, as described, below arises.

Members of the ~~m~~Medical ~~s~~Staff may recuse himself or herself from the follow –up actions described in ~~the~~ Sections VII, VIII, IX of this policy should a potential conflict of interest, as described below, arise. If the member with a potential conflict of interest does not voluntarily recuse himself or herself, he or she ~~shall~~must promptly notify ~~the~~ a Medical Staff ~~o~~Officer of the potential conflict. The Medical Staff ~~o~~Officer(s) ~~shall~~must then decide whether the member's continuing involvement in the matter is appropriate.

An ~~o~~Officer or other member of the Medical Staff without an absolute or potential conflict of interest should serve in lieu of the recused member.

1. Absolute ~~C~~conflicts arise when the member of the Medical Staff is:
   a. the Practitioner under review,

b. a first degree relative by consanguinity or affinity[1], or
a. a current~~/~~ or former spouse or intimate partner by marriage, civil union~~/~~, or domestic partnership.

2. Potential conflicts of interest ~~would result~~arise if the ~~practitioner~~member of the Medical Staff is or was:
a. directly involved in the patient's care but not related to the issues under review,
b. a direct competitor, partner or key referral source of the Practitioner under review,
c. involved in a perceived personal conflict with the practitioner under review or
d. a relative other than those defined as having an absolute conflict.

~~**Procedure:**~~

I. REPORTING OF SUSPECTED IMPAIRMENT

Evidence of possible impairment or policy violation includes altered mental state, slurred speech, impaired balance, smell of alcohol, unsteady gait, lack of focus, shaking hands, vision impairment, problems communicating, observed possession use, or diversion of alcohol, controlled substances or illegal drugs, or failure to comply with protocols for documenting use of controlled substances or other drugs.

Whenever a hospital staff member observes evidence of possible impairment by a Practitioner while on hospital premises, the staff member must immediately inform his or her supervisor who shall inform the ~~hospital~~ KDHCD Chief Executive Officer ("CEO") or Designee. The CEO or Designee ~~shall~~ must immediately inform the Chief of Staff /Designee. The completion of an incident report in ~~the organization~~KDHCD's incident-reporting system (e.g., MIDAS ~~at the time of this amendment~~) fulfills this obligation.

Whenever a Practitioner observes evidence of possible impairment of another Practitioner, he or she must immediately inform the Chief of Staff or Designee, who will, in turn, immediately inform ~~the hospital~~KDHCD's CEO~~,~~. ~~who~~The CEO will ensure that the issue is entered into the ~~organization~~KDHCD's incident-reporting system.

VII. FOLLOW UP ON REPORT OF SUSPECTED IMPAIRMENT OR POLICY VIOLATION

~~The organization~~KDHCD's event screening process (e.g. the MIDAS Events Triage ~~Tracking~~ and Ranking Committee ~~[METAR],~~ and Quality Oversight Committee ~~[QOC]~~) shall ensure that the Pharmacy Department investigates any possible diversion of controlled substances. The results of such investigation shall be reported ~~[to WHOM?].~~to the CEO and Chief of Staff. If the results of such investigation confirm that the Practitioner was diverting controlled substances or other medications (e.g., propofol) from the Hospital, the Chief of Staff or Designee and/or the CEO will immediately inform the Medical Executive Committee. The CEO will promptly inform the Hospital's Governing Board of the diversion and the actions being taken. The Director of Pharmacy, in coordination with the Director of Risk Management, shall notify the local police department, the State Board of Pharmacy, the Drug Enforcement Administration and the California Department of Public Health of the diversion facts and circumstances.

Whenever the Chief of Staff or Designee receives a report of possible impairment or policy violation, he or she must promptly conduct or supervise the administration of a Screening Physical Exam of the Practitioner. The purpose of the preliminary evaluation is to determine whether there is a reasonable suspicion that the Practitioner is under the influence such that drug or alcohol testing is warranted. When possible, the Screening Physical Exam should be witnessed by an addiction specialist physician ~~second physician~~, a member of the

[1] A blood relative who is ~~father, mother, sister, brother,~~a parent, sibling or child~~. Also~~, a non-blood relative who is a step~~father, stepmother,~~parent, step sibling, or step child, or a spouse's parent, sibling or child. ~~stepsister, stepbrother, or stepchild.~~

Medical Staff Services Department or a representative of Employee Health, if the Practitioner is a hospital employee.

If any follow up inquiry or investigation by the ~~Medical Staff~~Chief of Staff/Designee or Hospital administration identifies facts suggesting or establishing that a Practitioner has violated this policy, that information must be reported to the Medical Executive Committee for consideration of initiating a formal investigation and/or imposing disciplinary action, if warranted. If it is determined that the violation of this policy involves diversion of a controlled substance, the MEC will immediately initiate an investigation under the Medical Staff Bylaws; the investigating committee appointed by the MEC to conduct the investigation must coordinate with the Hospital's Director of Pharmacy, Director of Risk Management, and other members of Hospital leadership, as appropriate, to conduct a thorough investigation.

The Medical ~~Staff~~ Executive Committee, in consultation with legal counsel, ~~-~~will ~~consider~~ determine whether any mandatory reports to applicable licensing boards (e.g. Medical Board of California) under Business and Professions Code sections 805 and 805.01 are triggered by any events and follow-up inquiries conducted under this policy and will comply with such reporting requirements. The Chief of Staff and/or CEO will file an 805 report when a Practitioner's membership and/or clinical privileges are summarily suspended for more than 14 days or when required by Business and Professions Code section 805(b) or (c). The Chief of Staff and/or CEO will file an 805.01 report if the Medical Executive Committee takes or recommends disciplinary action as to a Practitioner, following an investigation that determines a Practitioner may have: (1) used, prescribed or administered to himself or herself, any controlled substance, any dangerous drug, or alcoholic beverages, to the extent or in such a manner as to be dangerous or injurious to himself or herself, any other person, or the public, or to the extent that such use impairs his or her ability to practice safely; or (2) engaged in repeated acts of clearly excessive prescribing, furnishing, or administering of controlled substances or repeated acts of prescribing, dispensing, or furnishing of controlled substances without a good faith effort prior examination of the patient and medical reason therefor.

~~-~~If mandatory reports are not required, the Chief of Staff and/or Medical Executive Committee may consider whether to submit a voluntary report to the applicable licensing board about the possible or confirmed impairment of a Practitioner. However, in the situation where diversion of controlled substances by a Practitioner is confirmed and a mandatory 805 and/or 805.01 report is not triggered, the Chief of Staff, Medical Executive Committee, and/or CEO shall submit a voluntary report to the applicable licensing board about the diversion.

~~II.~~ IX. SUBSTANCE ABUSE TESTING FOR REASONABLE CAUSE

A. Situations When Drug or Alcohol Testing is Required. A Practitioner is required to submit to drug or alcohol testing under any of the following circumstances:

1. When there is a reasonable suspicion that the Practitioner is under the influence of alcohol, a controlled substance or illegal drugs while engaging in activities related to patient care at a KDHCD ~~facilities~~facility. "Reasonable suspicion" includes but is not limited to incidents in which the Practitioner:

   a. Is observed using alcohol, controlled substances, or illegal drugs while engaging in activities related to patient care at a KDHCD facilities;

   b. Is in an apparent state of physical impairment as determined by an immediate Screening Physical Exam.

   c. Is in an impaired mental state, as determined by the immediate Screening Physical Exam.

   d. Exhibits marked changes in behavior that are not otherwise explainable, as determined by an immediate Screening Physical Exam.

   e. Is involved in one or more incidents raising serious concerns about his or her work performance or delivery of patient care that is not explained by the immediate Screening Physical Exam.

   f. Any suspected or actual violation of this policy. Examples include MIDAS event reports; concerns from colleagues or staff regarding usage or diversion; medication and/or narcotic documentation discrepancy trends.

2. When a Practitioner is suspected to be in possession of alcohol, a controlled substance or an illegal drug in violation of this policy, or when alcoholic beverages, controlled substances or illegal drugs are found on KDHCD premises under the control of the Practitioner (e.g., locker or desk);

3. When a Practitioner has suspicious patterns or discrepancies in any medication and/or narcotic documentation; and

4. As required by Well-Being Committee contract with the Practitioner.

B. If testing for reasonable cause is indicated:

1. Both the person reporting the event and Chief of Staff/Designee will complete an Occurrence Report.

2. If deemed warranted by the Screening Physical Exam, the Chief of Staff or Designee will escort the Practitioner to the Medical Staff conference room to submit to a POC test. In this situation, the Practitioner must submit to the POC test within two (2) hours.

3. The Chief of Staff or Designee will obtain from the Practitioner the Consent for Drug and/or Alcohol Testing (Attachment A), including an authorization for release of medical information. Refusal to submit to drug or alcohol testing or to execute the Consent form will be cause for summary suspension of clinical privileges.

4. The Chief of Staff or Designee shall ask the Practitioner if he or she is taking any medication prescribed or recommended by a health care professional and will note on the Consent form any prescribed medication so specified. If the test reveals the presence of a medication prescribed for the Practitioner, he or she will not be subject to discipline unless the levels of

the medication show abuse. Even if the Practitioner is not abusing a prescribed medication, the medication may make the individual unfit to attend to patients as determined by the Screening Physical Exam. If so, the Practitioner will not be disciplined, but may be required to refrain from attending to patients while under the influence of the medication.

5. The Chief of Staff or Designee will contact the Director of Medical Staff Services or the KDHCD house supervisor to obtain the phone number for ~~Mineral King Lab~~Adventist Health Toxicology mobile services, after which he or she will contact the service to come to a location designated by the Chief of Staff or Designee, where a urine or blood sample will be obtained to test for the suspected substance following the chain of custody for specimens. The Chief of Staff or Designee will directly observe the collection of all samples.

6. A confidential number, as assigned by the Medical Staff Services Director/designee, will be used for all samples and for reporting the results.

7. The Practitioner submitting the specimen will validate the chain of custody process through signature on the chain of custody form (Attachment B) and initials on the sealed specimen.

8. The same specimen will then be transported by Adventist Health phlebotomist to the Adventist Health Toxicology Lab in Tulare, CA for testing, with the chain of custody being followed.

9. The Medical Staff Services Director shall maintain the confidential documentation of the incident for the Chief of Staff or Designee and CEO or Designee to review.

10. The original test results ~~and the Reasonable Cause for testing form(s)~~ will be forwarded to the Medical Staff Services Director for review by the Chief of Staff or Designee, the CEO or Designee, and the Well-Being Committee.

E. If the POC testing for substance use and/or the Screening Physical Exam indicate impairment at the time of providing care to patients, the Practitioner's privileges will be summarily suspended pursuant to the Medical Staff Bylaws, pending the test results from Adventist Health Toxicology. The responsibility for care of the Practitioner's hospitalized patients will be assigned to another Practitioner with appropriate clinical privileges. The wishes of the patient ~~shall~~ will be considered in the selection of a covering Practitioner.

~~For the purposes of ensuring the safety of patients and practitioners, and to maintain the security of controlled supbstances, upon confirmation of impairment evidenced by a positive drug test or the physician resigns before the policy is implemented or refuses to submit to a drug test, the following actions will be instituted:~~

- ~~Risk Management will be contacted to perform a chart audit for a minimum of two shifts of patients under the practitioner's care;~~
- ~~Pharmacy will conduct a review of patient drug utilization trends. Results of the audits will be forwarded to the Chief of Staff or Designee.~~
- ~~Following a summary suspension of the practitioner's clinical privileges in accordance with the Medical Staff Bylaws, or if a practitioner agrees to refrain from exercising clinical privileges, Pyxis access will be suspended.~~

F. Arrangements for safe transportation home will be made for the Practitioner.

G. If the test results are negative, the Practitioner will be advised through the Well-Being Committee of the need for further evaluation of other medical or mental health issues.

H. A positive alcohol and/or drug test result, including a result indicating abuse of a prescribed medication may result in the continuation of a summary suspension. The Medical Executive Committee will meet to consider continuing the summary suspension within the timelines specified in the Medical Staff bylaws. The Practitioner will be referred to the Well-Being Committee.

~~The Practitioner will be referred to the Well-Being Committee.~~

~~III. Medical Executive Committee Consideration of Violations of this Policy~~

~~If, following up inquiry or investigation by the Medical Staff or administration identifies facts suggesting or establishing that a Pratitioner has violated this policy, that information must be reported to the Medical Executive Committee for consideration of intitiating a formal investigation and/or imposing disciplinary action, if warranted.~~

~~IV. Mandatory Reporting~~

~~The Medical Staff will consider whether any mandatory reports to applicable licensing boards under Business and Professions Code section 805 and 805.01 are triggered by any events and follow-up inquiries conducted under this policy.~~

ATTACHMENT A

CONSENT TO DRUG AND/OR ALCOHOL TESTING AND

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

I voluntarily agree to submit to a comprehensive drug and alcohol testing and analysis to be administered by an outside, independent laboratory.

I understand that the testing is voluntary on my part, that I may refuse to submit to testing , and that such refusal may be grounds for disciplinary action, including summary suspension of my clinical privileges.

I hereby authorize the testing facility to disclose the results of the evaluation and tests, including ~~and~~ any related analyses and/or reports of testing to the KDHCD Chief of Staff via the Medical Staff Services Director for use in connection with the consideration of whether I am fit to practice and my continued qualification for Medical Staff membership and clinical privileges by the Chief of Staff and Medical Executive Committee. I authorize the Chief of Staff to release this information to KDHCD's Chief Executive Officer, the ~~the~~ Medical Executive Committee and any Ad Hoc Committee that may be formed in connection with this purpose. I also authorize the Chief of Staff to release this information to the Chair of the KDHC Medical Staff Well-Being Committee~~…~~.

I understand that the information obtained will be maintained confidentially and will not be released to anyone else or used for any other purpose unless required by law, governmental agencies, or subpoena.

My consent and authorization shall expire one year~~s~~ from the date of this consent and authorization.

I have signed this consent and authorization voluntarily, and I understand that I have a right to receive a copy upon my request.

_____ _____

Signature Date

_____

Printed Name

ATTACHMENT B

LABORATORY
LEGAL CHAIN OF CUSTODY FORM

Identification Band Verified: YES□ NO□
Specimen Type: □ Urine Blood□ Both□
Test Requested: Urine Drug Screen□ □ Blood Alcohol Other: Specify□□

Received By: _____ Time:_____ Date: _____
Signature

Taken To: _____ Time:_____ Date: _____
Location

Received By: _____ Time:_____ Date: _____
Signature

Taken To: _____ Time:_____ Date: _____
Location

Received By: _____ Time:_____ Date: _____
Signature

Taken To: _____ Time:_____ Date: _____
Location

Received By: _____ Time:_____ Date: _____
Signature

Taken To: _____ Time:_____ Date: _____
Location

Received By: _____ Time:_____ Date: _____
Signature

Taken To: _____ Time:_____ Date: _____
Location

Place a tamper proof evidence seal over the lid and down the sides of the specimen container.

Date and sign. Do all of the above in front of the practitioner.

Name:_____ Date Collected:_____

Time Collected: _____

Collection Witnessed By:_____

July 7, 2021

Attached are the Medical Staff Approved Proposed Bylaws & Rules and Regulations Revisions forwarded to the Board of Directors

Vote Statistics:

Sent to Active Medical Staff Members (392)

Bylaws 9.D.10

Approve	93.75 %	(90)
Not Approve	6.25%	(6)

Bylaws Appendix A.A.2

Approve	89.77%	(79)
Not Approve	10.23%	(9)

Bylaws Appendix A.D

Approve	92.22%	(83)
Not Approve	7.78%	(7)

Rules & Regulations 3.4

Approve	86.67%	(78)
Not Approve	13.33%	(12)

Rules & Regulations 6.2 (a)

Approve	87.78%	(79)
Not Approve	12.22%	(11)

Rules & Regulations 6.2 (b)

Approve	88.89%	(80)
Not Approve	11.11%	(10)

Rules & Regulations 12.4.(a)

Approve	93.41%	(85)
Not Approve	6.59%	(6)

Section 9.D.10:

At the discretion of the Chief of Staff, all hearing sessions may be conducted by virtual videoconference platform instead of in person. In that circumstance, all hearing participants, including the parties and their legal counsel, if any, the Hearing Panel members or Hearing Officer/Arbitrator, Presiding Officer, the witnesses, and the court reporter, may attend the hearing sessions remotely, so long as all participants can see each other, can hear and be heard during the proceedings, and have access to all evidence admitted at the hearing, either by electronic means or hard copies. The Presiding Officer has authority and discretion to rule on questions regarding the implementation of the virtual proceedings.

Rationale: It helps expedite the process, assists with accommodating schedules, and is considerably less expensive since the parties do not have to pay for travel and lodging for lawyers and hearing officer. She is recommending the following insertion in the Bylaws that allows the COS to opt for virtual rather than in person. Without this provision the physician requesting a hearing can refuse.

APPENDIX A
HISTORY AND PHYSICAL EXAMINATIONS

A. General Documentation Requirements

1. A complete medical history and physical examination ("H&P") must be performed and documented in the patient's medical record within 24 hours after admission, observation, or prior to surgery or an invasive procedure requiring anesthesia services by an individual who has been granted privileges by the District to perform histories and physicals.

2. The ~~scope of the~~ H&P will include~~, as pertinent:~~certain elements listed on the current Medical Executive Committee approved Required Elements for History & Physical Examination Reports ~~Document~~.

   - ~~date of service;~~
   - ~~patient identification (i.e., name, gender, age);~~
   - ~~chief complaint;~~
   - ~~history of present illness;~~
   - ~~review of systems;~~
   - ~~personal medical history, including medications and allergies;~~
   - ~~family medical history;~~
   - ~~social history;~~
   - ~~physical examination, to include pertinent findings in those organ systems relevant to the presenting illness and to co-existing diagnoses;~~
   - ~~data reviewed;~~
   - ~~assessments, including problem list;~~
   - ~~impression, plan of treatment;~~
   - if applicable, signs of abuse, neglect, addiction, or emotional/behavioral disorder, which will be specifically documented in the physical examination, and any need for restraint or seclusion, which will be documented in the plan of treatment;
   - ~~mental health hospital patients require each cranial nerve, I – XII, to be individually assessed; and~~

- medical necessity certification for inpatient admissions to include: (i) estimated time patient will need to be hospitalized; (ii) inpatient admission is reasonable and medically necessary; and (iii) reason for inpatient admission.

~~3. In the case of a pediatric patient, the H&P report must also include: (i) developmental age; (ii) length or height; (iii) weight; (iv) head circumference (if appropriate); and (v) immunization status.~~

B. H&Ps Performed Prior to Admission, Observation, or Surgery/Invasive Procedure

1. Any H&P performed more than 30 days prior to an admission or registration does not meet the requirements of this provision.

2. If an H&P has been completed within the 30-day period prior to admission or registration, a durable, legible copy of this report may be used in the patient's medical record. However, in these circumstances, the patient must also be evaluated within 24 hours after the time of admission, observation, or prior to surgery/invasive procedure, whichever comes first, and an update recorded in the medical record by an individual who has been granted clinical privileges by the District to perform histories and physicals.

3. The update of the H&P shall be based upon an examination of the patient and must reflect (i) any changes in the patient's condition since the date of the original history and physical that might be significant for the planned course of treatment or (ii) state that there have been no changes in the patient's condition.

C. Cancellations, Delays, and Emergency Situations

1. When the H&P is not recorded in the medical record before a surgical or other invasive procedure (including, but not limited to, procedures performed in the operative suites, endoscopy, colonoscopy, bronchoscopy, cardiac catheterizations, radiological procedures with sedation, and procedures performed in the Emergency Room), the operation or procedure will be canceled or delayed until an appropriate H&P is recorded in the medical record, unless the attending physician states in writing that an emergency situation exists.

2. In an emergency situation, when there is no time to record either a complete or an abbreviated H&P, the attending physician will record an admission or progress note immediately prior to the procedure. The admission or progress note will document, at a minimum, an assessment of the patient's heart rate, respiratory rate, and blood pressure. Immediately following the emergency procedure, the attending physician is then required to complete and document a complete H&P.

D. Ambulatory and Same Day Procedure Documentation Requirements

For ambulatory or same day procedures, a Pre-operative History and Physical Form, approved by the Documentation Standards Committee, may be utilized. ~~These forms~~The

practitioner shall document, at a minimum, ~~the patient's chief complaint or reason for the procedure, relevant history of the present illness or injury, current clinical condition, general appearance, vital signs, and an assessment of the heart and lungs.~~certain elements as listed on the current MEC ~~approved Outpatient Histor and Physicial Requirements Document~~Required Elements of Outpatient History and Physical Examination Report.

E. Prenatal Records

The current obstetrical record will include a complete prenatal record. The prenatal record may be a legible copy of the admitting physician's office record transferred to the District before admission. An interval admission note must be written that includes pertinent additions to the history and any subsequent changes in the physical findings.

F. Skilled Nursing Facility

The attending physician shall perform a patient evaluation, including a written report of a physical examination, within five days prior to admission or within 72 hours following admission. The initial history and physical must be completed by the attending physician.

G. Long Term Care/Subacute

The attending physician shall perform an initial evaluation and prepare a written report of physical examination of the patient within 72 hours of admission to the long-term care unit and within 48 hours of admission to the subacute unit.

Rationale: Change will allow the MEC to revise documentation changes in the future without the need for bylaws revisions. This was recommended by the Greely tram at one of our meetings.

3.4. Delinquent Medical Records:

(a) General Requirements:

(1) It is the responsibility of any practitioner involved in the care of a hospitalized patient to prepare and complete medical records in a timely fashion in accordance with the specific provisions of these Rules and Regulations and other relevant policies of the District. If the patient care and/or discharge happened when a resident physician was covering, then the ultimate responsibility for record completion resides with the supervising physician. Non-compliance of medical record completion includes the use of unapproved abbreviations, incomplete PRN medication orders, incomplete/missing documentation, and illegible documentation.

(2) The following documents must be available in the electronic medical record (or on the paper chart when the electronic medical record is experiencing downtime), authenticated, and co-signed (if applicable) within the following time frames:

(i) History and physical: within 24 hours of admission.

(ii) Brief operative/procedure note: before patient moves to the next level of care (not needed if a full operative report is typed and ready before patient moves to the next level of care).

(iii) Full operative/procedure report: within 24 hours of procedure.

(iv) Consultation report: within 24 hours of the documented request for consultation.

(v) Discharge/Death summary: preferably on the day of discharge and no later than five days from discharge.

**All documentation must be ~~dated, timed and authenticated/signed to be considered complete.~~in the Electonic Medical Record in the above time frames, and electronically signed within 24 hours of being available for signature~~later, if dictation was used~~.

Rationale: Will allow HIM Committee to enforce the timely reading of studies and keep billing delays to a minimum

6.2. Post-Procedure Protocol:

(a) An operative report must be documented after an operative procedure. The operative report ~~shall include:~~will include certain elements as listed on the current MEC approved Required Elements of Operative/Procedure Report ~~Requirements Document~~

~~(1) the patient's name and hospital identification number;~~

~~(2) pre- and post-operative diagnoses;~~

~~(3) date and time of the procedure;~~

~~(4) the name of the attending physician(s) and assistant surgeon(s) responsible for the patient's operation;~~

~~(5) procedure(s) performed and description of the procedure(s);~~

~~(6) description of the specific surgical tasks that were conducted by practitioners other than the attending physician;~~

~~(7) findings, where appropriate, given the nature of the procedure;~~

~~(8) estimated blood loss;~~

~~(9) any unusual events or any complications, including blood transfusion reactions and the management of those events;~~

~~(10) the type of anesthesia/sedation used and name of the practitioner providing anesthesia;~~

~~(11) specimen(s) removed, if any;~~

~~(12) prosthetic devices, grafts, tissues, transplants, or devices implanted (if any); and~~

~~(13) the signature of the attending physician.~~

(b) If an operative report cannot be documented ~~in the record~~typed directly into the EMR immediately after the operation or procedure, a brief post-op note must be entered into the medical record by the attending physician before the patient is transferred to the next level of care. The brief post-op note will include~~:~~ certain elements as listed in the current MEC approved Required Elements of Brief Operative Note ~~Requirements Document~~

(1) ~~the names of the physician(s) responsible for the patient's care and physician assistants;~~

~~(2) the name and description of the procedure(s) performed;~~

~~(3) findings, where appropriate, given the nature of the procedure;~~

~~(4) estimated blood loss, when applicable or significant;~~

~~(5) specimens removed; and~~

~~(6) post-operative diagnosis.~~

Rationale: Change will allow the MEC to revise documentation changes in the future without the need for bylaws revisions. This was recommended by the Greely tram at one of our meetings.

12.4. Discharge Summary:

(a) A concise, dictated discharge summary will be prepared by the practitioner discharging the patient unless alternative arrangements are made with another practitioner who agrees to assume this responsibility. All discharge summaries will follow the current MEC-approved Required Elements of Dischargeischarge Ssummariesy ~~template.Requirements Document.~~

Rationale: Change will allow the MEC to revise documentation changes in the future without the need for bylaws revisions. This was recommended by the Greely tram at one of our meetings.

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

Kaweah Health Medical Group

Paul Schofield, CEO
Contact number: 559-738-7500, ext. 5545
pschofie@kaweahhealth.org
July 1, 2021

Summary Issue/Service Considered

1. Establishing an integrated delivery system whereby the Visalia Medical Clinic (VMC/Group) and Kaweah Health (KH) work in unison to deliver world class healthcare services in Visalia and the surrounding region.
2. Leading the expansion of the depth and breadth of medical services provided to the community.

Analysis of financial/statistical data:

1. For the first eleven months of fiscal year 2021, KH's net investment to fund KHMG is $6,376,149 compared with a budgeted net investment of $7,201,863.
2. For the first eleven months of fiscal year 2021, work relative value units (wRVUs) were 376,074, compared with 350,473 for the first eleven months of fiscal year 2020.
3. For the first eleven months of fiscal year 2021, total charges were $73,463,802 compared with $68,531,901 for the first eleven months of fiscal year 2020.
4. For the first eleven months of fiscal year 2021, total collections were $42,299,900 compared with $40,726,480 for the first eleven months of fiscal year 2020.
5. For the first eleven months of fiscal year 2021, patient encounters were 299,306 compared with 315,781 for the first eleven months of fiscal year 2020.
6. Total number of Visalia Medical Clinic physicians on July 7, 2021 is 47, one physician more than the 46 physicians we reported in the November 2020 Board report – with two additional physicians starting in August and September of 2021.
7. Total number of Visalia Medical Clinic providers on July 7, 2021 is 64, the same as reported in November 2020.
8. Fiscal year 2021 has continued to be heavily impacted by the COVID-19 pandemic throughout the first eleven months. Despite this, KHMG has been able to exceed budget expectations. Even excluding CARES Act funds recently received, KHMG would have essentially been right on budget through the first eleven months. KHMG is estimated to end fiscal year 2021 in June with a net investment of $6,955,799 – with a budgeted net investment for fiscal year 2021 of $7,853,975.

Policy, Strategic or Tactical Issues

The Kaweah Health Medical Group (KHMG) was established nearly 6 years ago by KH to provide a mechanism for KH and VMC to work collaboratively in the provision of health care services. Accordingly, both parties entered into a 10-year Professional Services Agreement (PSA), which will be renegotiated or terminated in June of 2025. Subject to California's Corporate Practice of Medicine Laws, KHMG is one of 14 medical foundations that currently exist in California. Just under two-thirds of California medical foundations are investing more annually, as a percent of the respective medical foundation's net revenue, than KH is currently investing in KHMG, with Adventist Health investing the most in its medical foundation than any other medical foundation in the State.

The primary purpose of KHMG is to establish a vehicle through which KH and VMC are able to work collaboratively to ensure better continuity of patient care from initial office visit, to inpatient and outpatient services – including surgery, to home health and hospice services (and everything in between). The two driving goals in forming KHMG (to strengthen physician alignment with KH and to enhance physician recruitment) have not yet been fully achieved.

For the first eleven months of fiscal year 2021, notwithstanding the global pandemic, KHMG has accelerated improvement beyond any other period since its inception.

1. Financial performance is better than budget by $825,714 through the first eleven months of fiscal year 2021.
2. KHMG leadership has done a tremendous job of managing expenses and staff productivity throughout the COVID-19 pandemic, which has played a key role in our ability to meet our budget despite reduced volumes.
3. Hospital/physician collaboration within KHMG appears to be improving.
4. VMC has added 1 provider (and lost 1 provider), since November 2020.
5. Successfully renegotiated the physician compensation model that will be incorporated into the PSA for adoption on July 1, 2021.

Hospital/Physician Collaboration

A successful strategic planning session was held August 29, 2020, at which KHMG reaffirmed its prior adoption of the new Mission, Vision, and Pillars of KH. Five strategic initiatives were agreed upon: (1) Operational Efficiency, (2) Kaweah Care Culture, (3) Strategic Growth, (4) Innovation, and (5) Integration. Three strategies/tactics under each strategic initiative were identified. Champions for each of the five strategic initiatives were identified, including Malinda Tupper, KH CFO; Dianne Cox, KH VP Human Resources; Paul Schofield, KHMG CEO; Ralph Kingsford, M.D., Executive Director VMC; and Ben Brennan, M.D., Joint Operating Committee member. Progress continues in each of these areas.

Growth

The number of Visalia Medical Clinic providers on July 1, 2021 was 64, the same as our last report in November 2020.

Financial Performance (see financial data section above).

Recommendations/Next Steps

1. Continue implementation of the Strategies/Tactics identified in the 2021 Strategic Planning Process under each of the 5 Strategic Initiatives.
2. Continue implementation of the recommendations from the ECG report, as agreed to by the KHMG Board of Directors, including but not limited to the following:
    a. Implementation of a referral management process that maximizes “in-house” referrals.
    b. Renegotiation of commercial payer contracts to achieve rates at the 75th percentile.
    c. Increase the efficiency of the revenue cycle by submitting clean claims, which will reduces days in accounts receivable.
    d. Continue evaluation to better align ancillary services.
    e. Invite other physician groups into KHMG, including hospital-based groups.
    f. In conjunction with KH, develop an ASC joint venture opportunity.

Approvals/Conclusions

KHMG will focus on the following in the coming year:

1. Operate the Medical Foundation to exceed budget expectations.
2. Accelerate the recruitment of physicians into KHMG based on community need.
3. Look for additional opportunities for operational alignment to drive down cost in the future, as we have done this past year in the areas of Lab, IT, and management of physician benefits.
4. Focus on the implementation of Strategies/Tactics from the 5 Strategic Planning Initiatives, and the ECG recommendations.
5. Continue to support KH Rural Health Clinics and the new FQHC by supplying specialists as needed/available.
6. Identify geographic areas outside of Visalia in which to expand.

KDHCD ANNUAL BOARD REPORT

Kaweah Health Medical Group

FY2021 Annualized (July 2020 - May 2021)

KEY METRICS - FY 2021 ANNUALIZED (July 2020 - May 2021)*

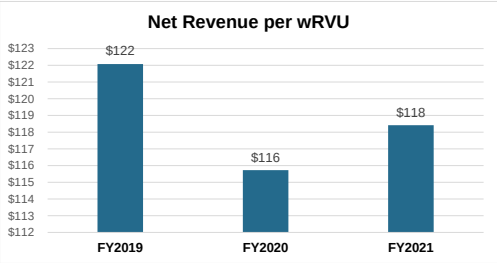
wRVUs	NET REVENUE	TOTAL EXPENSES	NET INCOME
410,261	$48,581,539	$55,537,337	($6,955,799)
▲ 9%	▲ 11%	▲ 3%	‡ 34%

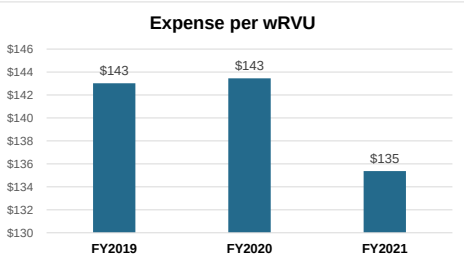
METRICS SUMMARY - 3 YEAR TREND

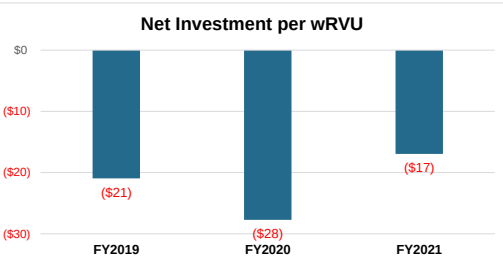
*Annualized (July 2020 - May 2021)

METRIC	FY2019	FY2020	FY2021	%CHANGE FROM PRIOR YR	3 YR TREND
Work RVUs (wRVUs)	367,674	377,472	410,261	▲ 9%	
Net Revenue	$44,883,063	$43,684,285	$48,581,539	▲ 11%	
Total Expenses	$52,583,954	$54,149,364	$55,537,337	▲ 3%	
Net Income (Investment)	($7,700,891)	($10,465,079)	($6,955,799)	34%	
Net Revenue per wRVU	$122	$116	$118	2%	
Expense per wRVU	$143	$143	$135	-6%	
Net Investment per wRVU	($21)	($28)	($17)	39%	

PER wRVU TRENDED GRAPHS





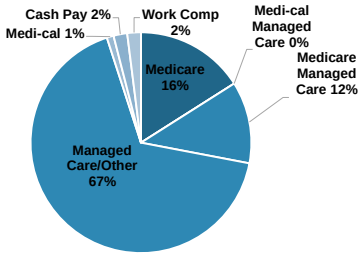


*Note: FY2021 is annualized in graphs and throughout the analysis based on actual results July 2020 -May 2021

PAYER MIX - 3 YEAR TREND

*Annualized (July 2020 - May 2021)

PAYER	FY2019	FY2020	FY2021
Medicare	23%	16%	16%
Medi-cal Managed Care	0%	0%	0%
Medicare Managed Care	6%	12%	12%
Managed Care/Other	68%	67%	67%
Medi-cal	0%	1%	1%
Cash Pay	1%	2%	2%
Work Comp	2%	2%	2%



Kaweah Health Medical Group

Provider Staffing Plan

June 23, 2021								
	FY2021	FY 2022		Recruit		Total	Current PSP Difference	Total Net Change from 10/5/20
Department	Current	Coming	Leaving	FY 2022	FY 2023			
Allergy	1	0	0	0	0	1		
Audiology	0	0	0	1	0	1	Replacement due to retirement	0
Cardiology	4	0	0	0	0	4		
Dermatology	0	0	0	1	1	2	Shifted 1 opening to FY 2023	0
Dermatology - Mohs	1	0	0	1	0	2	Added 1 recruitment to FY 2022	+1
Endocrinology	1	0	0	0	0	1		
ENT	1	0	1	1	1	3	Shifted 1 opening to FY 2023	0
Sleep Medicine	1	0	0	1	0	1	Added 1 opening to FY 2022; Replacement due to retirement	0
Family Medicine	7	1	0	1	2	11	Dr. Christina Patty started (Moved from "coming" to "current"); Moved one opening from "recruit" to "coming" for Dr. Marion Hsueh; Shifted 2 openings to FY 2023.	0
General Surgery	2	1	0	0	0	3	Moving FY 2022 recruit to "Coming" - Dr. Kyle Ota, Colorectal Surgery	0
Gastroenterology	2	0	0	1	1	4	Shifted 1 opening to FY 2023	0
Internal Medicine	8	0	0	0	1	9	Shifted 1 opening to FY 2023	0
Nephrology	1	0	0	0	0	1		
Neurology	2	0	0	0	0	2		
OB/GYN	0	0	0	0	0	0	Reduced openings	-4
Orthopedics	1	0	0	1	0	2	Shifted 1 opening to FY 2022	0
Pediatrics	7	0	1	0	1	7	Added 1 recruitment to FY 2023; Replacement due to retirement	0
Plastic Surgery	1	0	0	0	0	1		
Podiatry	2	0	0	0	0	2		
Pulmonology	1	0	0	1	0	2	Added 1 recruitment to FY 2022	+1
Radiology	2	0	0	1	0	3	Shifted 1 opening to FY 2022	0
Rheumatology	0	0	0	0	1	1	Shifted 1 opening to FY 2023	0
Urology	2	1	0	2	1	6	Shifted 1 opening to FY 2022 and 1 opening to FY 2023	0
Total	47	3	2	12	9	69		-2
Total with pending start dates	50			21				

Approvals:

JOC _____

KDMF BOD 7/19/2021

Kaweah Health - Opportunity to grow Child & Adolescent Psychiatry in the Central Valley through GME

July 26, 2021

106

programs in the US

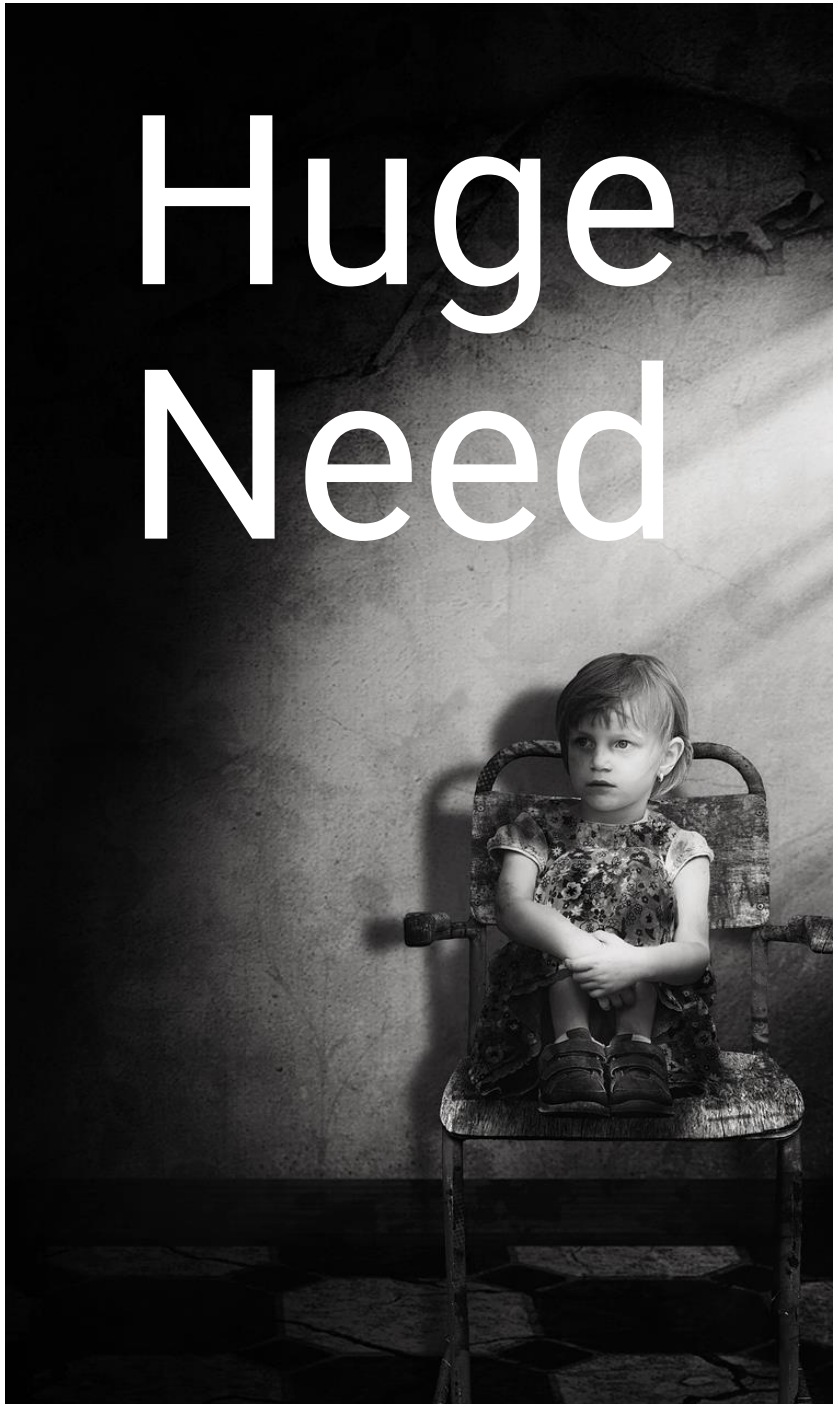
10 IN CALIFORNIA

365

positions offered

CENTRAL VALLEY - 1 PROGRAM = KERN

Huge Need



Child and Adolescent Psychiatry Fellowship

2 year program 3 + 3

Application submitted & Program Accredited: Program Director **Dr. Cory Jaques** (current psychiatry APD)

Using **Rural Training Track** formula sites include: Kaweah RHC, Central Star inpt Fresno, Pine Meadow, VCH, TYSB, Tulare County office of Education, The Source, 2 residential treatment facilities

Faculty: **Dr. Aubree Pereyra*, Dr. Kingwai Lui***, **Dr. Reza Saadabadi (current APD)**, Dr. Albert Ma, Dr. Sukhjit Brar

Structure and Timeline

Possible 1st class June 2022

Precision Psychiatry

Structure in place, Faculty identified

Psych Residents can leave after 3 yrs for fellowship

often results in less 4 year residents

We're accredited!

Fellowhsips don't need site visit prior to accreditation

Executive Summary Details of Child & Adolescent Psychiatry Pro Forma

Establishing a Rural Residency Training Program will trigger a new Center for Medicare & Medicaid (CMS) Funding Cap and bring funding.

But this requires that >50% of the training occurs in a clinic that has a current rural designation, not grandfathered as rural. For example, our Exeter rural health clinic (RHC) still enjoys rural reimbursements & structure but it lost its rural designation due to changes in the census. So Exeter cannot be a rural site for this program. Lindsay, Dinuba, and Woodlake are all still designated by CMS to be rural and would qualify.

Rural Training Programs must be moved to a currently rural clinic within 2 years if the rural designation is changed to Non-rural as a result of the census that occurs every 10 years.

Two Proformas are being shared today. One for the Rural Track which turns profitable after 4 years and then generates $350k per year after that. The other is a worst case scenario of what the program would look like if it wasn't a Rural Training program and didn't get any CMS funding for the fellows. This is because if we lose the Rural Designation where the program is and we didn't have anywhere to move it, these would be the numbers for that scenario. This would require an annual subsidy of $270k after $900k in start up costs the 1st 2 years.

It would likely be easily feasible to move the program to a different RHC within 2 years should the rural designation be lost in the latest census. This is because the fellowship is small (6) and due to a paucity of locally available services, it is likely that patients will travel anywhere and everywhere for this much needed care.

Timeline: Accreditation is achieved. Applications open now, candidate rank lists are due in December the Match is the 1st week of January. First class of 3 fellows would begin July 2022.

CHFFA Grants

Co-application with the County for new facilities due October 2021

- Crisis Residential Treatment Center
- Crisis Stabilization Unit

Would increase the types of available services in Visalia

Helps keep the Fellows training locally (not Fresno)


the END

Graduate Medical Education Financial Analysis of Proposed Programs July 22, 2021

kaweahhealth.org

Kaweah Health
MORE THAN MEDICINE. LIFE.

Child & Adolescent Psychiatry Fellowship
Rural Training Track Scenario

	Fiscal Year				
	2022	2023	2024	2025	2026
Resident Count	**0**	**3**	**6**	**6**	**6**
Projected Program Revenue					
Projected direct GME payments	$0	$27,009	$93,575	$94,884	$96,213
Projected indirect GME payments	0	0	148,112	509,123	514,214
	$0	**$27,009**	**$241,687**	**$604,007**	**$610,427**
Projected Program Expenses					
Start-up expenses	$81,800	$0	$0	$0	$0
Residents (wages, benefits, other)	0	256,476	527,008	528,048	528,048
Program Directors	197,500	255,100	255,100	255,100	255,100
GME admin wages & benefits	75,882	78,084	80,351	82,687	85,093
Faculty	0	105,800	105,800	105,800	105,800
GME admin office expenses	4,000	10,210	10,720	10,720	10,720
Total Projected Expenses	**$359,182**	**$705,670**	**$978,979**	**$982,355**	**$984,761**
Contribution Margin of C & A Clinics	**$0**	**$137,746**	**$731,806**	**$726,690**	**$721,426**
Net Projected Direct Financial Impact	**($359,182)**	**($540,915)**	**($5,487)**	**$348,342**	**$347,092**
Cumulative Total	**($359,182)**	**($900,097)**	**($905,584)**	**($557,242)**	**($210,150)**

Child & Adolescent Psychiatry Fellowship
Visalia Based Scenario

	Fiscal Year				
	2022	2023	2024	2025	2026
Resident Count	**0**	**3**	**6**	**6**	**6**
Projected Program Revenue					
Projected direct GME payments	$0	$0	$0	$0	$0
Projected indirect GME payments	0	0	0	0	0
	$0	**$0**	**$0**	**$0**	**$0**
Projected Expenses					
Start-up expenses	$81,800	$0	$0	$0	$0
Residents (wages, benefits, other)	0	256,476	527,008	528,048	528,048
Program Directors	197,500	255,100	255,100	255,100	255,100
GME admin wages & benefits	75,882	78,084	80,351	82,687	85,093
Faculty	0	105,800	105,800	105,800	105,800
GME admin office expenses	4,000	10,210	10,720	10,720	10,720
Total Projected Expenses	**$359,182**	**$705,670**	**$978,979**	**$982,355**	**$984,761**
Contribution Margin of C & A Clinics	**$0**	**$128,707**	**$722,496**	**$717,101**	**$711,549**
Net Projected Direct Financial Impact	**($359,182)**	**($576,963)**	**($256,483)**	**($265,254)**	**($273,212)**
Cumulative Total	**($359,182)**	**($936,145)**	**($1,192,628)**	**($1,457,882)**	**($1,731,094)**

Infection Prevention Annual Review 2021

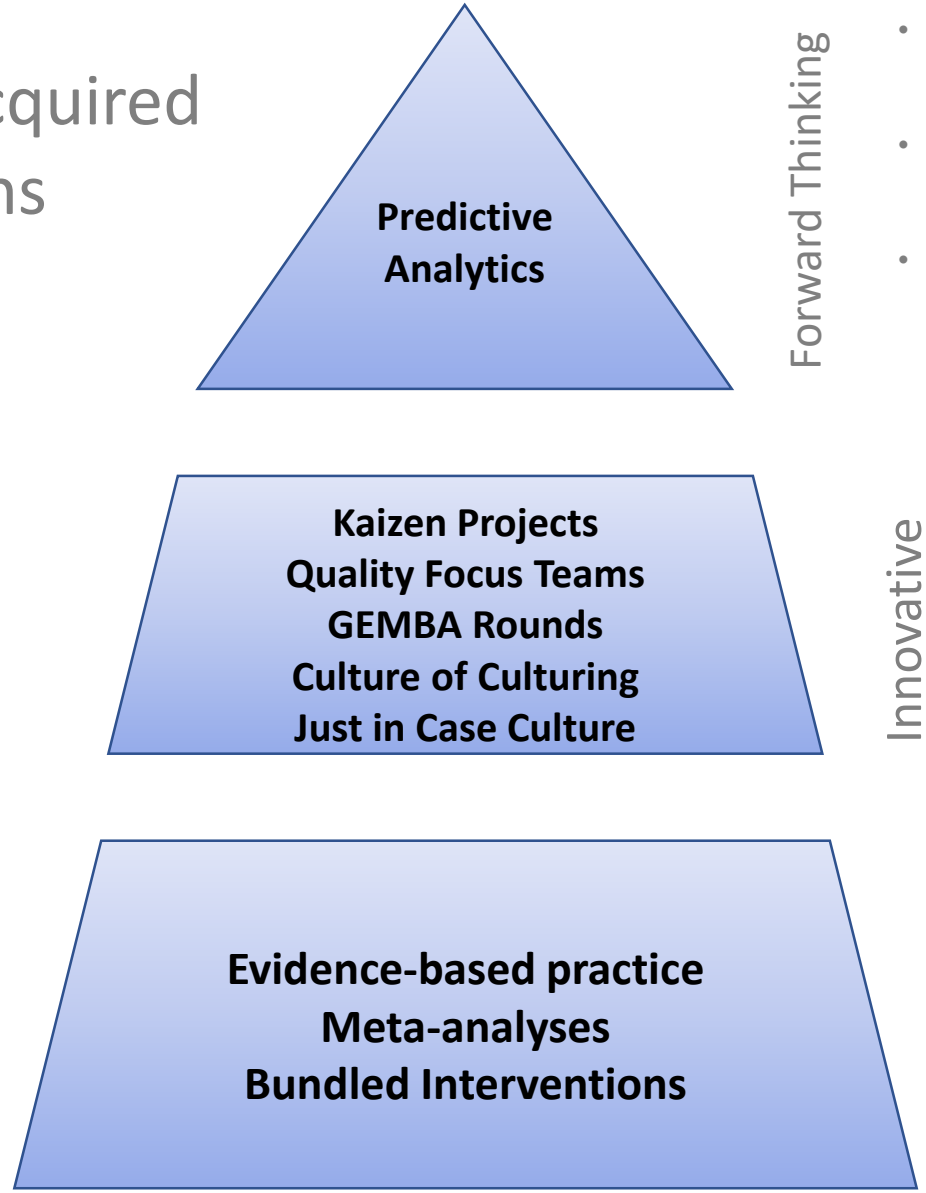
Abbreviations Slide Deck

Abbreviations and Glossary:

BC:	Blood Culture
BioVigil:	Electronic hand hygiene surveillance system
Candidemia:	Blood infection caused by Candida yeast
CAUTI:	Catheter-Associated Urinary Tract Infection
CHG:	Chlorhexidine gluconate
CDI:	Clinical Documentation Improvement
CLABSI:	Central Line-Associated Bloodstream Infection
CMS:	Centers for Medicare and Medicaid Services
Culture-of-culturing:	Performing unnecessary cultures
D.U.D.E. Campaign:	Do You Disinfect Every Time? campaign
EMR:	Electronic Medical Record
Gemba:	The location where value is created.
GME:	Graduate Medical Education
HAI:	Healthcare Associated Infection
IUC:	Indwelling Urinary Catheter
Kaizen:	Japanese term meaning “continuous improvement”
Lactulose:	Laxative and Ammonia reducer used for to treat liver disease
MDRO:	Multi-drug-Resistant-Organisms
MRSA:	Methicillin-Resistant Staphylococcus Aureus
Peridex:	Oral CHG solution
PPI:	Proton Pump Inhibitor (Antacid)
QFT:	Quality Focus Team
SSI:	Surgical Site Infection
TPN:	Total parenteral nutrition
VAE:	Ventilator Associate Event
VBP:	Value Based Purchasing

Reducing Healthcare Acquired Infections - Interventions

What are we doing to prevent health care associated infections?



Forward Thinking

- Review of variables leading up to previously identified HAI.
- Statistical analyses of these variables to determine risks/odds of occurrence.
- Technology based alerts for events before they happen.

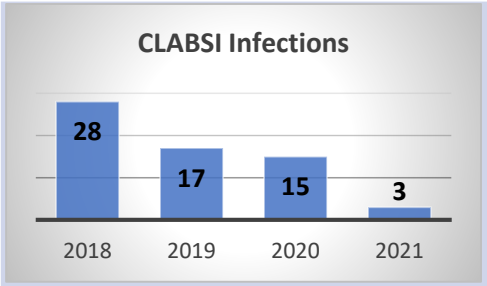
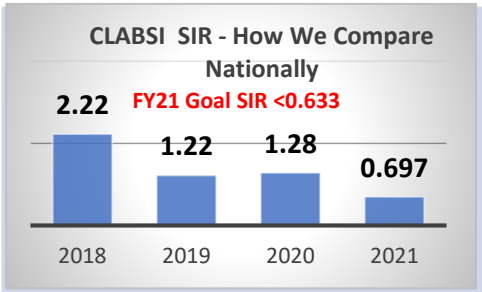
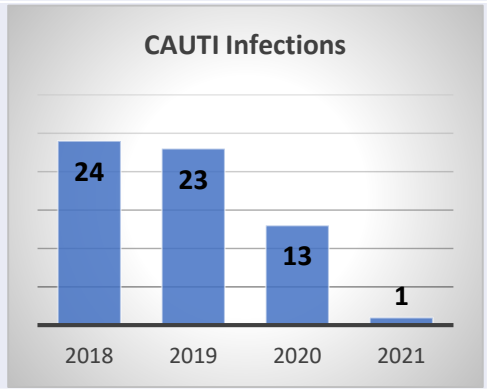
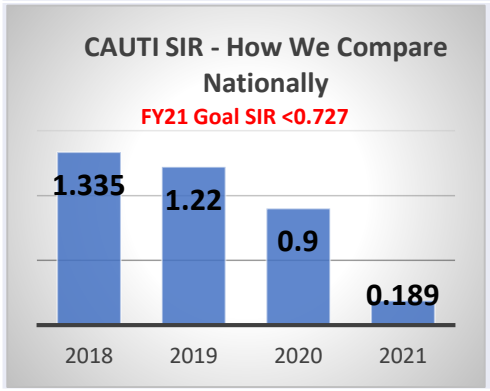
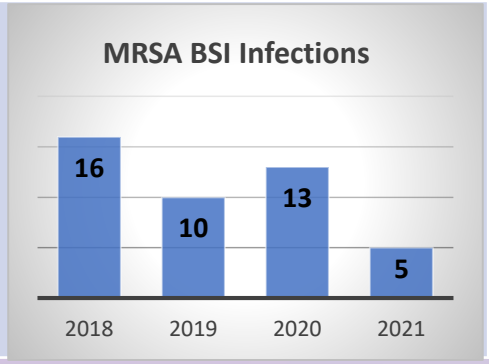
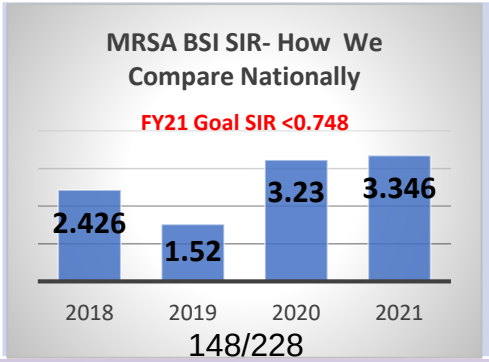
Innovative

- Retrospective review and analysis of healthcare districts HAI's.
- Deep dive into the "Why and How" for reported events.
- Collaborative action plans/stakeholder involvement.

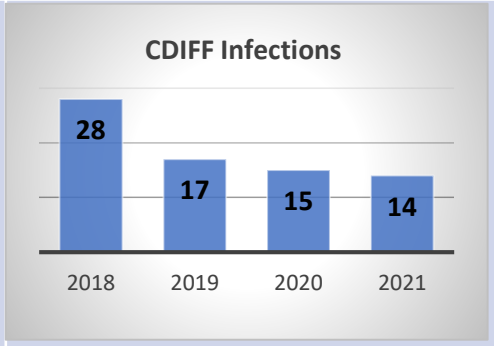
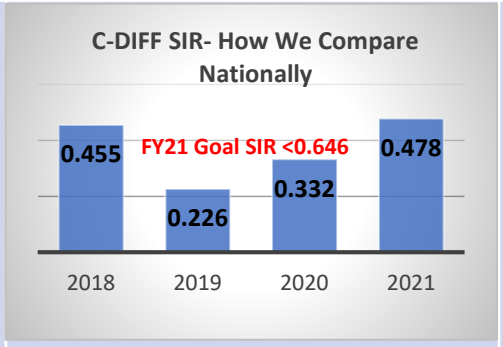
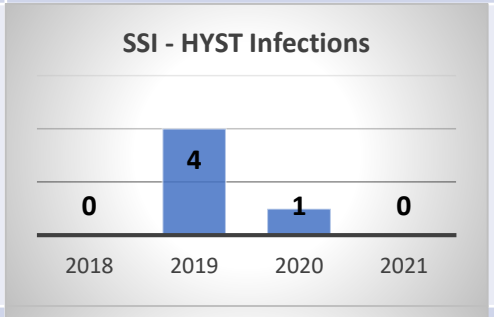
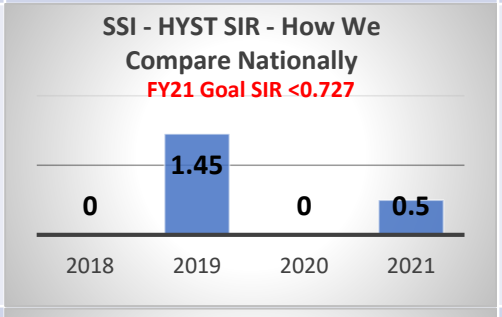
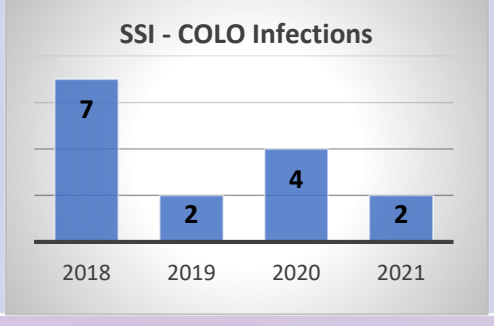
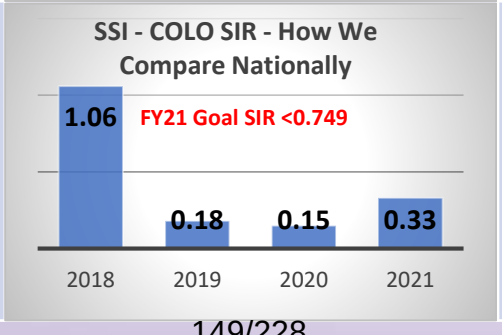
Evidence-Based

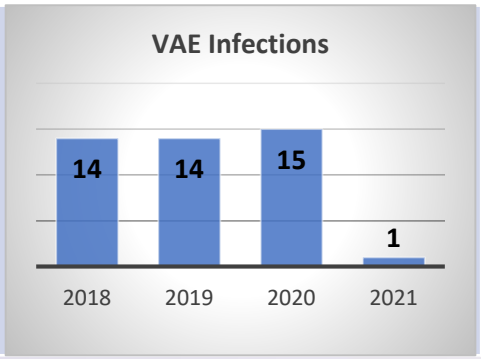
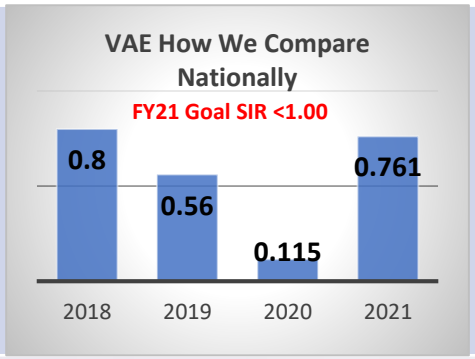
- CDC – HICPAC Guidelines for Reduction of Healthcare Associated Infections
- AHRQ – Toolkits for Reducing HAI
- CDC – STRIVE Infection Control Interventions

OUTSTANDING HEALTH OUTCOMES

HAI	# Infections	Performance	Team	Key Strategies
Central Line Associated Bloodstream Infection			• CLABSI Prevention Quality Focus Team • Midline Taskforce • Culture-of-Culturing Committee • HAI Case Review Committee	• "GEMBA" Unit-based rounds to de-escalate/remove central lines. • Blood Culture Order Alert • Midlines as an alternative • TPN/Abdominal Surgery & Candidemia Scoring
Catheter Associated Urinary Tract Infection			• CAUTI Prevention Quality Focus Team • HAI Case Review Committee	• "GEMBA" Unit-based rounds to remove indwelling urinary catheters or advocate for an alternative non-invasive device. • Urinary Retention Management • Urine Culture Algorithm
Healthcare Onset Methicillin Resistant Staphylococcus aureus Bloodstream Infection			• MDRO Prevention Committee • MRSA Taskforce • HAI Case Review Committee	• Biovigil Hand Hygiene Electronic Surveillance System • D.U.D.E. Hand Hygiene Campaign • Blood Culture Order Alert • MRSA Nares decolonization • CHG bathing

OUTSTANDING HEALTH OUTCOMES

HAI	# Infections	Performance	Team	Key Strategies
Healthcare Onset Clostridium difficile Infection (CDI)			MDRO Prevention Committee	• Antimicrobial Stewardship • Reminders to avoid testing when on bowel regimen, tube feedings, receiving Lactulose • Policy PC.255 C. difficile Testing Criteria
Total Abdominal Hysterectomy Surgical Site Infection			Surgical Site Infection Prevention Committee	• Reinforcing the use of clean-closure technique • Pre/Post operative blood glucose management
Colorectal Surgical Site Infection			Surgical Site Infection Prevention Committee	• Reinforcing the use of clean-closure technique • Pre/Post operative blood glucose management

HAI	# Infections	Performance	Team	Strategy
Ventilator Associated Events (includes: Ventilator Associated Condition; Ventilator Infection Associated Condition; Probable Ventilator Associated Pneumonia)			VAE Prevention Committee	• Peridex Oral Solution Rinse • Elevate head-of-bed • Avoidance of PPIs • Sedation Vacation • Mobility

Questions?

Safety Attitudes Questionnaire (SAQ)

Board of Directors

July 26, 2021

Safety Attitudes Questionnaire (SAQ)

Objectives:

- Communicate the regulatory requirements surrounding safety culture and safety culture surveys
- Describe the SAQ and how it measures safety culture
- Disseminate the organizational SAQ results and analysis (including SAQ results by role) to identify improvement opportunities
- Describe the action plan and timeline for completion and follow up reporting
- Provide the detailed SAQ report for review

SAQ and Regulatory Requirements

- Organizations are REQUIRED to provide latest SAQ survey results to The Joint Commission upon entrance
- Surveyors will be tracing safety culture as part of the hospital survey

Table 2. Sample Questions for Assessing Safety Culture

For Leadership	For Staff
How do you assess the culture of safety in your organization? What instrument are you using?	Have you ever completed a safety culture survey? Have you seen the results of a safety culture survey? Does your supervisor discuss the results?
Do you include safety culture improvement goals in performance expectations for leaders? What about middle management?	Is there a formal mechanism for reporting intimidating behavior? Would you feel comfortable reporting intimidating behavior?
Do you have internal or external benchmarks?	When an error occurs, do you have confidence that your leadership will take an appropriate look at how the system or process is accountable versus an individual?
What quality improvement projects have you conducted to improve your scores on safety culture?	What process do you have in place for reporting "close calls/near misses" or an error that occurred but did not reach the patient?

What is the SAQ?

Scientifically validated tool that measures safety culture in healthcare

7 domains (33 questions + 9 custom just culture questions = 42)

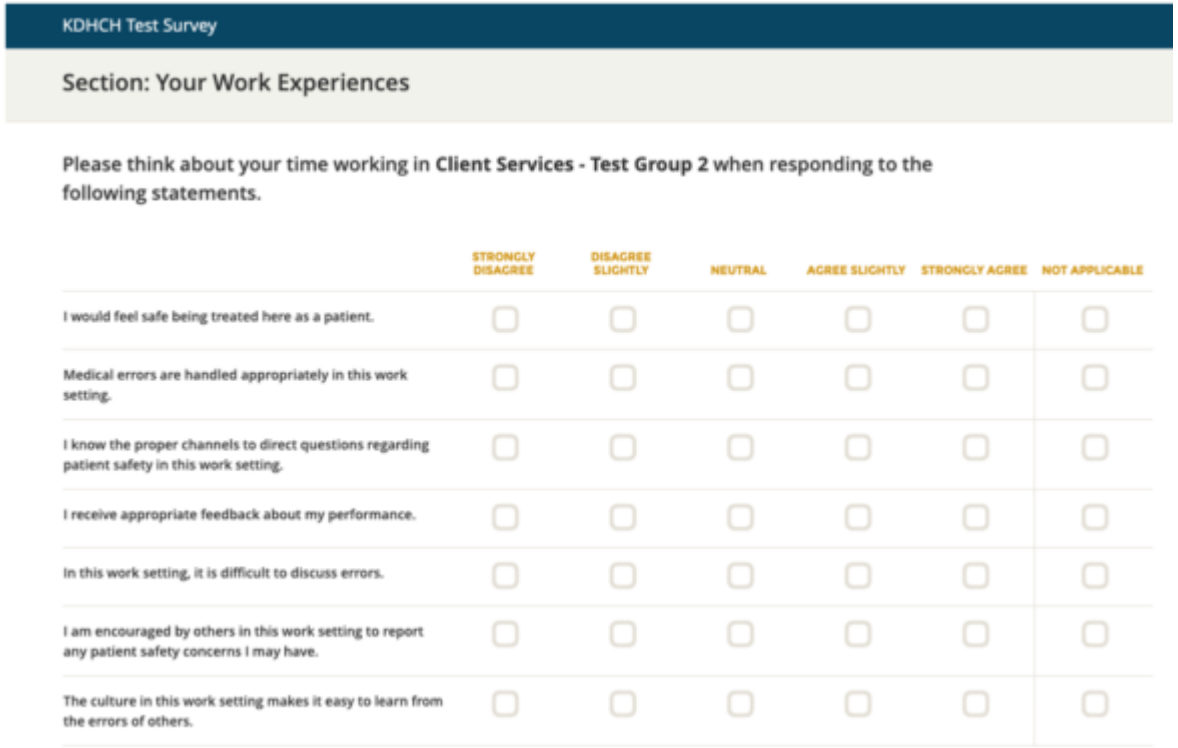
- Safety Climate
- Teamwork Climate
- Working Conditions
- Job Satisfaction
- Stress Recognition
- Perceptions of Local Management
- Perceptions of Senior Management
- 9 custom questions were added in 2018 related to Just Culture, these questions are NOT included in the overall SAQ results

What changed in the 2021 Survey from the 2018 Survey?

- Added 3 locations – EVS, Security Services and Food & Nutrition
- Added 2 additional custom questions focused on Just Culture:
  - Nurses/staff support a culture of patient safety in this work setting.
  - Physicians support a culture of patient safety in this work setting.
- 2 questions in the teamwork climate category changed:
  - Nurse input is well received in this work setting CHANGED TO: My input is well received in this work setting
  - The physicians and nurses here work together as a well coordinated team; CHANGED TO: People in this work setting work together as a well coordinated team.
  - An analysis was conduced by Pascal Metrics and it was determined that you cannot trend at the domain level or those specific items when changing from one domain to the other. Therefore we cannot compare Teamwork Climate domain scores to our past survey results

How does the SAQ measure safety culture?

- Percent of positive response
- Respondents answered a D or a E (agree or strongly agree) on a 5 point Likert scale
- Results are distributed at the question and domain (category) level
- Results are calculated based on the % of respondents who answered positively (4 or 5 on the Likert scale)
- *Domain Score is the mean of the domain questions, each item contributes equally to the domain score and the domain score represents how, on average, someone felt about this specific domain.



KDHCH Test Survey

Section: Your Work Experiences

Please think about your time working in **Client Services - Test Group 2** when responding to the following statements.

	STRONGLY DISAGREE	DISAGREE SLIGHTLY	NEUTRAL	AGREE SLIGHTLY	STRONGLY AGREE	NOT APPLICABLE
I would feel safe being treated here as a patient.	☐	☐	☐	☐	☐	☐
Medical errors are handled appropriately in this work setting.	☐	☐	☐	☐	☐	☐
I know the proper channels to direct questions regarding patient safety in this work setting.	☐	☐	☐	☐	☐	☐
I receive appropriate feedback about my performance.	☐	☐	☐	☐	☐	☐
In this work setting, it is difficult to discuss errors.	☐	☐	☐	☐	☐	☐
I am encouraged by others in this work setting to report any patient safety concerns I may have.	☐	☐	☐	☐	☐	☐
The culture in this work setting makes it easy to learn from the errors of others.	☐	☐	☐	☐	☐	☐

How do staff know who are local and senior leaders?

- There are several questions in the SAQ that staff are asked to answer in relation to local and senior leadership.
- Staff are provided definitions of each group before they start the survey

> Senior management refers to the group of individuals that are the key decision makers at your facility, such as executives and vice presidents.
>
> Local management refers to the individual(s) that provides direct supervision in the work area listed above (Manager and Director).

Safety Culture Survey Data is a Starting Point

- Survey data “asks” as many questions as it “answers”!
- It is like a lab result or a fever – from just one value, you can’t diagnose a patient or decide on a treatment plan, but it tells you ‘where’ to start looking.
- The results provide a great starting point for a conversation with your staff – what’s working, what could be better?

Interpreting SAQ Results

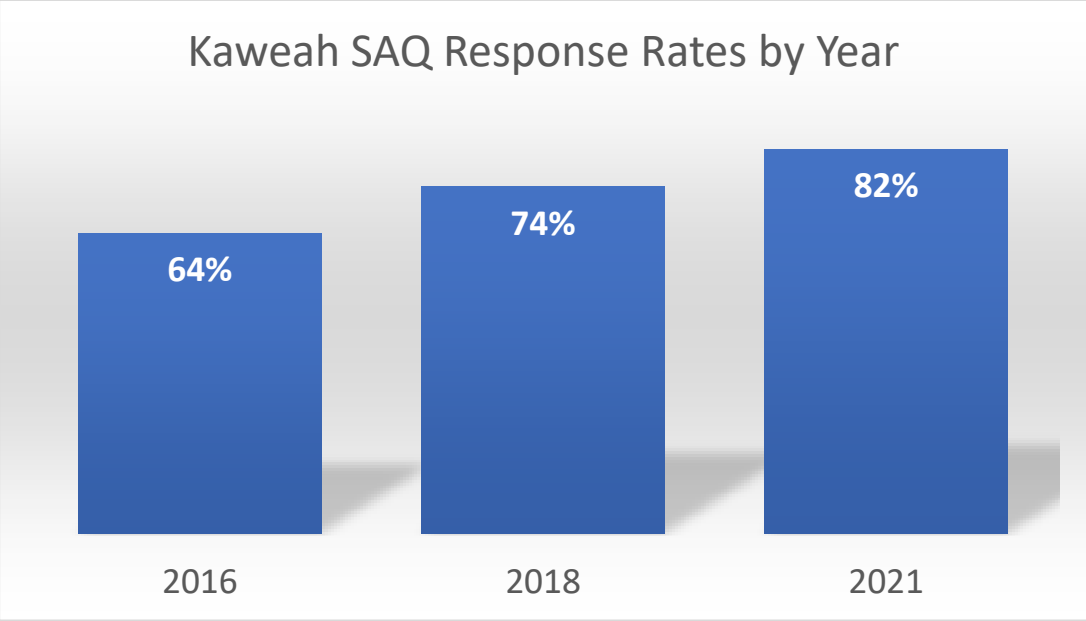
1. Level of Positive Response:

- Category or individual questions that are <60% positive response = Risk zone
  - The majority of respondents DO NOT feel positive about that category or question
- Category or individual questions that are >80% positive response = target zone
  - The majority of respondents DO feel positive about that category or question, culture is embedded and likely to sustain

2. Interpreting Results Through Pascal Metrics Benchmarking:

- Benchmarks (industry medians) are from Pascal Metrics Clients surveyed between January 1, 2019 and December 31, 2020. Due to COVID there was a decline in the number of hospitals that surveyed in 2020.
- The comparative database represents data from:
  - 11 health system clients that use domains from the SAQ
  - Approximately 100 U.S. based facilities and 8 international facilities
  - Within those facilities, there are a range of health care settings represented - hospitals, outpatient centers, medical practices, home health, hospice, long term care, etc.
  - There were over 5900 individual respondent groups in the comparative database.

SAQ Response Rates



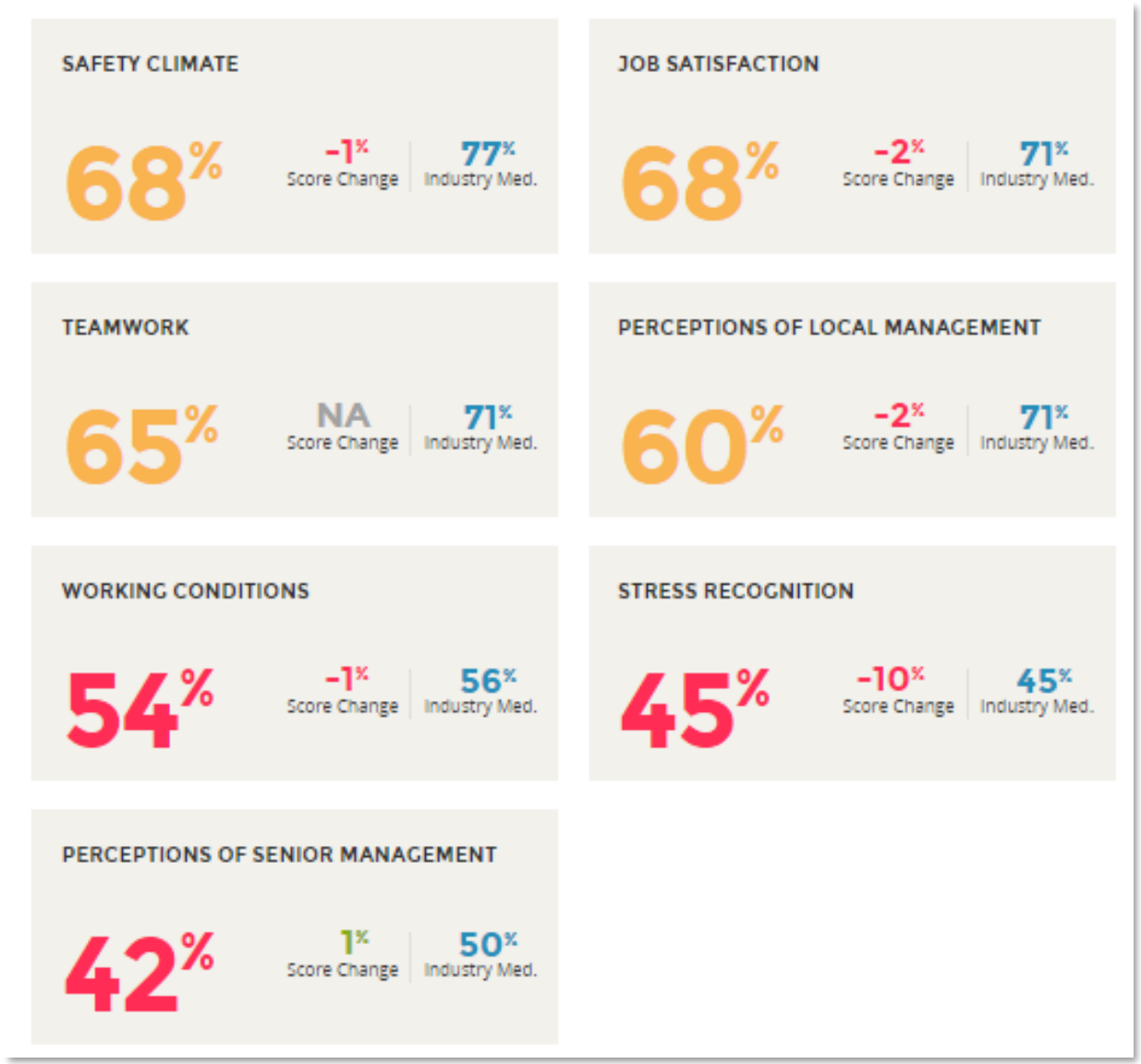
2021 Response Rates:

- Organization: 3020 surveys sent, 2475 were returned (82%)
- Medical staff: 354 surveys sent, 164 surveys returned (46%); increase from 2018 response rate of 17% (25/148)
- Newly added areas in 2021:
  - Environmental Services
  - Food and Nutrition Services
  - Security Services

2021 SAQ Kaweah Scorecard

Summary:

- 6/7 SAQ domains are below industry median; 1 is the same
- 5/7 SAQ domains decreased from 2018 results; 1 increased; 1 is n/a due to change in questions



2021 SAQ Kaweah Scorecard

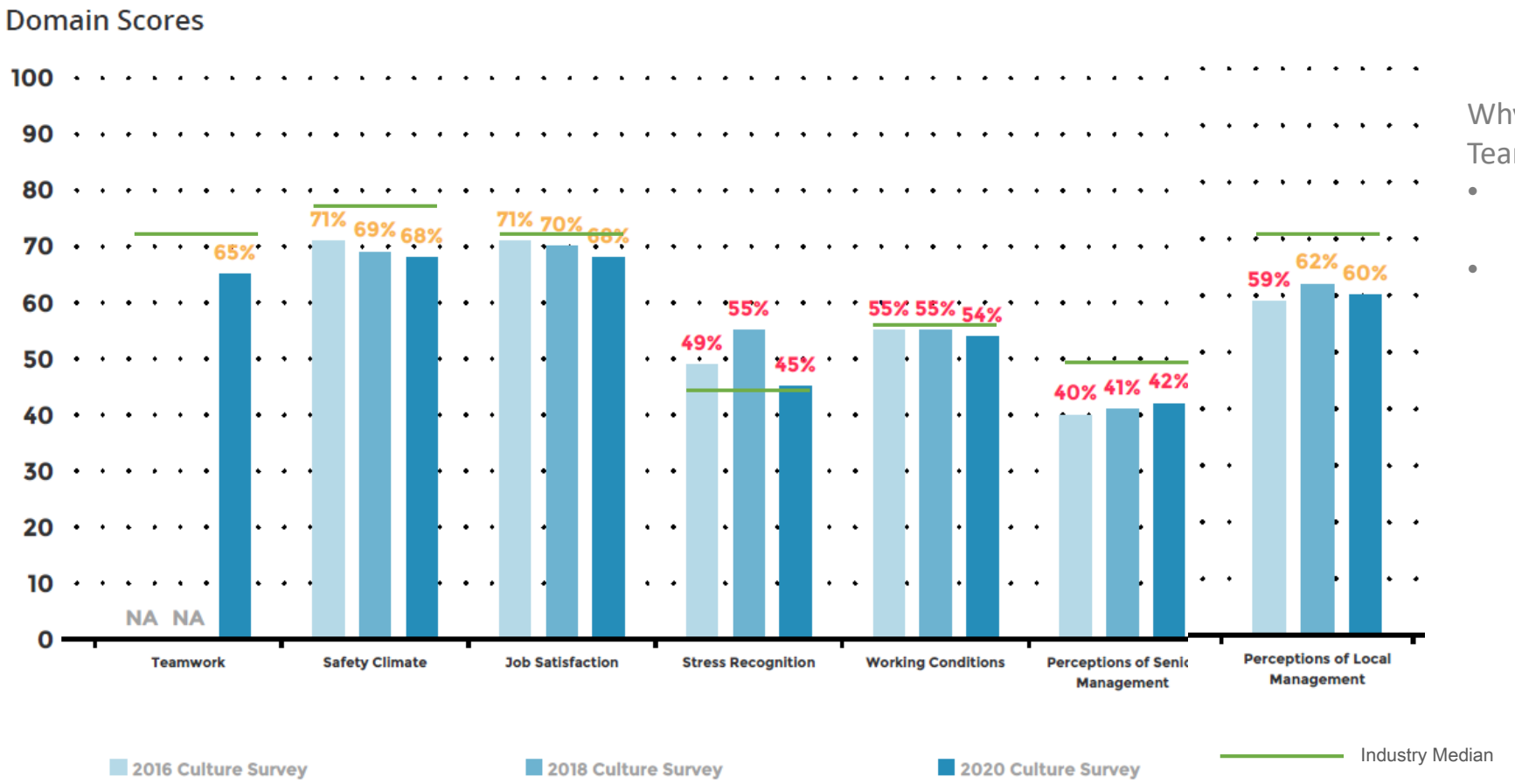
	TOP 3 ITEMS	% FAVORABLE
-1 since 2018 (Median=95%)	I know the proper channels to direct questions regarding patient safety in this work setting.	89%
-2 since 2018 (median= 92%)	I like my job.	87%
-1 since 2018 (Median= 88%)	I am encouraged by others in this work setting to report any patient safety concerns I may have.	84%

	LOWEST 3 ITEMS	% FAVORABLE
0 since 2018 (Median=43%)	The staffing levels in this work setting are sufficient to handle the number of patients.	36%
-9 since 2018 (median=42%)	Fatigue impairs my performance during emergency situations (e.g., emergency resuscitation, seizure).	48%
+1 since 2018 (Median=50%)	Problem personnel are dealt with constructively by our senior management.	56%

Red =below median; Green = above median

Largest negative distance from the median	Distance from median (change since 2018)
Local management doesn't knowingly compromise the safety of patients.	-16 (-1)
Senior management doesn't knowingly compromise patient safety	-10 (-1)
I would feel safe being treated here as a patient	-10 (-2)
This work setting is a good place to work.	-8 (-3)
My input is well received in this work setting.	-7 (n/a)
The staffing levels in this work setting are sufficient to handle the number of patients	-7 (+1)
Disagreements in this work setting are resolved appropriately (i.e., not who is right, but what is best for the patient).	-7 (n/a)
I receive appropriate feedback about my performance.	-7 (-2)
I am proud to work in this work setting.	-7 (-2)
Trainees in my discipline are adequately supervised.	-7 (0)

SAQ - Trending by Domain



Why is there no historical data in Teamwork Category?

- 2 Questions in the Teamwork Climate category changed
- An analysis was conducted by Pascal Metrics and it was determined that you cannot trend at the domain level or those specific questions when changing from one domain to the other. Therefore we cannot compare Teamwork Climate domain scores to our past survey results

Questions ≥ 80% Positive Response

Domain	Question
Teamwork Climate	It's easy for personnel here to ask questions when there is something that they do not understand
Safety Climate	I know the proper channels to direct questions regarding patient safety in this work setting
	I am encouraged by others in this work setting to report any patient safety concerns I may have
	Medical errors are handled appropriately in this work setting
Job Satisfaction	I like my job
	I am proud to work in this work setting
Custom - Just Culture	When I see others doing something unsafe for patients, I speak up
	Nurses/staff support a culture of patient safety in this work setting
	When staff make clinical errors, we focus on learning rather than blaming
	The unit manager supports and leads a culture of patient safety in my work setting

SAQ by Role

- 9 roles in 2021 had <60% positive response in all 7 SAQ categories in comparison to 5 in 2018
- Majority of roles with <60% response in at least 5/7 SAQ categories in the tech/aide/support role
- Registered Nurse is the highest volume role (n=687) with <60% positive response in 5/7 SAQ categories
- ROLES FROM 2018 WHO NO LONGER HAVE <60% POSITIVE RESPONSE IN AT LEAST 5/7 CATEGORIES:
  - Lab Aide
  - Telemonitor tech
  - Administrative Assistant
  - Cardiac Sonographer
  - RN Nurse Practitioner
  - Biomedical Technician
  - Laboratory Technician
  - Speech Pathologist

2018 Roles with <60% positive response in ALL 7 safety culture categories:

Role	n (response rate)
Lab Aide	10 (77%)
Phlebotomist	15 (39%)
Sterile Processing Tech	18 (78%)
Surgical Team Assistant	13 (81%)
Tele monitor tech	16 (89%)

2018 Roles with <60% positive response in 6/7 safety culture categories:

Role	n (response rate)
Administrative Assistant	9 (100%)
ASW/MFTI	8 (89%)
Cardiac Sonographer	14 (93%)
Licensed Psych Tech	19 (95%)
Patient Transport Aide	23 (82%)
RN Nurse Practitioner	14 (74%)
Biomedical Technician	7 (78%)

2018 Roles with <60% positive response in 5/7 safety culture categories:

Role	n (response rate)
Laboratory Technician	12 (80%)
Speech Pathologist	6 (100%)
Unit Secretary	29 (74%)

2021 Roles with <60% positive response in ALL 7 safety culture categories:

Role	n (response rate)
Cardiovascular Services	7 (27%)
Critcal Care Pulmonary & Adult Hosp Med	24 (42%)
ED Tech I	12 (52%)
LCSW/LMFT	13 (93%)
Nutrition Host	13 (81%)
OB/GYN	13 (54%)
Patient Transport Aide	22 (96%)
RN -First Assist	7 (88%)
Security Officer (driving)	29 (83%)
SP Tech I Non-Certified	8 (89%)
Surgery	13 (34%)
Surgical Team Assistant	20 (80%)
Ultrasound Tech-Registered	8 (73%)

2021 Roles with <60% positive response in 6/7 safety culture categories:

Role	n (response rate)
Care Coordination Specialist	5 (100%)
ED Tech II	7 (78%)
Environmental Services Aide	81 (85%)
Licensed Psych Tech	8 (67%)
Mental Health Worker	6 (100%)
Phlebotomist I	10 (77%)
SP Tech Certified	5 (63%)
Surgical Tech	30 (83%)

2021 Roles with <60% positive response in 5/7 safety culture categories:

Role	n (response rate)
ASW/ MFT	8 (80%)
Certified Hemodialysis Tech	10 (63%)
Imaging Office Specialist	5 (83%)
Medical Assistant	49 (82%)
Patient Access Specialist	32 (89%)
Registered Nurse	687 (79%)
Unit Secretary	19 (70%)

SAQ by Role

- The number of roles who had at least 80% positive response in at least 4/7 SAQ categories increased by 5 in 2021 compared to 2018
- Lab Aide and Administrative Assistant roles moved from the lowest SAQ scores on 2018 to the highest in 2021
- Manager is the highest volume (n 56) role with 6/7 SAQ categories >80% response

2018 Roles with >80% positive response in 6/7 safety culture categories:

Role	n (response rate)
Assistant Nurse Manager	10 (71%)
Chaplain	6 (86%)
Patient Care Pharmacy Tech	6 (100%)

2021 Roles with >80% positive response in 6/7 safety culture categories:

Role	n (response rate)
Lab Aide I	5 (83%)
Manager	56 (93%)
Occupational Therapists III	5 (100%)

2018 Roles with >80% positive response in 5/7 safety culture categories:

Role	n (response rate)
Polysomnotechnologist-Reg	8 (100%)
Interpretor	15 (94%)
Laboratory Section Chief	6 (86%)
Licenced Vocational Nurse	76 (82%)

2021 Roles with >80% positive response in 5/7 safety culture categories:

Role	n (response rate)
Executive Team	10 (100%)
Imaging Technologist	9 (100%)
Director	29 (97%)
Radiation Therapists	6 (100%)
EVS Floor Tech	5 (85%)
Nuclear Med Tech	5 (100%)
Patient Care Pharmacy Tech	5 (100%)
Administrative Assistant	5 (100%)

2018 Roles with >80% positive response in 4/7 safety culture categories:

Role	n (response rate)
Interpretor	15 (94%)
Occupational Therapist	21 (91%)
Physical Therapist	40 (89%)
Ultrasound Techologist	5 (45%)

2021 Roles with >80% positive response in 4/7 safety culture categories:

Role	n (response rate)
Laboratory Section Chief	6 (100%)
Occupational Therapists	9 (82%)
OP Registration/Cust Svc Rep	6 (100%)
Physical Therapist	10 (100%)
Physical Therapist II	12 (100%)

SAQ by Role

- SAQ Results by role analyzed and disseminated
- Staff debrief meetings (results review) to solicit feedback July through September 2021
- Debrief staff feedback to be reviewed by Quality Improvement Committee in Oct 2021 to develop action plan
- Report back to Quality Council 4Q 2021

Questions Less than 60% Positive Response

Domain	Question	Analysis (solicited during staff debrief sessions)	Action Plan
Job Satisfaction	Morale in this work setting is high	• Analyze results with employee engagement survey results (July 2021); SAQ administered in Dec 2020 to Feb 2021, SAQ results could be associated with timing of survey during COVID-19 surge	• Leadership Team and BOD meeting 7/26/21 to review results; action plan pending.
Stress Recognition	I am more likely to make errors in tense or hostile situations	• Significant increase in SAQ Stress Recognition domain score from 2016 to 2018 ~~SAQ~~ due to mandatory training for all staff in SAQ departments/units approximately 4 months before 2018 SAQ administered; Training was embedded in new hire orientation only ongoing • Overall 10 point drop in the 2021 Stress Recognition domain score from the 2018 survey, but above the industry median. • Pascal Metrics (industry expert) indicates improvement strategies are focused on education	• Include the stress recognition module into mandatory annual testing rotation scheduled in advance of the SAQ • Evaluate pulse survey or use module post test to evaluate progress
Stress Recognition	Fatigue impairs my performance during emergency situations (e.g., emergency resuscitation, seizure)		

Questions Less than 60% Positive Response

Domain	Question	Analysis (solicited during staff debrief sessions)	Action Plan
Working Conditions	Problem personnel are dealt with constructively by our senior management	• Results analyzed from highest to lowest by work setting and disseminated to VP	• Employee Relations class targeted to leaders within chain of command • For FY22, Directors will submit worksheets to their VP for employees ≤ average on annual evaluation or believed to be under-performing (behaviorally, technically, or clinically) by August 31, 2021
Custom - Just Culture	The event reporting system is easy to use	Feedback solicited during SAQ staff debrief sessions which revealed the following insight: • Staff commented on the difficulty of selecting category type and several mandatory fields. The requirement to select a category was removed approximately 1.5 years ago, as well as XX were removed. Many staff not aware of changes. Staff who were commented on other event forms that continue to be long (ie. falls and adverse drug events). • Staff commented they do not submit events because they don't know if anyone reads them or does anything with them • Some commented that the event reporting process feels punitive and unaware that events can be submitted anonymously	• Targeted education through staff meetings (lowest score, high risk processes/care) by Dec 31, 2021. Education objectives to include: Importance of reporting and why, what and how to report, and just culture review • Stakeholder review and revision of falls and adverse drug event reporting forms completion target date • Implementing staff email thank you and acknowledgement of receipt of event report and communication of review by METER. Completion target August 1, 2021 • Pulse survey to be administered 1Q 2022

Questions Less than 60% Positive Response

Domain	Question	Analysis	Action Plan
Perceptions of Senior Management	The staffing levels in this work setting are sufficient to handle the number of patients	• Analyze results with employee engagement survey results (July 2021); SAQ results could be associated with timing of survey during COVID-19 surge. • Results analyzed from highest to lowest by work setting and disseminated to VP	• Conduct pulse surveys in FY22 • Budget planning included leader sign off • Recruiting events • Hiring in anticipation turnover, shift bonuses • Student RN interns, travelers • Improving efficiency for staff, for example, reducing documentation time • Eliminating work that is not necessary or impactful
Perceptions of Local Management	Problem personnel are dealt with constructively by our local management	• Analyze results with employee engagement survey results; SAQ results could be associated with timing of survey during COVID-19 surge. • Results analyzed from highest to lowest by work setting and disseminated to VP	• Employee Relations class targeted to leaders within chain of command • For FY22, Directors will submit worksheets to their VP for employees ≤ average on annual evaluation or believed to be under-performing (behaviorally, technically, or clinically) by August 31, 2021

SAFETY ATTITUDES QUESTIONNAIRE TIMELINE

MARCH 2021
Result reports disseminated to leadership

JUNE 2021
Action plans developed and received by 6/18/21

JULY - OCT 2021
SAQ role debriefs completed by 9/20/21, action plan developed QIC by 10/15/21

AUG 2021
Leaders submit worksheets to VP for employees ≤ 2.88 on annual evaluation or believed to be under-performing

1Q 2022
Pulse Survey Administered

Stress Recognition Annual training completed; Safety culture action plan by role completed

APR – MAY 2021
Unit/Department results debriefed with staff

Leader TeamSTEPPS training

Just culture staff awareness campaign

JULY 2021
Results and action plan reported to Board of Directors

JULY- DEC 2021
Event reporting and just culture education to targeted units/depts. Revisions to select event reporting forms and acknowledgements

4Q 2021
Staff TeamSTEPPS simulation training offered ongoing

2Q 2022
Action plan update and survey results reported to Board of Directors

OUTSTANDING HEALTH OUTCOMES

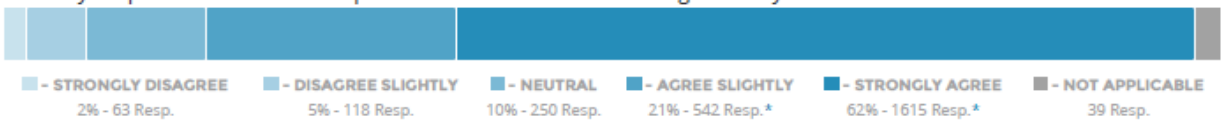
Safety Culture – Organizational Initiatives – 2021/22

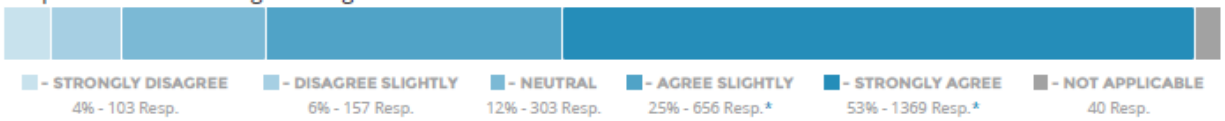
Just Culture Steering Committee	Team Training	Recognitions
• Plan for Just Culture expanded staff awareness campaign 2021-2022 to include: - GME Just Review lessons learned published - Adding JC video to compass - Evaluate training of new medical staff leaders and charge nurses - Encorporating JC into annual testing - Leadership survey - Pulse survey for staff to gage effectiveness • 2021 Ongoing manager training to Just Culture and the Marx Algorithm	TeamSETPPS Leadership (Medical Team Training) • 38 Kaweah leaders participated in training May & June 2021. • Evaluation indicated the training accomplished goals: participants felt it was useful to their role/work, and learning occurred • >60 medical team tools implemented in 38 Kaweah locations/departments TeamSTEPPS Staff • All new hires in patient care roles complete CUS (I am concerned, uncomfortable, this is a safety situation) training; achieved training goals (>90% correct response rate) from 2017-2020 (2020 n=698). Post test indicates 100% correct response rate for each question. 100% of staff indicate ability to use CUS during a patient safety situation • Broad dissemination of “Say it again, Sam” (aka 2 challenge rule) TeamSTEPPS tool, approved by Patient Safety Committee for 3Q 2021 • 4Q 2021 Staff version of TeamSTEPPs simulation training go live	• 12 Good Catch awards (staff and providers) in 2021 • Hero of the Year awarded in 2021 • Sepsis Heroes awarded monthly (providers and RNs who provide best practice care to septic patients • Safety Star – awarded monthly for exceptional hand hygiene compliance as noted in the BioVigil system

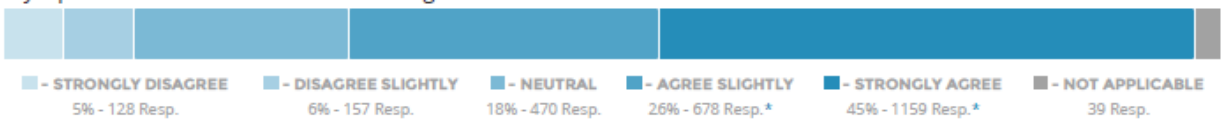
Kaweah SAQ 2021
Detailed Survey Report

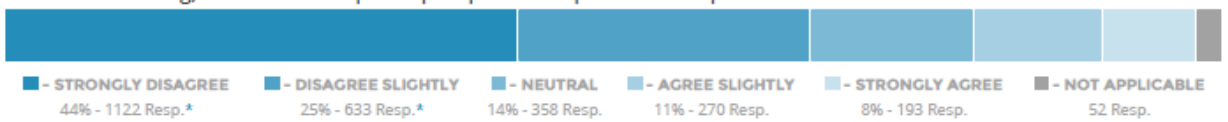
TEAMWORK - Quality of teamwork & collaboration in workgroup.

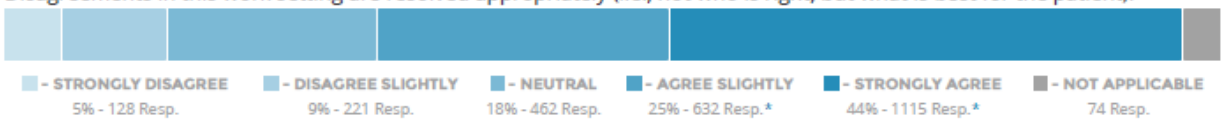
ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	65%	65%	71%
It is easy for personnel here to ask questions when there is something that they do not understand.	83%	83%	88%
I have the support I need from others in this work setting to care for patients.	79%	79%	83%
People in this work setting work together as a well coordinated team.	78%	78%	83%
My input is well received in this work setting.	71%	71%	78%
In this work setting, it is difficult to speak up if I perceive a problem with patient care.	68%	68%	73%
Disagreements in this work setting are resolved appropriately (i.e., not who is right, but what is best for the patient).	68%	68%	75%







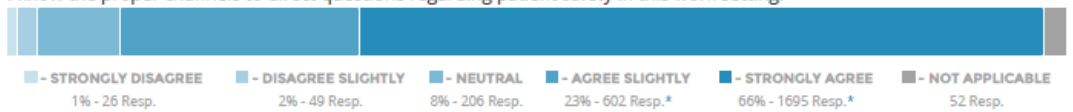


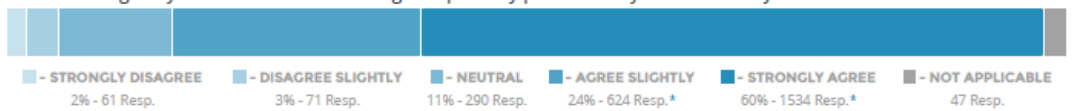


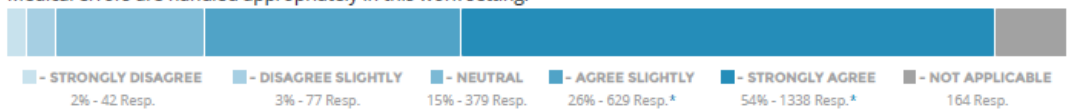
* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

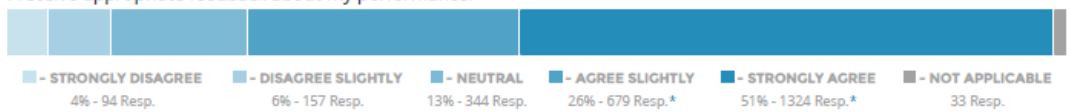
Safety Climate - Perceived level of commitment to & focus on patient safety.

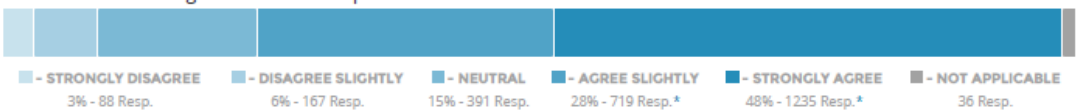
ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	68% -1	68%	77%
I know the proper channels to direct questions regarding patient safety in this work setting.	89% -1	89%	95%
I am encouraged by others in this work setting to report any patient safety concerns I may have.	84% -1	84%	88%
Medical errors are handled appropriately in this work setting.	80% -1	80%	85%
I receive appropriate feedback about my performance.	77% -2	77%	84%
I would feel safe being treated here as a patient.	75% -2	75%	85%
The culture in this work setting makes it easy to learn from the errors of others.	72% 0	72%	76%
In this work setting, it is difficult to discuss errors.	65% +1	65%	71%

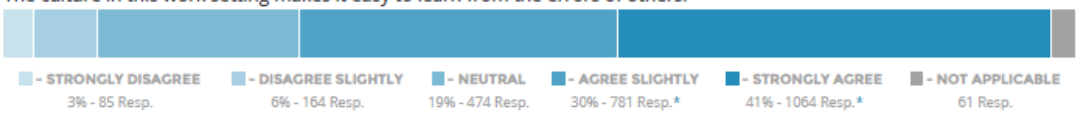


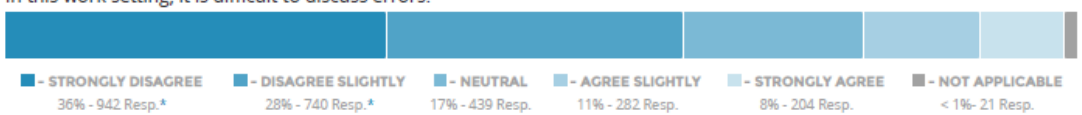












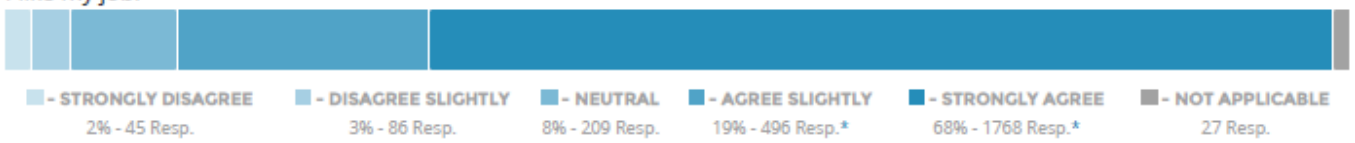
* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

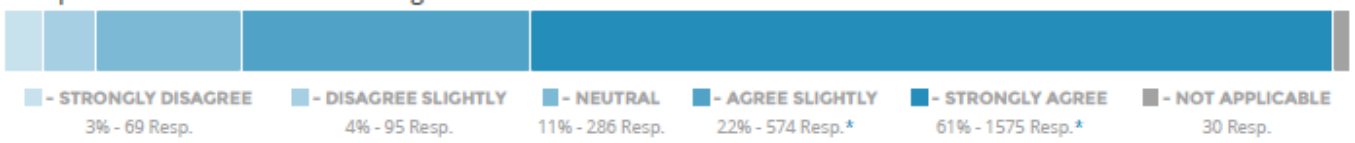
Kaweah Health

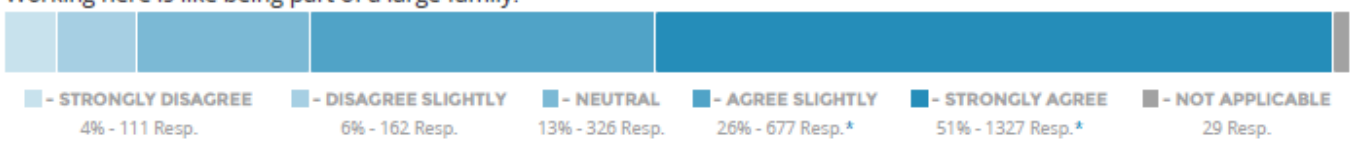
Kaweah Health

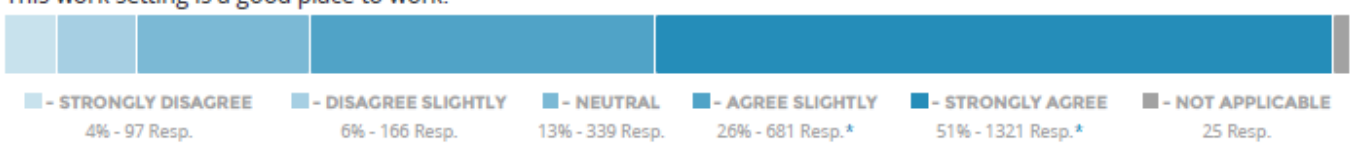
Job Satisfaction – Employees' general feelings of positivity regarding their work experience.

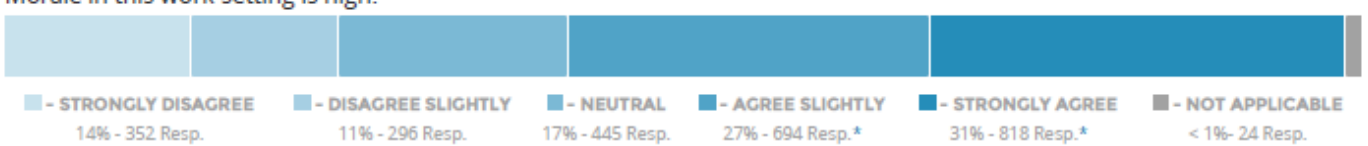
ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	68% -2	68%	71%
I like my job.	87% -2	87%	92%
I am proud to work in this work setting.	83% -2	83%	90%
Working here is like being part of a large family.	77% -3	77%	79%
This work setting is a good place to work.	77% -3	77%	85%
Morale in this work setting is high.	58% -3	58%	61%







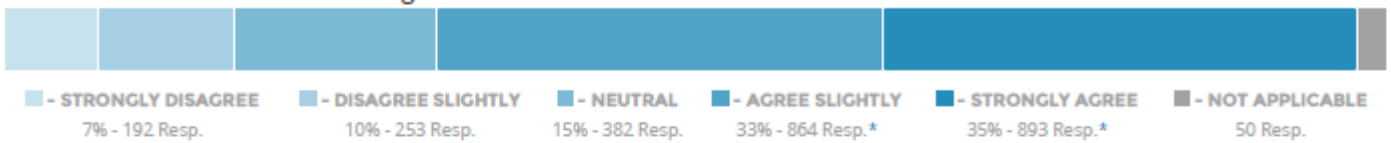


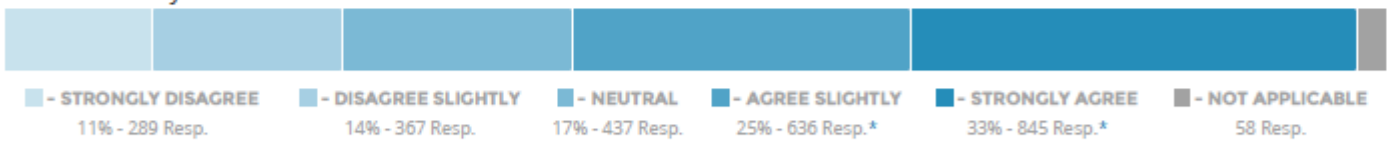


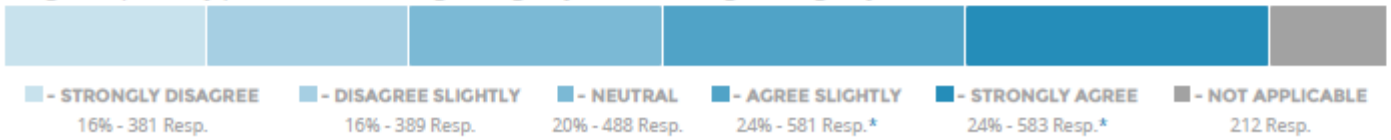
* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

Stress Recognition – Recognition of how stressors impact performance.

ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	45% -10	45%	45%
I am less effective at work when fatigued.	68% -5	68%	71%
When my workload becomes excessive my performance is impaired.	63% -4	63%	63%
I am more likely to make errors in tense or hostile situations.	58% -8	58%	64%
Fatigue impairs my performance during emergency situations (e.g., emergency resuscitation, seizure).	48% -9	48%	42%



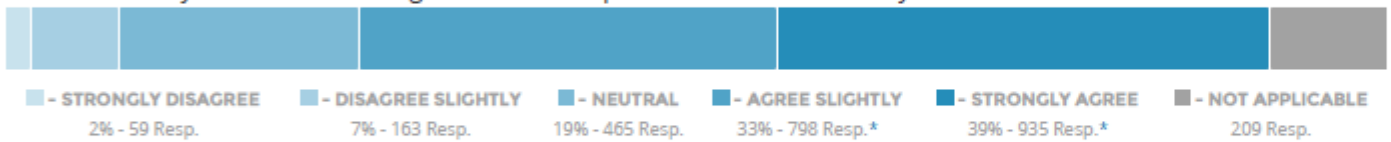


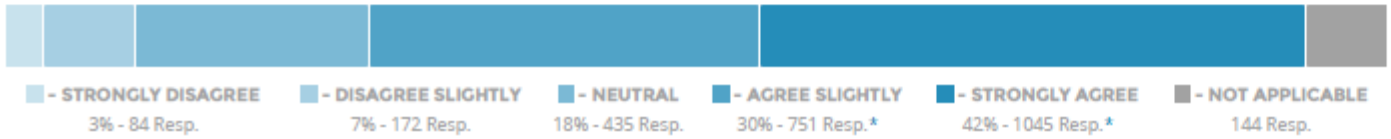


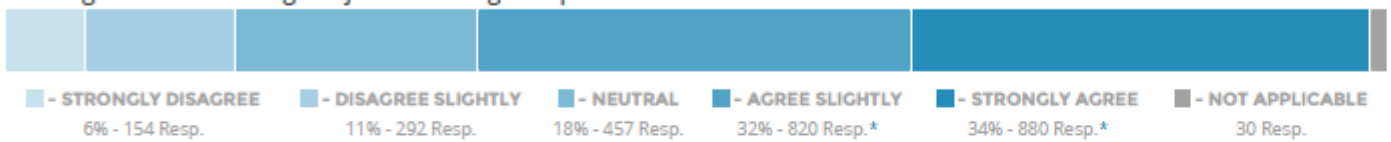
* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

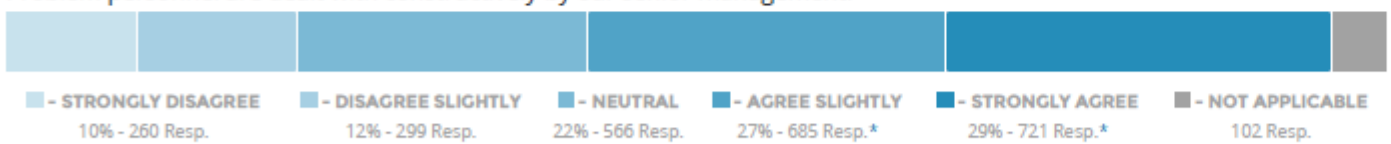
Working Conditions – Perceptions of the quality of their work environment.

ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	54% -1	54%	56%
All the necessary information for diagnostic and therapeutic decisions is routinely available to me.	72% -1	72%	77%
Trainees in my discipline are adequately supervised.	72% 0	72%	79%
This organization does a good job of training new personnel.	65% -2	65%	70%
Problem personnel are dealt with constructively by our senior management.	56% +1	56%	50%









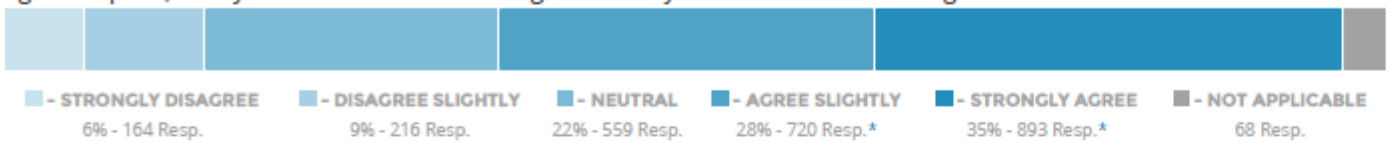
* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

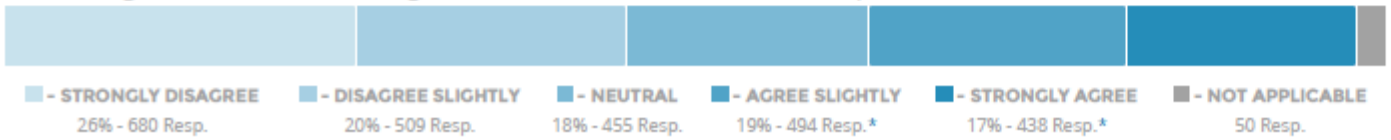
Kaweah Health

Kaweah Health

Perceptions of Senior Management– Perceptions of the support & competence of senior management.

ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	42% +1	42%	50%
I get adequate, timely info about events that might affect my work from senior management.	63% -1	63%	67%
Senior management supports my daily efforts.	60% 0	60%	64%
Senior management doesn't knowingly compromise patient safety.	60% -1	60%	70%
The staffing levels in this work setting are sufficient to handle the number of patients.	36% 0	36%	43%

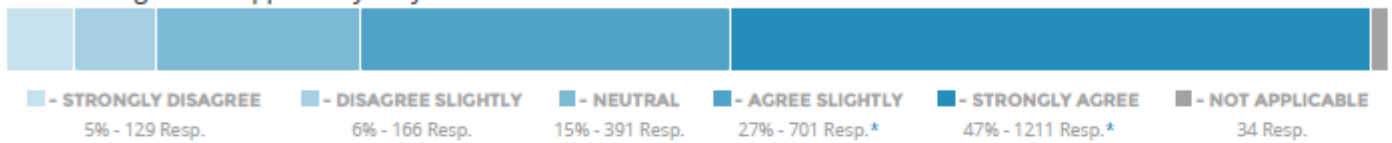


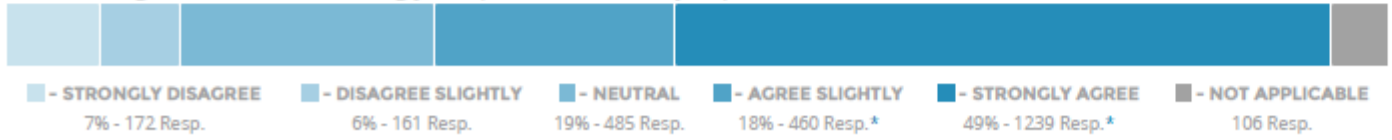


* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

Perceptions of Local Management – Perceptions of the support and competence of local-level management.

ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	60% -2	60%	71%
Local management supports my daily efforts.	74% +1	74%	79%
I get adequate, timely info about events that might affect my work from local management.	71% -1	71%	76%
Local management doesn't knowingly compromise the safety of patients.	68% -1	68%	84%

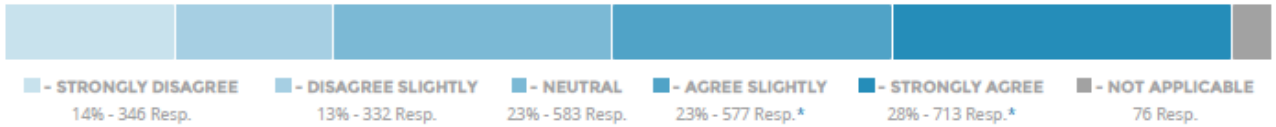


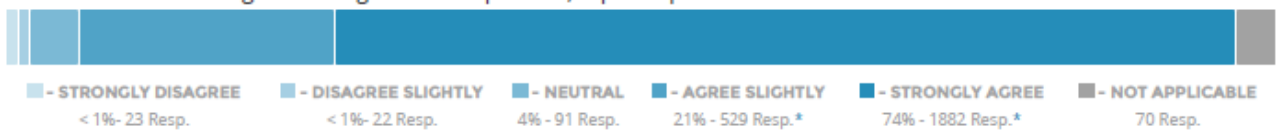


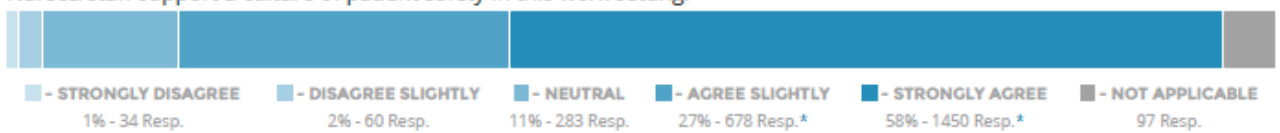
* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

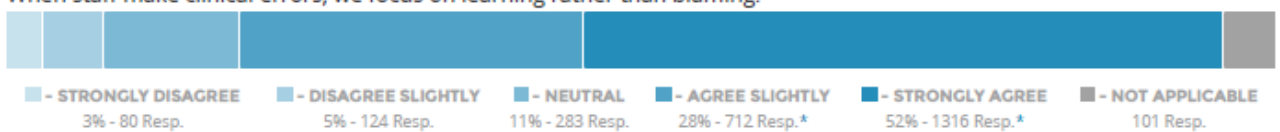
STANDALONE ITEMS (SAQ)

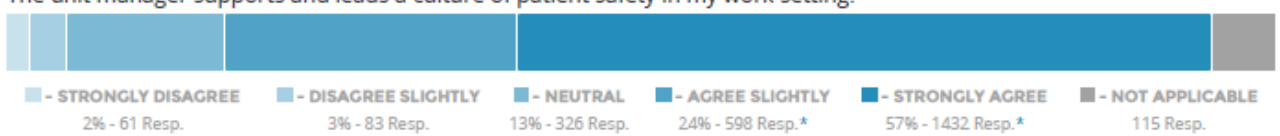
ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
DOMAIN OVERALL	NA	NA	NA
Problem personnel are dealt with constructively by our local management.	51% +2	51%	56%
DOMAIN OVERALL	NA	NA	NA
When I see others doing something unsafe for patients, I speak up.	95% +1	95%	NA
Nurses/staff support a culture of patient safety in this work setting.	85%	85%	NA
When staff make clinical errors, we focus on learning rather than blaming.	81% +1	81%	NA
The unit manager supports and leads a culture of patient safety in my work setting.	81% -2	81%	NA



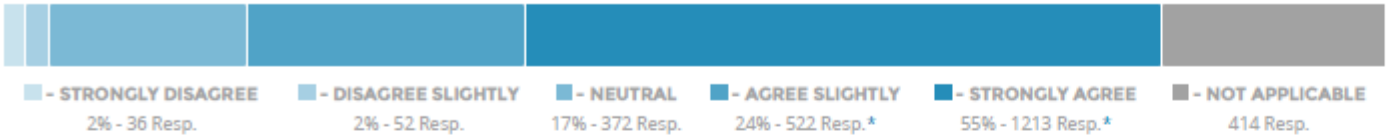
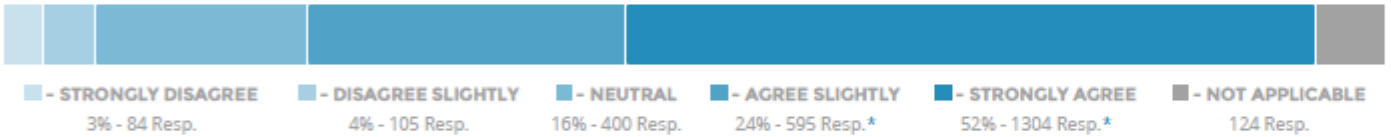
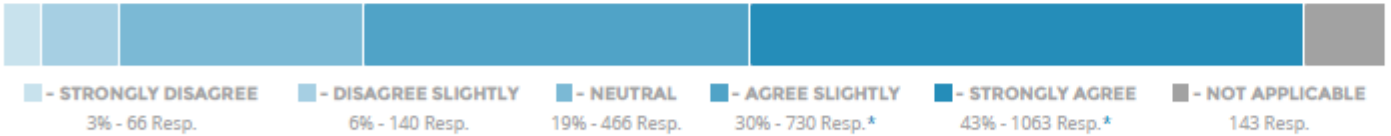
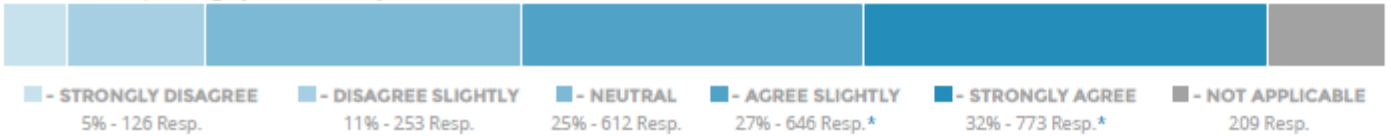








* - Used to calculate % Favorable * - Organization Score for Kaweah Delta Health Care District with no filters applied

ITEM	% FAVORABLE	ORG. SCORE*	INDUSTRY MED.
I enter reports about events in which I was involved.  	79% -1	79%	NA
I make the hospital a safer place for patients by entering event reports.  	79% -1	79%	NA
The unit Director supports and leads a culture of patient safety in my work setting.  	76% -3	76%	NA
Physicians support a culture of patient safety in this work setting.  	73%	73%	NA
The event reporting system is easy to use.  	59% 0	59%	NA

Kaweah Health

Questions?

CFO Financial Report

July 22, 2021

kaweahhealth.org

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MORE THAN MEDICINE. LIFE.

June Overview

- **Volume:** Overall inpatient days exceeded budget by 1.3%. The census at the downtown campus was 11.5% above budget but was offset by our other inpatient areas such as the Mental Health Hospital and Skilled Nursing. Overall outpatient volume, as measured by patient registrations, also exceeded budget by 9.3%.
- **Revenue:** Net patient revenue fell short of budget by $2.0M (4.1%) due to a lower acuity of inpatient volumes experienced in June. Other revenue was higher than budget by $1.3M as we recorded higher-than-expected Humana Medicare Advantage premium revenue due to mid-year and year end payment adjustments.
- **Expenses**: The main items contributing to the $6.9M favorable budget variance:
  - We recognized a ($12.1M) reduction to pension expense based upon the actuary's estimate, which includes investment returns that were much larger than projected.
  - We recognized an additional $1.5M in contract labor expense than budgeted. Also, we experienced additional shift bonuses and supplemental sick leave of $265K that was not budgeted.
  - There was an increased utilization of capitated third party providers of $888K due to increase in higher acuity patients and the impact on the timing of services due to COVID.
  - The unfavorable variance in physicians fees by $757K was due to the agreements that were not finalized and in process when the FY21 budget was made.

COVID-19 Financial Activity

Stimulus Funds Received

Red indicates changes since last reviewed

Stimulus Funds – Kaweah Delta	$11,420,930	Received 4/11/20
Stimulus Funds – KDMF	$684,104	Received 4/11/20
Stimulus Funds – KD 2nd payment	$1,225,939	Received 4/24/20
Stimulus Funds – KDMF 2nd payment	$198,091	Received 5/26/20
California Hospital Association - PPE	$28,014	Received 6/3 and 6/9/20
Stimulus Funds – 4 Physician Groups	$332 017	Received April 2020
Stimulus Funds -Testing at RHC	$197,846	Received 5/20/20
Stimulus Funds - Skilled Nursing Facility	$225,000	Received 5/22/20
Stimulus Funds – Rural Providers	$413,013	Received 6/25/20
Stimulus Funds – Due to servicing Rural Areas	$813,751	Received 7/21/20
Stimulus Funds – High Impact Areas	$10,900,000	Received 7/29/20
California Hospital Association – PPE II	$150,243	Received 8/25/20
Stimulus Funds – Skilled Nursing Facility	$111,500	Received 8/27/20
Stimulus Funds – Skilled Nursing Facility	$184,388	Received 5 out of 5 payments
Stimulus Funds – KD 3rd wave of federal payments	$11,120,347	Received 1/27/21
Stimulus Funds – KDMF 3rd wave of federal payments	$920,477	Received 4/16/21
Business Interruption Insurance	**$125,000**	**Received 5/25/21**
Stimulus Funds – RHC Testing and Mitigation	**$400,000**	**Received 6/10/21**
Impact to Net Revenue	**$39,118,643**	

COVID-19 Financial Activity - **Reimbursement and In Kind Impact**

Red indicates changes since last reviewed

20% increase in Medicare inpatient payments	$ 1,350,000	Public health emergency extended through April 20, 2021
6.2% increase in FMAP - IGT matching	$ 1,200,000	Extended through the 1st quarter in which emergency ends
10% increase in Medi-Cal rates in SNF payments	$ 997,000	Calendar year 2020
5% increase Blue Shield rates for certain procedures	$ 12,000	4 Month Estimate
Uninsured COVID Patients – Medicare Rates	**$ 1,025,102**	**Payments to date - $385K add'l since last month**
Department of Defense	$ 250,000	In kind clinical support staff
2% sequestration	$ 2,100,000	Calendar year 2020 – extended through March 31, 2021
Unemployment benefit costs ½ covered	$ 1,057,000	4 quarters – extended through Mar 14th 2021
5 County agreements – Lab testing, PPE, Pharmaceuticals, vaccination	$ 5,383,573	$8,578,800 max , the County will cover related costs as we submit invoices
COVID Payer Grants	$ 3,065,000	October deposit
Repayment period of Medicare Advanced Payments extended - Initial funding $46.6M (4/7/2020)	Balance must be repaid in full 29 months from the first payment.	Medicare payments will be reduced by 25% for the first 11 months and 50% during the next 6 months.
Additional payments received from **Medicare Advanced Payments** Program - $40.2M (10/28/20) Total to date $86.8M	**($7.1M) recouped in April-June 2021.**	10/28/20 We received $40,173,945 additional funds to be repaid in 1 year
Social Security Tax Deferral – $13.5M		Repayment of 50% due 12/31/21 and 50% 12/31/22
DSH cuts were delayed through FFY2023 - $5,200,000 in FY2021		DSH cuts were delayed through FFY2023
Impact to Bottom Line	**$ 16,439,675**	

Financial Analysis - COVID-19 Inpatients

January 2020 - June 2021 Discharged COVID Inpatients

Payer Group	Patient Volume	% of Total Visits	ALOS	GMLOS	Est. Net Revenue	Direct Cost	Contribution Margin	Net Income
Medicare	1335	51%	10.4	5.7	$30,144,473	$29,665,316	$479,156	($8,533,940)
Medi-Cal Managed Care	530	20%	9.3	5.6	$12,584,763	$11,603,423	$981,341	($2,496,768)
Commercial/Other	486	18%	9.7	5.9	$16,247,273	$11,108,211	$5,139,062	$1,820,292
Medi-Cal	240	9%	11.6	5.5	$3,842,958	$5,320,833	($1,477,874)	($3,112,908)
Work Comp	23	1%	11.6	7.2	$662,730	$780,673	($117,943)	($340,463)
Cash Pay	14	1%	4.6	4.8	$8,082	$130,003	($121,921)	($163,391)
Tulare County	1	0%	7.0	4.9	$9,219	$6,660	$2,558	$241
Grand Total	**2,629**	**100%**	**10.1**	**5.7**	**$63,499,499**	**$58,615,119**	**$4,884,379**	**($12,826,936)**
			Typical Contribution Margin on 2,629 Inpatient visits				**$6,622,451**	
			LOS GAP	**4.4**		**Difference**	**($1,738,072)**	

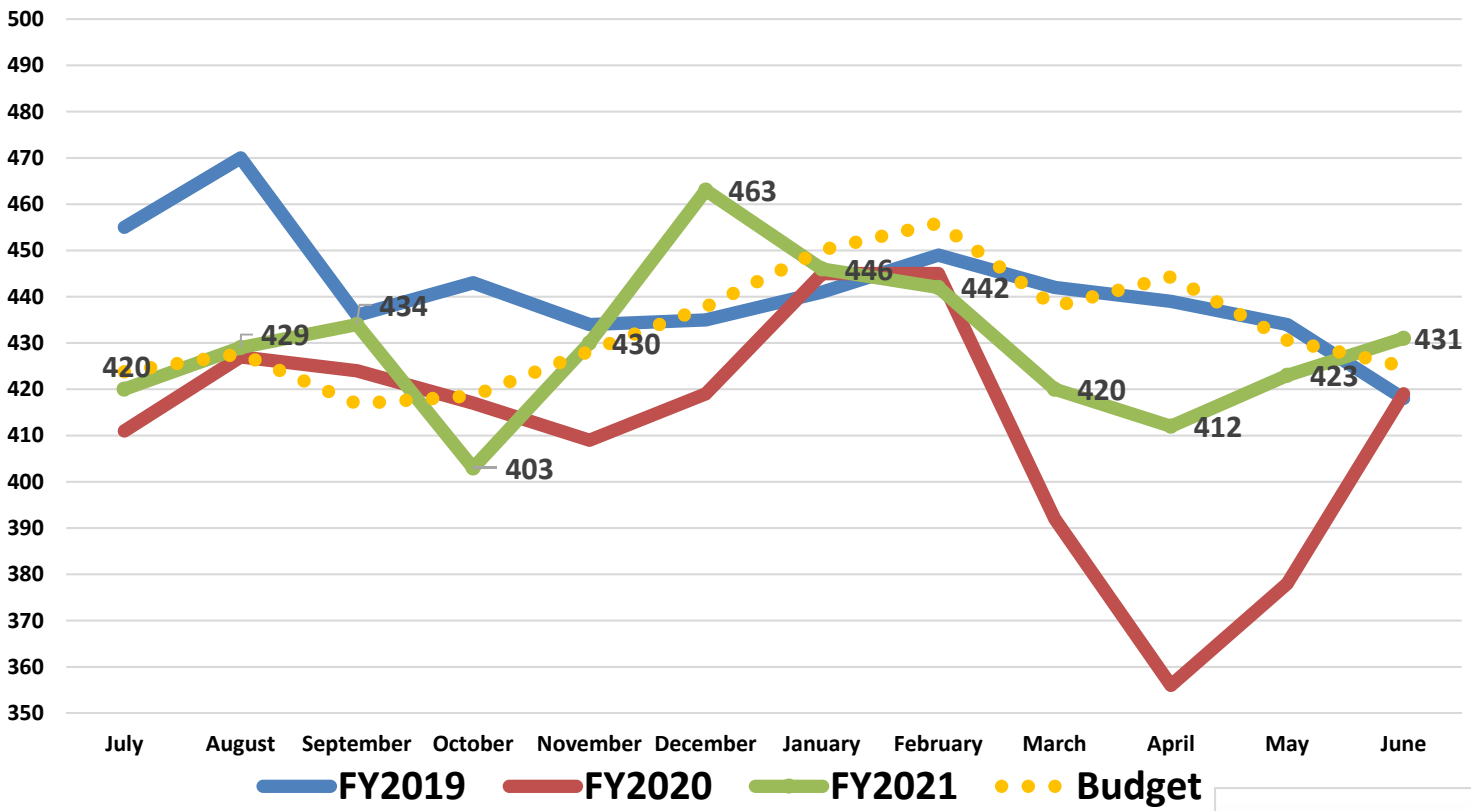
COVID IMPACT (000's)

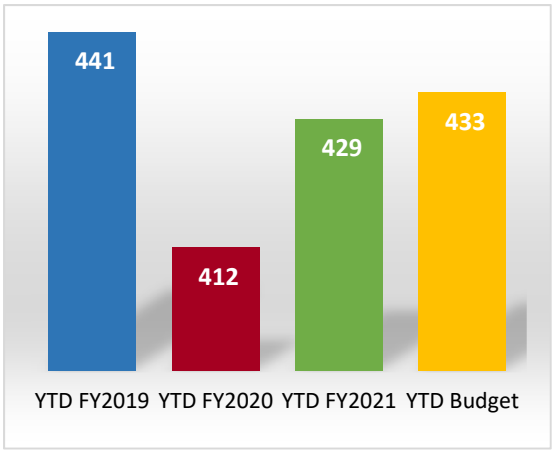
	March 2020 - June 2021
Operating Revenue	
Net Patient Service Revenue	**$753,565**
Supplemental Gov't Programs	71,993
Prime Program	18,687
Premium Revenue	76,058
Management Services Revenue	45,352
Other Revenue	28,367
Other Operating Revenue	240,457
Total Operating Revenue	**994,023**
Operating Expenses	
Salaries & Wages	428,292
Contract Labor	11,879
Employee Benefits	77,734
Total Employment Expenses	**517,904**
Medical & Other Supplies	169,663
Physician Fees	128,453
Purchased Services	25,597
Repairs & Maintenance	34,793
Utilities	8,842
Rents & Leases	8,306
Depreciation & Amortization	41,132
Interest Expense	9,036
Other Expense	27,413
Humana Cap Plan Expenses	43,041
Management Services Expense	45,466
Total Other Expenses	**541,742**
Total Operating Expenses	**1,059,646**
Operating Margin	**($65,624)**
Stimulus Funds	$47,427
Operating Margin after Stimulus	**($18,197)**
Nonoperating Revenue (Loss)	14,435
Excess Margin	**($3,762)**

YTD Financial Comparison (000's) – adjusted for COVID

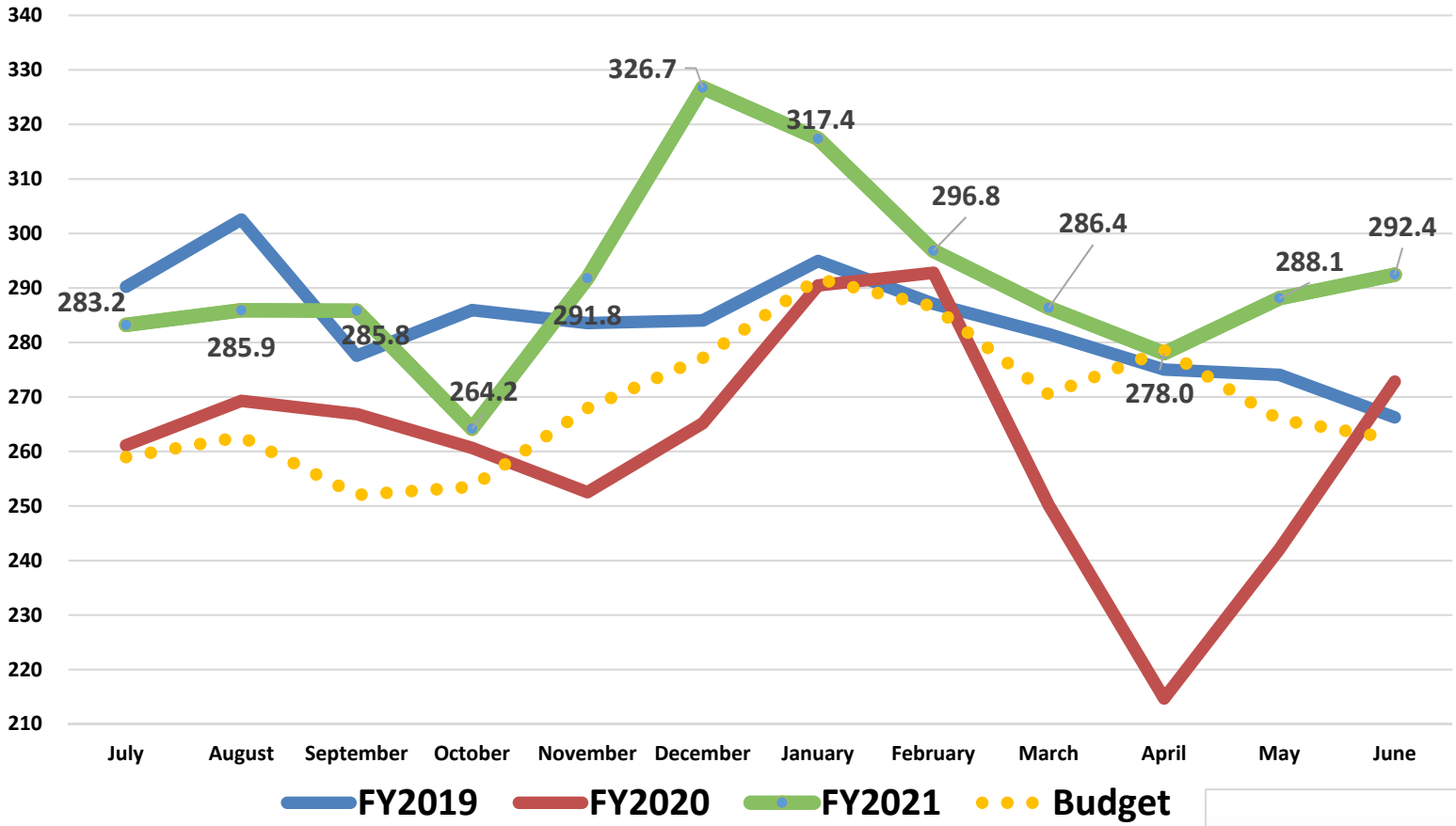
	Actual Results FYTD Jul-June			Budget FYTD	Budget Variance	FYTD
	with COVID	COVID	w/out COVID	FYTD2021	Change	% Change
Operating Expenses						
Salaries & Wages	324,151	(5,722)	318,429	319,187	(758)	(0.2%)
Contract Labor	9,778	(10)	9,768	6,733	3,035	45.1%
Employee Benefits	55,075		55,075	66,763	(11,688)	(17.5%)
Total Employment Expenses	**389,004**	**(5,732)**	**383,272**	**392,683**	**(9,411)**	**(2.4%)**
Medical & Other Supplies	129,595	(9,493)	120,102	122,838	(2,736)	(2.2%)
Physician Fees	96,624	(20)	96,604	89,707	6,897	7.7%
Purchased Services	18,827	(1,092)	17,735	17,555	180	1.0%
Repairs & Maintenance	26,222	(281)	25,941	27,492	(1,551)	(5.6%)
Utilities	6,966		6,966	6,434	532	8.3%
Rents & Leases	6,188	(18)	6,170	6,540	(371)	(5.7%)
Depreciation & Amortization	30,333		30,333	32,173	(1,840)	(5.7%)
Interest Expense	6,769		6,769	6,861	(92)	(1.3%)
Other Expense	20,325	(54)	20,271	13,529	6,742	49.8%
Humana Cap Plan Expenses	34,758		34,758	24,089	10,669	44.3%
Management Services Expense	34,427		34,427	31,985	2,442	7.6%
Total Other Expenses	**411,036**	**(10,958)**	**400,077**	**379,204**	**20,873**	**5.5%**
Total Operating Expenses	**800,040**	**(16,690)**	**783,350**	**771,887**	**11,463**	**1.5%**

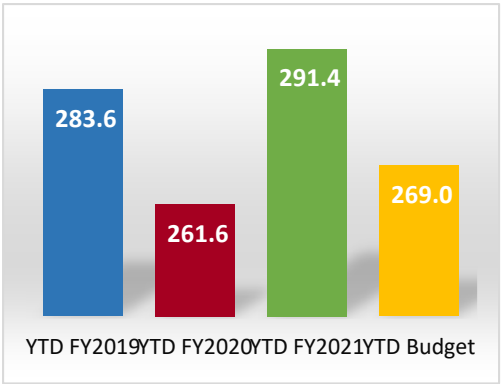
Average Daily Census



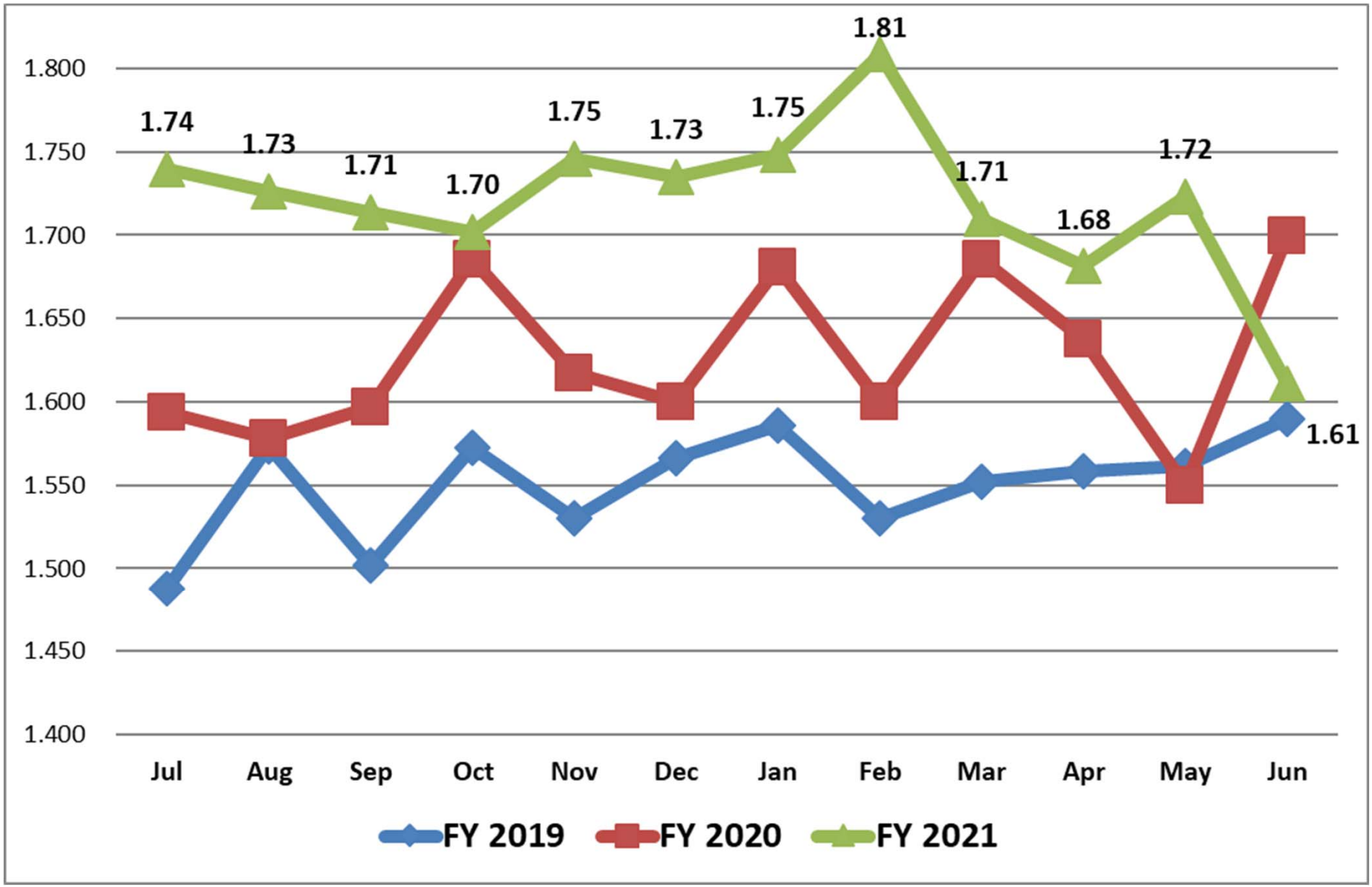


Medical Center – Average Daily Census

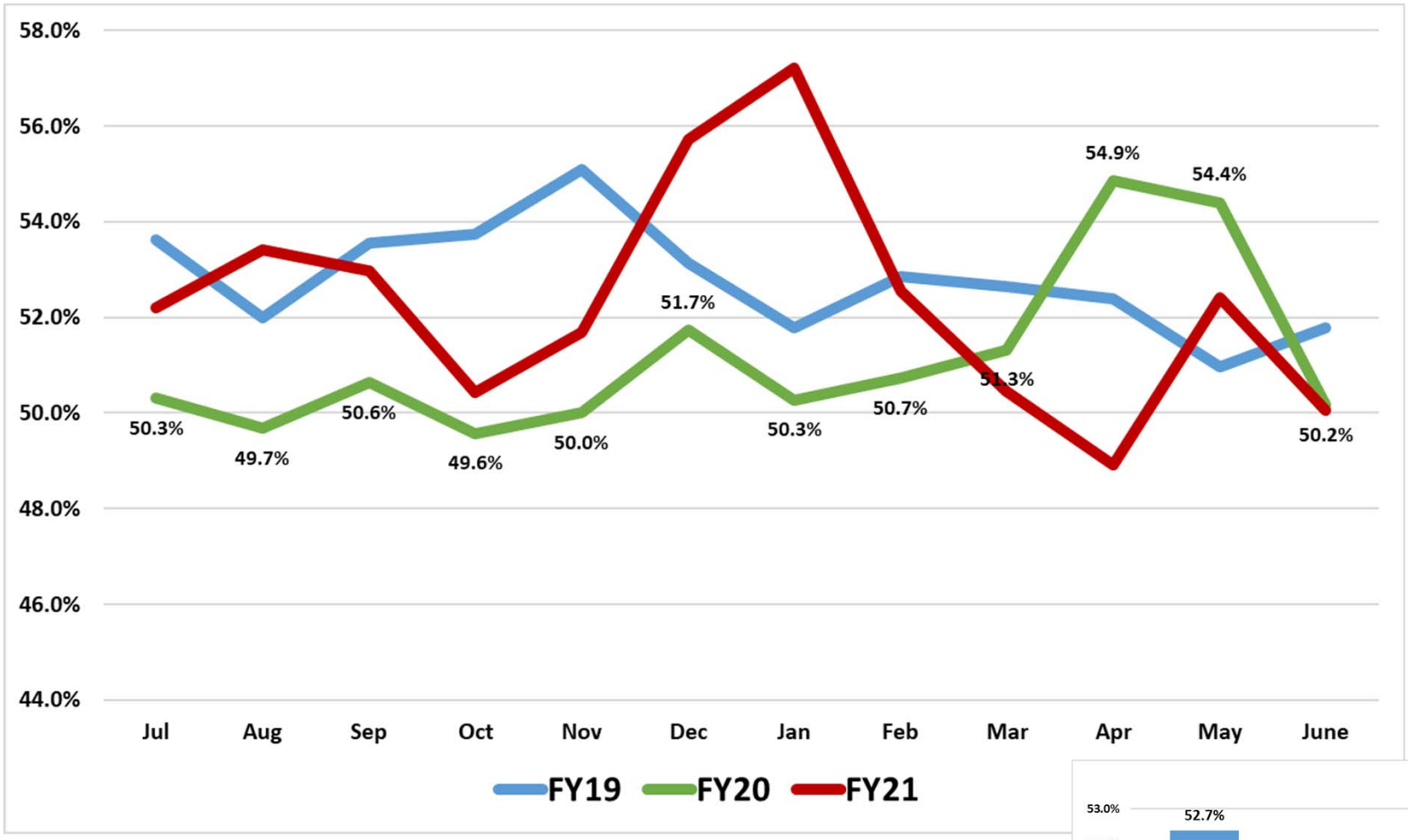


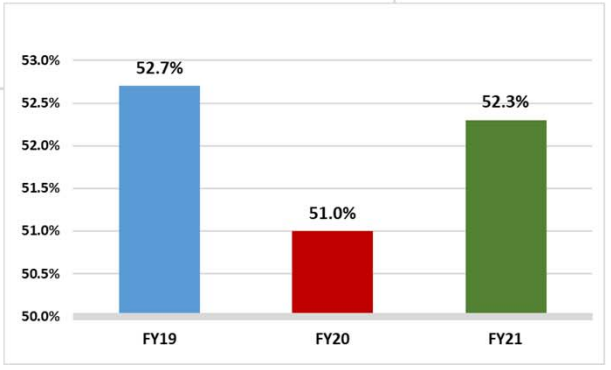


Case Mix Index

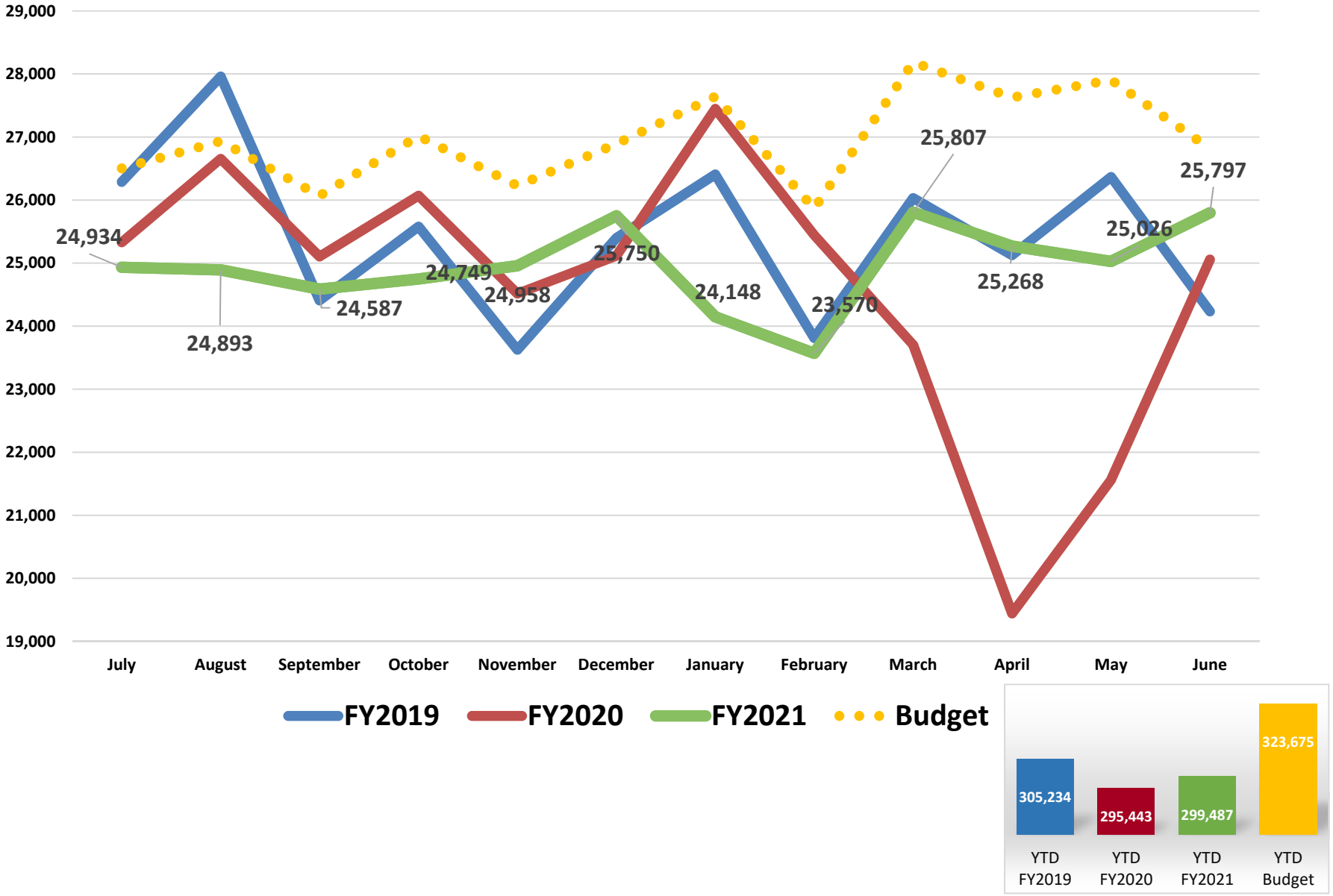


% of Inpatient Charges to Total Charges

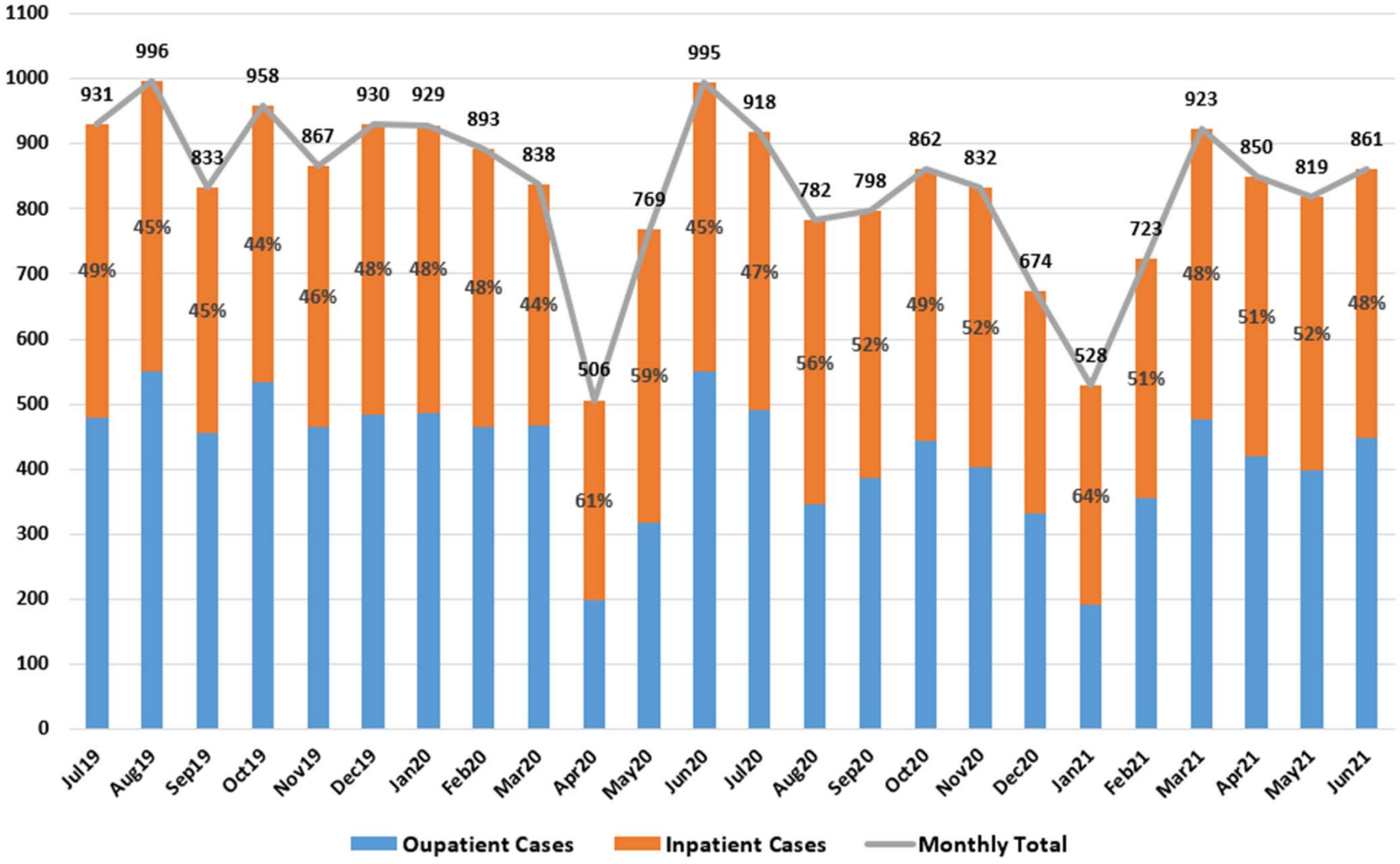




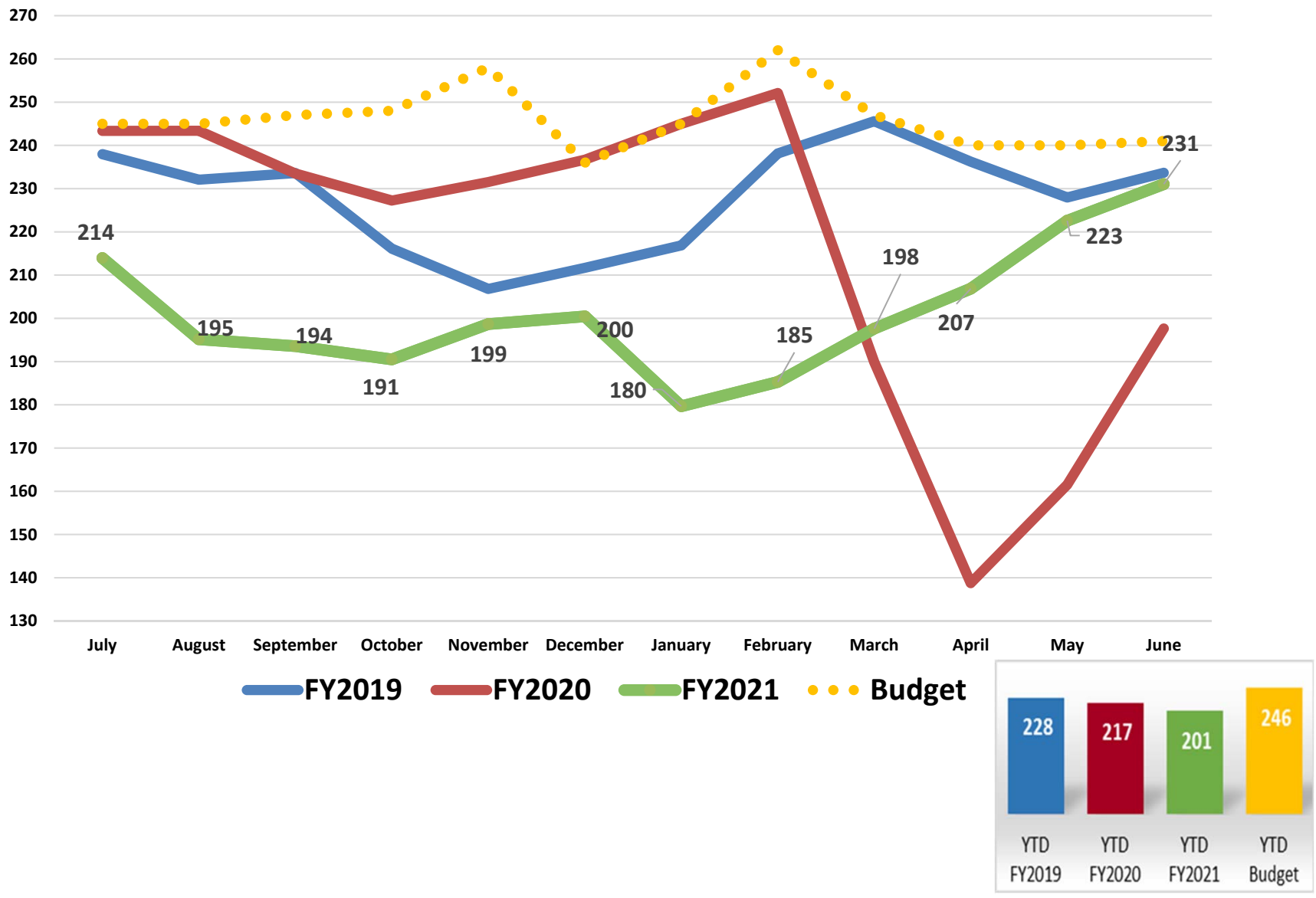
Adjusted Patient Days



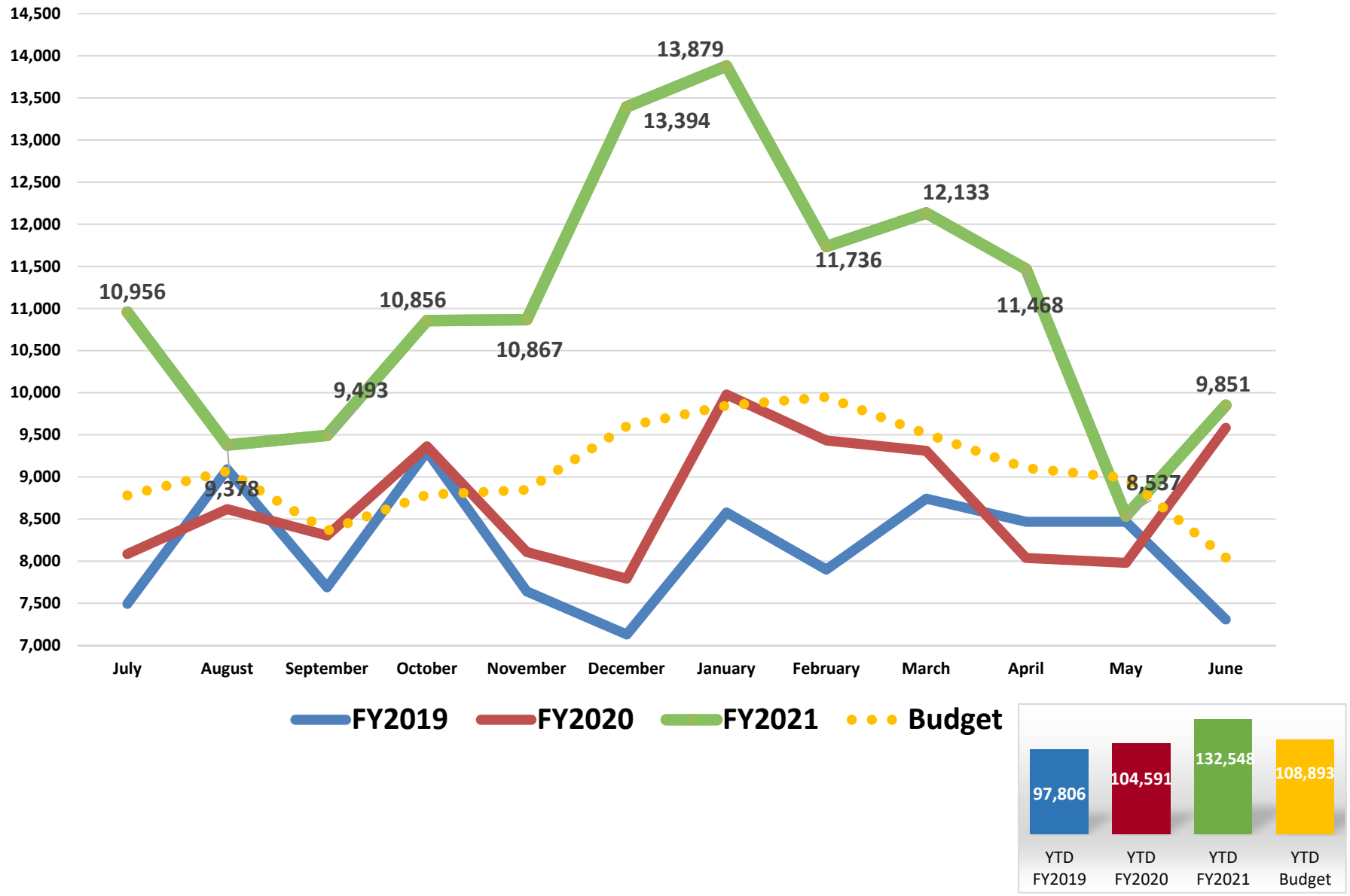
Surgery Volume



Emergency Department – Average # Treated Per Day



Rural Health Clinic Registrations



Statistical Results – Fiscal Year Comparison (June)

	Actual Results			Budget	Budget Variance	
	June 2020	June 2021	% Change	June 2021	Change	% Change
Average Daily Census	**419**	**431**	**2.7%**	**425**	**6**	**1.3%**
KDHCD Patient Days:						
Medical Center	8,185	8,773	7.2%	7,869	904	11.5%
Acute I/P Psych	1,400	1,016	(27.4%)	1,399	(383)	(27.4%)
Sub-Acute	867	813	(6.2%)	930	(117)	(12.6%)
Rehab	391	619	58.3%	509	110	21.6%
TCS-Ortho	293	375	28.0%	645	(270)	(41.9%)
TCS	477	434	(9.0%)	352	82	23.3%
NICU	455	389	(14.5%)	511	(122)	(23.9%)
Nursery	503	497	(1.2%)	533	(36)	(6.8%)
Total KDHCD Patient Days	**12,571**	**12,916**	**2.7%**	**12,748**	**168**	**1.3%**
Total Outpatient Volume	**42,630**	**42,990**	**0.8%**	**39,336**	**3,654**	**9.3%**

Statistical Results – Fiscal Year Comparison (Jul-Jun)

	Actual Results			Budget	Budget Variance	
	FYTD 2020	FYTD 2021	% Change	FYTD 2021	Change	% Change
Average Daily Census	**412**	**429**	**4.2%**	**433**	**(4)**	**(0.8%)**
KDHCD Patient Days:						
Medical Center	95,705	106,660	11.4%	98,141	8,519	8.7%
Acute I/P Psych	16,997	14,187	(16.5%)	17,092	(2,905)	(17.0%)
Sub-Acute	10,844	10,679	(1.5%)	11,289	(610)	(5.4%)
Rehab	5,914	5,509	(6.8%)	6,624	(1,115)	(16.8%)
TCS-Ortho	4,721	4,344	(8.0%)	7,300	(2,956)	(40.5%)
TCS	5,597	4,913	(12.2%)	6,031	(1,118)	(18.5%)
NICU	4,860	4,737	(2.5%)	5,030	(293)	(5.8%)
Nursery	6,072	5,645	(7.0%)	6,509	(864)	(13.3%)
Total KDHCD Patient Days	**150,710**	**156,674**	**4.0%**	**158,016**	**(1,342)**	**(0.8%)**
Total Outpatient Volume	**457,643**	**516,186**	**12.8%**	**478,588**	**37,598**	**7.9%**

Other Statistical Results – Fiscal Year Comparison (June)

	Actual Results				Budget	Budget Variance	
	Jun 2020	Jun 2021	Change	% Change	Jun 2021	Change	% Change
Adjusted Patient Days	**25,057**	**25,797**	**740**	**3.0%**	**26,821**	**(1,024)**	**(3.8%)**
Outpatient Visits	**42,630**	**42,990**	**360**	**0.8%**	**39,336**	**3,654**	**9.3%**
Urgent Care - Demaree	1,063	2,671	1,608	**151.3%**	2,002	669	**33.4%**
Urgent Care - Court	2,756	4,359	1,603	**58.2%**	3,370	989	**29.3%**
KDMF RVU	26,990	34,475	7,485	**27.7%**	34,656	(181)	**(0.5%)**
Cath Lab Minutes (IP & OP)	329	407	78	**23.7%**	394	13	**3.3%**
Radiology/CT/US/MRI Proc (I/P & O/P)	14,338	17,143	2,805	**19.6%**	15,075	2,068	**13.7%**
ED Total Registered	5,958	7,067	1,109	**18.6%**	7,327	(260)	**(3.5%)**
Physical & Other Therapy Units	16,541	19,123	2,582	**15.6%**	18,740	383	**2.0%**
O/P Rehab Units	19,000	20,832	1,832	**9.6%**	20,595	237	**1.2%**
Hospice Days	3,742	4,084	342	**9.1%**	4,114	(30)	**(0.7%)**
Endoscopy Procedures (I/P & O/P)	533	564	31	**5.8%**	702	(138)	**(19.7%)**
Infusion Center	413	437	24	**5.8%**	455	(18)	**(4.0%)**
RHC Registrations	9,583	10,038	455	**4.7%**	8,043	1,995	**24.8%**
GME Clinic visits	1,273	1,298	25	**2.0%**	1,585	(287)	**(18.1%)**
OB Deliveries	366	350	(16)	**(4.4%)**	405	(55)	**(13.6%)**
Surgery Minutes-General & Robotic (I/P & O/P)	1,172	1,120	(52)	**(4.4%)**	1,015	105	**10.3%**
Home Health Visits	2,988	2,841	(147)	**(4.9%)**	2,623	218	**8.3%**
Dialysis Treatments	1,647	1,558	(89)	**(5.4%)**	1,901	(343)	**(18.0%)**
Radiation Oncology Treatments (I/P & O/P)	2,425	2,199	(226)	**(9.3%)**	2,308	(109)	**(4.7%)**

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

	Actual Results				Budget	Budget Variance	
	FY 2020	FY 2021	Change	% Change	FY 2021	Change	% Change
Adjusted Patient Days	**295,371**	**299,648**	**4,277**	**1.4%**	**323,675**	**(24,027)**	**(7.4%)**
Outpatient Visits	**457,643**	**516,186**	**58,543**	**12.8%**	**478,588**	**37,598**	**7.9%**
RHC Registrations	104,591	132,735	28,144	**26.9%**	108,893	23,842	**21.9%**
Urgent Care - Court	40,232	50,735	10,503	**26.1%**	47,323	3,412	**7.2%**
Hospice Days	42,821	50,808	7,987	**18.7%**	46,166	4,642	**10.1%**
GME Clinic visits	12,461	13,752	1,291	**10.4%**	16,171	(2,419)	**(15.0%)**
KDMF RVU	377,471	410,549	33,078	**8.8%**	440,250	(29,701)	**(6.7%)**
Home Health Visits	33,110	35,402	2,292	**6.9%**	32,636	2,766	**8.5%**
Radiology/CT/US/MRI Proc (I/P & O/P)	173,070	183,510	10,440	**6.0%**	187,808	(4,298)	**(2.3%)**
O/P Rehab Units	220,759	230,621	9,862	**4.5%**	241,503	(10,882)	**(4.5%)**
Urgent Care - Demaree	23,547	23,912	365	**1.6%**	28,600	(4,688)	**(16.4%)**
Physical & Other Therapy Units	210,234	210,717	483	**0.2%**	230,810	(20,093)	**(8.7%)**
Surgery Minutes-General & Robotic (I/P & O/P)	12,203	12,163	(40)	**(0.3%)**	14,429	(2,266)	**(15.7%)**
OB Deliveries	4,477	4,312	(165)	**(3.7%)**	4,723	(411)	**(8.7%)**
Cath Lab Minutes (IP & OP)	4,270	4,094	(176)	**(4.1%)**	4,723	(629)	**(13.3%)**
Radiation Oncology Treatments (I/P & O/P)	26,727	25,547	(1,180)	**(4.4%)**	26,489	(942)	**(3.6%)**
ED Total Registered	80,321	74,208	(6,113)	**(7.6%)**	91,112	(16,904)	**(18.6%)**
Dialysis Treatments	21,785	19,696	(2,089)	**(9.6%)**	22,259	(2,563)	**(11.5%)**
Endoscopy Procedures (I/P & O/P)	6,568	5,822	(746)	**(11.4%)**	7,743	(1,921)	**(24.8%)**
Infusion Center	5,221	4,098	(1,123)	**(21.5%)**	6,041	(1,943)	**(32.2%)**

Trended Financial Comparison (000's)

	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Adjusted Patient Days	*25,057*	*24,934*	*24,893*	*24,587*	*24,749*	*24,958*	*25,750*	*24,148*	*23,570*	*25,807*	*25,268*	*25,026*	*25,797*
Operating Revenue													
Net Patient Service Revenue	**$35,360**	**$47,402**	**$48,393**	**$48,769**	**$51,454**	**$50,994**	**$50,409**	**$49,949**	**$44,505**	**$56,144**	**$52,593**	**$50,531**	**$46,962**
Supplemental Gov't Programs	5,406	3,979	3,979	3,979	3,980	3,979	3,979	4,822	5,279	5,279	4,990	4,990	2,363
Prime Program	6,908	429	429	429	429	429	429	713	358	715	4,872	715	721
Premium Revenue	5,911	4,239	4,561	4,351	4,408	4,271	4,318	4,690	5,027	4,894	4,710	5,036	6,584
Management Services Revenue	2,954	2,834	2,684	3,072	2,396	2,569	2,583	2,867	2,430	3,303	3,301	2,877	3,251
Other Revenue	826	2,127	1,686	1,716	1,871	1,471	2,008	1,022	1,425	2,915	1,810	2,074	2,172
Other Operating Revenue	22,005	13,608	13,339	13,548	13,083	12,719	13,317	14,115	14,519	17,106	19,684	15,692	15,091
Total Operating Revenue	**57,365**	**61,009**	**61,732**	**62,317**	**64,537**	**63,713**	**63,726**	**64,064**	**59,024**	**73,250**	**72,277**	**66,223**	**62,054**
Operating Expenses													
Salaries & Wages	26,208	26,540	26,671	26,449	27,583	25,984	28,026	28,111	25,134	28,879	26,741	27,786	26,249
Contract Labor	426	576	372	336	488	242	303	226	1,404	887	1,694	1,169	2,080
Employee Benefits	2,109	5,098	5,160	6,053	5,314	4,998	5,969	5,671	5,027	5,739	8,650	5,087	(7,691)
Total Employment Expenses	**28,743**	**32,213**	**32,203**	**32,837**	**33,385**	**31,225**	**34,298**	**34,008**	**31,565**	**35,505**	**37,084**	**34,042**	**20,638**
Medical & Other Supplies	13,315	10,036	10,720	11,619	10,713	10,999	11,492	12,014	9,685	10,923	11,011	10,170	10,213
Physician Fees	8,486	7,807	8,699	6,871	7,746	8,079	8,024	8,421	8,484	8,278	8,320	7,754	8,141
Purchased Services	3,093	1,239	1,518	988	1,685	1,592	1,628	1,935	1,507	1,538	1,520	1,383	2,293
Repairs & Maintenance	2,544	2,283	2,022	1,965	2,166	2,091	2,146	2,192	2,115	2,019	2,544	2,282	2,397
Utilities	586	506	606	646	644	491	439	537	467	523	630	729	749
Rents & Leases	483	503	516	517	529	543	504	546	519	487	535	489	500
Depreciation & Amortization	3,072	2,561	2,582	2,518	2,509	2,473	2,458	2,451	2,423	2,412	2,413	2,923	2,612
Interest Expense	779	555	555	557	556	555	555	555	555	555	555	555	665
Other Expense	2,046	1,478	1,347	1,266	1,747	1,863	1,610	1,808	1,280	2,762	1,840	1,537	1,786
Humana Cap Plan Expenses	1,912	1,562	3,040	3,137	2,750	2,677	2,935	2,217	2,707	3,164	3,771	3,780	3,018
Management Services Expense	2,732	2,815	2,559	3,050	2,447	2,553	2,876	2,860	2,256	3,531	3,088	2,892	3,501
Total Other Expenses	**39,048**	**31,346**	**34,163**	**33,133**	**33,491**	**33,915**	**34,668**	**35,536**	**31,998**	**36,191**	**36,227**	**34,493**	**35,876**
Total Operating Expenses	**67,791**	**63,559**	**66,366**	**65,971**	**66,876**	**65,140**	**68,965**	**69,544**	**63,562**	**71,696**	**73,310**	**68,535**	**56,514**
Operating Margin	**($10,426)**	**($2,550)**	**($4,634)**	**($3,654)**	**($2,339)**	**($1,427)**	**($5,240)**	**($5,480)**	**($4,538)**	**$1,554**	**($1,033)**	**($2,312)**	**$5,539**
Stimulus Funds	$4,817	$3,633	$3,745	$3,633	$4,538	$1,724	$0	$5,758	$3,460	$3,449	$920	$1,076	$525
Operating Margin after Stimulus	**($5,609)**	**$1,083**	**($889)**	**($21)**	**$2,199**	**$297**	**($5,240)**	**$278**	**($1,078)**	**$5,003**	**($113)**	**($1,236)**	**$6,064**
Nonoperating Revenue (Loss)	4,412	909	699	(495)	638	1,083	1,963	605	513	(1,182)	1,725	753	44
Excess Margin	**($1,197)**	**$1,993**	**($191)**	**($515)**	**$2,837**	**$1,380**	**($3,276)**	**$883**	**($565)**	**$3,821**	**$1,612**	**($483)**	**$6,108**

FY21 Financial Comparison between Projection and Actual (000's)

	Projections and Actual Results FY21 Jul-June		Variance FY21	
	Proj. FY21	Actual FY21	Change	% Change
Operating Revenue				
Net Patient Service Revenue	**$600,043**	**$598,105**	**($1,938)**	**(0.3%)**
Other Operating Revenue	176,249	175,821	(428)	(0.2%)
Total Operating Revenue	**776,292**	**773,926**	**(2,366)**	**(0.3%)**
Operating Expenses				
Employment Expense	389,382	389,004	(378)	(0.1%)
Other Operating Expense	409,203	411,036	1,833	0.4%
Total Operating Expenses	**798,585**	**800,040**	**1,455**	**0.2%**
Operating Margin	**($22,293)**	**($26,114)**	**($3,821)**	
Stimulus Funds	31,938	32,461	523	
Operating Margin after Stimulus	**$9,645**	**$6,347**	**($3,298)**	
Nonoperating Revenue (Loss)	6,422	7,256	834	
Excess Margin	**$16,067**	**$13,603**	**($2,464)**	

Operating Margin %	**(2.9%)**	**(3.4%)**
OM after Stimulus%	**1.2%**	**0.8%**
Excess Margin %	**2.0%**	**1.7%**
Operating Cash Flow Margin %	**1.8%**	**1.4%**

June Financial Comparison (000's)

	Actual Results		Budget	Budget Variance	
	June 2020	June 2021	June 2021	Change	% Change
Operating Revenue					
Net Patient Service Revenue	**$35,360**	**$46,962**	**$48,965**	**($2,002)**	**(4.1%)**
Other Operating Revenue	22,005	15,091	13,788	1,303	9.5%
Total Operating Revenue	**57,365**	**62,054**	**62,753**	**(699)**	**(1.6%)**
Operating Expenses					
Employment Expense	28,744	20,638	32,150	(11,511)	(35.8%)
Other Operating Expense	39,048	35,876	31,216	4,660	14.9%
Total Operating Expenses	**67,791**	**56,514**	**63,366**	**(6,852)**	**(10.8%)**
Operating Margin	**($10,427)**	**$5,539**	**($613)**	**$6,152**	**1004%**
Stimulus Funds	4,817	525	0	525	100%
Operating Margin after Stimulus	**($5,610)**	**$6,064**	**($613)**	**$6,677**	**1089%**
Non Operating Revenue (Loss)	4,412	44	630	(586)	(93.1%)
Excess Margin	**($1,198)**	**$6,108**	**$17**	**$6,092**	**36761%**

Operating Margin %	**(18.2%)**	**8.9%**	**(1.0%)**
OM after Stimulus%	**(9.8%)**	**9.8%**	**(1.0%)**
Excess Margin %	**(1.8%)**	**9.8%**	**0.0%**
Operating Cash Flow Margin %	**(11.5%)**	**14.2%**	**4.3%**

YTD (Jul-June) Financial Comparison (000's)

	Actual Results FYTD Jul-June		Budget FYTD	Budget Variance	FYTD
	FYTD2020	FYTD2021	FYTD2021	Change	% Change
Operating Revenue					
Net Patient Service Revenue	**$557,860**	**$598,105**	**$608,722**	**($10,617)**	**(1.7%)**
Other Operating Revenue	182,718	175,821	163,234	12,588	7.7%
Total Operating Revenue	**740,578**	**773,926**	**771,956**	**1,970**	**0.3%**
Operating Expenses					
Employment Expense	392,520	389,004	392,683	(3,679)	(0.9%)
Other Operating Expense	382,834	411,036	379,204	31,832	8.4%
Total Operating Expenses	**775,353**	**800,040**	**771,887**	**28,153**	**3.6%**
Operating Margin	**($34,775)**	**($26,114)**	**$69**	**($26,183)**	**(38004%)**
Stimulus Funds	10,149	32,461	0	32,461	100.0%
Operating Margin after Stimulus	**($24,626)**	**$6,347**	**$69**	**$6,278**	**9113%**
Nonoperating Revenue (Loss)	16,975	7,256	7,632	(377)	(4.9%)
Excess Margin	**($7,651)**	**$13,603**	**$7,701**	**$5,902**	**76.6%**

Operating Margin %	**(4.7%)**	**(3.4%)**	**0.0%**
OM after Stimulus%	**(3.3%)**	**0.8%**	**0.0%**
Excess Margin %	**(1.0%)**	**1.7%**	**1.0%**
Operating Cash Flow Margin %	**0.2%**	**1.4%**	**5.1%**

June Financial Comparison (000's)

	Actual Results			Budget	Budget Variance	
	Jun 2020	Jun 2021	% Change	Jun 2021	Change	% Change
Operating Revenue						
Net Patient Service Revenue	**$35,360**	**$46,962**	**32.8%**	**$48,965**	**($2,002)**	**(4.1%)**
Supplemental Gov't Programs	5,406	2,363	(56.3%)	4,111	(1,749)	(42.5%)
Prime Program	6,908	721	(89.6%)	429	293	68.2%
Premium Revenue	5,911	6,584	11.4%	4,538	2,047	45.1%
Management Services Revenue	2,954	3,251	10.1%	2,634	617	23.4%
Other Revenue	826	2,172	163%	2,077	95	4.6%
Other Operating Revenue	22,005	15,091	**(31.4%)**	13,788	1,303	9.5%
Total Operating Revenue	**57,365**	**62,054**	**8.2%**	**62,753**	**(699)**	**(1.1%)**
Operating Expenses						
Salaries & Wages	26,208	26,249	0.2%	26,129	119	0.5%
Contract Labor	426	2,080	388%	533	1,548	291%
Employee Benefits	2,109	(7,691)	(465%)	5,488	(13,178)	(240%)
Total Employment Expenses	**28,744**	**20,638**	**(28.2%)**	**32,150**	**(11,511)**	**(35.8%)**
Medical & Other Supplies	13,315	10,213	(23.3%)	9,829	385	3.9%
Physician Fees	8,486	8,141	(4.1%)	7,384	757	10.3%
Purchased Services	3,093	2,293	(25.9%)	1,445	848	58.7%
Repairs & Maintenance	2,544	2,397	(5.8%)	2,287	111	4.8%
Utilities	586	749	27.9%	588	161	27.4%
Rents & Leases	483	500	3.5%	546	(47)	(8.5%)
Depreciation & Amortization	3,072	2,612	(15.0%)	2,722	(110)	(4.0%)
Interest Expense	779	665	(14.7%)	572	93	16.2%
Other Expense	2,046	1,786	(12.7%)	1,113	673	60.5%
Humana Cap Plan Expenses	1,912	3,018	57.8%	2,130	888	41.7%
Management Services Expense	2,732	3,501	28.1%	2,600	901	34.7%
Total Other Expenses	**39,048**	**35,876**	**(8.1%)**	**31,216**	**4,660**	**14.9%**
Total Operating Expenses	**67,791**	**56,514**	**(16.6%)**	**63,366**	**(6,852)**	**(10.8%)**
Operating Margin	**($10,427)**	**$5,539**	**153%**	**($613)**	**$6,152**	**1004%**
Stimulus Funds	4,817	525	89.1%	0	525	100%
Operating Margin after Stimulus	**($5,610)**	**$6,064**	**208%**	**($613)**	**$6,677**	**1089%**
Nonoperating Revenue (Loss)	4,412	44	(99.0%)	630	(586)	(93.1%)
Excess Margin	**($1,198)**	**$6,108**	**610%**	**$17**	**$6,092**	**36761%**

Operating Margin %	**(18.2%)**	**8.9%**		**(1.0%)**
OM after Stimulus%	**(9.8%)**	**9.8%**		**(1.0%)**
Excess Margin %	**(1.8%)**	**9.8%**		**0.0%**
Operating Cash Flow Margin %	**(11.5%)**	**14.2%**		**4.3%**

YTD Financial Comparison (000's)

	Actual Results FYTD Jul-June			Budget FYTD	Budget Variance	FYTD
	FYTD2020	FYTD2021	% Change	FYTD2021	Change	% Change
Operating Revenue						
Net Patient Service Revenue	**$557,860**	**$598,105**	**7.2%**	**$608,722**	**($10,617)**	**(1.7%)**
Supplemental Gov't Programs	61,392	51,598	(16.0%)	49,334	2,264	4.6%
Prime Program	16,196	10,668	(34.1%)	5,146	5,522	107%
Premium Revenue	50,903	57,089	12.2%	51,312	5,777	11.3%
Management Services Revenue	32,805	34,167	4.2%	32,398	1,769	5.5%
Other Revenue	21,422	22,299	4.1%	25,043	(2,745)	(11.0%)
Other Operating Revenue	182,718	175,821	**(3.8%)**	163,234	12,588	7.7%
Total Operating Revenue	**740,578**	**773,926**	**4.5%**	**771,956**	**1,970**	**0.3%**
Operating Expenses						
Salaries & Wages	308,594	324,151	5.0%	319,187	4,964	1.6%
Contract Labor	9,767	9,778	0.1%	6,733	3,045	45.2%
Employee Benefits	74,158	55,075	(25.7%)	66,763	(11,688)	(17.5%)
Total Employment Expenses	**392,520**	**389,004**	**(0.9%)**	**392,683**	**(3,679)**	**(0.9%)**
Medical & Other Supplies	119,490	129,595	8.5%	122,838	6,757	5.5%
Physician Fees	92,595	96,624	4.4%	89,707	6,917	7.7%
Purchased Services	20,096	18,827	(6.3%)	17,555	1,272	7.2%
Repairs & Maintenance	25,488	26,222	2.9%	27,492	(1,270)	(4.6%)
Utilities	6,001	6,966	16.1%	6,434	532	8.3%
Rents & Leases	6,373	6,188	(2.9%)	6,540	(353)	(5.4%)
Depreciation & Amortization	30,678	30,333	(1.1%)	32,173	(1,840)	(5.7%)
Interest Expense	5,886	6,769	15.0%	6,861	(92)	(1.3%)
Other Expense	20,422	20,325	(0.5%)	13,529	6,796	50.2%
Humana Cap Plan Expenses	23,441	34,758	48.3%	24,089	10,669	44.3%
Management Services Expense	32,363	34,427	6.4%	31,985	2,442	7.6%
Total Other Expenses	**382,834**	**411,036**	**7.4%**	**379,204**	**31,832**	**8.4%**
Total Operating Expenses	**775,353**	**800,040**	**3.2%**	**771,887**	**28,153**	**3.6%**
Operating Margin	**($34,775)**	**($26,114)**	**24.9%**	**$69**	**($26,183)**	**(38004%)**
Stimulus Funds	10,149	32,461	220%	0	32,461	100%
Operating Margin after Stimulus	**($24,626)**	**$6,347**	**126%**	**$69**	**$6,278**	**9113%**
Nonoperating Revenue (Loss)	16,975	7,256	(57.3%)	7,632	(377)	(4.9%)
Excess Margin	**($7,651)**	**$13,603**	**278%**	**$7,701**	**$5,902**	**76.6%**

Operating Margin %	**(4.7%)**	**(3.4%)**		**0.0%**
OM after Stimulus%	**(3.3%)**	**0.8%**		**0.0%**
Excess Margin %	**(1.0%)**	**1.7%**		**1.0%**
Operating Cash Flow Margin %	**0.2%**	**1.4%**		**5.1%**

Kaweah Health Medical Group
Fiscal Year Financial Comparison (000's)

	Actual Results FYTD July - June			Budget FYTD	Budget Variance	FYTD
	Jun 2020	Jun 2021	% Change	Jun 2021	Change	% Change
Operating Revenue						
Net Patient Service Revenue	**$42,475**	**$47,343**	**11.5%**	**$49,897**	**($2,554)**	**(5.1%)**
Other Operating Revenue	1,210	387	**(68.0%)**	780	(393)	(50.4%)
Total Operating Revenue	**43,684**	**47,730**	**9.3%**	**50,677**	**(2,947)**	**(5.8%)**
Operating Expenses						
Salaries & Wages	11,419	11,481	0.5%	11,919	(438)	(3.7%)
Contract Labor	54	0	(100%)	9	(9)	0.0%
Employee Benefits	2,773	2,228	(19.6%)	2,489	(261)	(10.5%)
Total Employment Expenses	**14,245**	**13,709**	**(3.8%)**	**14,418**	**(708)**	**(4.9%)**
Medical & Other Supplies	6,041	6,327	4.7%	7,087	(760)	(10.7%)
Physician Fees	24,516	26,677	8.8%	28,085	(1,408)	(5.0%)
Purchased Services	1,143	882	(22.8%)	899	(16)	(1.8%)
Repairs & Maintenance	2,228	2,397	7.6%	2,709	(312)	(11.5%)
Utilities	400	435	8.7%	400	35	8.6%
Rents & Leases	2,790	2,754	(1.3%)	2,775	(21)	(0.7%)
Depreciation & Amortization	1,190	947	(20.4%)	985	(38)	(3.8%)
Interest Expense	12	4	(68.9%)	4	(0)	(6.5%)
Other Expense	1,584	1,371	(13.5%)	1,194	177	14.8%
Total Other Expenses	**39,904**	**41,794**	**4.7%**	**44,138**	**(2,344)**	**(5.3%)**
Total Operating Expenses	**54,149**	**55,503**	**2.5%**	**58,556**	**(3,052)**	**(5.2%)**
Stimulus Funds	0	1,158	100%	0	1,158	100%
Excess Margin	**($10,465)**	**($6,616)**	**36.8%**	**($7,879)**	**$1,263**	**16.0%**
Excess Margin %	**(24.0%)**	**(13.9%)**		**(15.5%)**		

Comparison between Budget FY22 and Actual FY21

	For Comparison to Budget FY22					
	FY 19 Actual	FY 21 Actual	FY 21 Budget	FY 22 Budget	Variance Budget FY22-Actual FY21	
Operating Revenue						
Net Patient Service Revenue	**$561,911**	**$598,105**	**$608,722**	**$634,620**	**$36,515**	**6.1%**
Supplemental Gov't Programs	76,471	51,598	49,334	53,106	1,508	2.9%
Prime Program	17,717	10,668	5,147	8,000	(2,668)	(25.0%)
Premium Revenue	40,871	57,089	51,312	66,017	8,928	15.6%
Management Services Revenue	31,751	34,167	32,398	36,290	2,123	6.2%
Other Revenue	24,245	22,299	24,960	24,560	2,261	10.1%
Other Operating Revenue	191,056	175,821	163,151	187,973	12,152	6.9%
Total Operating Revenue	**752,967**	**773,926**	**771,873**	**822,593**	**48,667**	**6.3%**
Operating Expenses						
Salaries & Wages	287,902	324,151	319,079	330,396	6,245	1.9%
Contract Labor	14,997	9,778	6,733	6,204	(3,574)	(36.5%)
Employee Benefits	73,216	55,075	66,763	53,922	(1,153)	(2.1%)
Total Employment Expenses	**376,115**	**389,004**	**392,575**	**390,522**	**1,518**	**0.4%**
Medical & Other Supplies	112,866	129,595	122,797	125,503	(4,092)	(3.2%)
Physician Fees	85,521	96,624	89,801	99,783	3,159	3.3%
Purchased Services	21,151	18,827	17,552	15,866	(2,961)	(15.7%)
Repairs & Maintenance	25,878	26,222	27,492	28,699	2,477	9.4%
Utilities	5,642	6,966	6,434	7,308	342	4.9%
Rents & Leases	6,119	6,188	6,576	6,169	(19)	(0.3%)
Depreciation & Amortization	30,851	30,333	32,173	33,552	3,219	10.6%
Interest Expense	5,453	6,769	6,861	7,234	465	6.9%
Other Expense	17,260	20,325	13,538	22,630	2,305	11.3%
Humana Cap Plan Expenses	19,151	34,758	24,089	36,254	1,496	4.3%
Management Services Expense	31,359	34,427	31,985	35,899	1,472	4.3%
Total Other Expenses	**361,250**	**411,036**	**379,298**	**418,897**	**7,861**	**1.9%**
Total Operating Expenses	**737,366**	**800,040**	**771,873**	**809,419**	**9,379**	**1.2%**
Operating Margin	**15,601**	**(26,114)**	**0**	**13,174**	**39,288**	
Stimulus Funds	0	32,461	0	1,195	(31,266)	
Operating Margin after Stimulus	**15,601**	**6,347**	**0**	**14,369**	**8,022**	
Nonoperating Revenue (Loss)	12,306	7,256	5,793	4,568	(2,688)	
Excess Margin	**$27,907**	**$13,603**	**$5,793**	**$18,937**	**$5,334**	

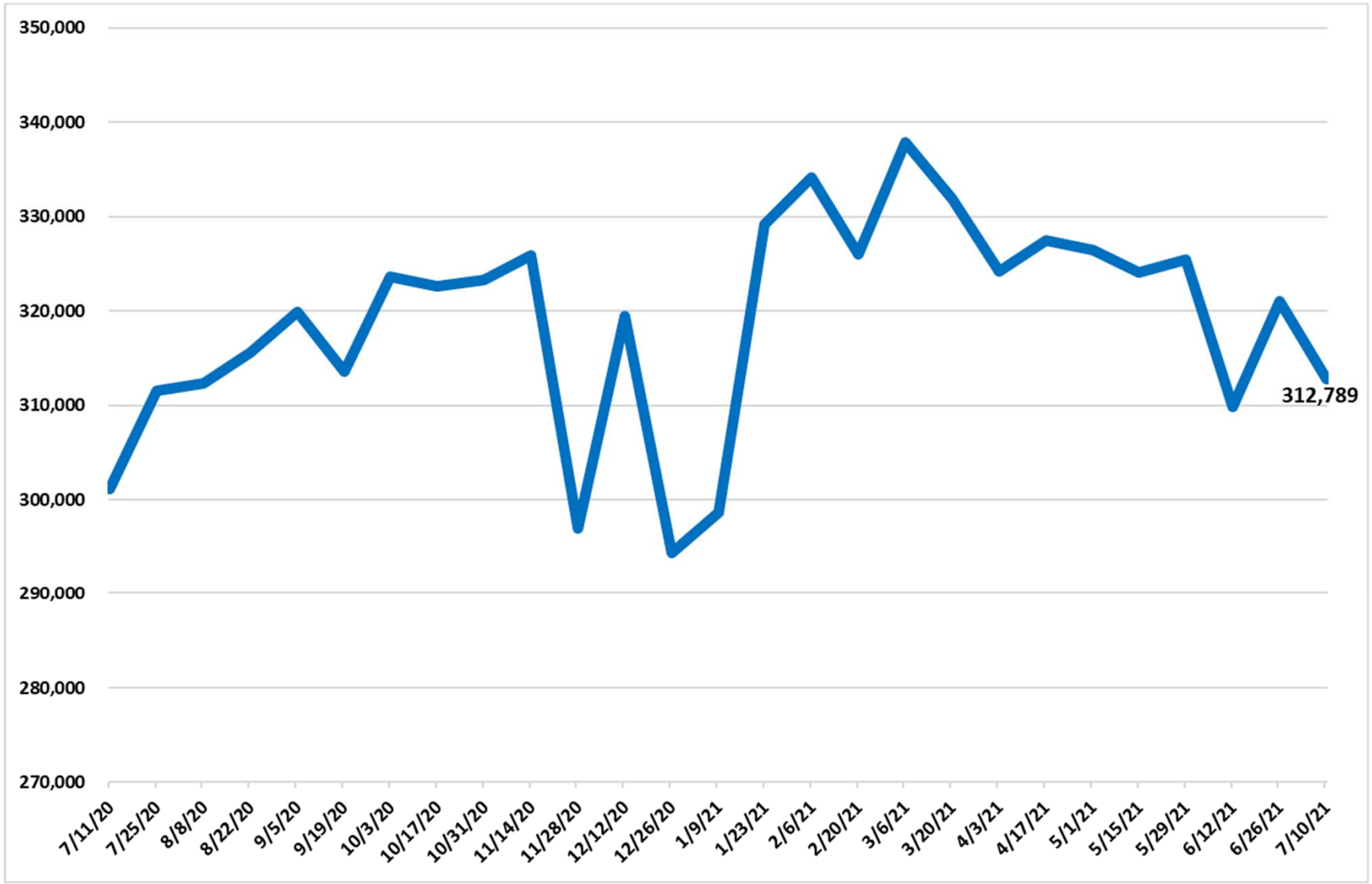
Month of June - Budget Variances

- **Net Patient Revenues:** Net patient revenue fell short of budget expectations by $2.0M primarily due to caring for lower acuity patients in the month of June.
- **Other Operating Revenues:** Other Revenue was $1.3M higher than budget in total as we recognized additional premium revenue of $2.6M for additional mid-year and year-end payments, offset by a decrease in supplemental funds to true up several programs.
- **Salaries and Contract Labor**: We experienced an unfavorable budget variance of $1.7M in June. The unfavorable variance is primarily due to the rates associated with contract labor hours, shift bonuses and COVID supplemental pay.
- **Employee Benefits:** In June we recorded one half ($800K) of the actuarially determined reduction to our workers compensation liability due to favorable claims experience and a ($12.1M) reduction to pension expense based upon the actuary's estimate, which includes investment returns that were much larger than projected.
- **Physician Fees:** Due to new unbudgeted contracts, this area continues to be over budget and experienced a $757K unfavorable variance in June.
- **Purchased services:** Exceeded budget by $387K due to the reference laboratory, ISS applications, and maintenance purchased service expenditures in June.
- **Humana Cap Plan Expenses:** The $888K unfavorable variance resulted from higher utilization of non-Kaweah medical care provided to members during the month of June.
- **Stimulus Income:** In June we recognized $400K of RHC COVID testing and mitigation funds and $125K of business interruption insurance proceeds.
- **Other Non-operating Revenue:** Was under budget by $586K in June for quarter 4 of fiscal year 2021 as we recognized $1.1M of unrealized losses on our fixed income investment portfolio.

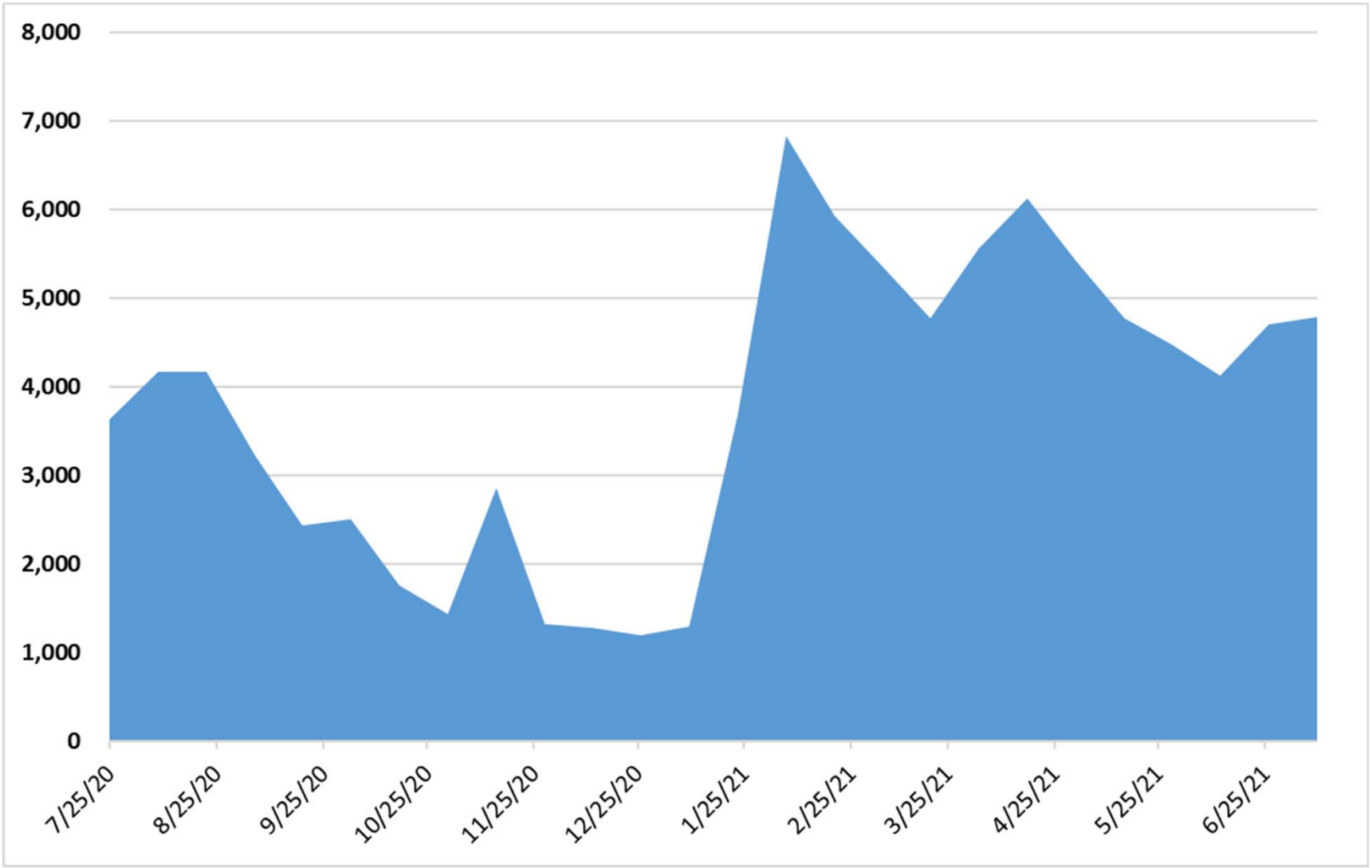
Fiscal Year 21- Budget Variances

- **Net Patient Revenues:** Net patient revenue fell short of budget expectations by $10.6M as inpatient volumes did not meet budget expectations and elective procedures, including surgeries, were not performed during COVID peek periods during FY21.
- **Other Operating Revenues:** Other Revenue was $12.6M higher than the FY21 budget in total as we recognized additional premium revenue of $5.8M due to higher enrollment, we received PRIME high performance funds of $4.1M and supplemental programs revenue exceeded budget expectations by $2.3 M.
- **Salaries and Contract Labor**: We experienced an unfavorable budget variance of $8.0M in FY21. This budget overage included $5.7M salaries allocated to COVID related duties, the rates associated with contract labor hours, shift bonuses and COVID supplemental pay.
- **Employee Benefits:** Employee Benefits was under budget by $11.7M in FY21. In June we recorded a ($12.1M) credit to pension expense based upon the actuary's estimate, which includes investment returns that were much larger than projected.
- **Medical and Other Supplies:** Due to COVID related supply expenses of $9.5M in FY21, medical supplies exceeded budget by $6.8M in FY21.
- **Physician Fees:** Due to new unbudgeted contracts, this area was over budget and experienced a $6.9M unfavorable variance in FY21.
- **Purchased Services:** We recognized $1.1M of COVID related expenses contributing to the $1.3M budget overage in purchases service expense in FY21.
- **Other Expense:** Other expenses exceeded budget by $6.8M due to the budgeted length of stay cost efficiencies not realized in FY21.
- **Humana Cap Plan Expenses:** The $10.7M unfavorable variance resulted from higher utilization of non-Kaweah medical care provided to members during FY21 and the impact of COVID.
- **Stimulus Income:** In FY21 we recognized a total of $32.5M of stimulus funding including amounts received directly from the Federal government, Tulare County, CHA, and insurance proceeds.

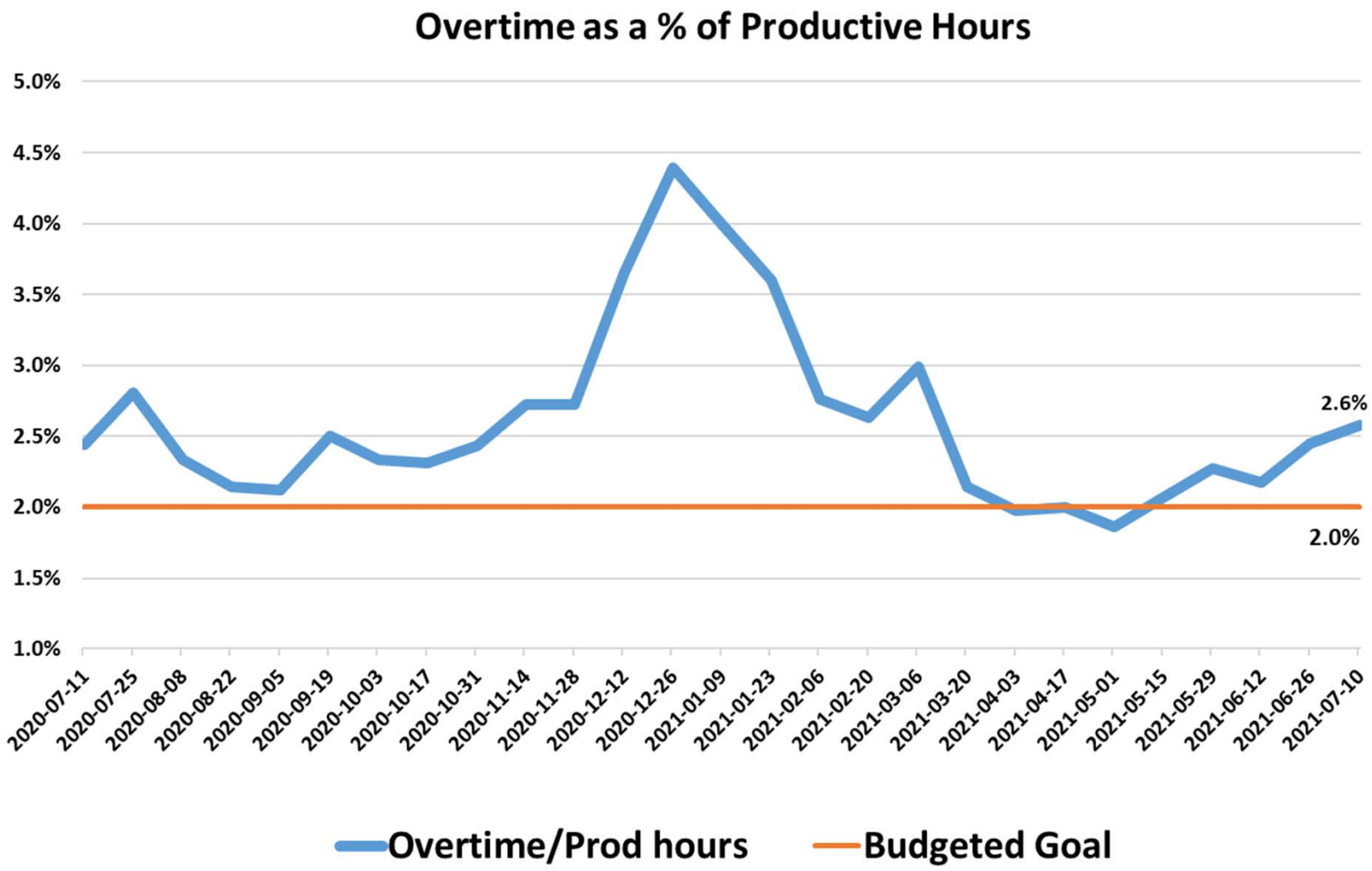
Productive Hours



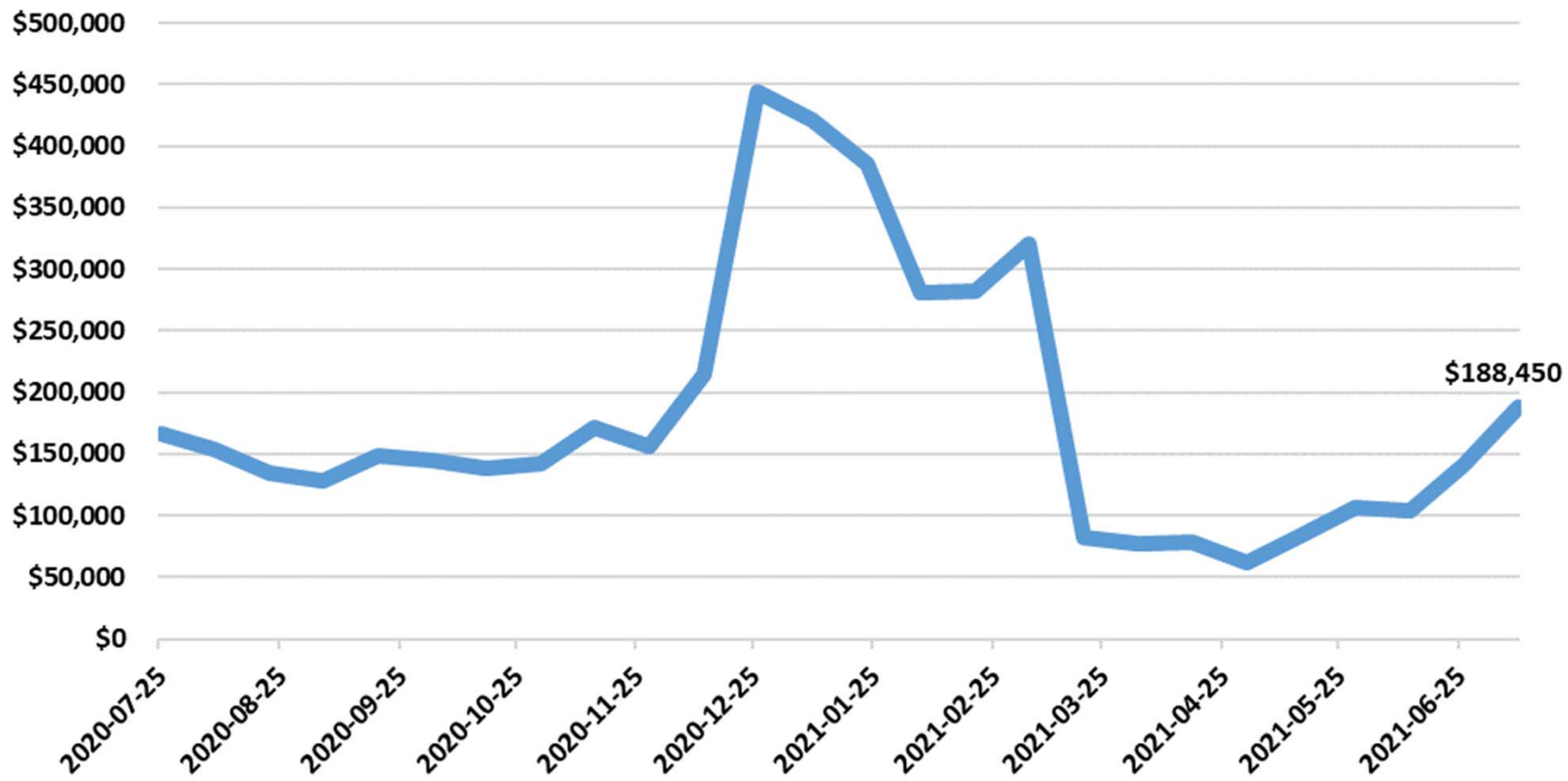
Contract Labor Hours



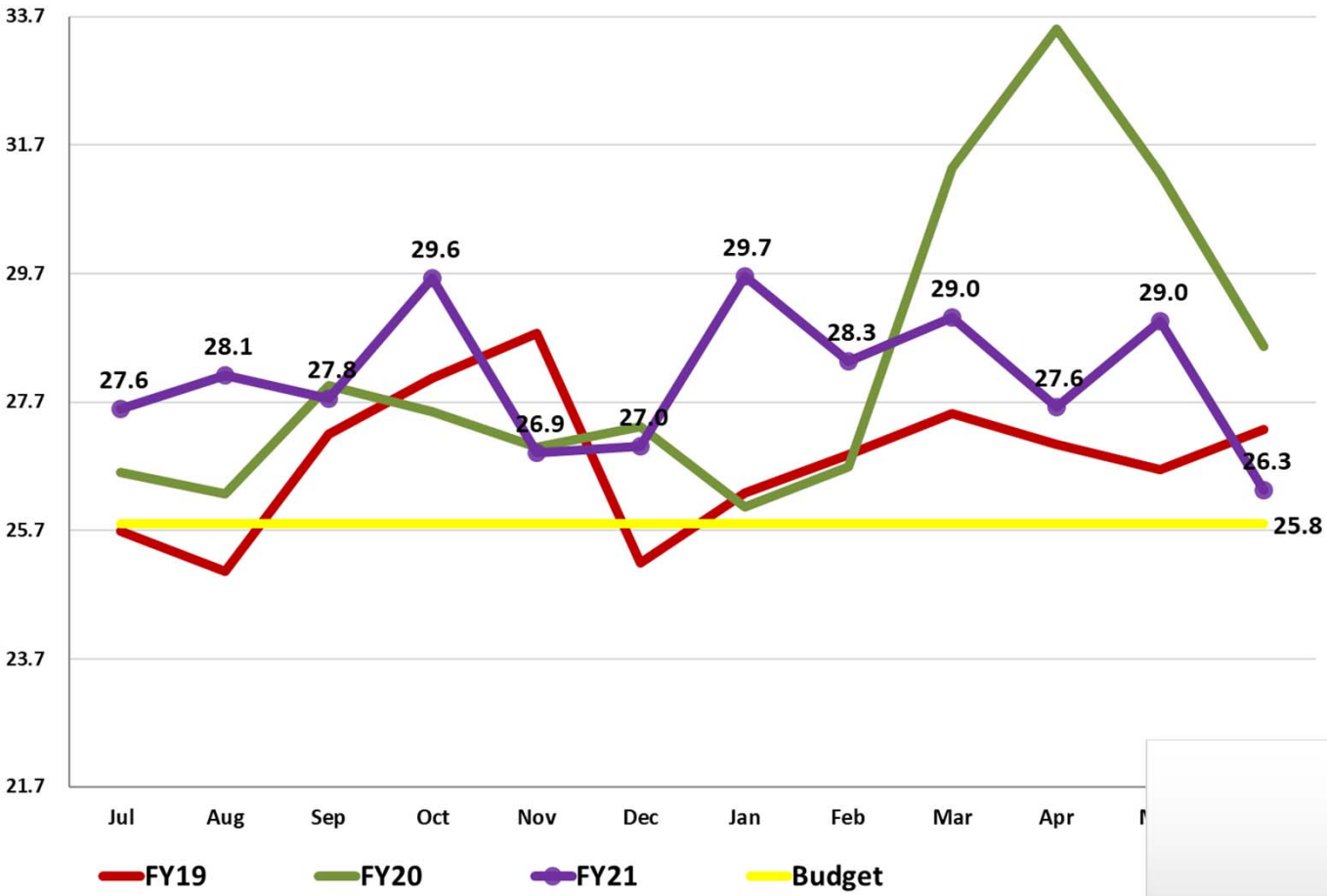
Overtime

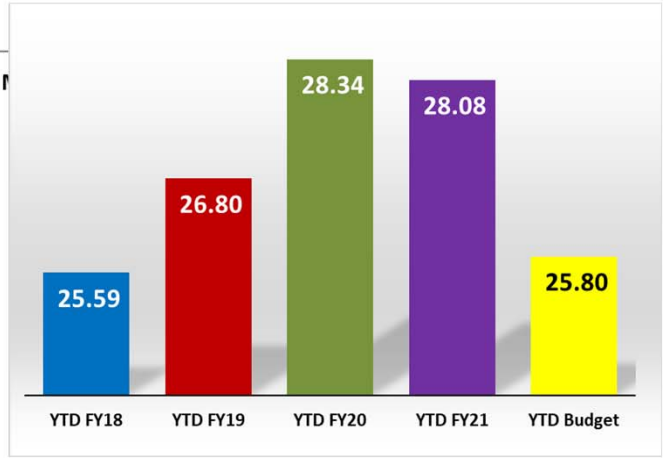

Overtime as a % of Productive Hours
5.0%
4.5%
4.0%
3.5%
3.0%
2.5%
2.0%
1.5%
1.0%
2.6%
2.0%
2020-07-11
2020-07-25
2020-08-08
2020-08-22
2020-09-05
2020-09-19
2020-10-03
2020-10-17
2020-10-31
2020-11-14
2020-11-28
2020-12-12
2020-12-26
2021-01-09
2021-01-23
2021-02-06
2021-02-20
2021-03-06
2021-03-20
2021-04-03
2021-04-17
2021-05-01
2021-05-15
2021-05-29
2021-06-12
2021-06-26
2021-07-10
Overtime/Prod hours
Budgeted Goal

Shift Bonus Per Pay Period

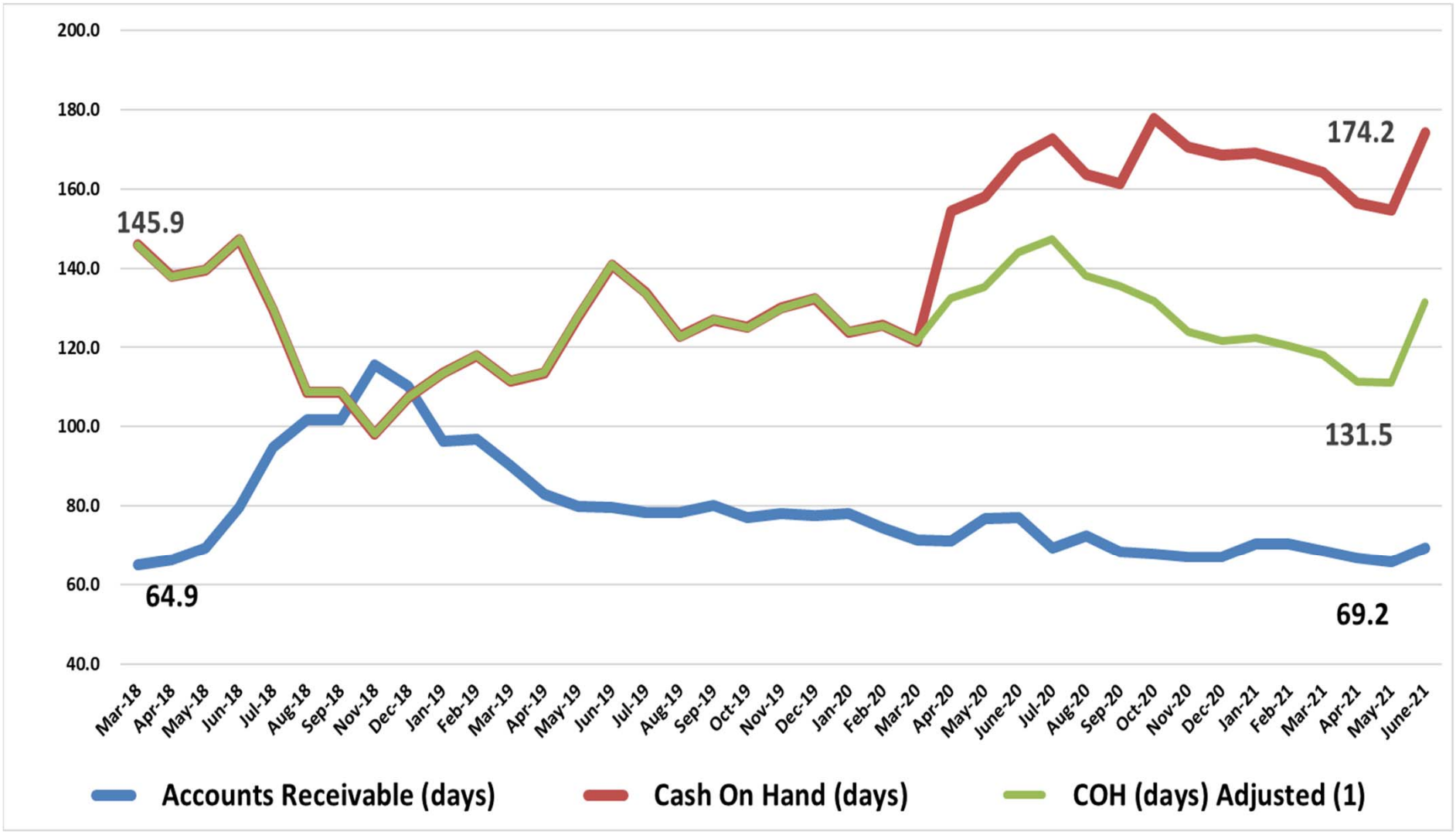


Productivity: Worked Hours/Adjusted Patient Days

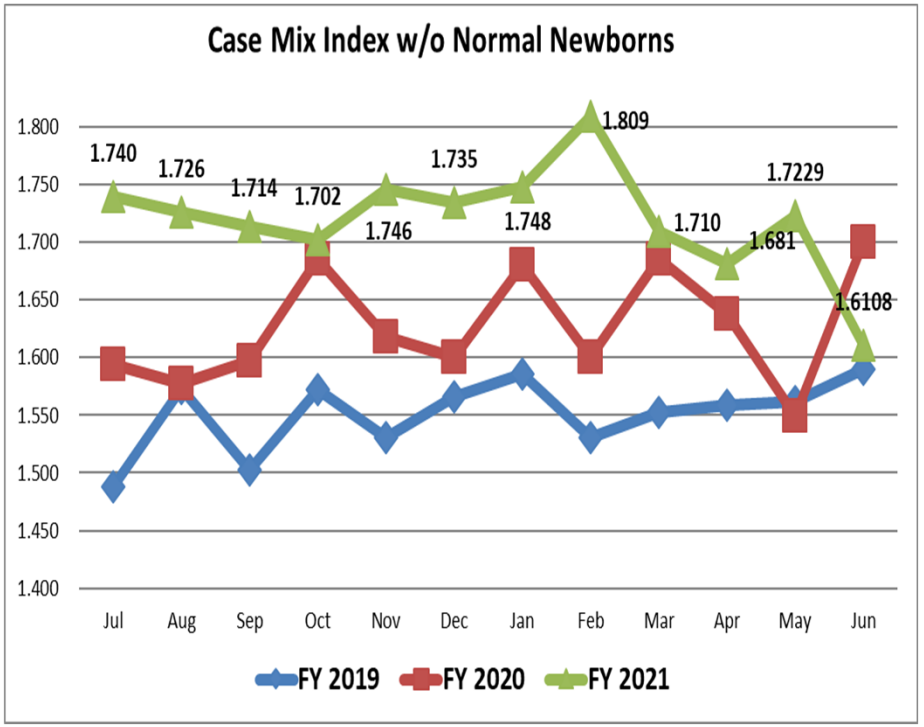




Trended Liquidity Ratios



(1) Adjusted for Medicare accelerated payments and the deferral of employer portion of FICA as allowed by the CARES act.


Case Mix Index w/o Normal Newborns
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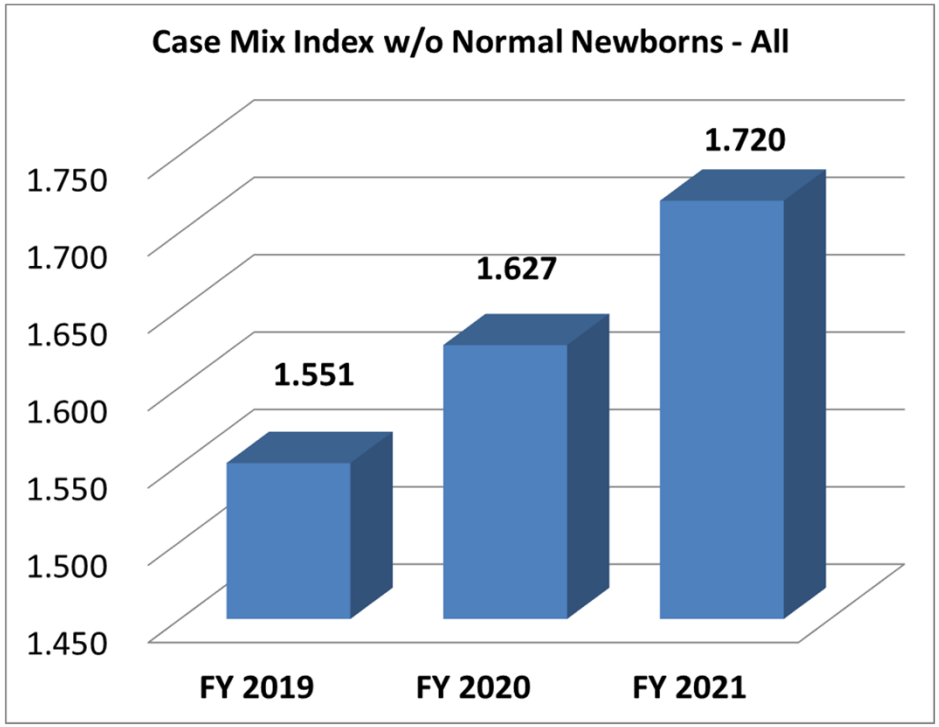
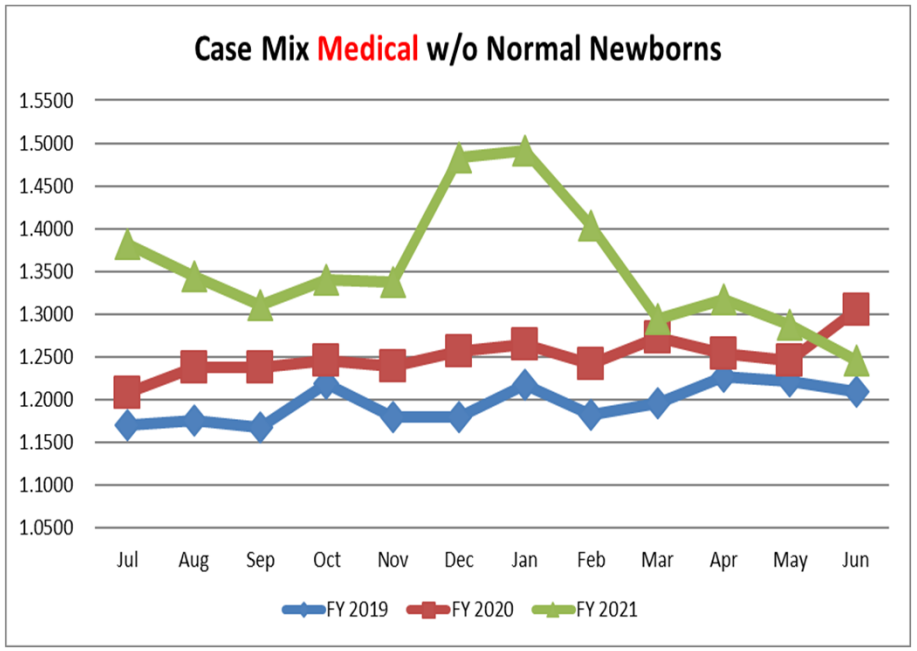
1.750
1.700
1.650
1.600
1.550
1.500
1.450
1.400
1.740
1.726
1.714
1.702
1.746
1.735
1.748
1.809
1.710
1.681
1.7229
1.6108
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 2019
FY 2020
FY 2021


Case Mix Index w/o Normal Newborns - All
1.750
1.700
1.650
1.600
1.550
1.500
1.450
1.551
1.627
1.720
FY 2019
FY 2020
FY 2021


Case Mix Medical w/o Normal Newborns
1.5500
1.5000
1.4500
1.4000
1.3500
1.3000
1.2500
1.2000
1.1500
1.1000
1.0500
Jul
Aug
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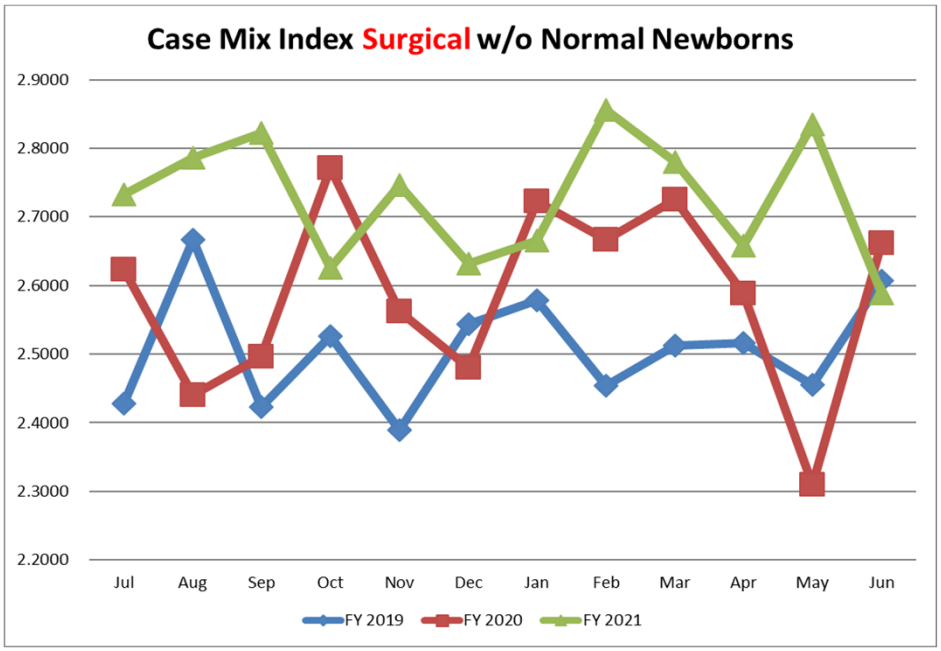
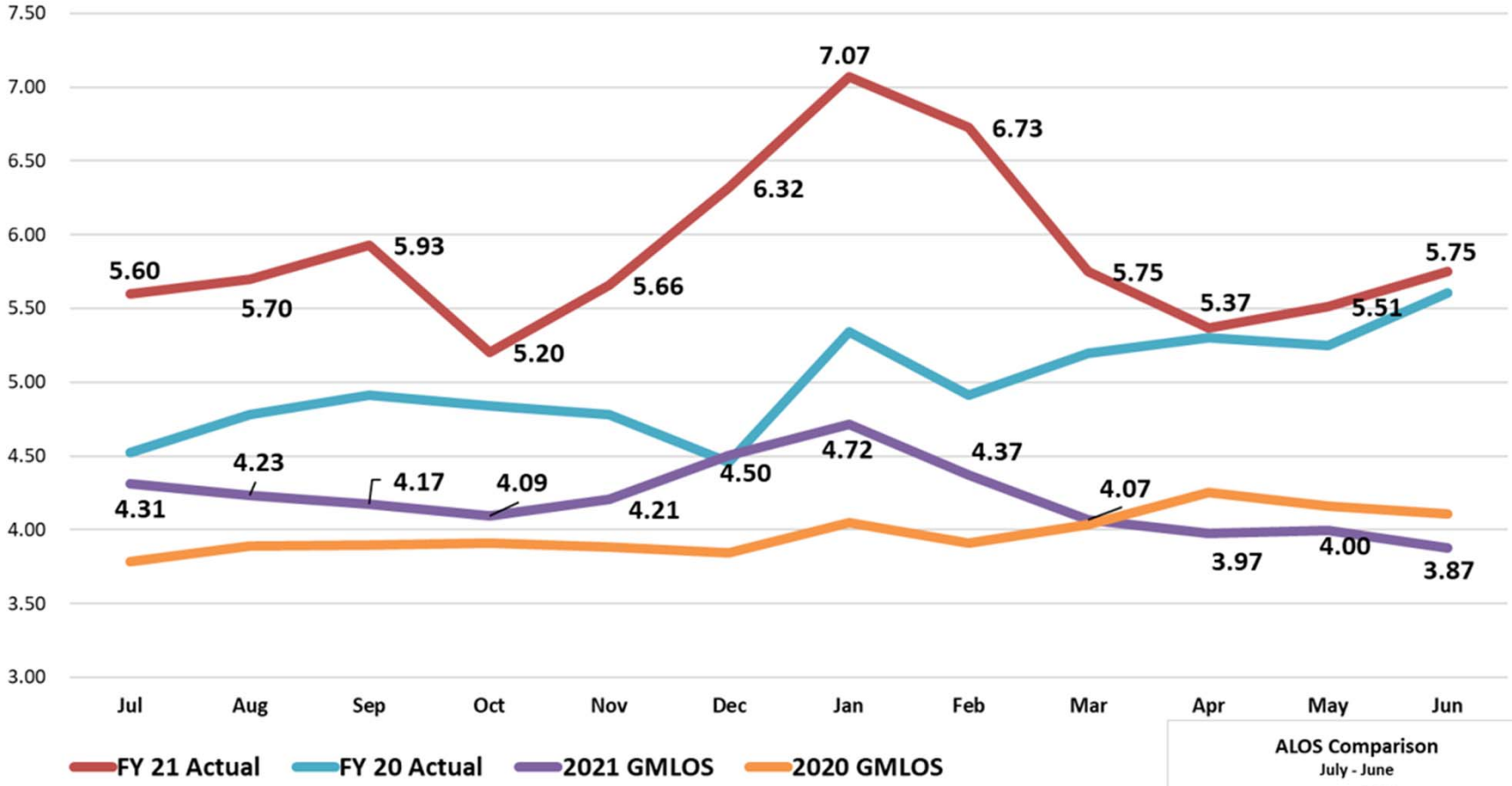
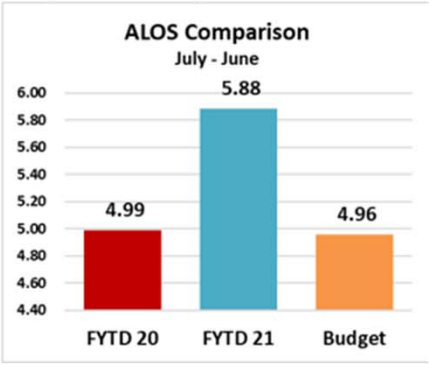
Apr
May
Jun
FY 2019
FY 2020
FY 2021


Case Mix Index Surgical w/o Normal Newborns
2.9000
2.8000
2.7000
2.6000
2.5000
2.4000
2.3000
2.2000
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
FY 2019
FY 2020
FY 2021

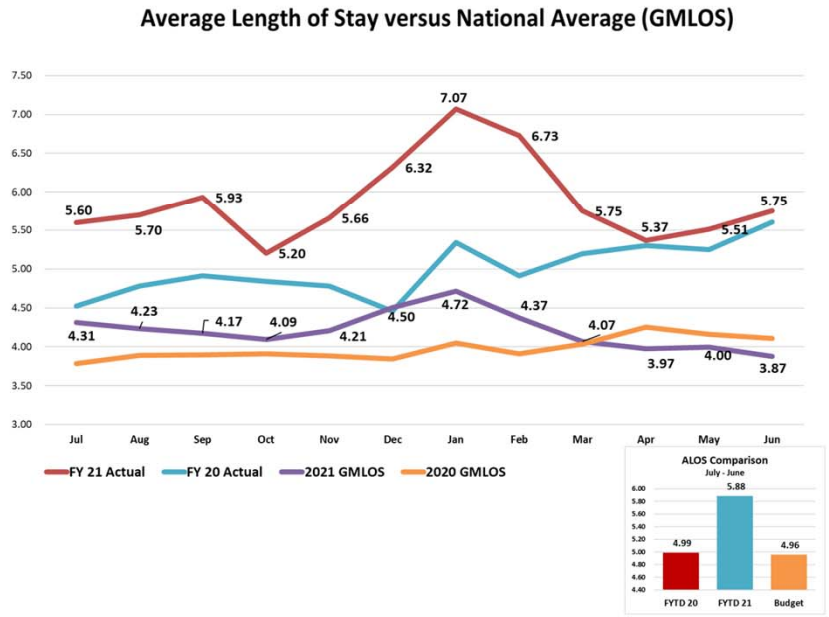
Average Length of Stay versus National Average (GMLOS)

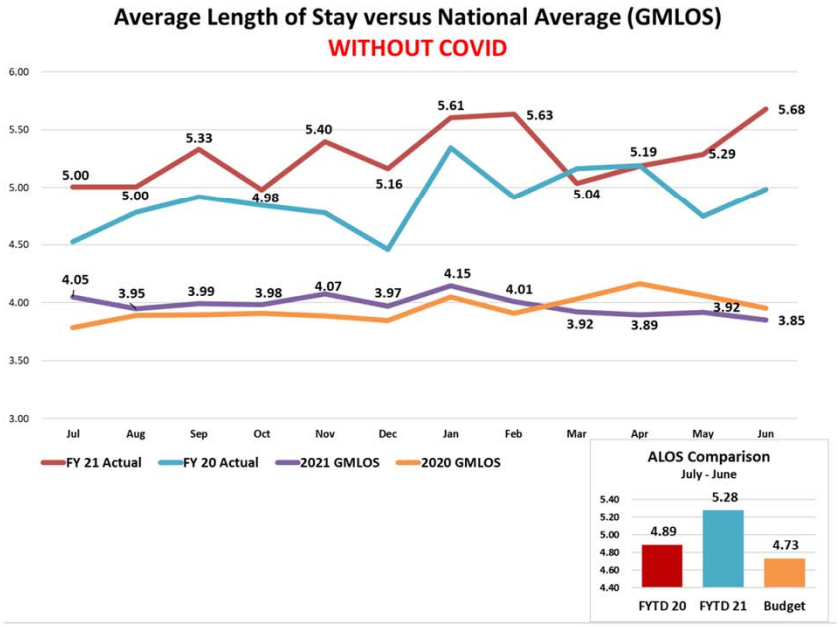




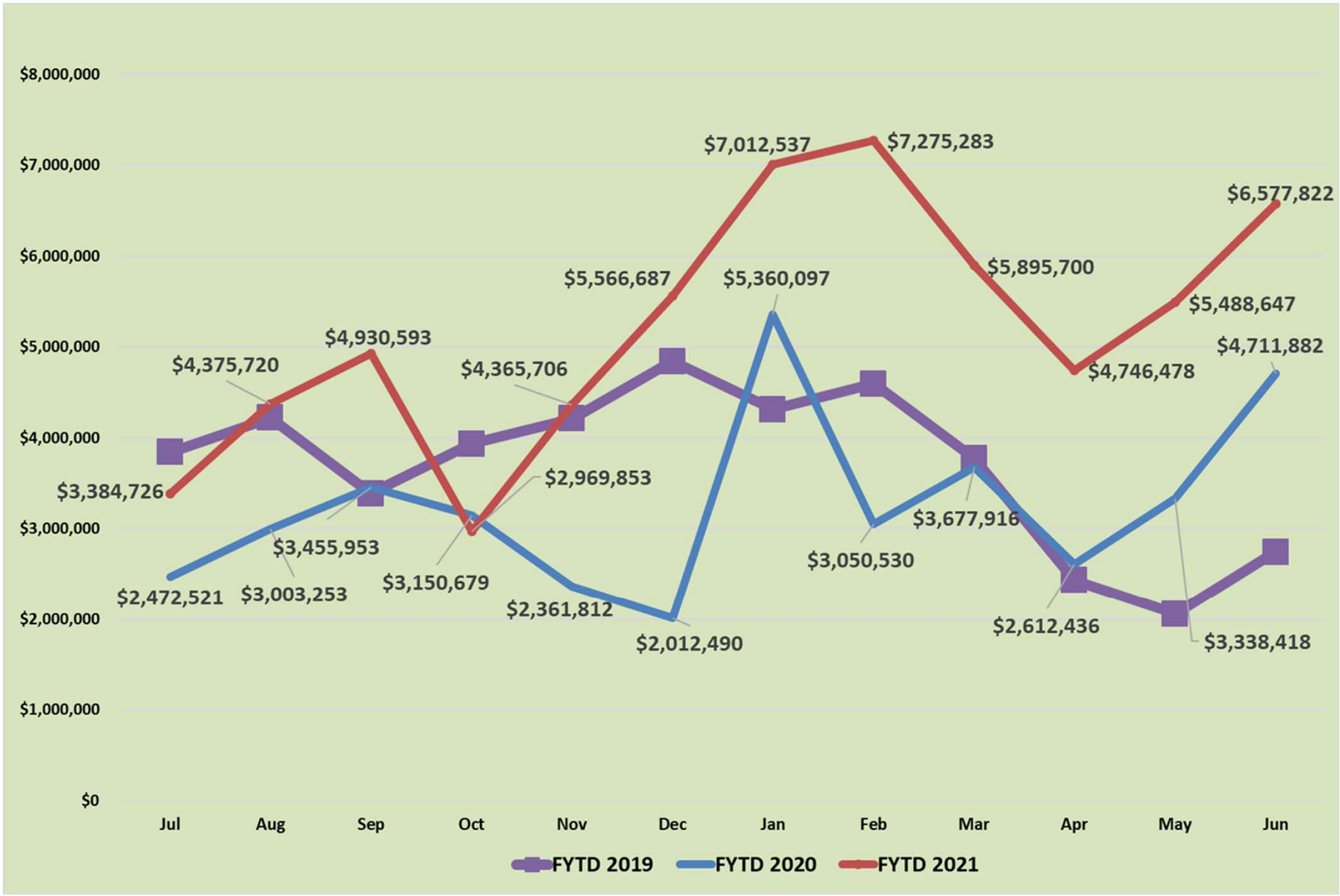
Average Length of Stay versus National Average (GMLOS)

	Including COVID Patients			Excluding COVID Patients				
	ALOS	GMLOS	GAP	ALOS	GMLOS	GAP	Gap Diff	%
Mar-20	5.20	4.04	1.16	5.16	4.03	1.13	0.03	2%
Apr-20	5.30	4.25	1.05	5.19	4.17	1.03	0.02	2%
May-20	5.25	4.16	1.09	4.74	4.07	0.68	0.41	38%
Jun-20	5.60	4.11	1.49	4.98	3.96	1.02	0.47	31%
Jul-20	5.60	4.31	1.29	5.00	4.05	0.96	0.33	26%
Aug-20	5.70	4.23	1.47	5.00	3.95	1.05	0.42	28%
Sep-20	5.93	4.17	1.76	5.33	3.99	1.34	0.42	24%
Oct-20	5.20	4.09	1.11	4.98	3.98	1.00	0.11	10%
Nov-20	5.66	4.21	1.45	5.40	4.07	1.33	0.12	9%
Dec-20	6.32	4.50	1.82	5.16	3.97	1.20	0.62	34%
Jan-21	7.07	4.72	2.35	5.61	4.15	1.46	0.89	38%
Feb-21	6.73	4.37	2.36	5.63	4.01	1.62	0.73	31%
Mar-21	5.75	4.07	1.68	5.04	3.92	1.11	0.57	34%
Apr-21	5.37	3.97	1.39	5.19	3.89	1.29	0.10	7%
May-21	5.51	4.00	1.52	5.29	3.92	1.37	0.15	10%
Jun-21	5.75	3.87	1.88	5.68	3.85	1.83	0.05	3%
Average	5.88	4.21	1.67	5.18	4.01	1.17	0.50	30%





Opportunity Cost of Reducing LOS to National Average - $39.2M FY20



KAWEAH DELTA HEALTH CARE DISTRICT

CONSOLIDATED INCOME STATEMENT (000's)

FISCAL YEAR 2020 & 2021

	Operating Revenue			Operating Expenses									
Fiscal Year	Net Patient Revenue	Other Operating Revenue	Operating Revenue Total	Personnel Expense	Physician Fees	Supplies Expense	Other Operating Expense	Operating Expenses Total	Operating Income	Non-Operating Income	Net Income	Operating Margin %	Excess Margin
2020													
Jul-19	51,799	13,802	65,601	32,948	7,266	8,683	13,597	62,494	3,107	744	3,852	4.7%	5.8%
Aug-19	50,243	13,937	64,181	33,307	7,284	9,986	14,583	65,160	(980)	662	(318)	(1.5%)	(0.5%)
Sep-19	48,185	13,994	62,179	31,582	7,486	8,571	14,182	61,822	356	4,429	4,785	0.6%	7.2%
Oct-19	52,165	13,896	66,061	33,546	8,287	10,551	14,477	66,862	(801)	774	(27)	(1.2%)	(0.0%)
Nov-19	49,354	12,823	62,177	31,690	6,974	9,635	13,616	61,916	261	699	960	0.4%	1.5%
Dec-19	51,458	13,542	65,001	32,939	7,113	10,521	13,476	64,049	951	726	1,678	1.5%	2.6%
Jan-20	52,382	15,305	67,687	34,899	7,653	11,127	14,469	68,148	(461)	682	221	(0.7%)	0.3%
Feb-20	46,813	15,966	62,778	32,707	8,702	10,347	13,539	65,295	(2,516)	733	(1,783)	(4.0%)	(2.8%)
Mar-20	48,523	13,650	62,173	35,596	8,202	10,216	13,716	67,729	(5,555)	4,465	(1,091)	(8.9%)	(1.6%)
Apr-20	35,582	14,227	49,809	32,263	7,950	8,115	13,768	62,097	(12,288)	4,461	(7,827)	(24.7%)	(14.4%)
May-20	35,995	14,754	50,750	32,299	7,191	8,423	14,078	61,991	(11,241)	4,339	(6,902)	(22.2%)	(12.5%)
Jun-20	35,360	22,005	57,365	28,744	8,486	13,315	17,247	67,791	(10,427)	9,229	(1,198)	(18.2%)	(1.8%)
2020 FY Total	**$ 557,860**	**$ 177,901**	**$ 735,761**	**$ 392,520**	**$ 92,595**	**$ 119,490**	**$ 170,748**	**$ 775,353**	**$ (39,592)**	**$ 31,941**	**$ (7,651)**	**(5.4%)**	**(1.0%)**
2021													
Jul-20	47,402	13,608	61,009	32,213	7,807	10,036	13,502	63,559	(2,550)	4,542	1,993	(4.2%)	3.0%
Aug-20	48,393	13,339	61,732	32,203	8,699	10,720	14,744	66,366	(4,634)	4,444	(191)	(7.5%)	(0.3%)
Sep-20	48,769	13,548	62,317	32,837	6,871	11,619	14,643	65,971	(3,654)	3,138	(515)	(5.9%)	(0.8%)
Oct-20	51,454	13,083	64,537	33,385	7,746	10,713	15,033	66,876	(2,339)	5,177	2,837	(3.6%)	4.4%
Nov-20	50,994	12,719	63,713	31,225	8,079	10,999	14,837	65,140	(1,427)	2,807	1,380	(2.2%)	2.2%
Dec-20	50,409	13,317	63,726	34,298	8,024	11,492	15,152	68,965	(5,240)	1,963	(3,276)	(8.2%)	(5.1%)
Jan-21	49,949	14,115	64,064	34,008	8,421	12,014	15,101	69,544	(5,480)	6,363	883	(8.6%)	1.4%
Feb-21	44,505	14,519	59,024	31,565	8,484	9,685	13,829	63,562	(4,538)	3,973	(565)	(7.7%)	(1.0%)
Mar-21	56,144	17,106	73,250	35,505	8,278	10,923	16,990	71,696	1,554	2,267	3,821	2.1%	5.2%
Apr-21	52,593	19,684	72,277	37,084	8,320	11,011	16,895	73,310	(1,033)	2,645	1,612	(1.4%)	2.2%
May-21	50,531	15,692	66,223	34,042	7,754	10,170	16,569	68,535	(2,312)	1,829	(483)	(3.5%)	(0.7%)
Jun-21	46,962	15,091	62,054	20,638	8,141	10,213	17,521	56,514	5,539	569	6,108	8.9%	9.8%
2021 FY Total	**$ 598,105**	**$ 175,821**	**$ 773,926**	**$ 389,004**	**$ 96,624**	**$ 129,595**	**$ 184,816**	**$ 800,040**	**$ (26,114)**	**$ 39,717**	**$ 13,603**	**(3.4%)**	**1.7%**
FYTD Budget	**608,722**	**163,234**	**771,956**	**392,683**	**89,707**	**122,838**	**166,658**	**771,887**	**69**	**7,632**	**7,701**	**0.0%**	**1.0%**
Variance	**$ (10,617)**	**$ 12,588**	**$ 1,970**	**$ (3,679)**	**$ 6,917**	**$ 6,757**	**$ 18,158**	**$ 28,153**	**$ (26,183)**	**$ 32,084**	**$ 5,902**		
Current Month Analysis													
Jun-21	**$ 46,962**	**$ 15,091**	**$ 62,054**	**$ 20,638**	**$ 8,141**	**$ 10,213**	**$ 17,521**	**$ 56,514**	**$ 5,539**	**$ 569**	**$ 6,108**	**8.9%**	**9.8%**
Budget	**48,965**	**13,788**	**62,753**	**32,150**	**7,384**	**9,829**	**14,003**	**63,366**	**(613)**	**630**	**17**	**(1.0%)**	**0.0%**
Variance	**$ (2,002)**	**$ 1,303**	**$ (699)**	**$ (11,511)**	**$ 757**	**$ 385**	**$ 3,518**	**$ (6,852)**	**$ 6,152**	**$ (61)**	**6,092**		

KAWEAH DELTA HEALTH CARE DISTRICT

FISCAL YEAR 2020 & 2021

Fiscal Year	Patient Days	ADC	Adjusted Patient Days	I/P Revenue %	DFR & Bad Debt %	Net Patient Revenue/ Ajusted Patient Day	Personnel Expense/ Ajusted Patient Day	Physician Fees/ Ajusted Patient Day	Supply Expense/ Ajusted Patient Day	Total Operating Expense/ Ajusted Patient Day	Personnel Expense/ Net Patient Revenue	Physician Fees/ Net Patient Revenue	Supply Expense/ Net Patient Revenue	Total Operating Expense/ Net Patient Revenue
2020														
Jul-19	12,744	411	25,329	50.3%	73.8%	2,045	1,301	287	343	2,467	63.6%	14.0%	16.8%	120.6%
Aug-19	13,240	427	26,654	49.7%	74.8%	1,885	1,250	273	375	2,445	66.3%	14.5%	19.9%	129.7%
Sep-19	12,712	424	25,104	50.6%	74.1%	1,919	1,258	298	341	2,463	65.5%	15.5%	17.8%	128.3%
Oct-19	12,924	417	26,070	49.6%	74.6%	2,001	1,287	318	405	2,565	64.3%	15.9%	20.2%	128.2%
Nov-19	12,260	409	24,515	50.0%	74.4%	2,013	1,293	285	393	2,526	64.2%	14.1%	19.5%	125.5%
Dec-19	12,993	419	25,116	51.7%	73.8%	2,049	1,311	283	419	2,550	64.0%	13.8%	20.4%	124.5%
Jan-20	13,799	445	27,447	50.3%	75.3%	1,908	1,271	279	405	2,483	66.6%	14.6%	21.2%	130.1%
Feb-20	12,909	445	25,445	50.7%	76.9%	1,840	1,285	342	407	2,566	69.9%	18.6%	22.1%	139.5%
Mar-20	12,164	392	23,703	51.3%	74.1%	2,047	1,502	346	431	2,857	73.4%	16.9%	21.1%	139.6%
Apr-20	10,665	356	19,442	54.9%	76.1%	1,830	1,659	409	417	3,194	90.7%	22.3%	22.8%	174.5%
May-20	11,729	378	21,561	54.4%	79.5%	1,669	1,498	334	391	2,875	89.7%	20.0%	23.4%	172.2%
Jun-20	12,571	419	25,057	50.2%	81.9%	1,411	1,147	339	531	2,706	81.3%	24.0%	37.7%	191.7%
2020 FY Total	**150,710**	**412**	**295,371**	**51.0%**	**75.7%**	**1,889**	**1,329**	**313**	**405**	**2,625**	**70.4%**	**16.6%**	**21.4%**	**139.0%**
2021														
Jul-20	13,016	420	24,934	52.2%	76.8%	1,901	1,292	313	403	2,549	68.0%	16.5%	21.2%	134.1%
Aug-20	13,296	429	24,893	53.4%	75.7%	1,944	1,294	349	431	2,666	66.5%	18.0%	22.2%	137.1%
Sep-20	13,024	434	24,587	53.0%	75.6%	1,984	1,336	279	473	2,683	67.3%	14.1%	23.8%	135.3%
Oct-20	12,478	403	24,749	50.4%	74.2%	2,079	1,349	313	433	2,702	64.9%	15.1%	20.8%	130.0%
Nov-20	12,898	430	24,958	51.7%	74.0%	2,043	1,251	324	441	2,610	61.2%	15.8%	21.6%	127.7%
Dec-20	14,346	463	25,750	55.7%	75.2%	1,958	1,332	312	446	2,678	68.0%	15.9%	22.8%	136.8%
Jan-21	13,817	446	24,148	57.2%	75.5%	2,068	1,408	349	498	2,880	68.1%	16.9%	24.1%	139.2%
Feb-21	12,384	442	23,570	52.5%	77.3%	1,888	1,339	360	411	2,697	70.9%	19.1%	21.8%	142.8%
Mar-21	13,023	420	25,807	50.5%	74.9%	2,176	1,376	321	423	2,778	63.2%	14.7%	19.5%	127.7%
Apr-21	12,361	412	25,268	48.9%	75.8%	2,081	1,468	329	436	2,901	70.5%	15.8%	20.9%	139.4%
May-21	13,115	423	25,026	52.4%	76.4%	2,019	1,360	310	406	2,739	67.4%	15.3%	20.1%	135.6%
Jun-21	12,916	431	25,797	50.1%	78.8%	1,820	800	316	396	2,191	43.9%	17.3%	21.7%	120.3%
2021 FY Total	**156,674**	**429**	**299,648**	**52.3%**	**75.9%**	**1,996**	**1,298**	**322**	**432**	**2,670**	**65.0%**	**16.2%**	**21.7%**	**133.8%**
FYTD Budget	**158,016**	**433**	**323,675**	**48.8%**	**75.6%**	**1,881**	**1,213**	**277**	**380**	**2,576**	**64.5%**	**14.7%**	**20.2%**	**126.8%**
Variance	**(1,342)**	**(4)**	**(24,027)**	**3.5%**	**0.3%**	**115**	**85**	**45**	**53**	**94**	**0.5%**	**1.4%**	**1.5%**	**7.0%**
Current Month Analysis														
Jun-21	**12,916**	**431**	**25,797**	**50.1%**	**78.8%**	**1,820**	**800**	**316**	**396**	**2,191**	**43.9%**	**17.3%**	**21.7%**	**120.3%**
Budget	**12,748**	**425**	**26,821**	**47.5%**	**75.5%**	**1,826**	**1,199**	**275**	**366**	**2,456**	**65.7%**	**15.1%**	**20.1%**	**129.4%**
Variance	**168**	**6**	**(1,024)**	**2.5%**	**3.2%**	**(5)**	**(399)**	**40**	**29**	**(266)**	**(21.7%)**	**2.3%**	**1.7%**	**(9.1%)**

KAWEAH HEALTH

RATIO ANALYSIS REPORT

JUNE 30, 2021

	Current Month Value	Prior Month Value	June 30, 2020 Audited Value	2019 Moody's Median Benchmark		
				Aa	A	Baa
LIQUIDITY RATIOS						
Current Ratio (x)	1.3	1.4	1.4	1.5	**1.8**	1.9
Accounts Receivable (days)	69.2	65.8	79.7	48.2	**46.2**	46.6
Cash On Hand (days)	174.2	154.8	167.5	276.1	**215.1**	162.5
Cushion Ratio (x)	22.9	20.7	21.2	37.8	**23.5**	14.6
Average Payment Period (days)	88.3	89.9	76.7	74.6	**60.5**	61.1
CAPITAL STRUCTURE RATIOS						
Cash-to-Debt	164.5%	142.3%	146.2%	244.9%	**176.8%**	121.2%
Debt-To-Capitalization	31.1%	32.7%	32.6%	24.4%	**30.9%**	38.4%
Debt-to-Cash Flow (x)	4.5	5.3	8.5	2.1	**2.7**	4.0
Debt Service Coverage	2.9	2.6	1.7	8.2	**5.5**	3.4
Maximum Annual Debt Service Coverage (x)	2.9	2.6	1.6	7.1	**4.7**	3.1
Age Of Plant (years)	14.1	14.0	12.9	10.6	**12.0**	12.2
PROFITABILITY RATIOS						
Operating Margin	(3.4%)	(4.4%)	(5.4%)	4.4%	**2.7%**	0.5%
Excess Margin	1.7%	1.0%	(1.0%)	7.6%	**5.2%**	2.6%
Operating Cash Flow Margin	1.4%	0.3%	(.4%)	10.0%	**8.7%**	6.3%
Return on Assets	1.4%	0.8%	(.8%)	5.3%	**4.4%**	2.6%

KAWEAH HEALTH
CONSOLIDATED STATEMENTS OF NET POSITION (000's)

	Jun-21	May-21	Change	% Change	Jun-20 (Audited)
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Cash and cash equivalents	$ 30,081	$ 15,851	$ 14,230	89.78%	$ 11,766
Current Portion of Board designated and trusted assets	13,776	25,096	(11,320)	-45.11%	13,954
Accounts receivable:					
Net patient accounts	123,553	124,898	(1,344)	-1.08%	118,451
Other receivables	14,312	26,065	(11,752)	-45.09%	16,669
	137,866	150,962	(13,097)	-8.68%	135,119
Inventories	11,695	8,454	3,240	38.33%	8,479
Medicare and Medi-Cal settlements	32,586	61,704	(29,118)	-47.19%	36,726
Prepaid expenses	12,210	10,613	1,597	15.05%	10,317
Total current assets	238,214	272,681	(34,467)	-12.64%	216,362
NON-CURRENT CASH AND INVESTMENTS -					
less current portion					
Board designated cash and assets	350,035	327,171	22,864	6.99%	338,785
Revenue bond assets held in trust	22,271	22,271	(0)	0.00%	36,092
Assets in self-insurance trust fund	2,073	2,468	(395)	-15.99%	3,727
Total non-current cash and investments	374,380	351,910	22,470	6.39%	378,604
CAPITAL ASSETS					
Land	17,542	17,542	-	0.00%	17,542
Buildings and improvements	379,566	378,640	926	0.24%	378,313
Equipment	310,339	300,072	10,267	3.42%	299,378
Construction in progress	64,669	73,664	(8,995)	-12.21%	38,837
	772,117	769,919	2,198	0.29%	734,071
Less accumulated depreciation	425,407	422,815	2,592	0.61%	396,060
	346,710	347,104	(394)	-0.11%	338,011
Property under capital leases -					
less accumulated amortization	(216)	696	(913)	-131.04%	389
Total capital assets	346,494	347,800	(1,306)	-0.38%	338,401
OTHER ASSETS					
Property not used in operations	1,639	1,639	-	0.00%	1,686
Health-related investments	5,066	5,348	(282)	-5.27%	6,888
Other	11,569	11,808	(240)	-2.03%	10,759
Total other assets	18,274	18,795	(521)	-2.77%	19,334
Total assets	977,362	991,187	(13,825)	-1.39%	952,700
DEFERRED OUTFLOWS	8,900	8,921	(21)	-0.23%	9,354
Total assets and deferred outflows	**$ 986,262**	**$ 1,000,107**	**$ (13,846)**	**-1.38%**	**$ 962,054**

KAWEAH HEALTH

CONSOLIDATED STATEMENTS OF NET POSITION (000's)

	Jun-21	May-21	Change	% Change	Jun-20 (Audited)
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	$ 112,801	$ 112,683	$ 118	0.10%	$ 81,897
Accrued payroll and related liabilities	71,543	68,702	2,841	4.13%	63,411
Long-term debt, current portion	1,878	10,710	(8,832)	-82.46%	10,647
Total current liabilities	186,221	192,094	(5,873)	-3.06%	155,955
LONG-TERM DEBT, less current portion					
Bonds payable	259,923	259,980	(57)	-0.02%	262,436
Capital leases	133	166	(33)	-20.03%	220
Total long-term debt	260,056	260,146	(90)	-0.03%	262,656
NET PENSION LIABILITY	21,418	34,057	(12,639)	-37.11%	40,378
OTHER LONG-TERM LIABILITIES	31,010	32,768	(1,758)	-5.36%	30,626
Total liabilities	498,705	519,065	(20,360)	-3.92%	489,615
NET ASSETS					
Invested in capital assets, net of related debt	109,676	102,076	7,600	7.45%	104,433
Restricted	31,885	42,343	(10,458)	-24.70%	30,567
Unrestricted	345,995	336,623	9,373	2.78%	337,439
Total net position	487,557	481,042	6,515	1.35%	472,439
Total liabilities and net position	**$ 986,262**	**$ 1,000,107**	**$ (13,846)**	**-1.38%**	**$ 962,054**