



October 16, 2020

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in a special open Board of Directors meeting at 1:30PM on Tuesday October 20, 2020 in the Kaweah Delta Lifestyle Center Conference Room {5105 W. Cypress Avenue, Visalia} beginning at 1:30PM. **The maximum capacity allowed in this room per CDC social distancing guidelines {25}, members of the public are encouraged to attend the open sessions of the Board meeting via GoTo meeting <https://www.gotomeet.me/CindyMoccio/special-board-meeting---budgetfinance> or Dial In: 669-224-3412 / Access Code: 471-700-549.**

The Board of Directors of the Kaweah Delta Health Care District will meet in a special closed Board of Directors meeting immediately following the 1:30PM special open Board of Directors meetings on Tuesday October 20, 2020 in the Kaweah Delta Lifestyle Center Conference Room {5105 W. Cypress Avenue, Visalia} pursuant to Government Code 54956.8.

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

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

KAWEAH DELTA HEALTH CARE DISTRICT
David Francis, Secretary/Treasurer

Cindy Moccio - Board Clerk / Executive Assistant to CEO

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



KAWEAH DELTA HEALTH CARE DISTRICT SPECIAL BOARD OF DIRECTORS MEETING

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

The maximum capacity (25) allowed in this room per CDC social distancing guidelines

Join from your computer, tablet or smartphone

<https://www.gotomeet.me/CindyMoccio/special-board-meeting---budgetfinance>

or Dial In: 669-224-3412 / Access Code: 471-700-549

Tuesday October 20, 2020

SPECIAL OPEN MEETING AGENDA {1:30PM}

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the subject matter jurisdictions of the Board are requested to identify themselves at this time.
- 4. 2020/2021 Annual Operating & Capital Budget** – Review of the annual operating & capital budget and strategies including [operating room activity and operating room efficiency initiatives](#).
Malinda Tupper – Vice President & Chief Financial Officer
- 5. FINANCIALS** – Review of the most current fiscal year financial results.
Malinda Tupper, Vice President & Chief Financial Officer
- 6. 2021 BENEFITS PROGRAM** – Review and discussion relative to the updates to the Kaweah Delta staff medical program.
Dianne Cox, Vice President, Chief Human Resources Officer
- 7. REPORTS**
 - Chief Executive Officer Report -Report relative to current events and issues.
Gary Herbst, Chief Executive Officer
 - Board President - Report relative to current events and issues.
Nevin House, Board President

*Herb Hawkins – Zone I
Board Member*

*Lynn Havard Mirviss – Zone II
Vice President*

*Garth Gipson – Zone III
Board Member*

*David Francis – Zone IV
Secretary/Treasurer*

*Nevin House – Zone V
President*

8. APPROVAL OF THE CLOSED AGENDA – (Following the 1:30PM Open meeting)

- **Conference with Real Property Negotiator {Government Code 54956.8}**: Property: APN's 119-85-012, 199-85-013, 119-85-014. Negotiating party: Kaweah Delta Health Care District: Marc Mertz and Sequoia Gateway, LLC – price and terms – *Marc Mertz, Vice President – Chief Strategy Officer*

ADJOURN

**CLOSED MEETING AGENDA
{Following the 1:30 Open Meeting}**

1. CALL TO ORDER

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

Marc Mertz, Vice President – Chief Strategy Officer

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.

*Herb Hawkins – Zone I
Board Member*

*Lynn Havard Mirviss – Zone II
Vice President*

*Garth Gipson – Zone III
Board Member*

*David Francis – Zone IV
Secretary/Treasurer*

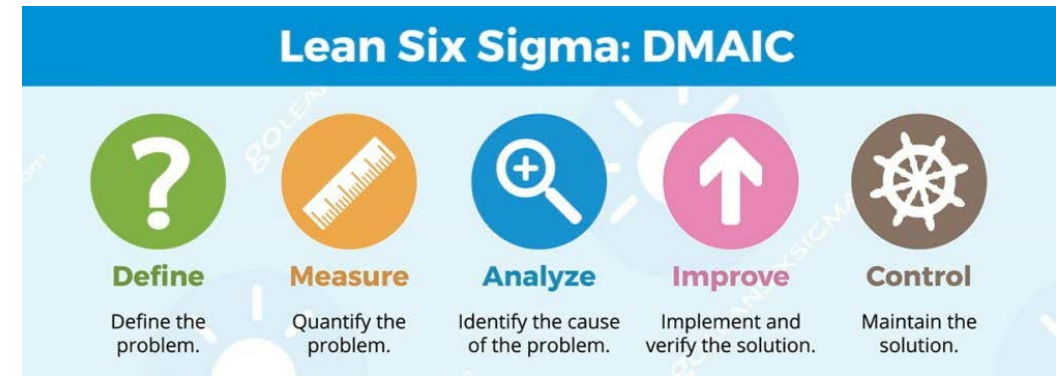
*Nevin House – Zone V
President*



Surgical Services

OR Efficiency

Lean Six Sigma



Lean Six Sigma is uniquely driven by close understanding of customer needs, disciplined use of facts, data, and statistical analysis, and diligent attention to managing, improving, and reinventing processes.

Lean is focused on EFFICIENCY

Six Sigma is focused on ZERO DEFECTS

Six sigma has become a popular name used to identify a methodology for improving and maintaining processes to achieve success. "Six Sigma" commonly refers to an initiative that uses the DMAIC roadmap to identify, initiate and complete a series of projects targeting processes that are not operating satisfactorily

Lean Six Sigma

“The best Lean Six Sigma projects begin not inside the business but outside it, focused on answering the question – How can we make the customer more competitive? What is critical to the customer's success? ...One thing we have discovered with certainty is that anything we do that makes the customer more successful inevitably results in a financial return for us.”

-Jack Welch, Chairman of GE



Our Customers and Partners

Patients and Families
Physicians/Proceduralists
Staff
Anesthesia Providers
Organization/Service Line/ET/BOD
Local Leadership
GME/Residents/Students

Define

Problem

In the Surgical Service Line there are delays causing procedures to run late, start late, or be rescheduled. This results in increased overtime, call back, increased turnover, dissatisfaction and poor engagement of staff. Physicians are experiencing extended waiting periods, dissatisfaction, and lack of engagement.

Key Deliverables:

- Decrease Non-Operative Time (surgeon wait time)
- Standardization
- Clear Expectations and Communication

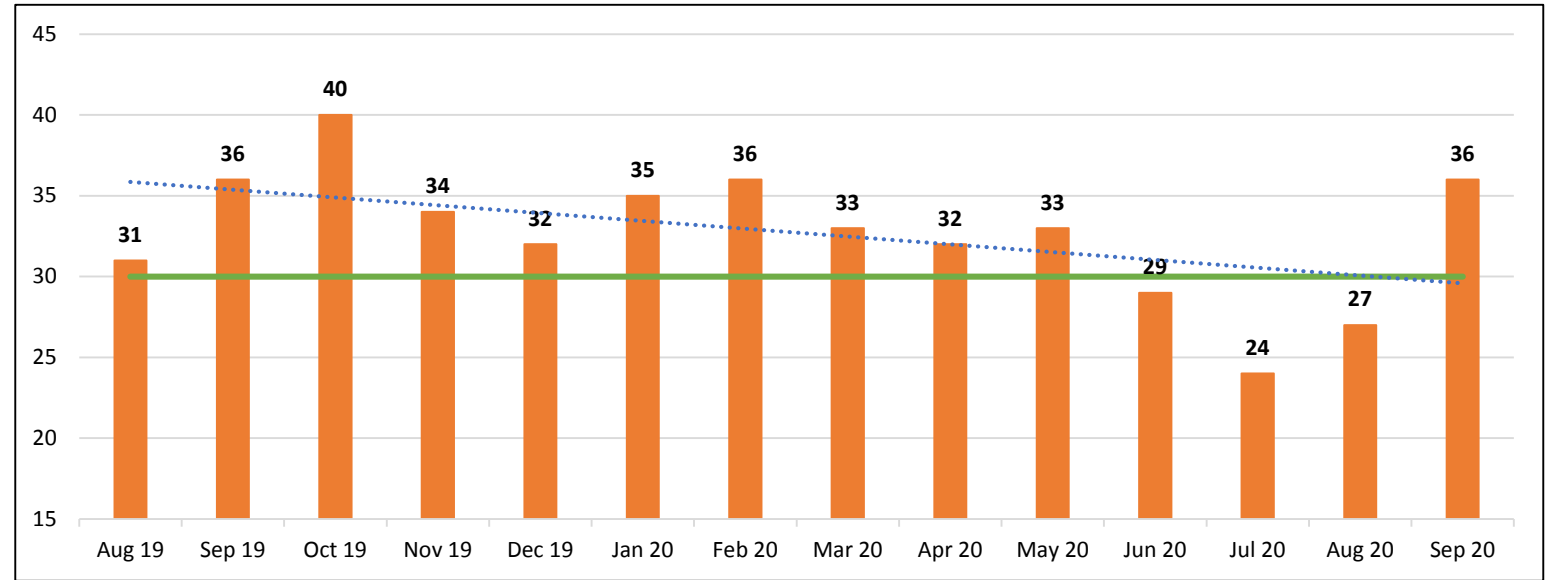
Identify Sources of Variation:

Lean Six Sigma methodology was utilized to do a thorough mapping of the room turnover process, wait periods, workflows of staff and providers, and system inputs identifying variation and the resulting delays. The scope is from identification of patient in surgeons office and initial communication with Kaweah Scheduling, through patient arrival to PACU

Measure

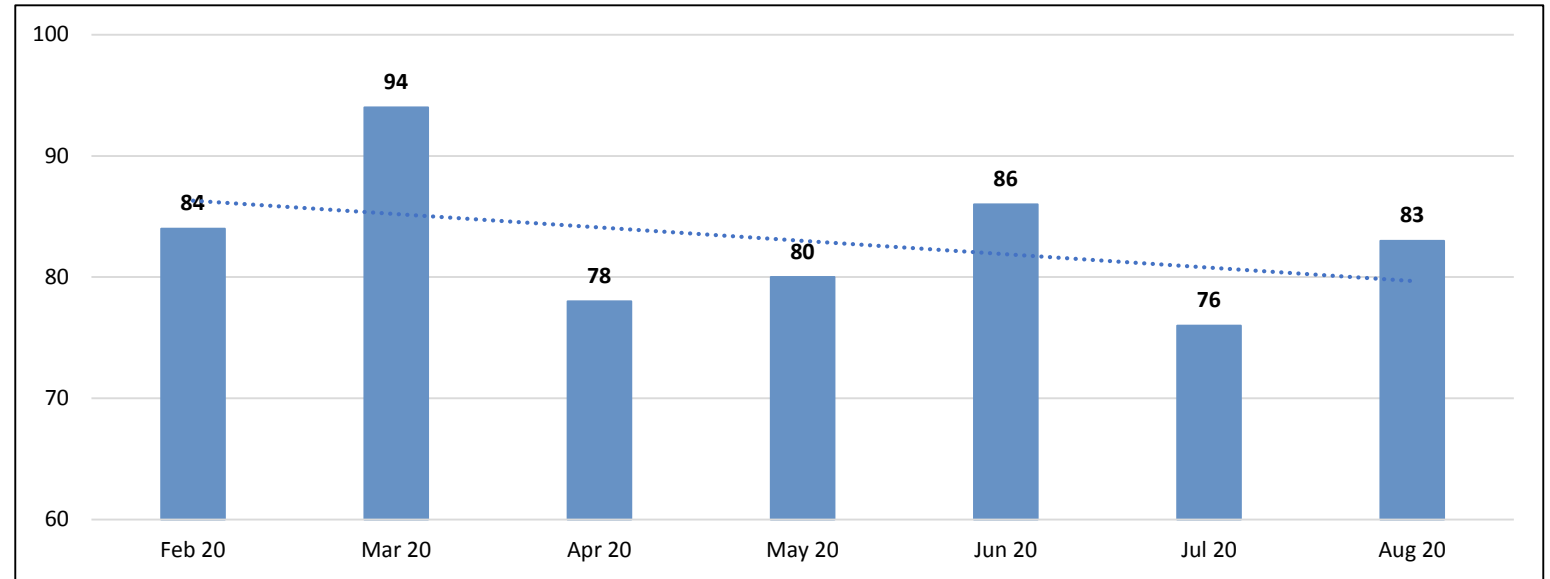
Room Turnover Time (TO):

TO is defined as the time from when the patient is walked out of the OR, to the time when the next patient is brought into the room



Non-Operative Time:

Interval between surgeries during which the patients are not under the direct care of the surgeon; from closure and completion of one procedure, to beginning the next procedure

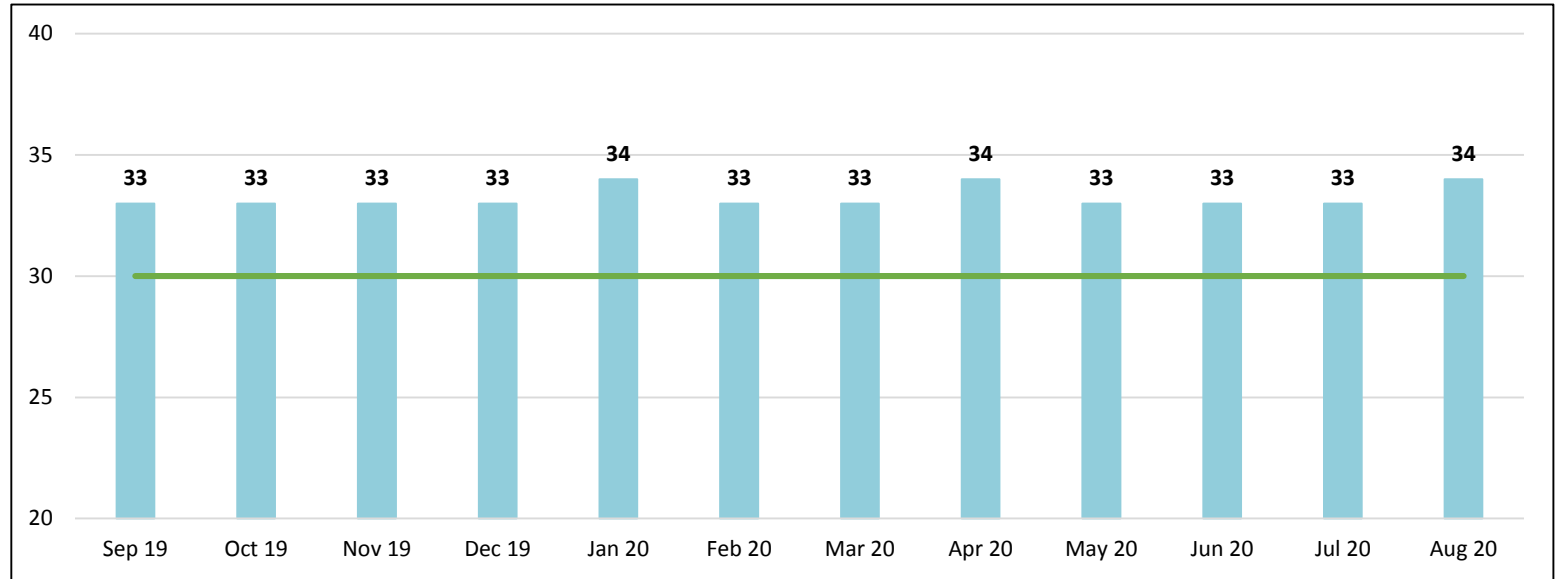


Measure

Patient In to Surgery

Start:

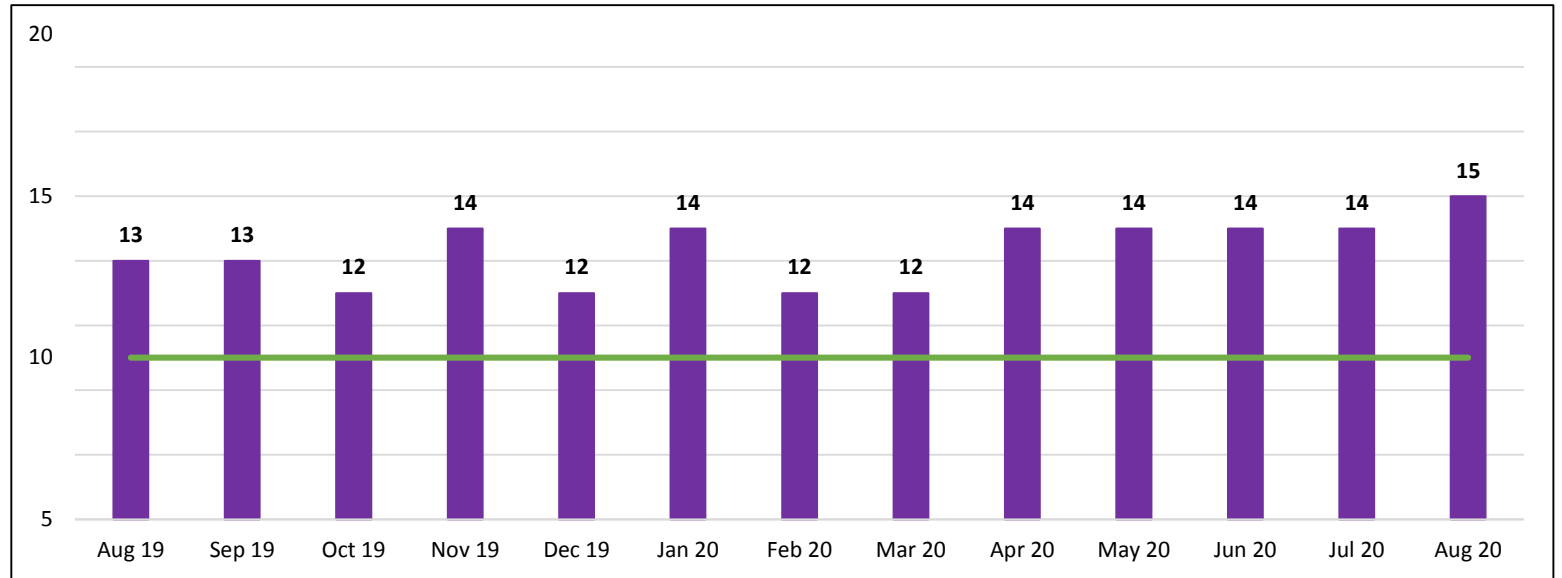
The interval of time from when the patient is brought into the operating room, to the start of the actual operation



Surgery End to Patient

Out:

Interval from completion of surgery, to walking the patient out of the OR, and to the Post Anesthesia Care Unit (PACU)



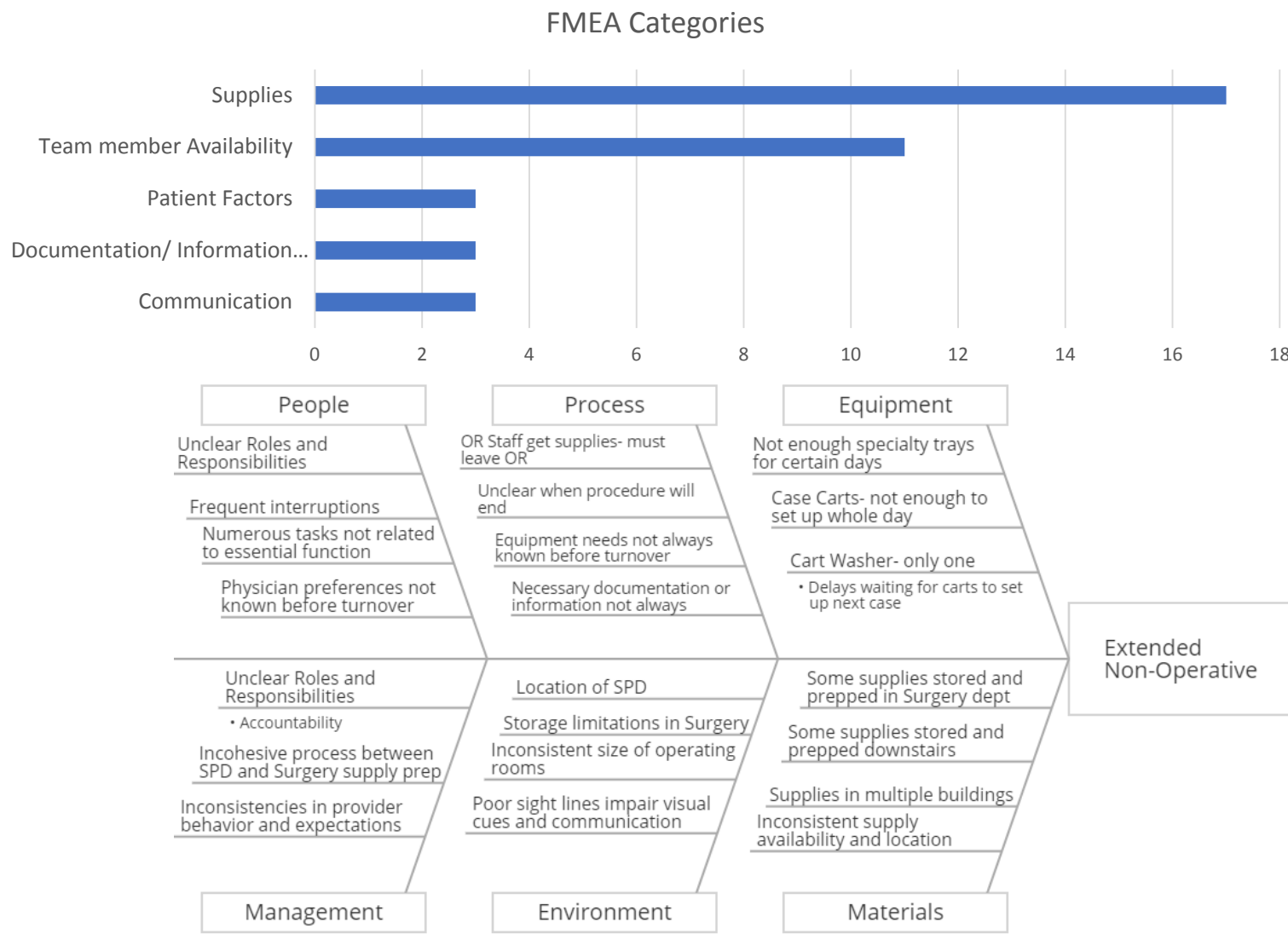
Analyze

FMEA:

In an effort to adapt to limitations associated with COVID, an FMEA was completed with leaders and front-line OR staff to identify and evaluate failure modes resulting in delays. Highest scoring failure modes were evaluated and assigned to categories.

Cause and Effect Ishikawa:

An Ishikawa (fishbone) diagram was created to further identify Root Causes for delays and extended Non-Operative Time



Improve

Identify and Correct Upstream Variation:

Early process mapping, including key inputs and information sources, yielded numerous opportunities to address variation that directly contributed to extended turnover times.

SIPOC:

Supplier, Input, Process, Output, Customer (SIPOC) is an important tool used to identify early sources of variation- and brought a recognition to key stakeholders and leaders that turnover errors start far before turnover occurs

S SUPPLIER	I INPUT	P PROCESS	O OUTPUT	C CUSTOMER
Surgeon	Information regarding clinical need Documentation Orders Fax or Phone call	Pt selected as surgical candidate and scheduled for KATS and surgery date	Communication regarding procedure Required information provided to scheduling and KATS staff	Patient Office staff Scheduling staff Surgery staff
Surgeon	Orders	Patient to KATS for pre testing	Test Results	ASC and OR staff, Anesthesia providers, surgeons
Surgeon KATS/Diagnostic services	Documentation Additional orders Test results Available	Patient to ASC	Patient is prepared for safe surgery	OR, Surgeon, Anesthesia Provider
SPD/Runner RN-C, ORT	Instrument cart Supplies Medications	OR Setup	Room ready for patient arrival and procedure start	Patient
ASC	Pt prepped, documentation ready, orders completed, meds administered	Patient to OR	Pt enters OR ready for procedure to begin	OR/intraop team
Surgeon Anesthesia OR team	Excellent surgical care.	Procedure	Successful, safe completion of procedure	Patient
Anesthesia, RN-C	Transport pt and belongings to PACU	Patient to PACU	Pt stable, orders in place to manage post op care	Patient
ORT STA	Remove used instruments Clean room	OR Turnover	Room clean and ready for next patient and setup	OR team Patient
ASC, Surgeon	Orders, care provided	Patient discharged, or admitted to hospital	Education, follow up, pain management	Patient

Improve- Phase 1: Stabilize Upstream Inputs

Upstream/Input Variation Initiatives:

- Electronic Documentation system implemented for all Surgeons
- One on one training for Surgeons and their office staff for the entering of orders into “Planned State” for availability to Surgical staff
- Preference Card Update of highest volume case types for each surgeon
- Preference Card process validation
- Increase Available Prep Time: Scheduling is finalized 2 days before date of procedure to allow time to acquire special equipment or address staffing and workflow problems
- Block Utilization Optimization: Allow for greater consistency in scheduling and preparation
- First Case Delays: Significant contributor to schedule interruptions; performance now tied to provider scheduling capabilities

Improve- Phase II: Address Root Causes

Initiative	Root Cause Addressed/Tools Available
Identify the roles & responsibilities, Ideal Timelines	Management, Accountability/Cleveland Clinic Roles and Responsibilities KD Tool, Leader Standard Work- System of Accountability
Preference Card Accuracy Sub process	People, Physician preferences not know; Process, Equipment needs not always known/Avoid Waste-Rework; Standard Work
Develop Preference Card review process & maintain	People, Physician preferences not known/Standard Work- Continuously Improving
Standardizing location of supplies – volume of use. Where supplies are being stored	Materials, Supplies stored and prepped in different areas; Management, in cohesive process between OR-SPD /5S (Cleveland Clinic Tools and Resources)
Huddle in AM for each room (including Surgeon calling in or present)	Process, equipment need not known; Materials, stored in varied areas; People, physician preferences not known/Standard Work, Huddle Boards
Pre Turnover checklist. Case carts, supplies, bed, etc.	People, Numerous tasks not related to essential functions/Avoid Waste, Defects, waiting
Communication – implement Cerner messaging system	Process, Unclear when procedure will end
Anesthesia Tech process (prepping supplies)	Materials, Inconsistent supply availability/Standard Work
Anesthesia preference cards.	People, Physician preferences not know; Process, Equipment needs not always known/Avoid Waste-Rework; Standard Work
ASC to OR handoff & checklists	People, unclear Roles and Responsibilities/Standard Work
Insurance authorizations/verifications (Labs, Insurance, etc).	Reduce Waste- Rework, Waiting, Overprocessing
STA boot camp	Standard Work; Reducing Waste, overprocessing, under-utilized talent
Supply accuracy process (picking right supplies)	Process, OR staff leave OR to get supplies/Poke yoke- Auto Correction
Page and communication system	Process, Unclear when procedure will end

Selecting Interventions:

Using results of Analyze Root Causes, key stakeholders brainstormed and prioritized key interventions

OR Capacity

Capacity

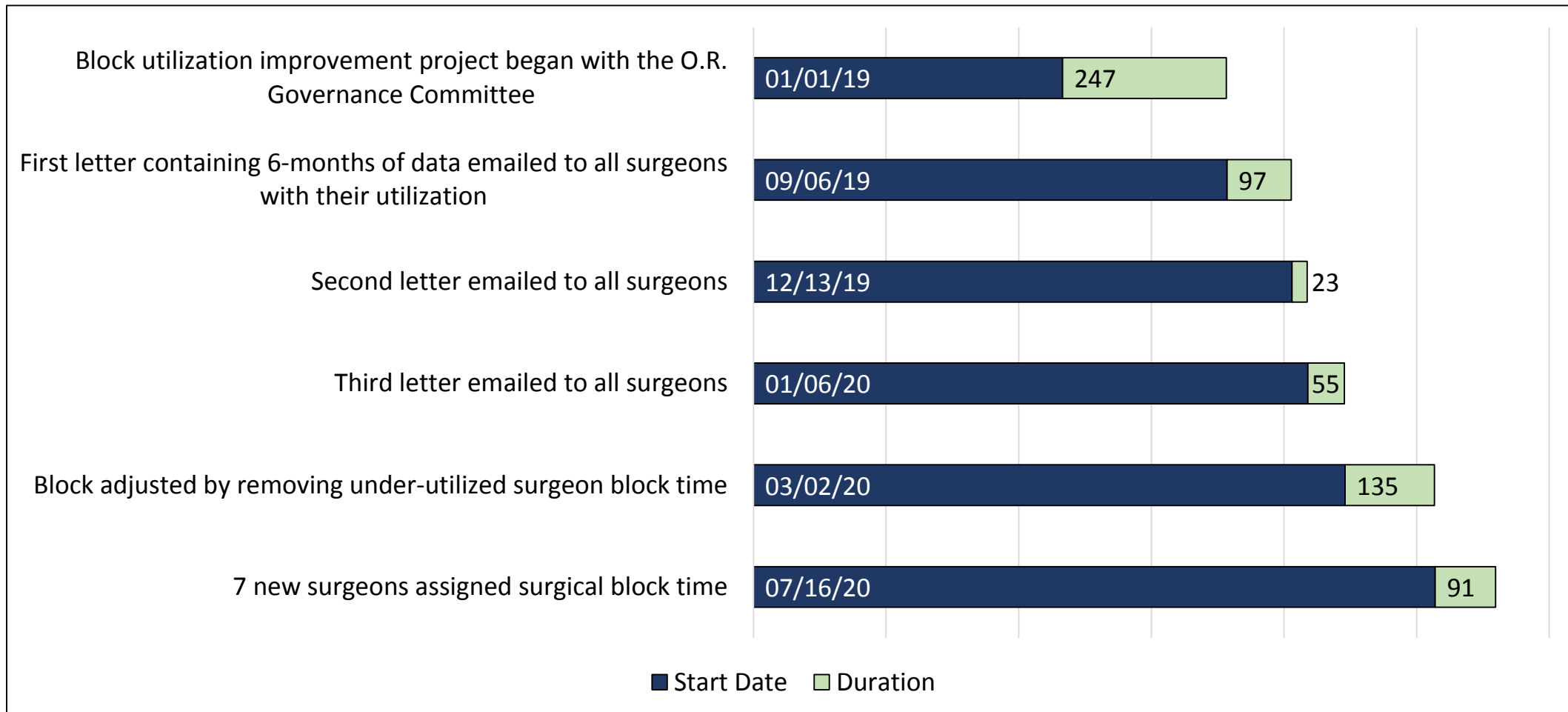
Monthly evaluation of all aspects of operations including First Case Start Times, Turnover Times, Percent of Block time used, Average of Empty Minutes, and Released Block Times by each surgeon.

Surgical Services block utilization methodology

Surgery Minutes + Turnover Minutes / Block Time Minutes - Released Block Minutes = % Utilized

- Surgeons are required to utilize 50% utilization in order to keep assigned block.
- If a surgeon has block time lower than 50% in a consecutive quarter, block will be reassigned.

Block Utilization Interventions



Block Utilization

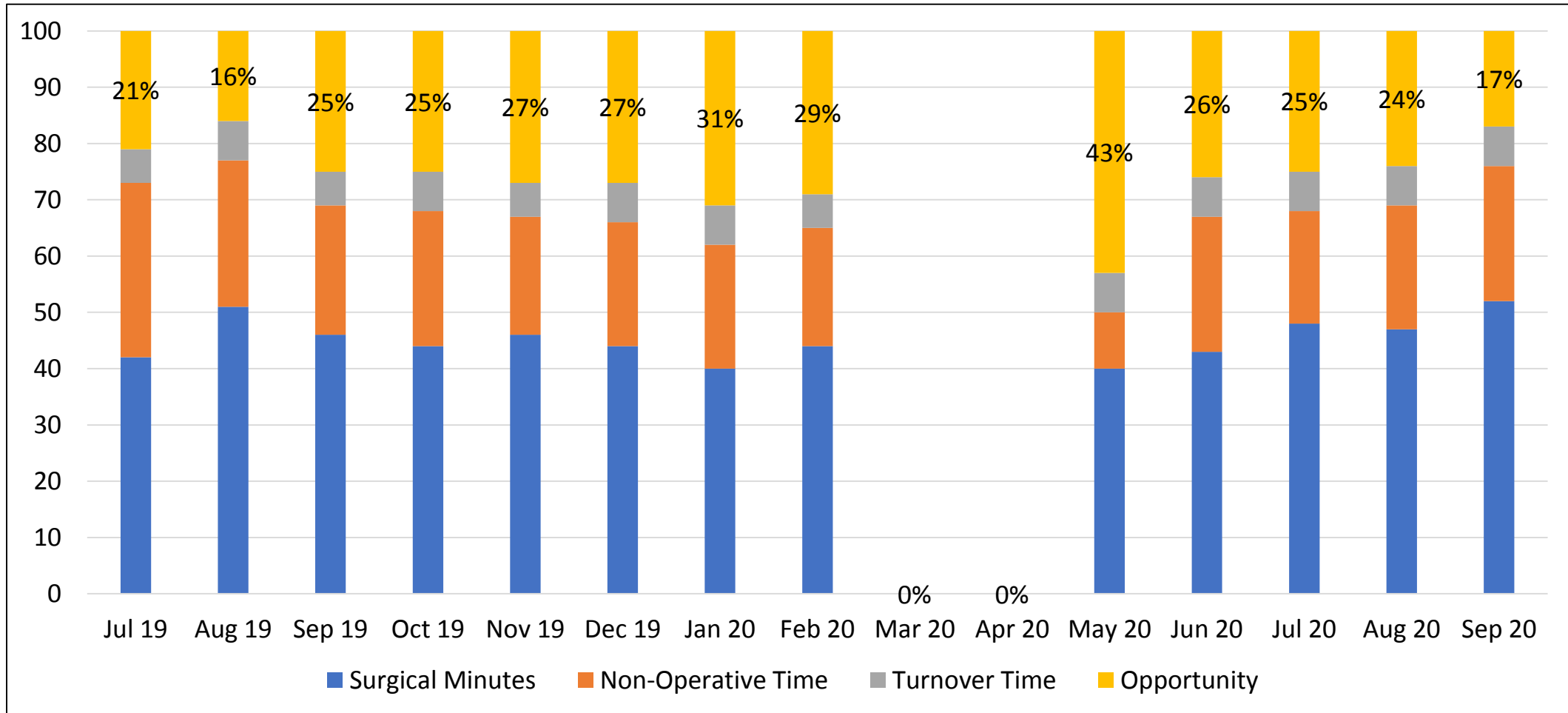
Next Steps

- Continue to monitor block utilization
- Remove under-utilized block from surgeons and give other surgeons the time
- Recruit surgeons in specialties the District needs
- Goal is to increase block utilization by 10%
- Work with Marc Mertz and team for marketing and recruitment strategies
- First phase of marketing:
 - Vascular
 - Robotics
 - Ortho

Barriers

- Physician behavior
- COVID
- Surgeons retiring
- Recruiting

Block Utilization



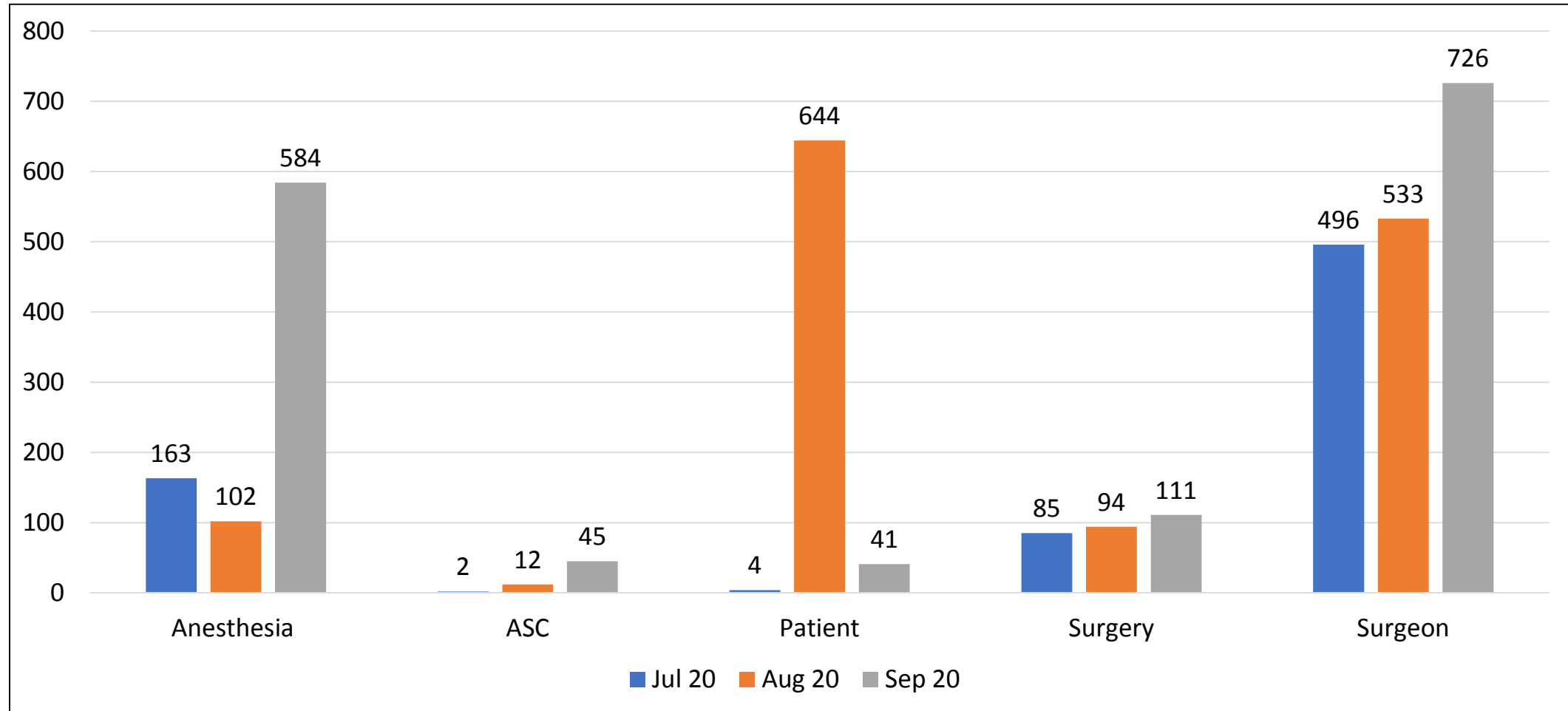
First Case Start Delays

Interventions

- Data discussed at O.R. Governance Committee
 - Data broken down to who is causing the delay; surgeons, anesthesia, ASC, surgery, or the patient.
- March 2, 2020 letters sent to surgeons regarding delays
- Paperwork was a big delay for patient throughput.
- April 2020, Surgical Services leadership team and ISS team went to every surgeons office to educate the surgeons and medical assistants on electronic documentation.
 - July 17, 2020, Go live date for all orders and up-to-date pre-op documentation and diagnostics being in EMR.
- July 2020, discussed data at the Department of Surgery meeting.
 - Data was broken down to minutes associated with the delays

First Case Delay Minutes by Owner

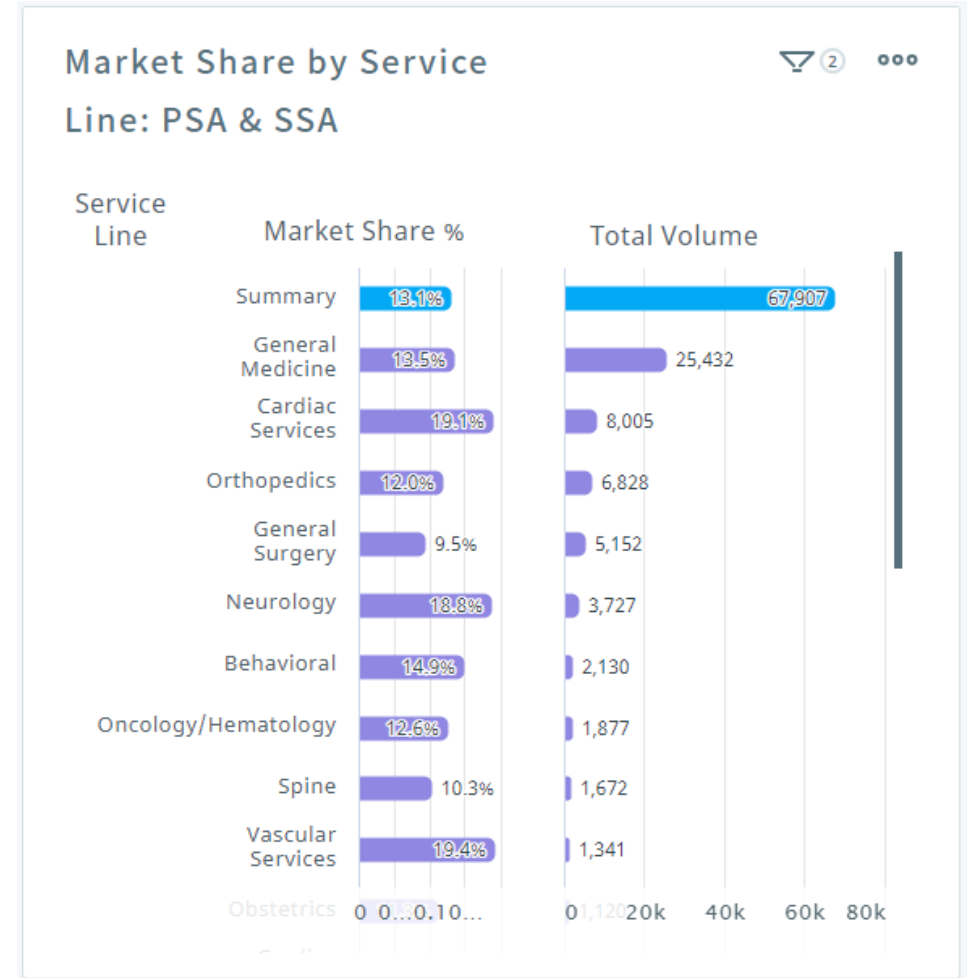
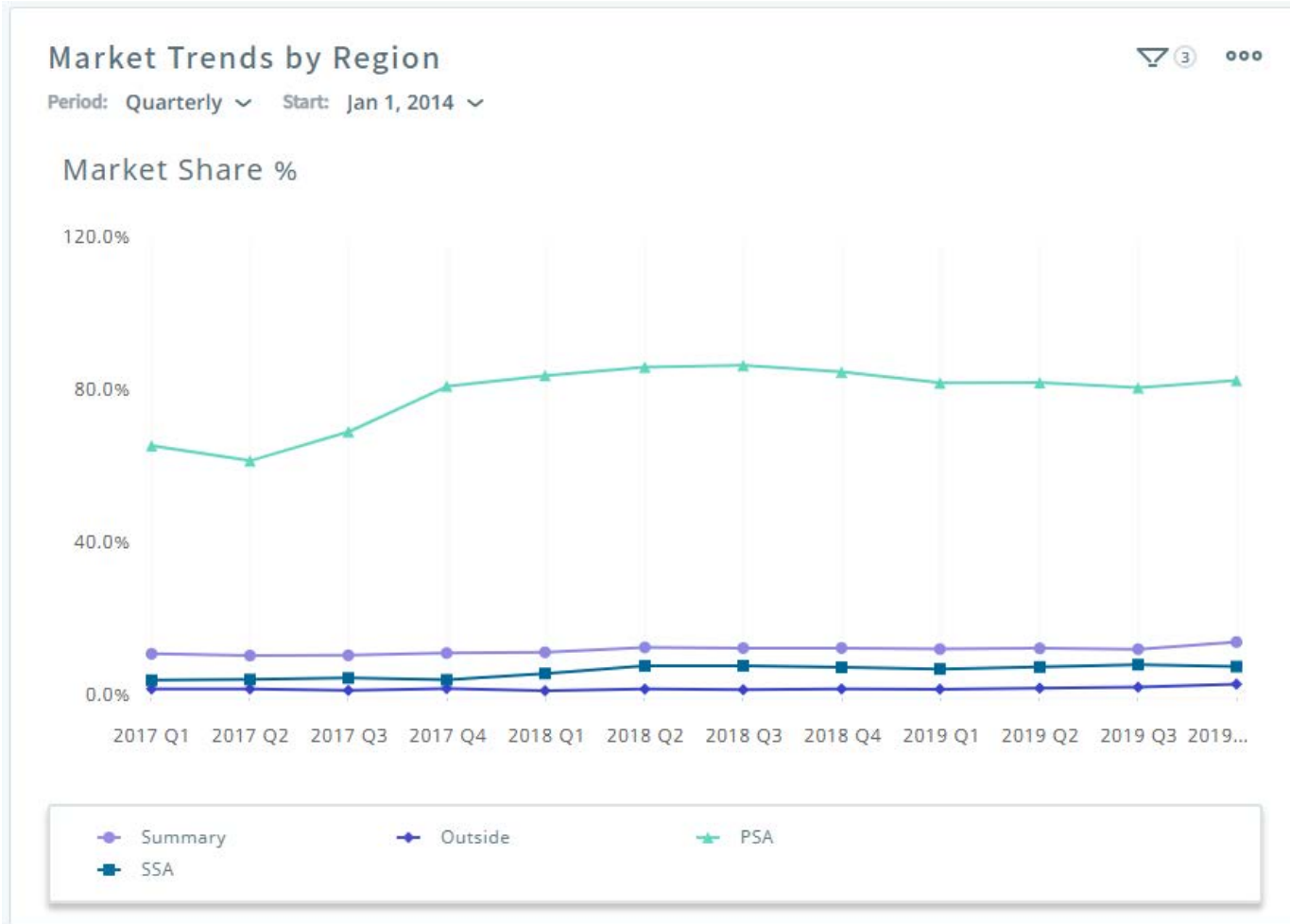
The delayed minutes could represent 32 more surgical cases by decreasing the number of delays



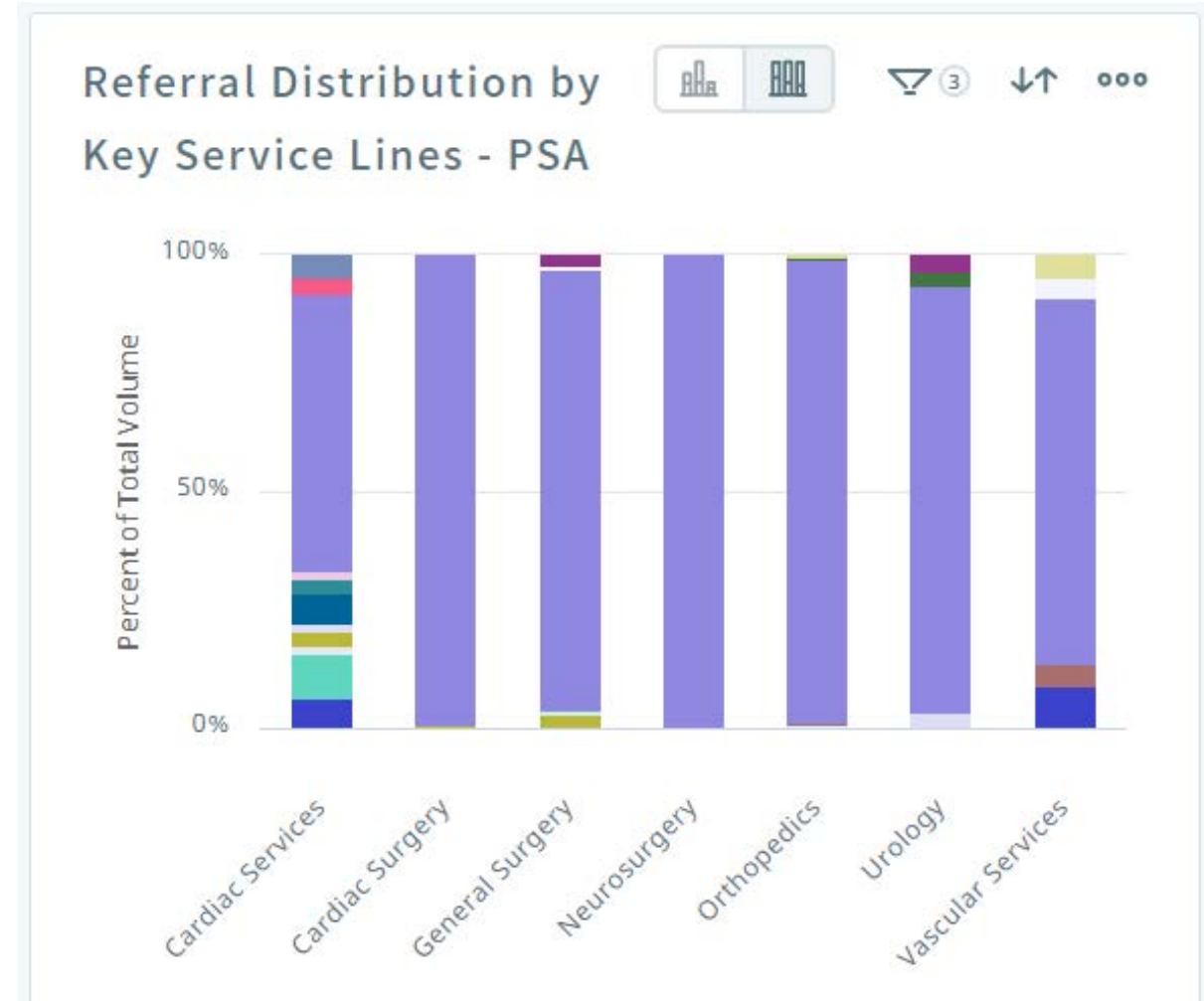
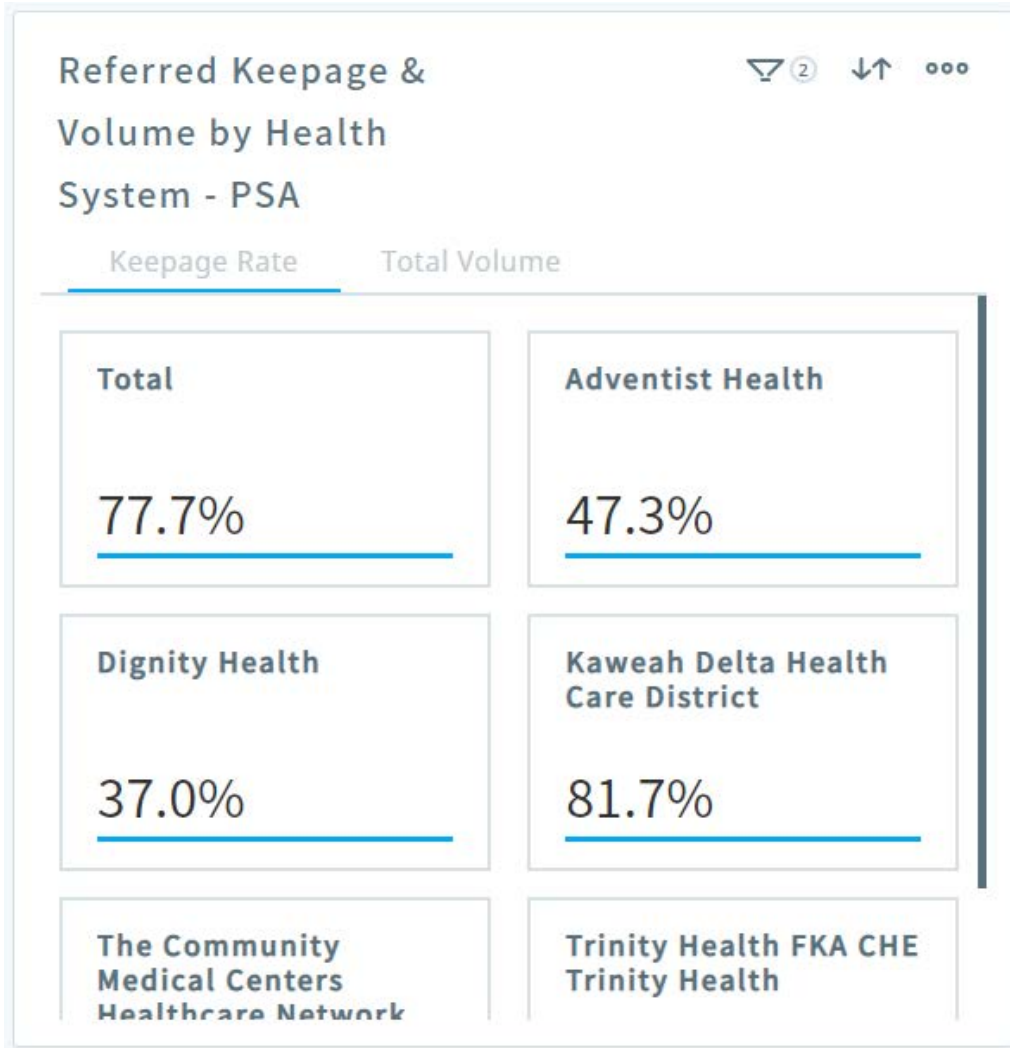
Surgery Business Development Committee

- Attendees: Surgery Department, Strategy, Marketing, Social Media, Internal Consulting, and Physician Recruitment and Relations
- Objective: Identify surgical procedures that are important to the health of the community and to Kaweah Delta, assess capacity for growth (e.g. OR availability, staffing, physician availability, etc.) and determine strategies for growth
- Growth strategies may include marketing campaigns, social media posts, physician liaison activity, CME events, recruitment, etc.
- Initial areas of focus: cardiac surgery, orthopedics, neurosurgery, vascular surgery, gastroenterology, urology, and general surgery. Areas can change monthly.
- The committee also discusses the development of new procedures or service lines

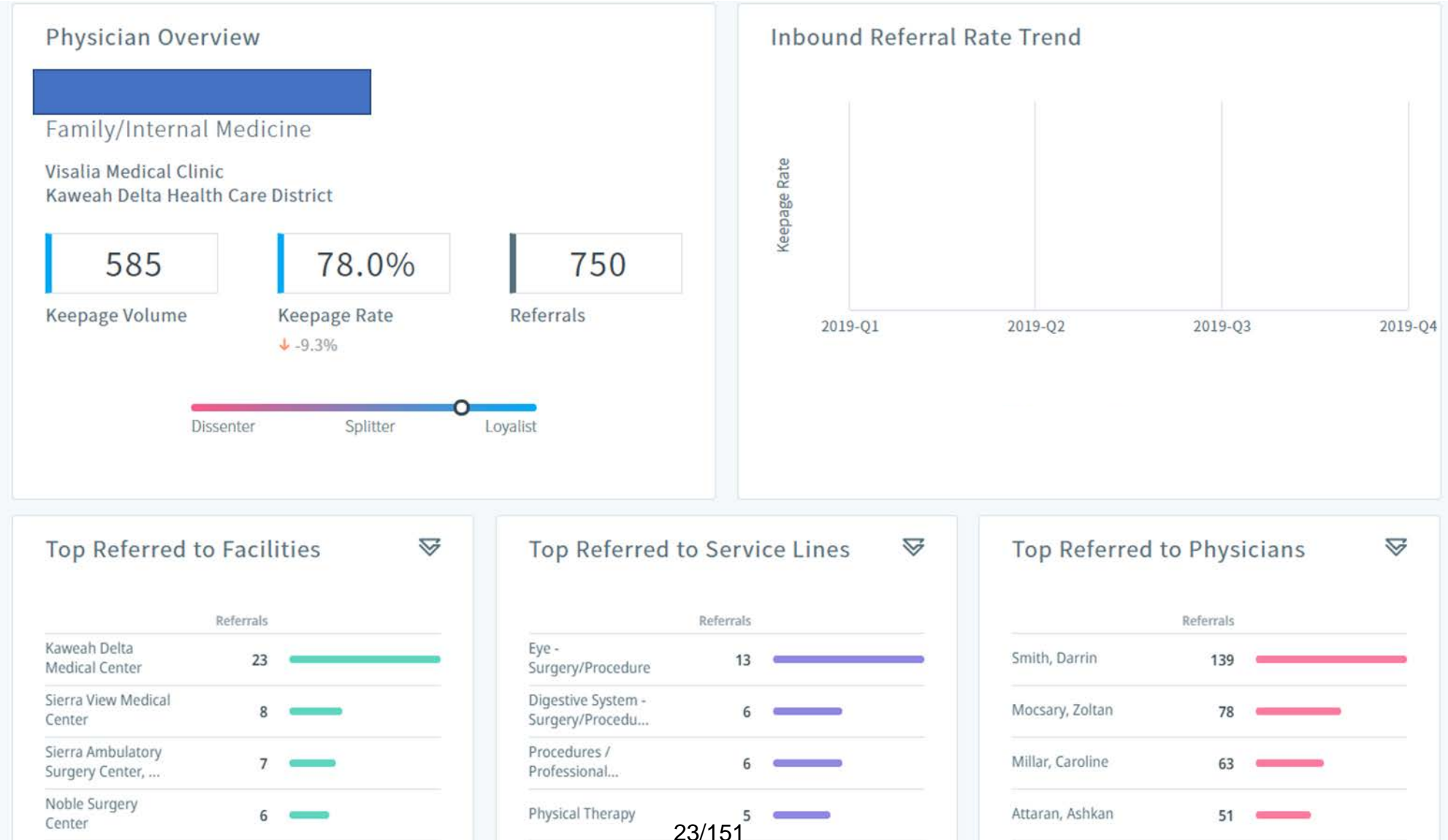
Clarify Health- Examples of Market Share Data



Clarify Health- Examples of Referral Reports



Clarify Health- Physician Profile



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

CFO Financial Report

October 20, 2020



Kaweah Delta
HEALTH CARE DISTRICT

September Overview

- **Volumes:** Inpatient volume exceeded budget by 4.1%. Outpatient volume was still running under budget, but many areas continue to regain their volume
- **Revenue:** Revenue per visit was strong, however total revenue was impacted by the lower outpatient volume.
- **Expenses:** 2 main items contributing to unfavorable budget variance (\$3.3M)
 - COVID unbudgeted expenses - Payroll (\$816K) and Supplies(\$784K)
 - Humana 3rd party claims - Unusually high claims continue for third party providers. Over budget by \$1.25M in September. In September we did have one large claim pay out to UCSF and we had an additional check run in the month. This timing issue should reduce October's expenses.

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 2 nd payment	\$1,225,939	Received 4/24/20
Stimulus Funds – KDMF 2 nd 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
Impact to Net Revenue	\$26,700,448	

COVID-19 Financial Activity

Reimbursement and In Kind Impact

20% increase in Medicare inpatient payments	\$ 1,350,000	Calendar year 2020
6.2% increase in FMAP - IGT matching	\$ 1,200,000	Annual Estimate
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	\$ 100,000	Payments to date
Department of Defense	\$ 250,000	In kind clinical support staff
2% sequestration	\$ 2,100,000	Calendar year 2020
Unemployment benefit costs ½ covered	\$ 319,600	Calendar year 2020
3 County agreements – Lab testing, PPE, Pharmaceuticals	\$ 4,578,800 max	County will cover related costs as we begin to submit invoices
COVID Payer Grants	\$ 3,000,000	October deposit
Repayment period of Medicare Advanced Payments extended - \$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.
Social Security Tax Deferral – \$13.5M		Repayment of 50% due 12/31/21 and 50% 12/31/22
Impact to Bottom Line	\$ 13,907,400	

Financial Analysis - COVID-19 Inpatients

January - September 2020 Discharged COVID Inpatients

Payer Group	Patient Volume	% of Total Visits	ALOS	GMLOS	Est. Net Revenue	Direct Cost	Contribution Margin	Net income
Medicare	337	39%	11	5.6	\$6,884,864	\$7,410,747	(\$525,883)	(\$3,147,598)
Medi-Cal Managed Care	185	22%	8.5	5.6	\$3,562,076	\$3,379,682	\$182,395	(\$1,010,369)
Commercial/Other	150	17%	10.1	5.9	\$4,154,544	\$3,101,038	\$1,053,506	(\$48,896)
Medicare Managed Care	94	11%	11.6	5.9	\$2,520,482	\$2,635,388	(\$114,905)	(\$961,283)
Medi-Cal	67	8%	10.4	5.4	\$1,011,655	\$1,627,796	(\$616,141)	(\$1,175,205)
Cash Pay	18	2%	8.3	5.9	\$18,894	\$165,073	(\$146,179)	(\$205,698)
Work Comp	9	1%	10.7	6.6	\$261,751	\$246,504	\$15,247	(\$68,463)
Grand Total	860	100%	10.2	5.7	\$18,414,267	\$18,566,228	(\$151,961)	(\$6,617,511)
			Typical Contribution margin on 860 inpatient visits				\$2,343,500	
			LOS GAP	4.5		Difference	(\$2,495,461)	

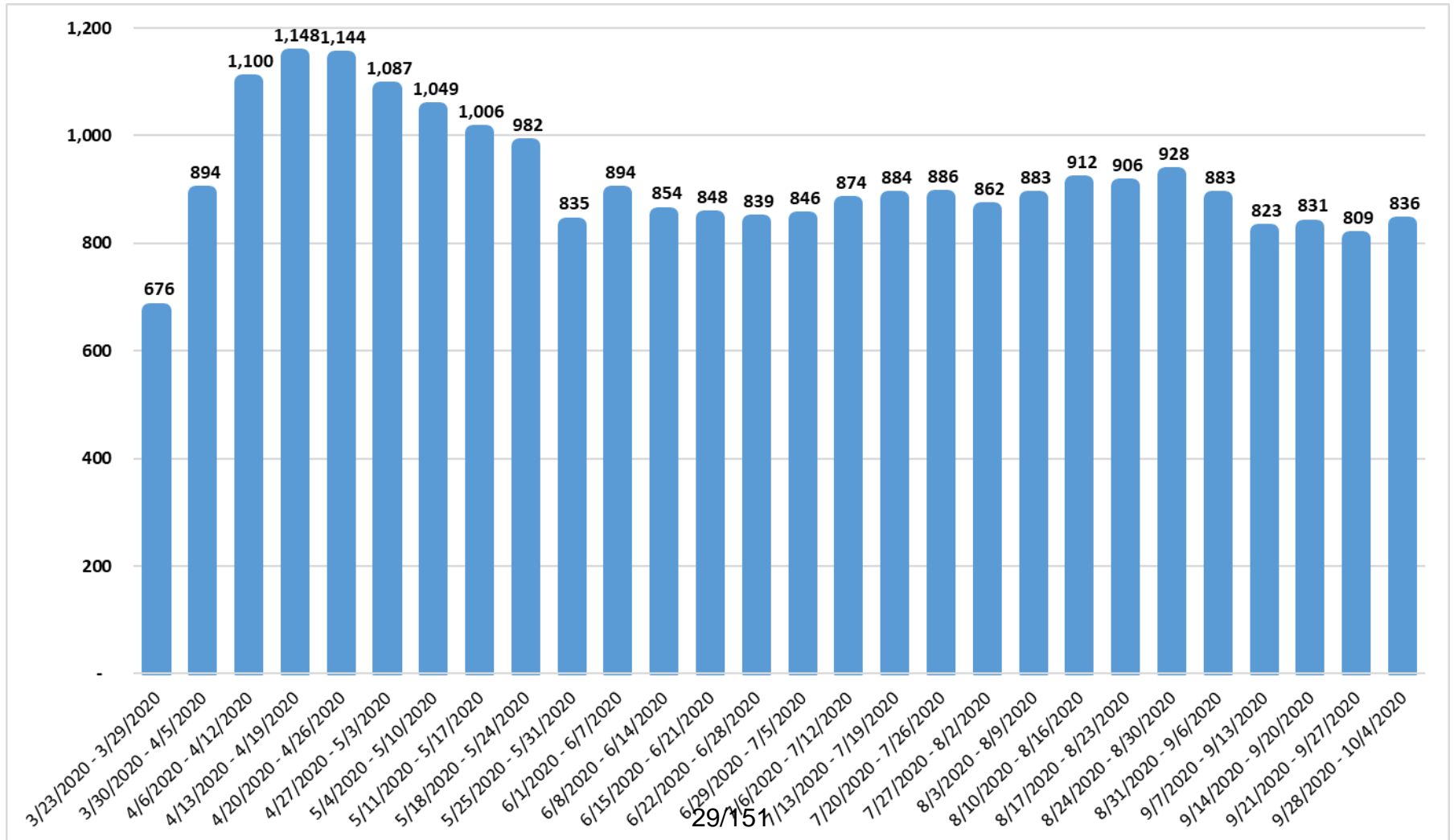
Notable Changes from Prior Month's Analysis

1. Volume of discharged COVID inpatients increased 27% from 676 to 860
2. Shifts in payer mix% from Medicare to other payers. (41% of all cases to 39%) Primary increase in Medi-Cal Managed
3. The gap between the average length of stay and expected decreased from 4.6 to 4.5 days

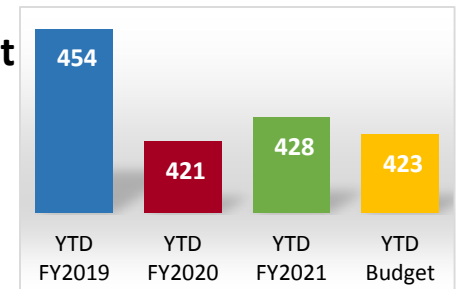
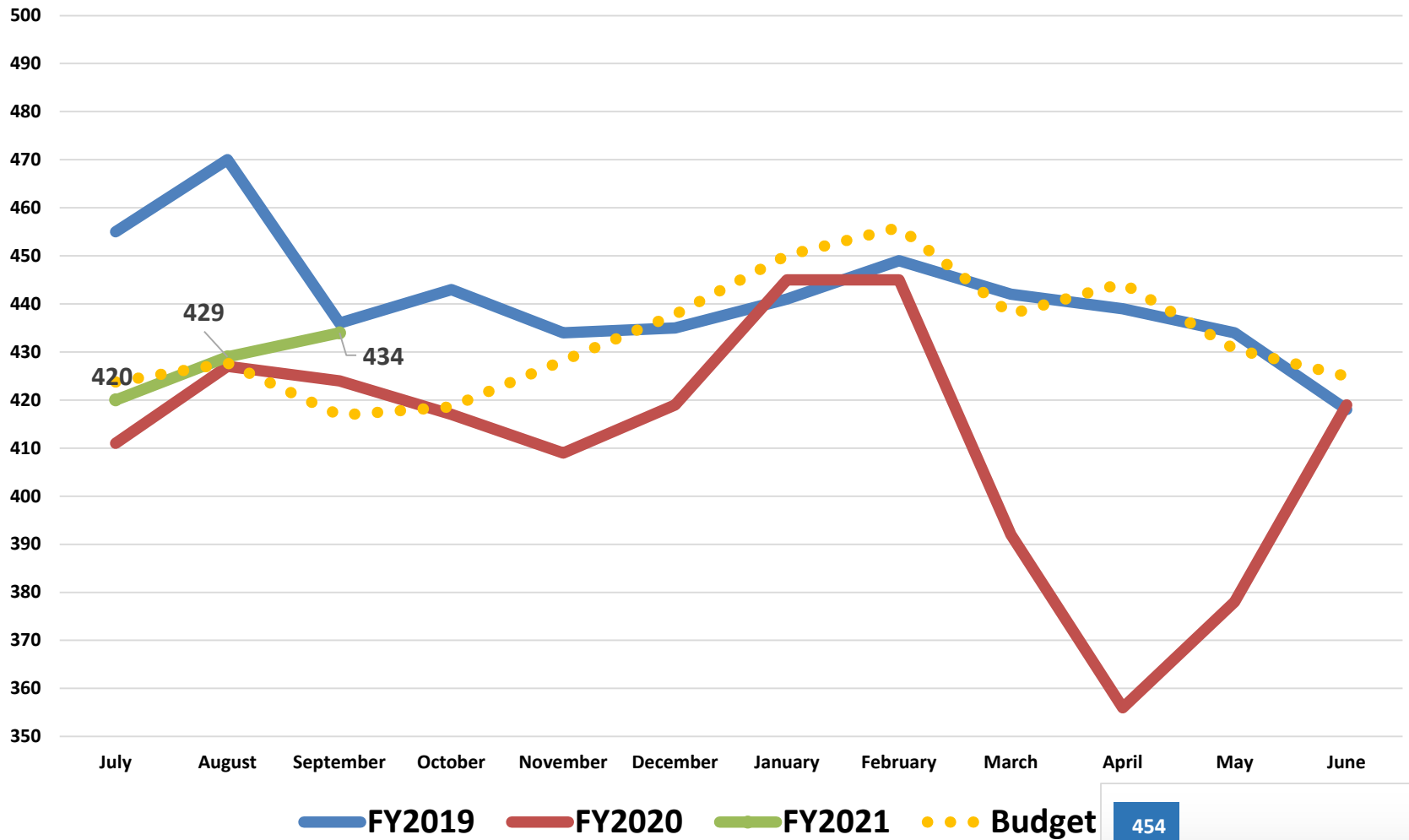
COVID-19: Costs and Billing

Tracking Costs: \$1.6M in COVID labor and expenses were identified in September

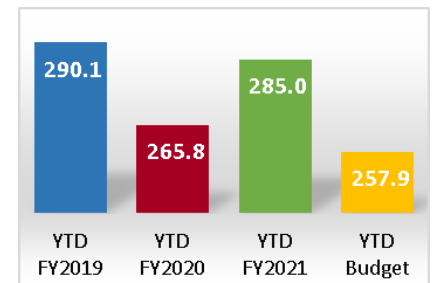
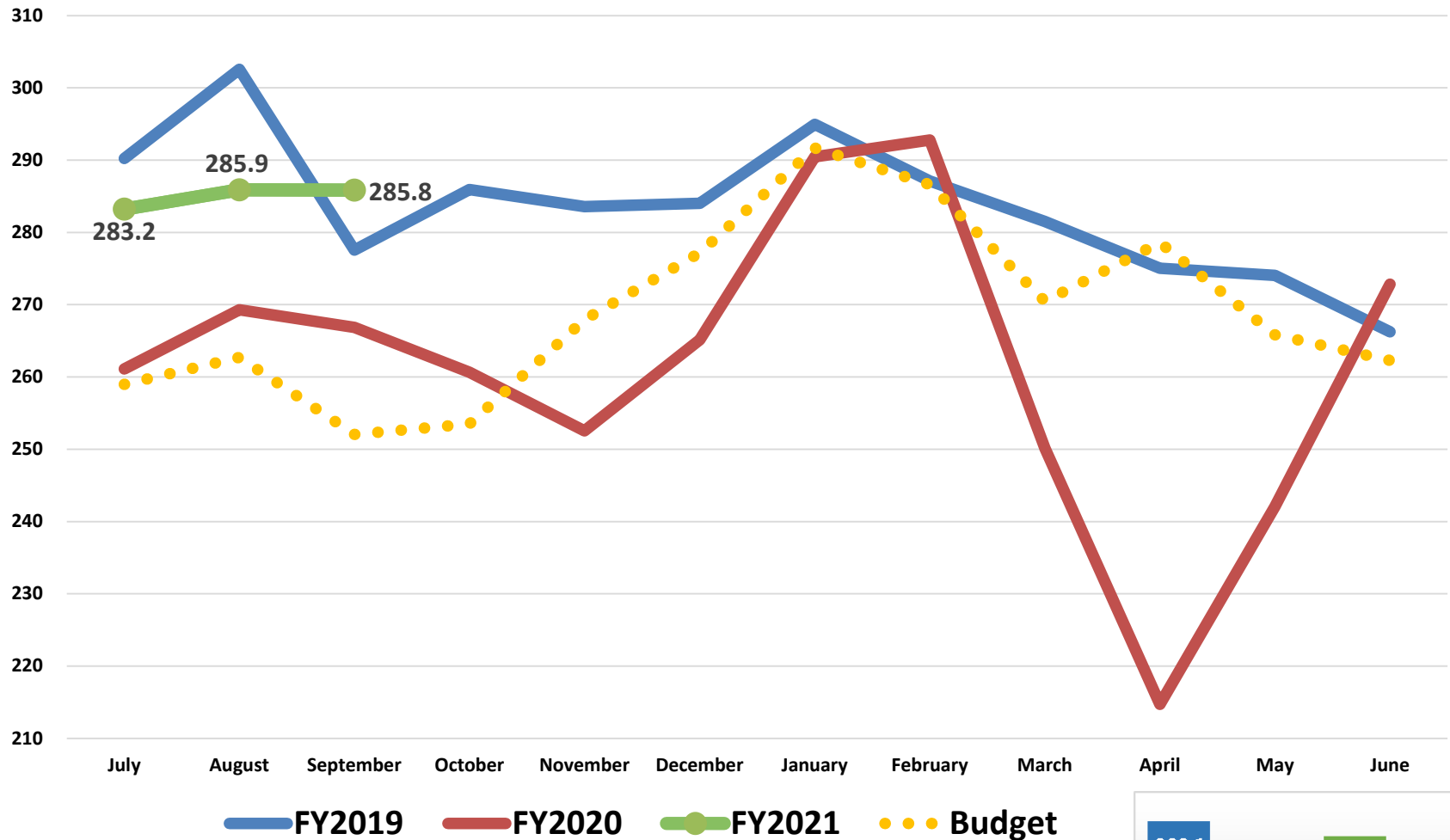
Volume New Services: Telehealth including KDMF



Average Daily Census



Medical Center – Average Daily Census



Statistical Results – Fiscal Year Comparison (September)

Actual Results			Budget	Budget Variance	
Sep 2019	Sep 2020	% Change	Sep 2020	Change	% Change

Average Daily Census	424	434	2.5%	417	17	4.1%
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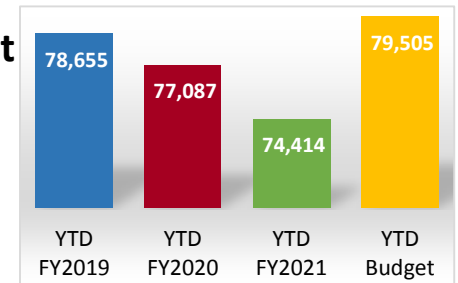
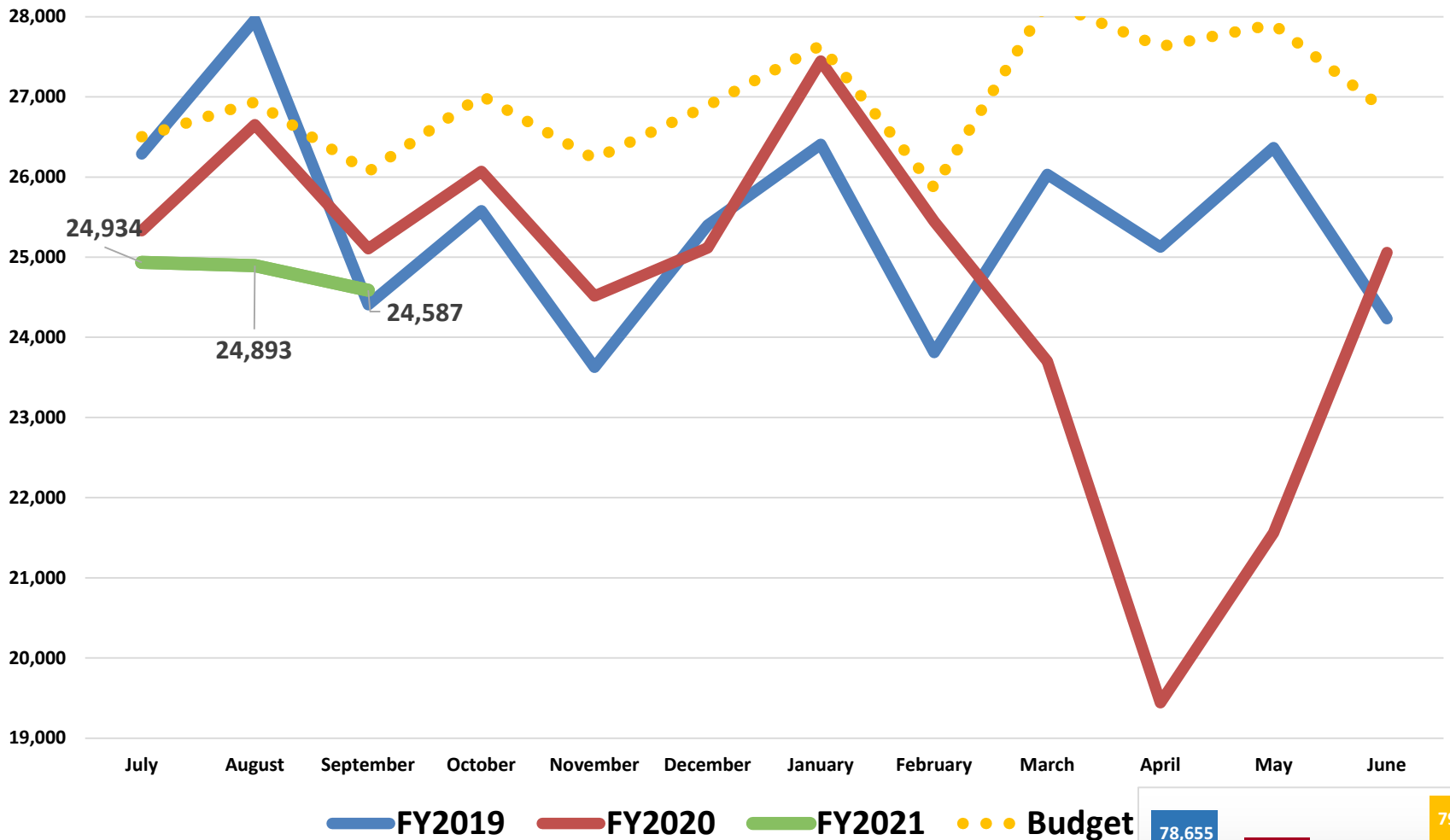
KDHCD Patient Days:

Medical Center	8,006	8,575	7.1%	7,561	1,014	13.4%
Acute I/P Psych	1,403	1,364	(2.8%)	1,420	(56)	(3.9%)
Sub-Acute	879	901	2.5%	930	(29)	(3.1%)
Rehab	525	423	(19.4%)	572	(149)	(26.0%)
TCS-Ortho	447	389	(13.0%)	600	(211)	(35.2%)
TCS	529	405	(23.4%)	470	(65)	(13.8%)
NICU	400	445	11.3%	378	67	17.7%
Nursery	523	522	(0.2%)	575	(53)	(9.2%)

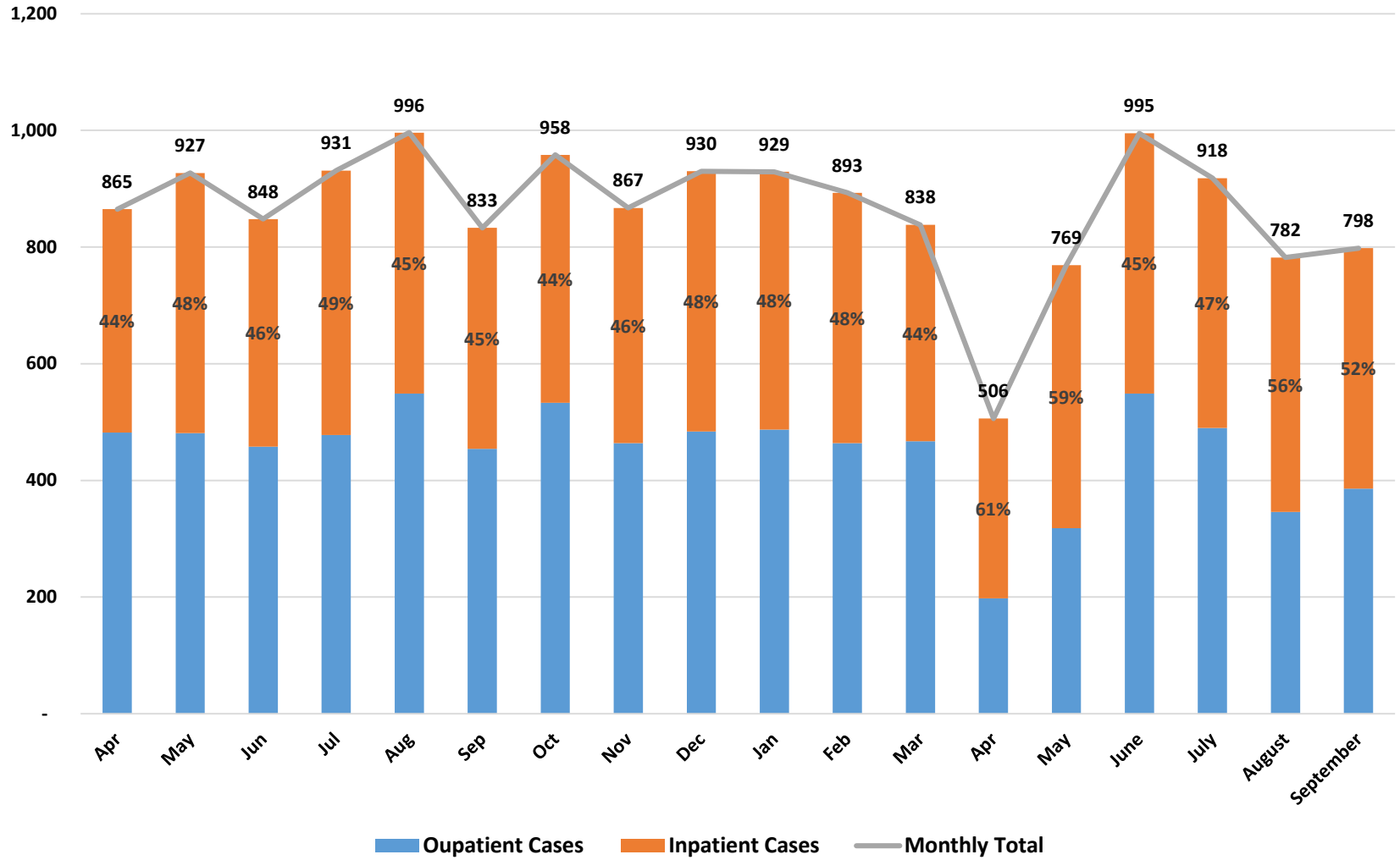
Total KDHCD Patient Days	12,712	13,024	2.5%	12,506	518	4.1%
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Total Outpatient Volume	37,740	38,070	0.9%	40,042	(1,972)	(4.9%)
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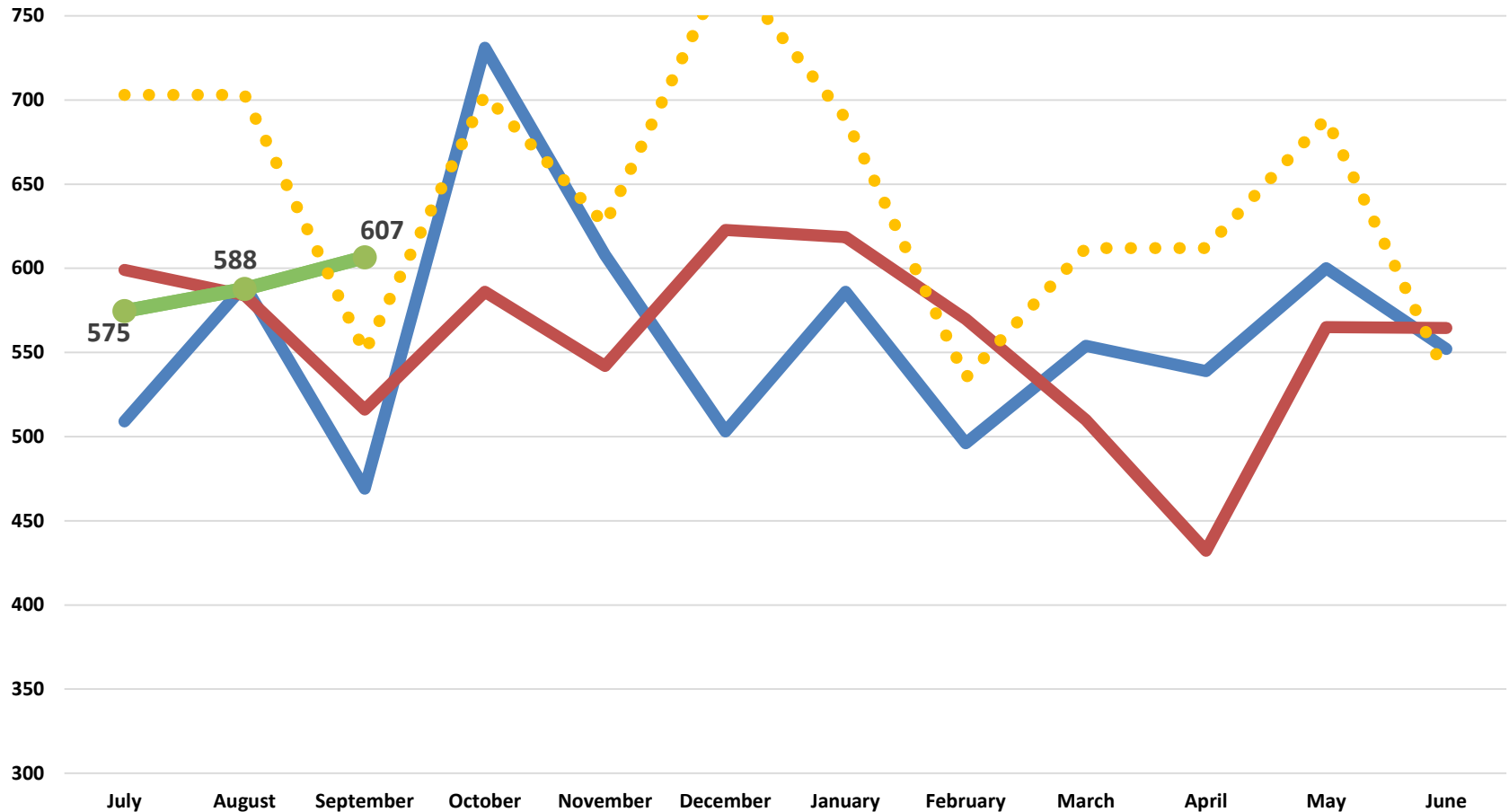
Adjusted Patient Days



Impact - Inpatient/Outpatient Surgeries



Surgery (IP Only) – 100 Min Units



—●— FY2019
 —●— FY2020
 —●— FY2021
 ●●● Budget

1,568	1,699	1,769	1,956
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Other Statistical Results – Fiscal Year Comparison (Sep)

	Actual Results				Budget	Budget Variance	
	Sep 2019	Sep 2020	Change	% Change	Sep 2020	Change	% Change
Adjusted Patient Days	25,104	24,587	(517)	(2.1%)	26,073	(1,486)	(5.7%)
Outpatient Visits	37,740	38,070	330	0.9%	40,042	(1,972)	(4.9%)
Home Infusion Days	10,400	22,274	11,874	114.2%	11,727	10,547	89.9%
Hospice Days	3,311	4,291	980	29.6%	3,396	895	26.4%
Radiation Oncology Treatments (I/P & O/P)	1,656	2,016	360	21.7%	1,694	322	19.0%
Home Health Visits	2,675	3,170	495	18.5%	2,747	423	15.4%
GME Clinic visits	1,023	1,186	163	15.9%	1,173	13	1.1%
RHC Registrations	8,304	9,493	1,189	14.3%	8,362	1,131	13.5%
Surgery Minutes-General & Robotic (I/P & O/P)	964	1,076	112	11.6%	1,079	(3)	(0.3%)
Cath Lab Minutes (IP & OP)	343	367	24	7.0%	386	(19)	(4.9%)
OB Deliveries	378	402	24	6.3%	410	(8)	(2.0%)
O/P Rehab Units	18,716	19,220	504	2.7%	19,847	(627)	(3.2%)
KDMF RVU	30,187	30,934	747	2.5%	34,911	(3,977)	(11.4%)
Radiology/CT/US/MRI Proc (I/P & O/P)	14,957	14,762	(195)	(1.3%)	15,379	(617)	(4.0%)
Physical & Other Therapy Units	17,666	17,420	(246)	(1.4%)	18,880	(1,460)	(7.7%)
Dialysis Treatments	1,864	1,636	(228)	(12.2%)	1,874	(238)	(12.7%)
Endoscopy Procedures (I/P & O/P)	689	568	(121)	(17.6%)	702	(134)	(19.1%)
ED Total Registered	7,100	5,851	(1,249)	(17.6%)	7,517	(1,666)	(22.2%)
Urgent Care - Court	3,484	2,724	(760)	(21.8%)	3,760	(1,036)	(27.6%)
Urgent Care - Demaree	1,858	1,034	(824)	(44.3%)	2,288	(1,254)	(54.8%)

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

	Actual Results				Budget	Budget Variance	
	FY 2020	FY 2021	Change	% Change	FY 2021	Change	% Change
Adjusted Patient Days	77,085	74,421	(2,664)	(3.5%)	79,517	(5,096)	(6.4%)
Outpatient Visits	116,170	122,607	6,437	5.5%	123,256	(649)	(0.5%)
Home Infusion Days	32,264	41,192	8,928	27.7%	37,414	3,778	10.1%
Hospice Days	10,231	12,420	2,189	21.4%	10,137	2,283	22.5%
RHC Registrations	25,006	29,827	4,821	19.3%	26,213	3,614	13.8%
GME Clinic visits	3,127	3,650	523	16.7%	3,366	284	8.4%
Home Health Visits	8,682	9,297	615	7.1%	8,133	1,164	14.3%
Radiation Oncology Treatments (I/P & O/P)	6,326	6,668	342	5.4%	6,447	221	3.4%
Surgery Minutes-General & Robotic (I/P & O/P)	3,114	3,217	103	3.3%	3,618	(401)	(11.1%)
KDMF RVU	94,361	97,416	3,055	3.2%	104,765	(7,349)	(7.0%)
O/P Rehab Units	59,107	57,471	(1,636)	(2.8%)	61,097	(3,626)	(5.9%)
Radiology/CT/US/MRI Proc (I/P & O/P)	46,124	44,717	(1,407)	(3.1%)	47,149	(2,432)	(5.2%)
Cath Lab Minutes (IP & OP)	1,096	1,058	(38)	(3.5%)	1,183	(125)	(10.6%)
Physical & Other Therapy Units	54,076	50,555	(3,521)	(6.5%)	58,021	(7,466)	(12.9%)
OB Deliveries	1,219	1,119	(100)	(8.2%)	1,253	(134)	(10.7%)
Endoscopy Procedures (I/P & O/P)	1,746	1,570	(176)	(10.1%)	1,814	(244)	(13.5%)
Dialysis Treatments	5,845	5,254	(591)	(10.1%)	5,586	(332)	(5.9%)
Urgent Care - Court	10,100	8,885	(1,215)	(12.0%)	10,321	(1,436)	(13.9%)
ED Total Registered	22,493	18,615	(3,878)	(17.2%)	22,910	(4,295)	(18.7%)
Urgent Care - Demaree	5,199	3,302	(1,897)	(36.5%)	6,292	(2,990)	(47.5%)

Trended Financial Comparison (000's)

Kaweah Delta Trended Income Statement (000's)

<i>Adjusted Patient Days</i>	26,654	25,104	26,070	24,515	25,116	27,447	25,445	23,703	19,442	21,561	25,057	24,934	24,893	24,587
	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Operating Revenue														
Net Patient Service Revenue	\$50,243	\$48,185	\$52,165	\$49,354	\$51,458	\$52,382	\$46,813	\$48,523	\$35,582	\$35,995	\$36,554	\$47,402	\$48,393	\$48,769
Supplemental Gov't Programs	4,319	4,185	4,185	4,185	4,185	5,367	5,435	3,839	5,577	5,572	8,770	3,979	3,979	3,979
Prime Program	905	1,747	905	905	999	905	905	905	103	103	6,908	429	429	429
Premium Revenue	3,813	3,732	3,649	3,941	3,748	4,145	4,794	4,218	4,297	4,542	5,911	4,239	4,561	4,351
Management Services Revenue	2,613	2,643	3,014	2,410	2,621	2,848	2,581	2,655	3,007	2,569	2,954	2,834	2,684	3,072
Other Revenue	2,287	1,687	2,142	1,381	1,989	2,039	2,251	1,686	1,590	1,968	826	2,127	1,686	1,716
Other Operating Revenue	13,938	13,994	13,896	12,823	13,542	15,305	15,966	13,303	14,574	14,754	25,369	13,608	13,339	13,548
Total Operating Revenue	64,181	62,179	66,061	62,177	65,001	67,687	62,778	61,826	50,156	50,750	61,923	61,009	61,732	62,317
Operating Expenses														
Salaries & Wages	25,301	24,793	25,747	25,460	25,726	27,060	25,206	27,448	25,081	25,402	26,208	26,540	26,671	26,449
Contract Labor	1,042	988	1,044	858	1,357	617	690	834	431	410	426	576	372	336
Employee Benefits	6,964	5,801	6,755	5,372	5,856	7,222	6,811	7,313	6,751	6,486	2,109	5,098	5,160	6,053
Total Employment Expenses	33,307	31,582	33,546	31,690	32,939	34,899	32,707	35,596	32,263	32,299	28,743	32,213	32,203	32,837
Medical & Other Supplies	9,986	8,571	10,551	9,635	10,521	11,127	10,347	10,216	8,115	8,423	13,315	10,036	10,720	11,619
Physician Fees	7,284	7,486	8,287	6,974	7,113	7,653	8,702	8,202	7,950	7,191	8,486	7,807	8,699	6,871
Purchased Services	1,807	1,474	1,808	1,686	1,858	1,698	1,380	1,681	409	1,587	3,093	1,239	1,518	988
Repairs & Maintenance	2,035	1,981	2,399	2,164	2,107	2,396	1,785	2,134	2,127	1,766	2,544	2,283	2,022	1,965
Utilities	547	588	603	342	593	439	472	483	331	477	586	506	606	646
Rents & Leases	482	536	464	560	512	568	562	572	552	511	483	503	516	517
Depreciation & Amortization	2,517	2,488	2,488	2,459	2,451	2,472	2,487	2,492	2,550	2,685	3,072	2,561	2,582	2,518
Interest Expense	453	441	440	440	439	468	501	500	494	493	779	555	555	557
Other Expense	1,729	1,593	1,609	1,701	1,823	1,822	1,660	1,796	1,570	1,676	2,046	1,478	1,347	1,266
Humana Cap Plan Expenses	2,270	2,568	1,659	1,910	990	1,904	2,048	1,347	2,879	2,145	1,912	1,562	3,040	3,137
Management Services Expense	2,742	2,514	3,006	2,352	2,703	2,702	2,644	2,711	2,856	2,739	2,732	2,815	2,559	3,050
Total Other Expenses	31,854	30,240	33,315	30,226	31,110	33,249	32,587	32,133	29,834	29,692	39,048	31,346	34,163	33,133
Total Operating Expenses	65,161	61,822	66,862	61,916	64,049	68,148	65,295	67,729	62,097	61,991	67,791	63,559	66,366	65,971
Operating Margin	(\$980)	\$356	(\$801)	\$261	\$951	(\$461)	(\$2,516)	(\$5,902)	(\$11,941)	(\$11,241)	(\$5,868)	(\$2,550)	(\$4,634)	(\$3,654)
Stimulus Funds								\$2,855	\$3,607	\$3,687	\$4,817	\$3,633	\$3,745	\$3,633
Operating Margin after Stimulus	(\$980)	\$356	(\$801)	\$261	\$951	(\$461)	(\$2,516)	(\$3,047)	(\$8,334)	(\$7,554)	(\$1,051)	\$1,083	(\$889)	(\$21)
Nonoperating Revenue (Loss)	662	4,429	774	699	726	682	733	1,957	507	652	4,258	909	699	(495)
Excess Margin	(\$318)	\$4,785	(\$27)	\$960	\$1,678	\$221	(\$1,783)	(\$1,091)	(\$7,827)	(\$6,902)	\$3,207	\$1,993	(\$191)	(\$515)

September Financial Comparison (000's)

	Actual Results		Budget	Budget Variance	
	Sep 2019	Sep 2020	Sep 2020	Change	% Change
Operating Revenue					
Net Patient Service Revenue	\$48,185	\$48,769	\$49,048	(\$279)	(0.6%)
Other Operating Revenue	13,994	13,548	13,453	94	0.7%
Total Operating Revenue	62,179	62,317	62,501	(185)	(0.3%)
Operating Expenses					
Employment Expense	31,582	32,837	31,766	1,071	3.4%
Other Operating Expense	30,240	33,133	31,111	2,022	6.5%
Total Operating Expenses	61,822	65,971	62,878	3,093	4.9%
Operating Margin	\$356	(\$3,654)	(\$376)	(\$3,277)	(871%)
Stimulus Funds	0	3,633	0	3,633	100%
Operating Margin after Stimulus	\$356	(\$21)	(\$376)	\$356	(94%)
Non Operating Revenue (Loss)	4,429	(495)	630	(1,124)	(179%)
Excess Margin	\$4,785	(\$515)	\$253	(\$769)	(304%)

Operating Margin %	0.6%	(5.9%)	(0.6%)
OM after Stimulus%	0.6%	(0.0%)	(0.6%)
Excess Margin %	7.2%	(0.8%)	0.4%
Operating Cash Flow Margin %	5.3%	(0.9%)	4.5%

YTD (July-Sep) Financial Comparison (000's)

	Actual Results		FYTD Budget	FYTD Budget Variance	
	FYTD 2020	FYTD 2021	FYTD 2021	Change	% Change
Operating Revenue					
Net Patient Service Revenue	\$150,227	\$144,564	\$150,415	(\$5,85)	(3.9%)
Other Operating Revenue	41,733	40,494	40,568	(73)	(0.2%)
Total Operating Revenue	191,961	185,058	190,983	(5,925)	(3.1%)
Operating Expenses					
Employment Expense	97,837	97,254	97,853	(599)	(0.6%)
Other Operating Expense	91,639	98,642	94,635	4,007	4.2%
Total Operating Expenses	189,476	195,896	192,487	3,408	1.8%
Operating Margin	\$2,484	(\$10,838)	(\$1,505)	(\$9,333)	(620%)
Stimulus Funds	0	11,011	0	11,011	100%
Operating Margin after Stimulus	\$2,484	\$173	(\$1,505)	\$1,678	(112%)
Non Operating Revenue (Loss)	5,835	1,113	1,920	(806)	(42%)
Excess Margin	\$8,319	\$1,287	\$415	\$871	210%

Operating Margin %	1.3%	(5.9%)	(0.8%)
OM after Stimulus%	1.3%	0.1%	(0.8%)
Excess Margin %	4.2%	0.7%	0.2%
Operating Cash Flow Margin %	5.9%	(0.8%)	4.2%

September Financial Comparison (000's)

	Actual Results			Budget	Budget Variance		Explanation
	Sep 2019	Sep 2020	% Change	Se; 2020	Change	% Change	
Operating Revenue							
Net Patient Service Revenue	\$48,185	\$48,769	1.2%	\$49,048	(\$279)	(0.6%)	See highlights slide
Supplemental Gov't Programs	4,185	3,979	(4.9%)	4,111	(132)	(3.2%)	
Prime Program	1,747	429	(75.4%)	429	0	0.0%	
Premium Revenue	3,732	4,351	16.6%	4,014	336	8.4%	
Management Services Revenue	2,643	3,072	16.2%	2,847	225	7.9%	
Other Revenue	1,687	1,716	1.7%	2,052	(335)	(16.3%)	See highlights slide
Other Operating Revenue	13,994	13,548	(3.2%)	13,453	94	0.7%	
Total Operating Revenue	62,179	62,317	0.2%	62,501	(185)	(0.3%)	
Operating Expenses							
Salaries & Wages	24,793	26,449	6.7%	25,754	695	2.7%	See highlights slide
Contract Labor	988	336	(66.0%)	525	(189)	(36.0%)	See highlights slide
Employee Benefits	5,801	6,053	4.3%	5,488	565	10.3%	See highlights slide
Total Employment Expenses	31,582	32,837	4.0%	31,766	1,071	3.4%	
Medical & Other Supplies	8,571	11,619	35.6%	9,772	1,847	18.9%	
Physician Fees	7,486	6,871	(8.2%)	7,440	(568)	(7.6%)	See highlights slide
Purchased Services	1,474	988	(33.0%)	1,440	(452)	(31.4%)	
Repairs & Maintenance	1,981	1,965	(0.8%)	2,286	(321)	(14.1%)	
Utilities	588	646	9.8%	622	24	3.8%	
Rents & Leases	536	517	(3.5%)	550	(33)	(6.0%)	
Depreciation & Amortization	2,488	2,518	1.2%	2,622	(104)	(4.0%)	
Interest Expense	441	557	26.2%	572	(15)	(2.7%)	
Other Expense	1,593	1,266	(20.5%)	1,112	154	13.9%	
Humana Cap Plan Expenses	2,568	3,137	22.2%	1,885	1,252	66.4%	See highlights slide
Management Services Expense	2,514	3,050	21.3%	2,811	240	8.5%	
Total Other Expenses	30,240	33,133	9.6%	31,111	2,022	6.5%	
Total Operating Expenses	61,822	65,971	6.7%	62,878	3,093	4.9%	
Operating Margin	\$356	(\$3,654)	(1125.0%)	(\$376)	(\$3,277)	870.8%	
Stimulus Funds	0	3,633	100.0%	0	3,633	100.0%	See highlights slide
Operating Margin after Stimulus	\$356	(\$21)	(105.9%)	(\$376)	\$356	(94.5%)	
Nonoperating Revenue (Loss)	4,429	(495)	(111.2%)	630	(1,124)	(178.6%)	
Excess Margin	\$4,785	(\$515)	(110.8%)	\$253	(\$769)	(303.6%)	

Operating Margin %	0.6%	(5.9%)		(0.6%)
OM after Stimulus%	0.6%	(0.0%)		(0.6%)
Excess Margin %	7.2%	(0.8%)	42/151	0.4%
Operating Cash Flow Margin %	5.3%	(0.9%)		4.5%

YTD Financial Comparison (000's)

	Actual Results FYTD Jul-Sep			Budget FYTD	Budget Variance	FYTD
	FYTD2020	FYTD2021	% Change	FYTD2021	Change	% Change
Operating Revenue						
Net Patient Service Revenue	\$150,227	\$144,563	(3.8%)	\$150,415	(\$5,852)	(3.9%)
Supplemental Gov't Programs	12,824	11,938	(6.9%)	12,334	(396)	(3.2%)
Prime Program	3,557	1,287	(63.8%)	1,287	0	0.0%
Premium Revenue	11,658	13,151	12.8%	12,043	1,108	9.2%
Management Services Revenue	8,145	8,590	5.5%	8,631	(41)	(0.5%)
Other Revenue	5,550	5,529	(0.4%)	6,274	(745)	(11.9%)
Other Operating Revenue	41,733	40,494	(3.0%)	40,568	(73)	(0.2%)
Total Operating Revenue	191,961	185,058	(3.6%)	190,983	(5,925)	(3.1%)
Operating Expenses						
Salaries & Wages	75,255	79,659	5.9%	79,362	297	0.4%
Contract Labor	3,099	1,284	(58.6%)	1,661	(376)	(22.7%)
Employee Benefits	19,483	16,311	(16.3%)	16,830	(520)	(3.1%)
Total Employment Expenses	97,837	97,254	(0.6%)	97,853	(599)	(0.6%)
Medical & Other Supplies	27,241	32,375	18.8%	30,396	1,980	6.5%
Physician Fees	22,037	23,377	6.1%	22,333	1,044	4.7%
Purchased Services	4,897	3,743	(23.6%)	4,417	(674)	(15.3%)
Repairs & Maintenance	6,066	6,270	3.4%	6,880	(611)	(8.9%)
Utilities	1,676	1,757	4.8%	1,809	(52)	(2.9%)
Rents & Leases	1,589	1,536	(3.3%)	1,635	(98)	(6.0%)
Depreciation & Amortization	7,522	7,661	1.8%	7,867	(205)	(2.6%)
Interest Expense	1,330	1,666	25.2%	1,715	(49)	(2.9%)
Other Expense	4,719	4,091	(13.3%)	3,409	682	20.0%
Humana Cap Plan Expenses	6,646	7,740	16.5%	5,654	2,086	36.9%
Management Services Expense	7,916	8,424	6.4%	8,520	(96)	(1.1%)
Total Other Expenses	91,639	98,642	7.6%	94,635	4,007	4.2%
Total Operating Expenses	189,476	195,896	3.4%	192,487	3,408	1.8%
Operating Margin	\$2,484	(\$10,838)	(536.3%)	(\$1,505)	(\$9,333)	620.3%
Stimulus Funds	0	11,011	100.0%	0	11,011	100.0%
Operating Margin after Stimulus	\$2,484	\$173	(93.0%)	(\$1,505)	\$1,678	(111.5%)
Nonoperating Revenue (Loss)	5,835	1,113	(80.9%)	1,920	(806)	(42.0%)
Excess Margin	\$8,319	\$1,287	(84.5%)	\$415	\$871	209.8%

Operating Margin %	1.3%	(5.9%)		(0.8%)
OM after Stimulus%	1.3%	0.1%		(0.8%)
Excess Margin %	4.2%	0.7%	43/151	0.2%
Operating Cash Flow Margin %	5.0%	(0.8%)		4.2%

Kaweah Delta Medical Foundation

Fiscal Year Financial Comparison (000's)

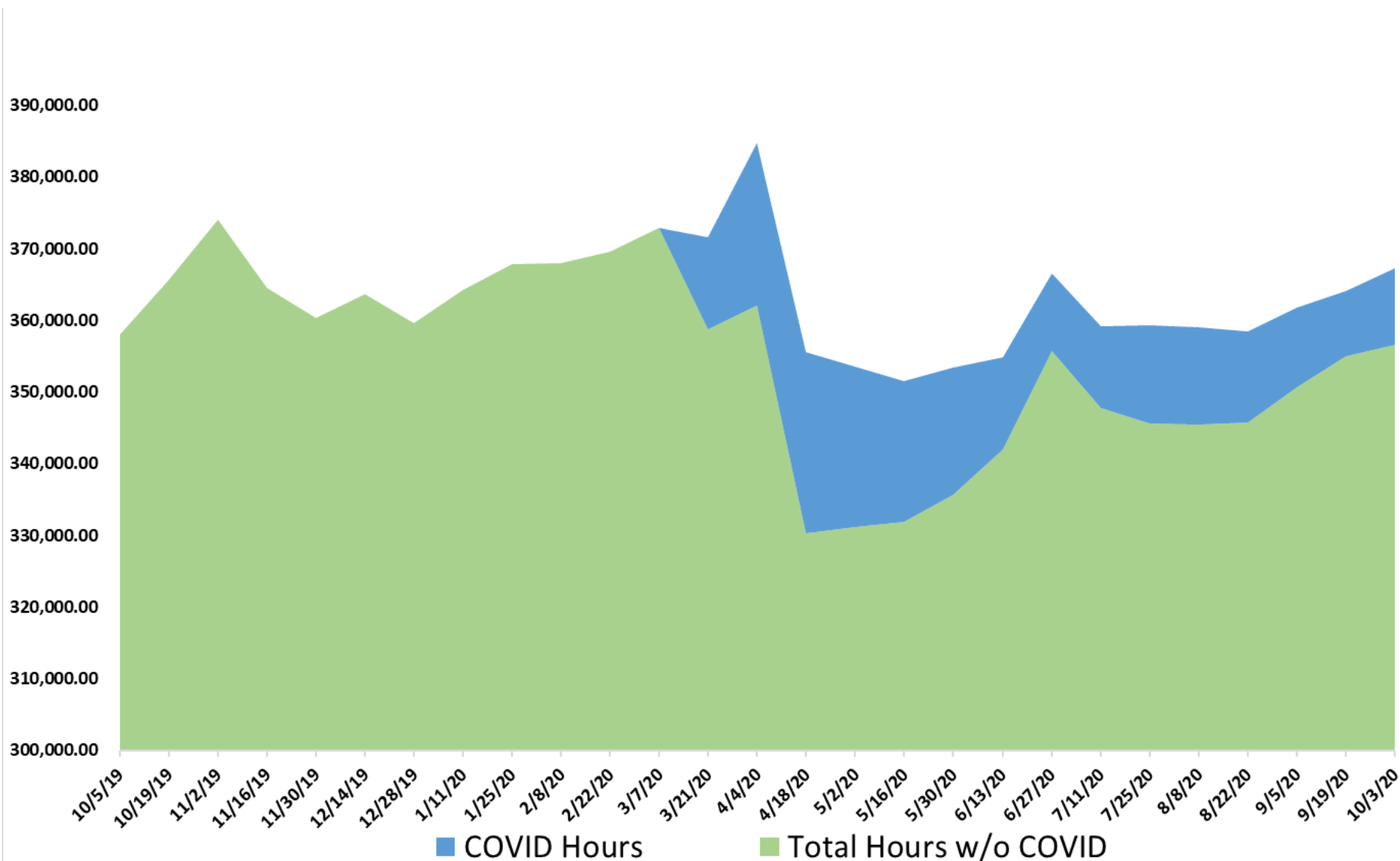
	Actual Results FYTD Jul – Sep			Budget FYTD	Budget Variance FYTD	
	FYTD2020	FYTD2021	% Change	FYTD2021	Change	% Change
Operating Revenue						
Net Patient Service Revenue	\$10,738	\$11,390	6.1%	\$12,419	(\$1,030)	(8.3%)
Other Operating Revenue	47	96	96.6%	196	(103)	(52.6%)
Total Operating Revenue	10,786	11,483	6.5%	12,616	(1,133)	(9.0%)
Operating Expenses						
Salaries & Wages	2,889	2,756	(4.6%)	3,017	(260)	(8.6%)
Contract Labor	36	0	(100.0%)	2	(2)	0.0%
Employee Benefits	755	527	(30.1%)	630	(102)	(16.3%)
Total Employment Expenses	3,679	3,284	(10.7%)	3,649	(365)	(10.0%)
Medical & Other Supplies	1,541	1,460	(5.2%)	1,787	(327)	(18.3%)
Physician Fees	5,851	6,421	9.7%	7,059	(638)	(9.0%)
Purchased Services	328	192	(41.5%)	232	(40)	(17.3%)
Repairs & Maintenance	486	602	24.1%	678	(75)	(11.1%)
Utilities	132	136	3.2%	126	10	8.1%
Rents & Leases	665	694	4.3%	699	(5)	(0.7%)
Depreciation & Amortization	316	297	(6.2%)	258	39	15.2%
Interest Expense	4	1	(70.4%)	1	0	6.0%
Other Expense	332	278	(16.3%)	301	(23)	(7.7%)
Total Other Expenses	9,656	10,082	4.4%	11,141	(1,058)	(9.5%)
Total Operating Expenses	13,335	13,366	0.2%	14,789	(1,423)	(9.6%)
Excess Margin	(\$2,549)	(\$1,883)	26.1%	(\$2,174)	\$290	13.4%

Excess Margin %	(23.6%)	(16.4%)	(17.2%)
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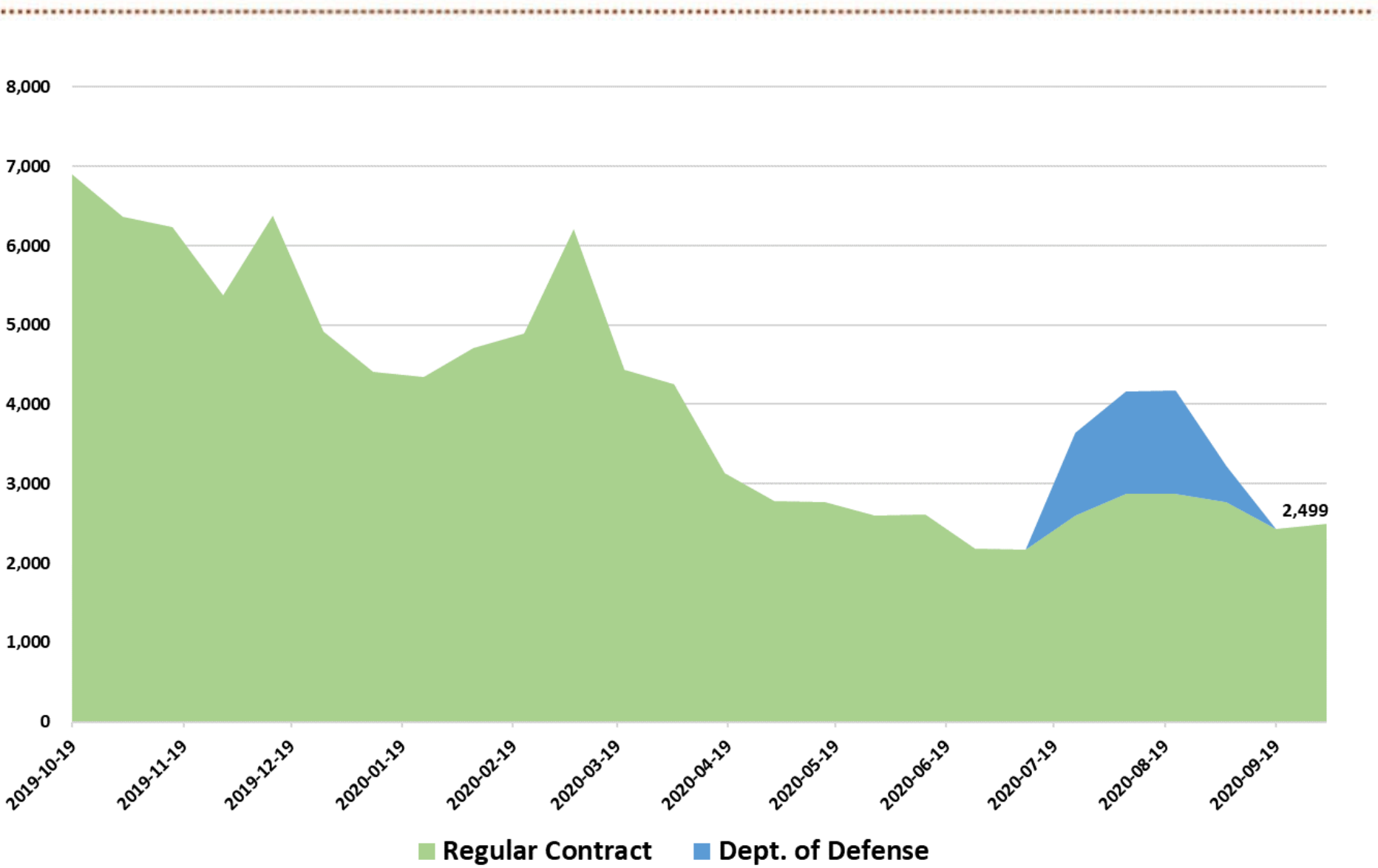
Month of September - Budget Variances

- **Net Patient Revenues:** Net patient revenue was slightly higher than September's budget expectation due to the strong inpatient volume which was offset by the lower than budgeted outpatient volume.
- **Other Revenue:** Other revenue was \$335K under budget in September, mainly due to the continued COVID related reduction in revenues for the Lifestyle Center and the main cafeteria.
- **Salaries and Contract Labor:** We experienced an unfavorable budget variance of \$1M in September. This was primarily due to the inpatient nursing departments in the downtown campus which had a \$1.1M unfavorable variance. The volume in that area was 13.4% higher than budget which contributed to part of this variance. There were also an unbudgeted shift retention bonus paid in the amount of \$294K in September and \$977K year to date. In addition, there was \$460K that related to unbudgeted COVID related activities totaled (\$324K-nonexempt employees only) and Budgeted Efficiencies (\$136K) in September.
- **Employee Benefits:** The \$565K unfavorable variance primarily resulted due the accruals relating to our health insurance. Our year to date budget variance is a positive variance of \$520K. In addition to health insurance, there is a positive variance in pension expense as no 401k match is planned during the first six months of fiscal year 2020.
- **Medical and Other Supplies:** The \$1.8M unfavorable budget during September was is due to combination of areas. 1. \$784K of COVID related expenses 2. \$704K Pharmaceuticals increased in drugs sold to patients accounts, Infusion Center costs, and an accrual for Remdesivir 3. \$192K in unbudgeted minor equipment for the lab and COVID related expenses.
- **Humana Capitated Plan Expenses:** As the utilization of third party services for participants of the capitated Medicare Managed Care Plan increased in September, the related expenditure was \$1.3M higher than the budget expectation. In September we did have one large claim pay out to UCSF and we had an additional check run in the month. This timing issue should reduce October's expenses.
- **Stimulus Funds:** \$3.6M of the total \$11.2M stimulus funding received was recognized in September. The \$11.2M is being spread out over the first quarter of FY21

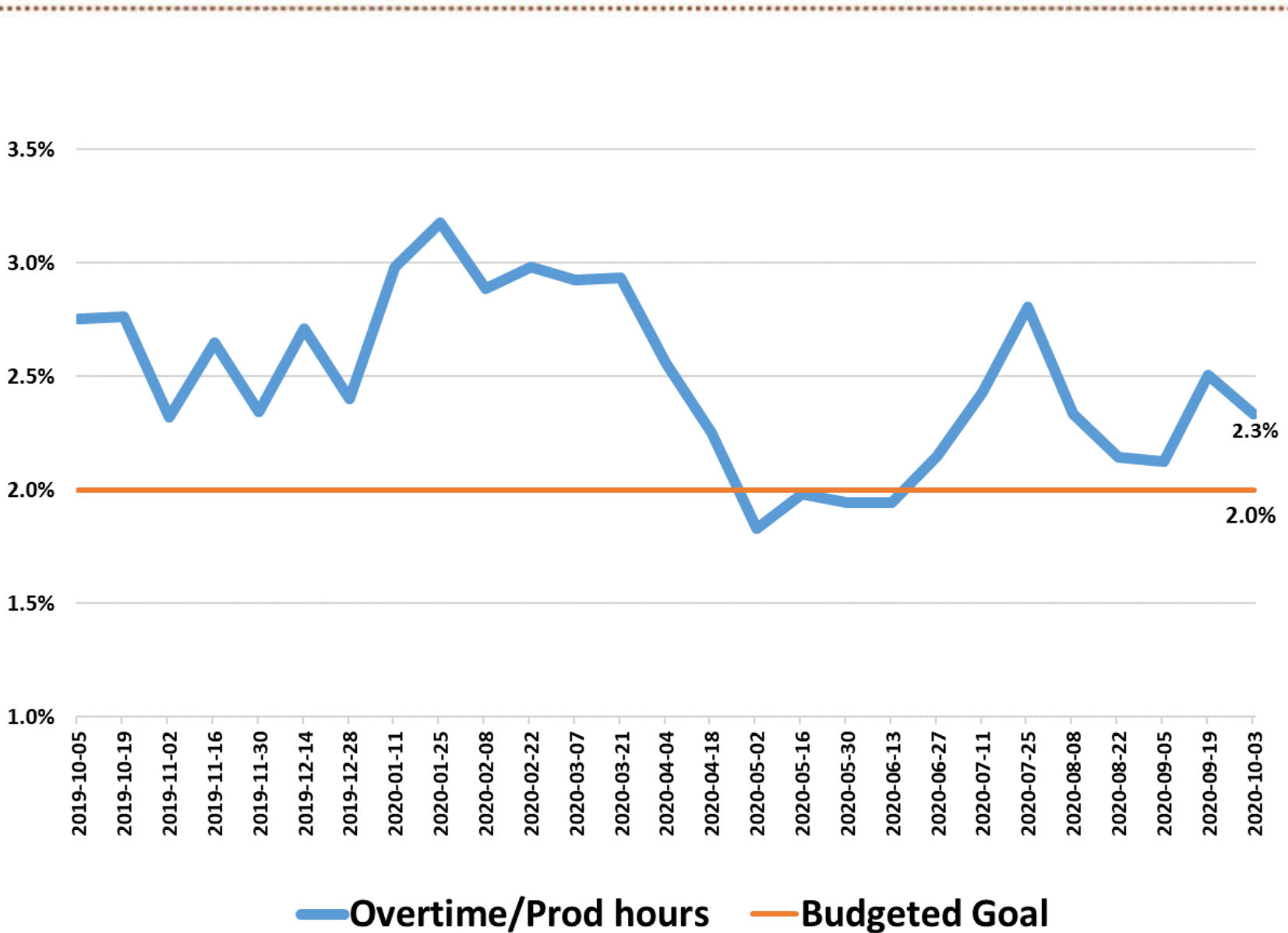
Payroll Hours (excludes PTO cash out hours)



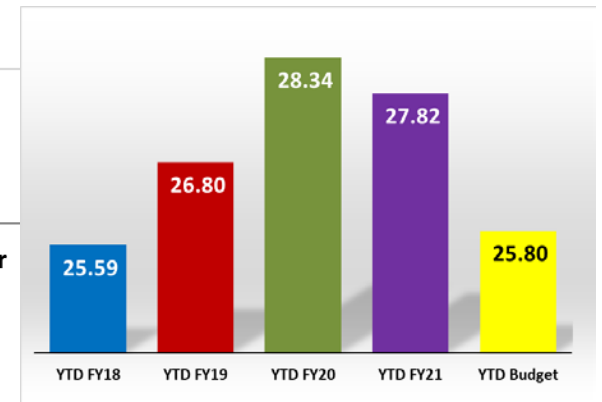
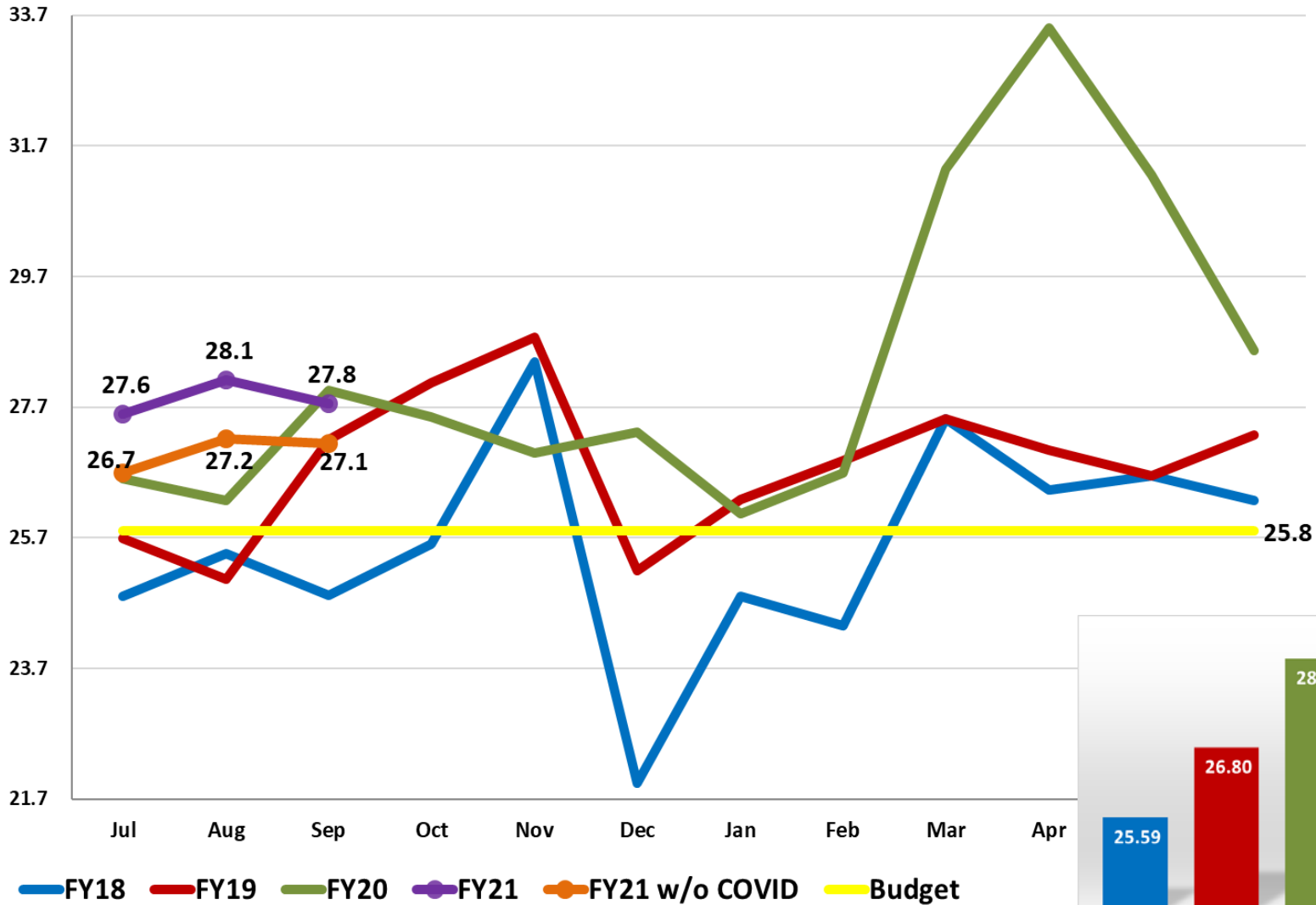
Contract Labor Hours



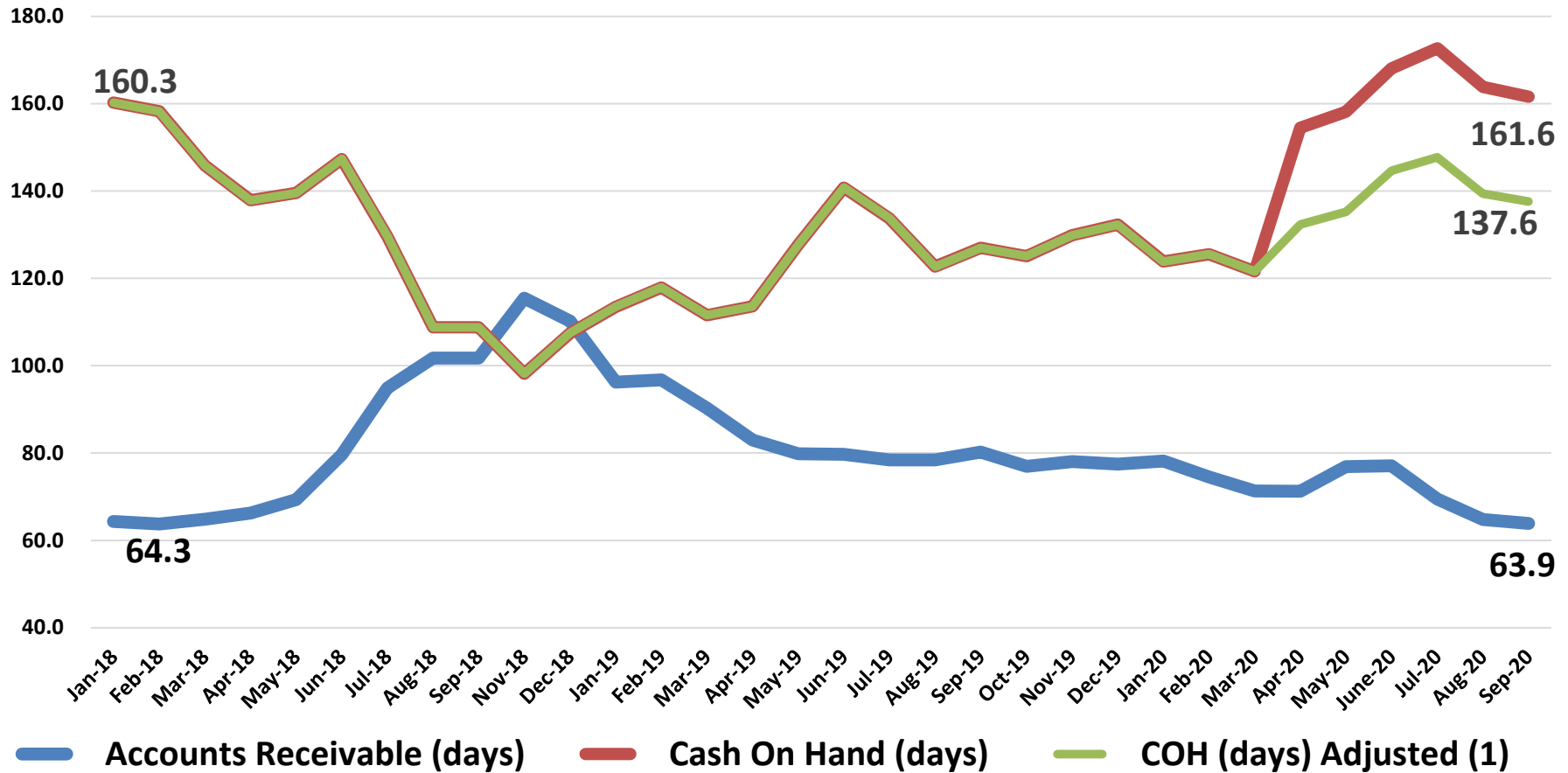
Overtime



Productivity: Worked Hours/Adjusted Patient Days

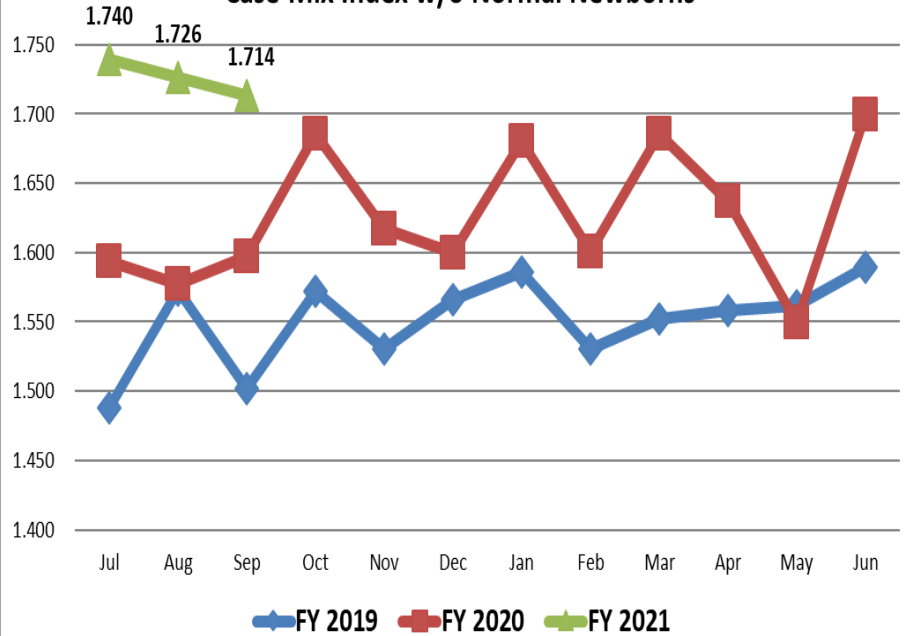


Trended Liquidity Ratios

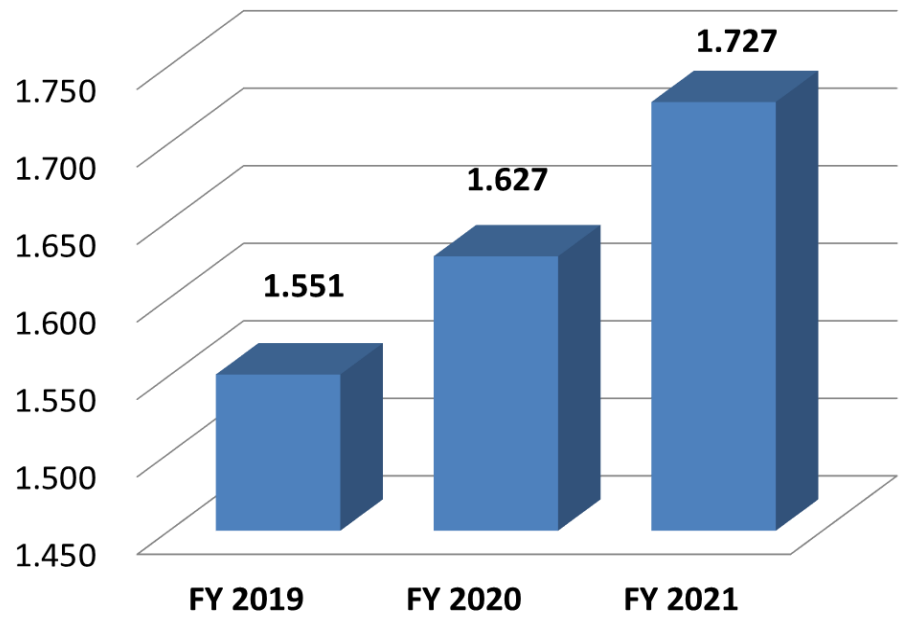


(1) Adjusted for Medicare accelerated payments and the deferral of employer portion of FICA as allowed by the CARES act.

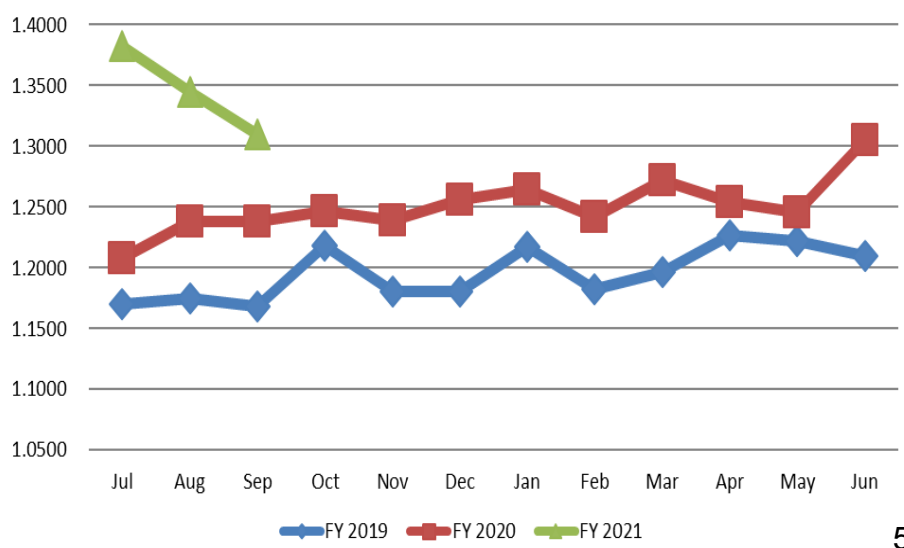
Case Mix Index w/o Normal Newborns



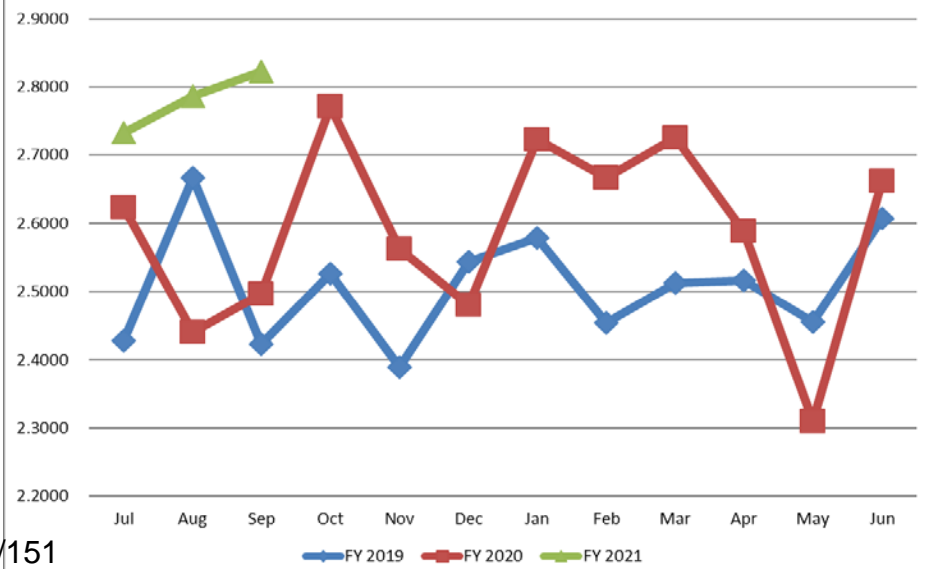
Case Mix Index w/o Normal Newborns - All



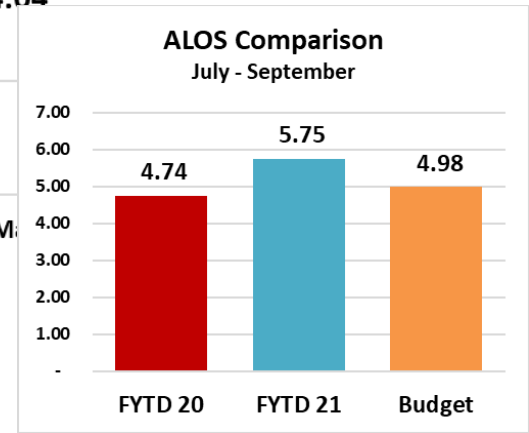
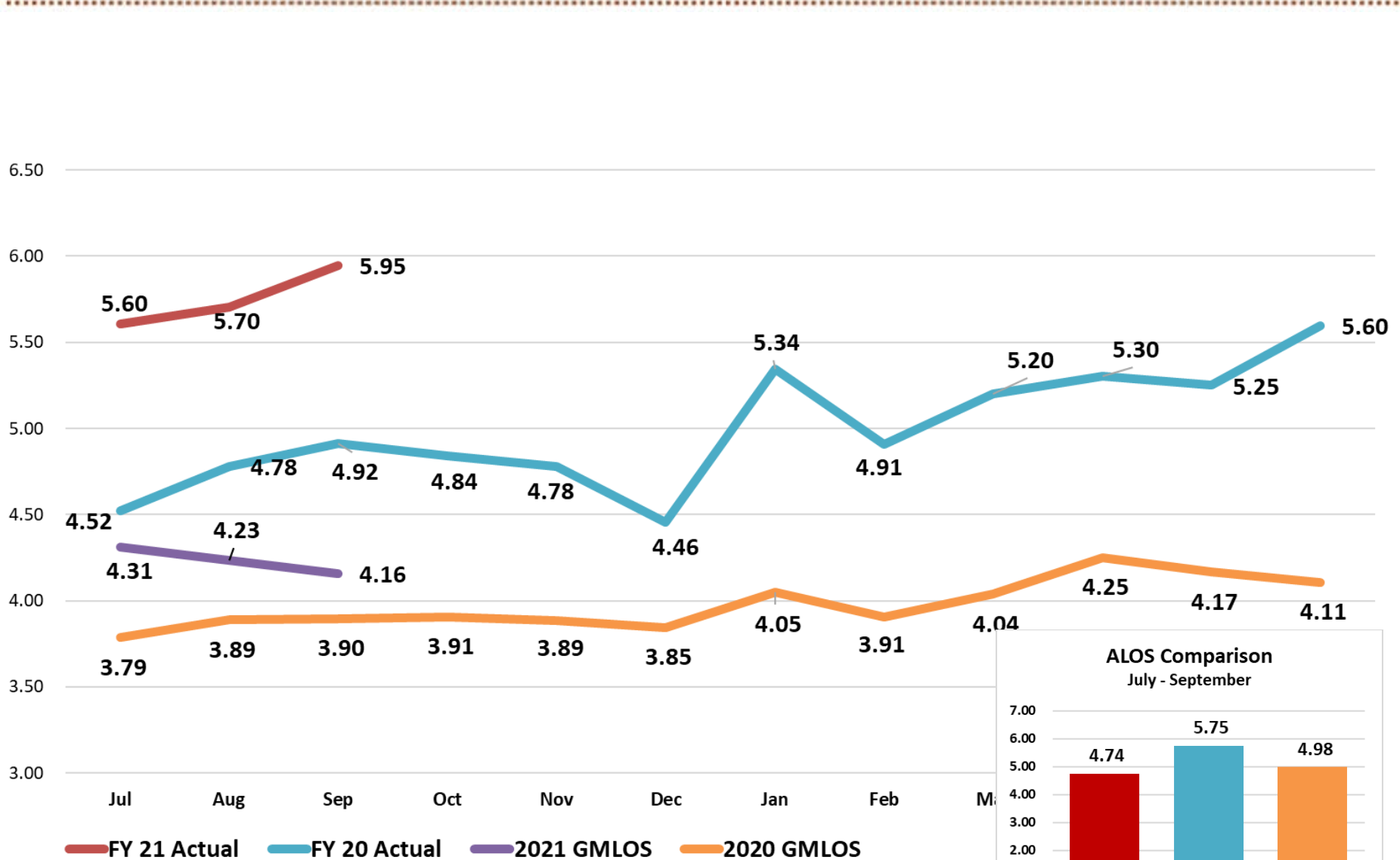
Case Mix **Medical w/o Normal Newborns**



Case Mix Index **Surgical w/o Normal Newborns**



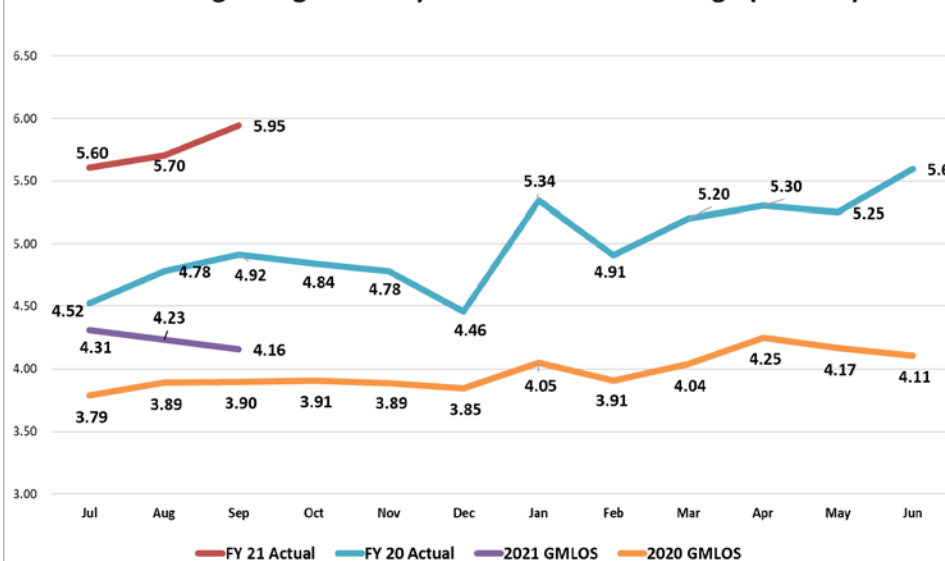
Average Length of Stay versus National Average (GMLOS)



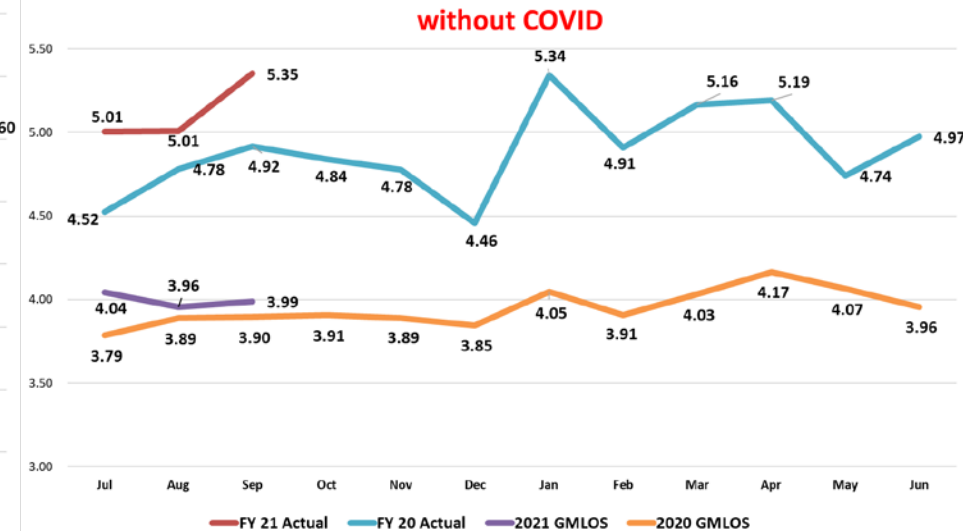
Average Length of Stay versus National Average (GMLOS)

	Including COVID Patients			Excluding COVID Patients			Gap Diff	%
	ALOS	GMLOS	GAP	ALOS	GMLOS	GAP		
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	4.17	1.08	4.74	4.07	0.68	0.41	38%
Jun-20	5.60	4.11	1.49	4.97	3.96	1.02	0.47	32%
Jul-20	5.60	4.31	1.29	5.01	4.04	0.96	0.33	26%
Aug-20	5.70	4.23	1.47	5.01	3.96	1.05	0.42	28%
Sep-20	5.95	4.16	1.79	5.35	3.99	1.36	0.43	24%
Average	5.51	4.18	1.33	5.06	4.03	1.03	0.30	23%

Average Length of Stay versus National Average (GMLOS)



Average Length of Stay versus National Average (GMLOS) without COVID



Opportunity Cost of Reducing LOS to National Average - \$39.1M FY20



KAWEAH DELTA HEALTH CARE DISTRICT

CONSOLIDATED INCOME STATEMENT (000's)

FISCAL YEAR 2020 & 2021

Fiscal Year	Operating Revenue			Operating Expenses								Operating Excess Margin %	Excess Margin
	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		
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	36,554	25,369	61,923	28,744	8,486	13,315	17,247	67,791	(5,868)	9,075	3,207	(9.5%)	4.5%
2020 FY Total	\$ 559,054	\$ 181,266	\$ 740,320	\$ 392,520	\$ 92,595	\$ 119,490	\$ 170,748	\$ 775,353	\$ (35,034)	\$ 31,788	\$ (3,245)	(4.7%)	(0.4%)
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%)
2021 FY Total	\$ 144,564	\$ 40,494	\$ 185,058	\$ 97,254	\$ 23,377	\$ 32,375	\$ 42,889	\$ 195,896	\$ (10,838)	\$ 12,124	\$ 1,287	(5.9%)	0.7%
FYTD Budget	150,415	40,568	190,983	97,853	22,333	30,396	41,906	192,487	(1,505)	1,920	415	(0.8%)	0.2%
Variance	\$ (5,852)	\$ (73)	\$ (5,925)	\$ (599)	\$ 1,044	\$ 1,980	\$ 983	\$ 3,408	\$ (9,333)	\$ 10,205	\$ 871		
Current Month Analysis													
Sep-20	\$ 48,769	\$ 13,436	\$ 62,205	\$ 32,837	\$ 6,871	\$ 11,619	\$ 14,643	\$ 65,971	\$ (3,766)	\$ 3,250	\$ (515)	(6.1%)	(0.8%)
Budget	49,048	13,453	62,501	31,766	7,440	9,772	13,899	62,878	(376)	630	253	(0.6%)	0.4%
Variance	\$ (279)	\$ (18)	\$ (297)	\$ 1,071	\$ (568)	\$ 1,847	\$ 744	\$ 3,093	\$ (3,389)	\$ 2,621	(769)		

KAWEAH DELTA HEALTH CARE DISTRICT

FISCAL YEAR 2020 & 2021

Fiscal Year	Patient Days	ADC	Adjusted	I/P Revenue %	DFR &	Net Patient	Personnel	Physician	Supply	Total	Personnel Expense/ Net Patient Revenue	Physician	Supply	Total
			Patient Days		Bad Debt %	Revenue/ Adjusted Patient Day	Expense/ Adjusted Patient Day	Fees/ Adjusted Patient Day	Expense/ Adjusted Patient Day	Expense/ Adjusted Patient Day		Expense/ Net Patient Revenue	Expense/ Net Patient Revenue	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%	81.2%	1,459	1,147	339	531	2,706	78.6%	23.2%	36.4%	185.5%
2020 FY Total	150,710	412	295,371	51.0%	75.7%	1,893	1,329	313	405	2,625	70.2%	16.6%	21.4%	138.7%
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%
2021 FY Total	39,336	428	74,421	52.9%	76.0%	1,943	1,307	314	435	2,632	67.3%	16.2%	22.4%	135.5%
FYTD Budget	38,901	423	79,517	48.9%	75.6%	1,892	1,231	281	382	2,586	65.1%	14.8%	20.2%	128.0%
Variance	435	5	(5,096)	3.9%	0.5%	51	76	33	53	46	2.2%	1.3%	2.2%	7.5%
Current Month Analysis														
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%
Budget	12,506	417	26,073	48.0%	75.6%	1,881	1,218	285	375	2,557	64.8%	15.2%	19.9%	128.2%
Variance	518	17	(1,486)	5.0%	(0.0%)	102	117	(6)	98	126	2.6%	(1.1%)	3.9%	7.1%

KAWEAH DELTA HEALTH CARE DISTRICT

RATIO ANALYSIS REPORT

September 30, 2020

	Current Month Value	Prior Month Value	June 30, 2020 Unaudited Value	2018 Moody's Median Benchmark		
				Aa	A	Baa
LIQUIDITY RATIOS						
Current Ratio (x)	1.6	1.7	1.4	1.6	1.9	2.1
Accounts Receivable (days)	63.9	64.8	77.1	47.6	45.9	44.4
Cash On Hand (days)	161.6	163.9	168.2	257.6	215.1	158.0
Cushion Ratio (x)	20.5	20.5	21.3	36.2	22.5	14.4
Average Payment Period (days)	71.1	69.4	76.4	73.1	59.2	59.2
CAPITAL STRUCTURE RATIOS						
Cash-to-Debt	142.1%	141.7%	146.6%	228.8%	167.7%	119.7%
Debt-To-Capitalization	32.4%	32.3%	32.3%	26.9%	32.2%	40.4%
Debt-to-Cash Flow (x)	5.7	5.1	7.1	2.3	2.9	3.8
Debt Service Coverage	2.4	2.7	2.1	6.6	5.2	3.3
Maximum Annual Debt Service Coverage (x)	2.4	2.7	1.9	6.6	4.7	3.2
Age Of Plant (years)	13.3	13.3	12.9	10.3	11.8	12.1
PROFITABILITY RATIOS						
Operating Margin	(5.9%)	(5.9%)	(4.6%)	3.2%	2.2%	0.7%
Excess Margin	0.7%	1.4%	(.3%)	7.0%	5.0%	2.6%
Operating Cash Flow Margin	(.8%)	(.8%)	0.3%	9.1%	8.5%	6.8%
Return on Assets	0.5%	1.1%	(.2%)	5.0%	3.9%	2.6%

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

	Sep-20	Aug-20	Change	% Change	Jun-20 (Unaudited)
ASSETS AND DEFERRED OUTFLOWS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 21,444	\$ 26,168	\$ (4,724)	-18.05%	\$ 12,960
Current Portion of Board designated and trusted assets	16,613	16,863	(250)	-1.48%	14,074
Accounts receivable:					
Net patient accounts	116,273	113,568	2,705	2.38%	118,451
Other receivables	12,028	10,776	1,252	11.62%	16,669
	128,301	124,344	3,957	3.18%	135,119
Inventories	8,812	8,535	278	3.25%	8,479
Medicare and Medi-Cal settlements	48,192	45,840	2,352	5.13%	40,091
Prepaid expenses	10,349	9,448	901	9.54%	10,317
Total current assets	233,711	231,198	2,513	1.09%	221,040
NON-CURRENT CASH AND INVESTMENTS -					
less current portion					
Board designated cash and assets	317,763	312,546	5,216	1.67%	338,689
Revenue bond assets held in trust	30,128	35,833	(5,705)	-15.92%	35,826
Assets in self-insurance trust fund	3,058	3,742	(684)	-18.27%	3,727
Total non-current cash and investments	350,949	352,121	(1,172)	-0.33%	378,242
CAPITAL ASSETS					
Land	17,542	17,542	-	0.00%	17,542
Buildings and improvements	378,013	377,919	93	0.02%	377,910
Equipment	283,833	283,795	38	0.01%	283,393
Construction in progress	48,792	45,590	3,201	7.02%	39,046
	728,180	724,847	3,332	0.46%	717,891
Less accumulated depreciation	391,012	388,587	2,425	0.62%	383,671
	337,168	336,260	907	0.27%	334,220
Property under capital leases -					
less accumulated amortization	4,159	4,235	(77)	-1.81%	4,389
Total capital assets	341,326	340,496	830	0.24%	338,609
OTHER ASSETS					
Property not used in operations	1,673	1,678	(4)	-0.25%	1,686
Health-related investments	7,053	6,877	176	2.56%	6,888
Other	11,125	11,131	(7)	-0.06%	10,727
Total other assets	19,852	19,686	165	0.84%	19,301
Total assets	945,838	943,501	2,336	0.25%	957,192
DEFERRED OUTFLOWS					
Total assets and deferred outflows	\$ 955,037	\$ 952,763	\$ 2,274	0.24%	\$ 966,529

KAWEAH DELTA HEALTH CARE DISTRICT

CONSOLIDATED STATEMENTS OF NET POSITION (000's)

	Sep-20	Aug-20	Change	% Change	Jun-20
					(Unaudited)
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable and accrued expenses	\$ 80,272	\$ 77,793	\$ 2,478	3.19%	\$ 82,016
Accrued payroll and related liabilities	54,550	51,261	3,289	6.42%	63,411
Long-term debt, current portion	10,753	10,625	128	1.20%	10,647
Total current liabilities	145,575	139,679	5,896	4.22%	156,074
LONG-TERM DEBT, less current portion					
Bonds payable	260,436	262,322	(1,886)	-0.72%	262,386
Capital leases	195	209	(13)	-6.45%	220
Total long-term debt	260,631	262,531	(1,900)	-0.72%	262,606
NET PENSION LIABILITY	38,654	39,229	(575)	-1.46%	40,378
OTHER LONG-TERM LIABILITIES	32,045	31,652	393	1.24%	30,626
Total liabilities	476,905	473,091	3,814	0.81%	489,685
NET ASSETS					
Invested in capital assets, net of related debt	103,173	106,334	(3,161)	-2.97%	104,376
Restricted	31,447	32,672	(1,225)	-3.75%	30,568
Unrestricted	343,512	340,667	2,846	0.84%	341,901
Total net position	478,132	479,672	(1,540)	-0.32%	476,845
Total liabilities and net position	\$ 955,037	\$ 952,763	\$ 2,274	0.24%	\$ 966,529

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

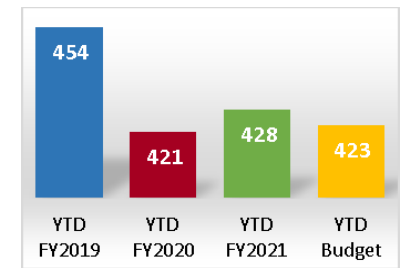
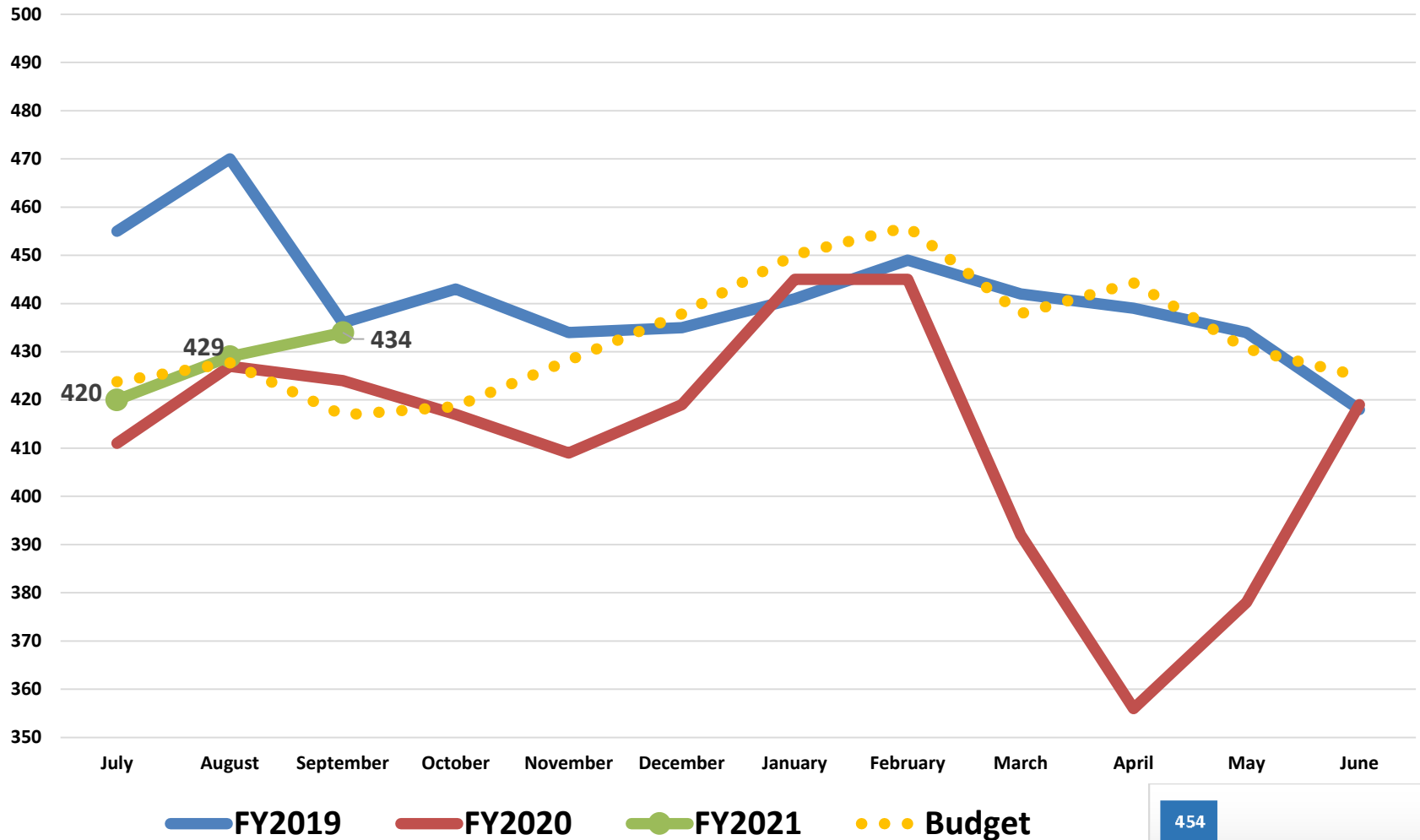
Statistical Report

October 26, 2020

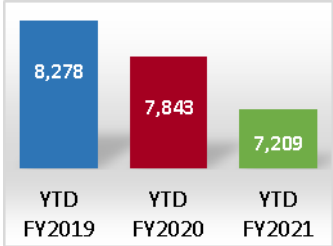
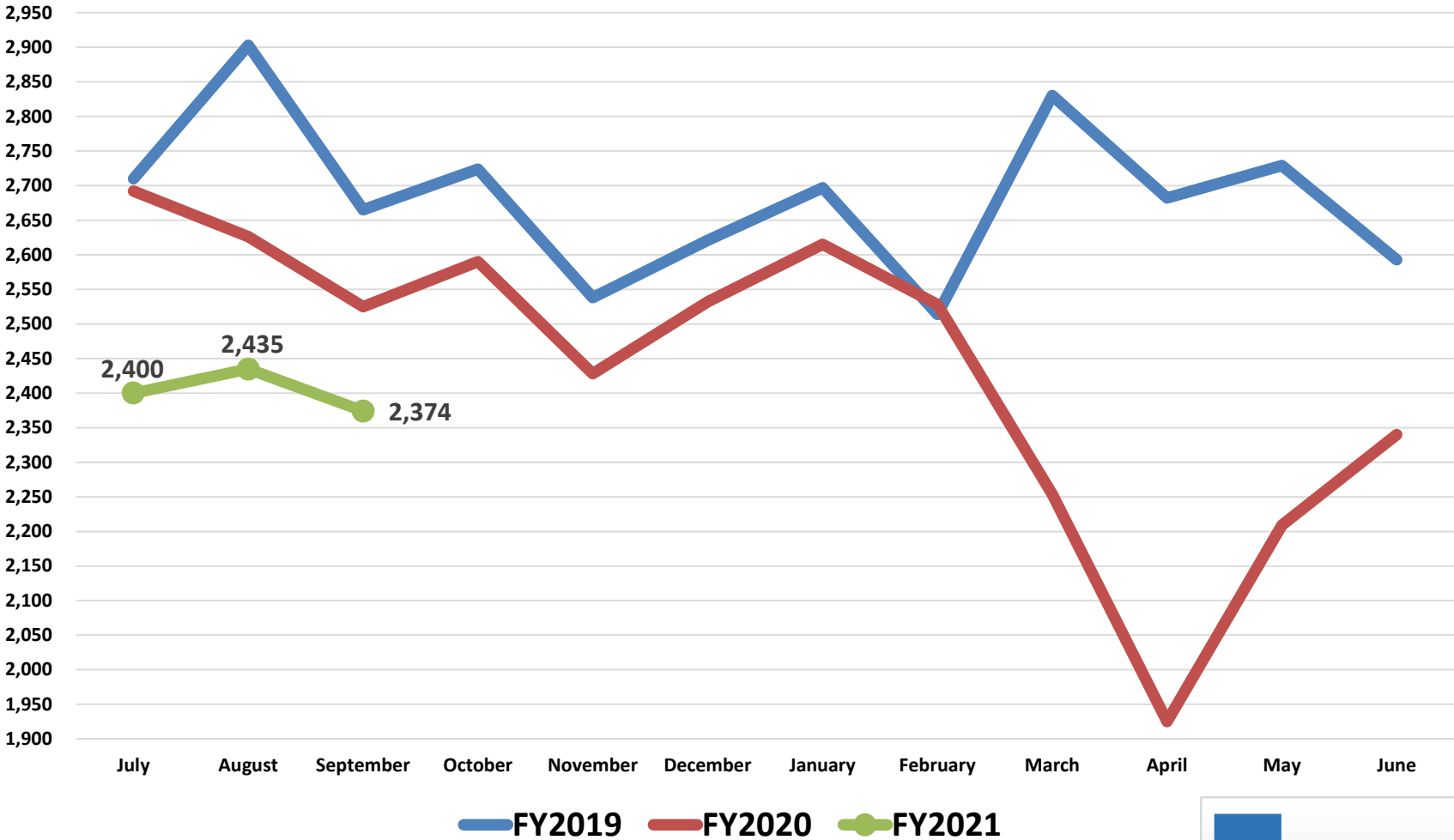


Kaweah Delta
HEALTH CARE DISTRICT

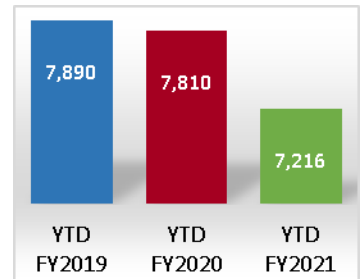
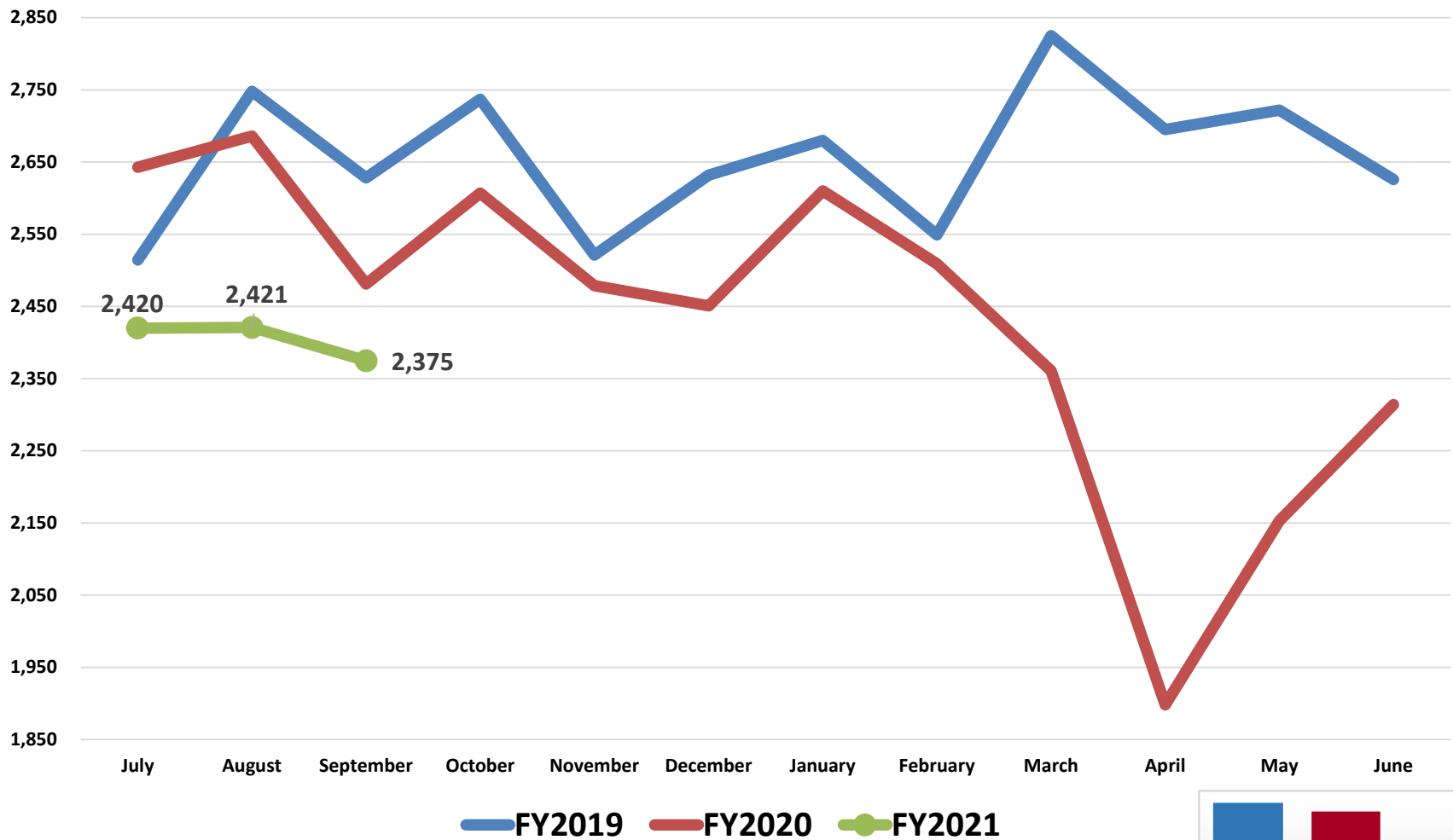
Average Daily Census



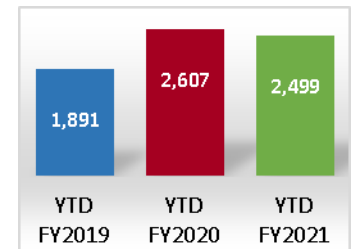
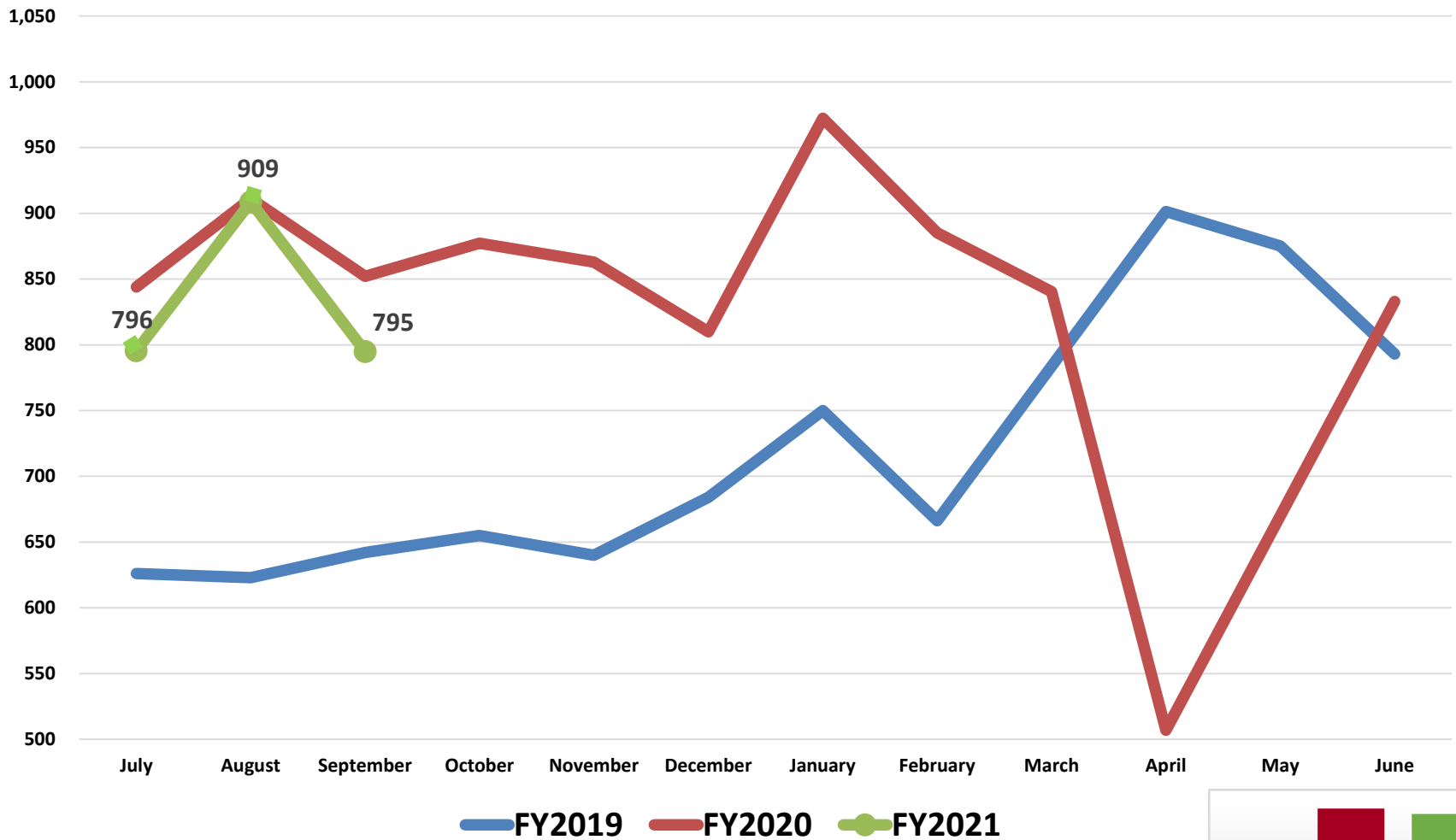
Admissions



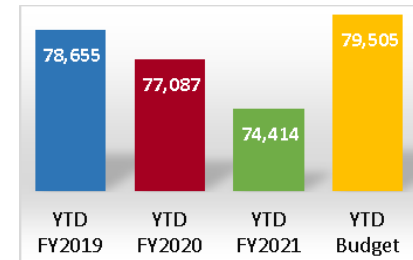
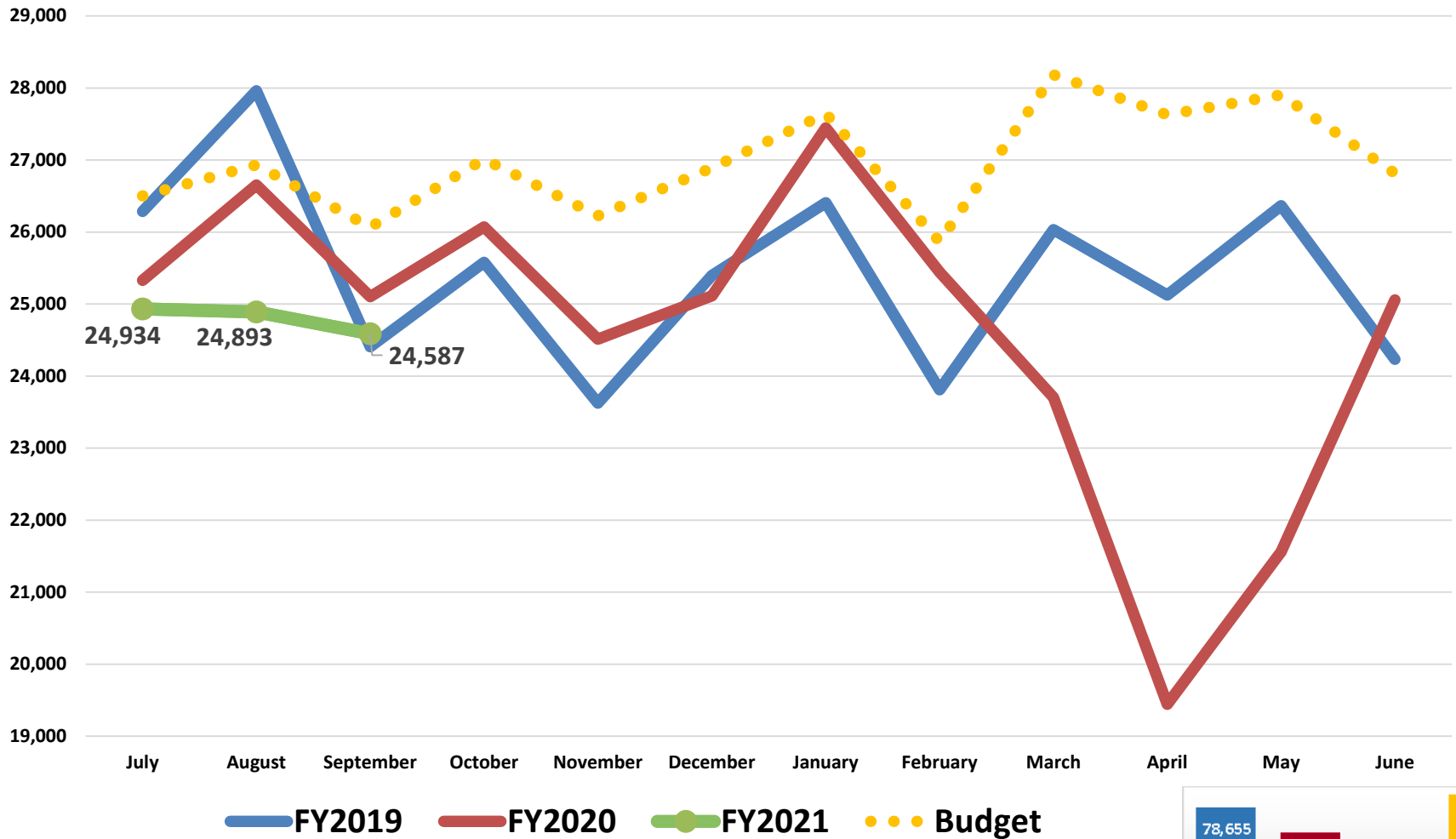
Discharges



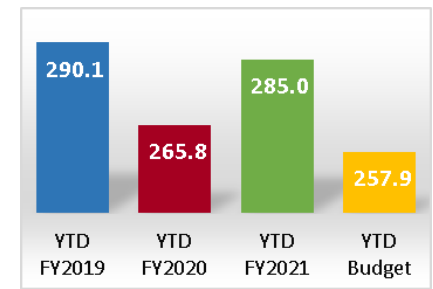
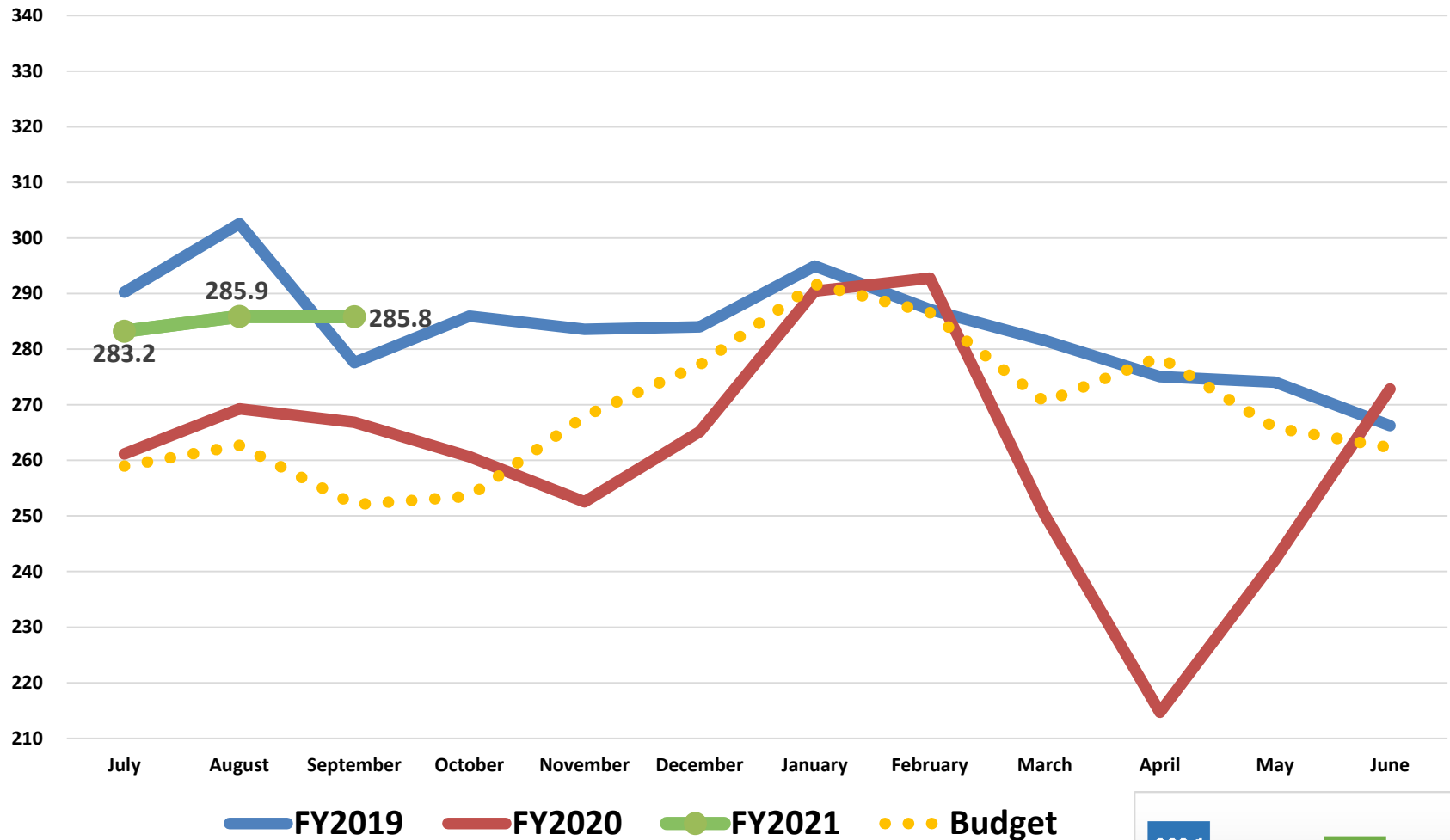
Observation Days



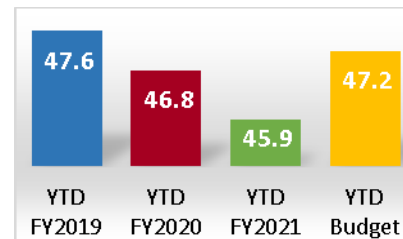
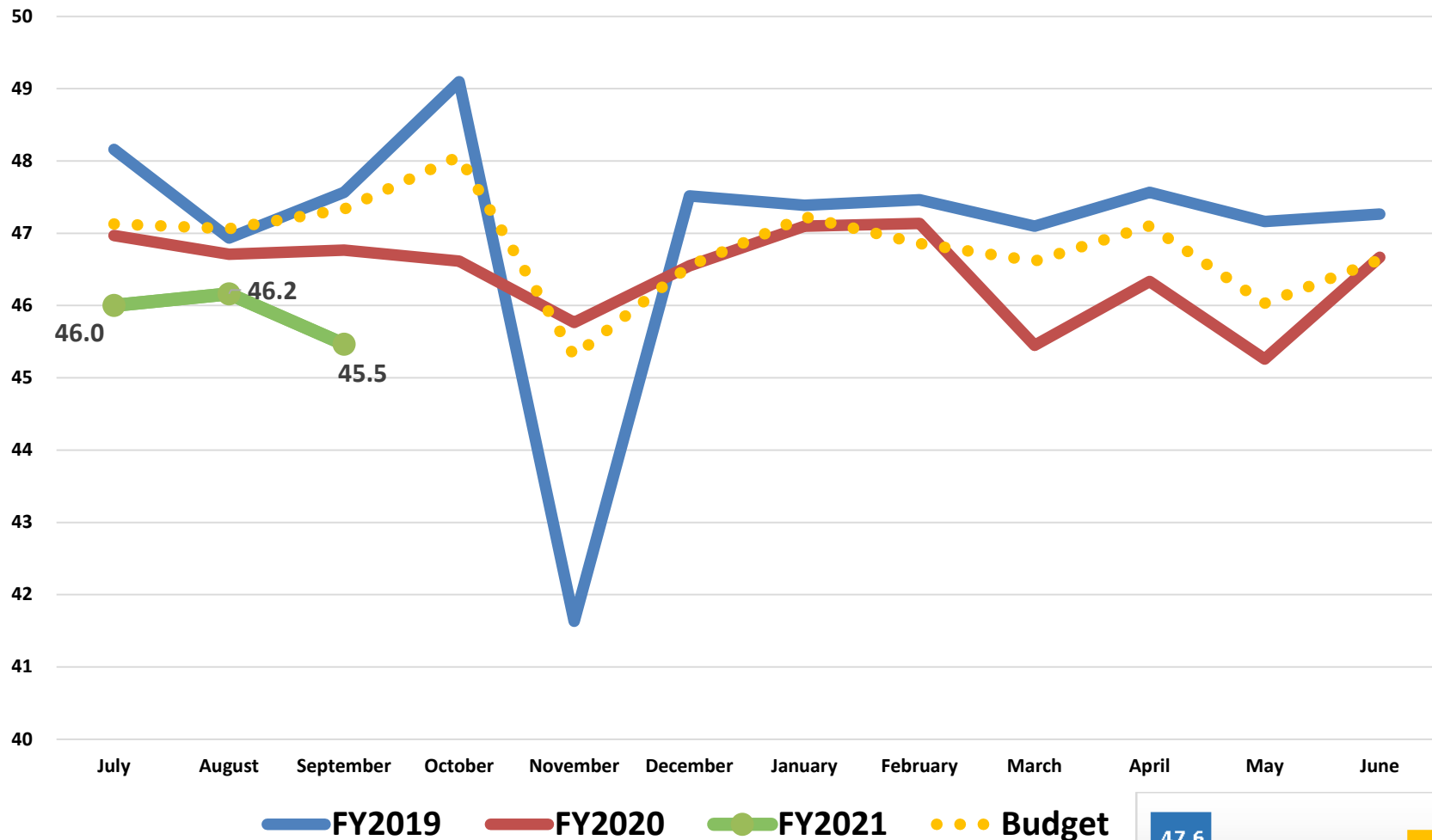
Adjusted Patient Days



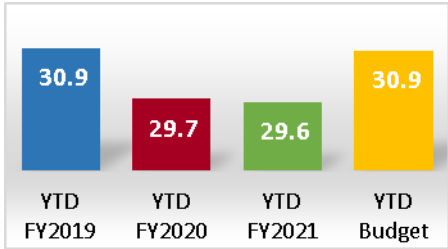
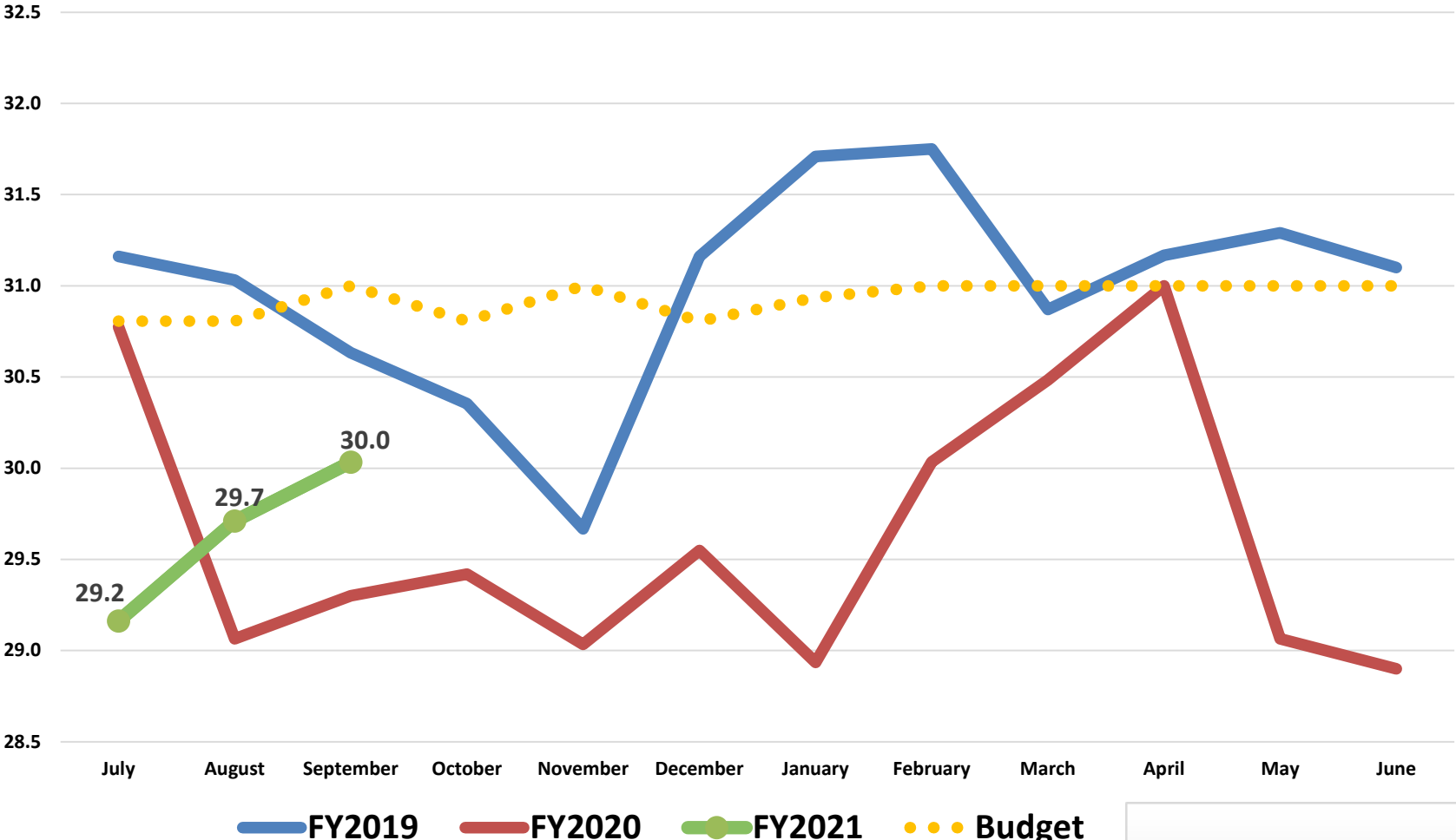
Medical Center – Avg. Patients Per Day



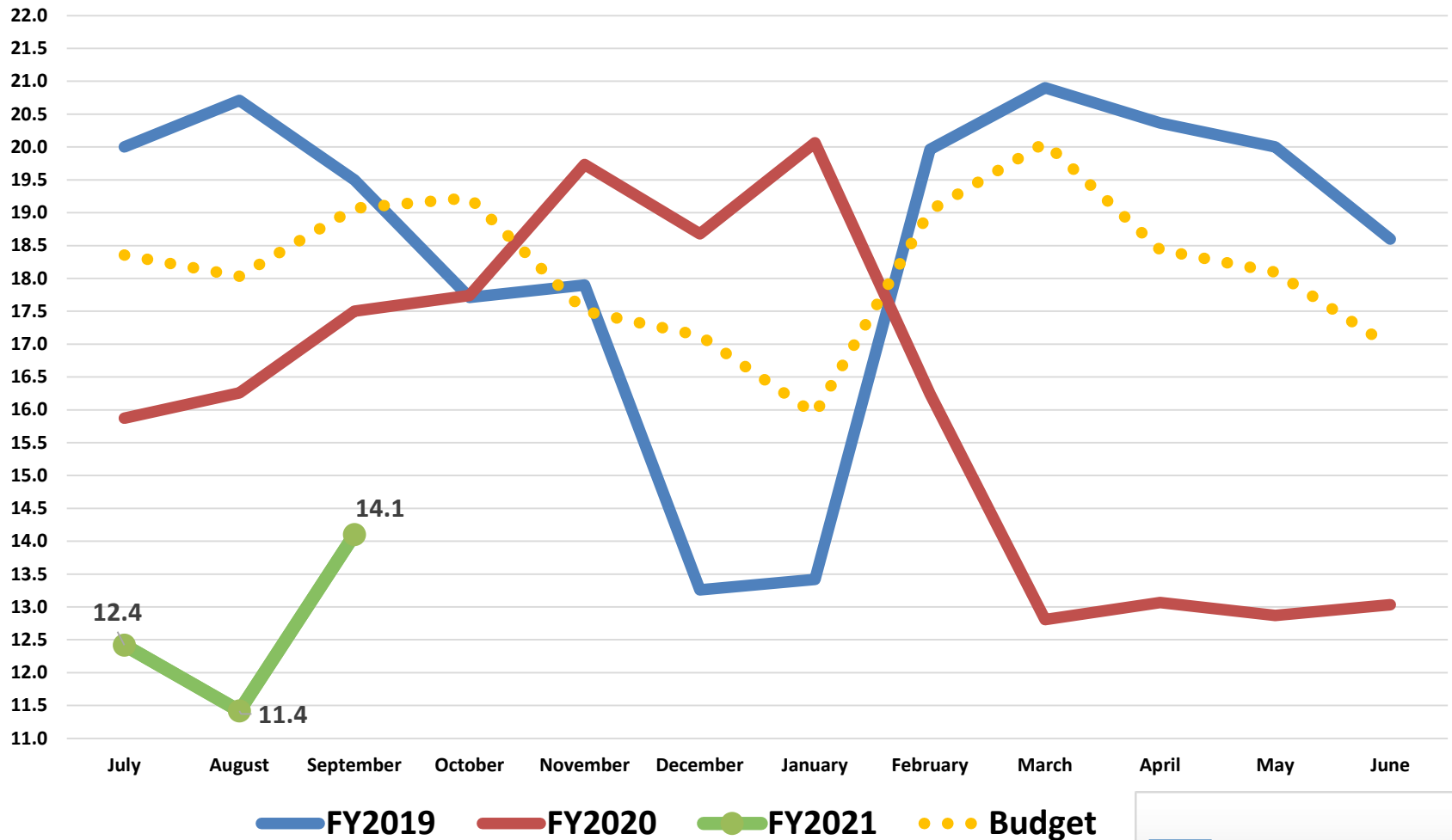
Acute I/P Psych - Avg. Patients Per Day



Sub-Acute - Avg. Patients Per Day

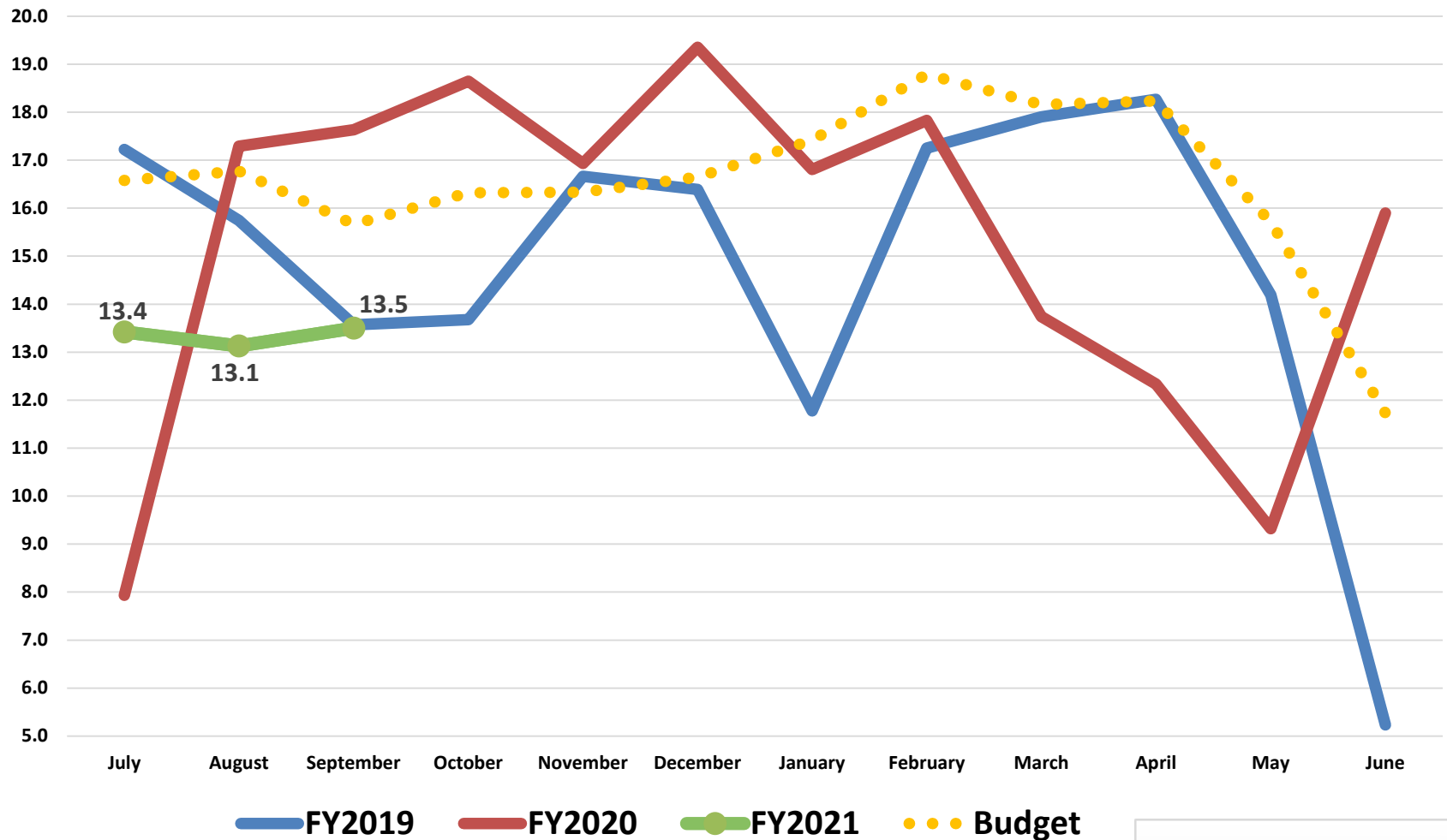


Rehabilitation Hospital - Avg. Patients Per Day



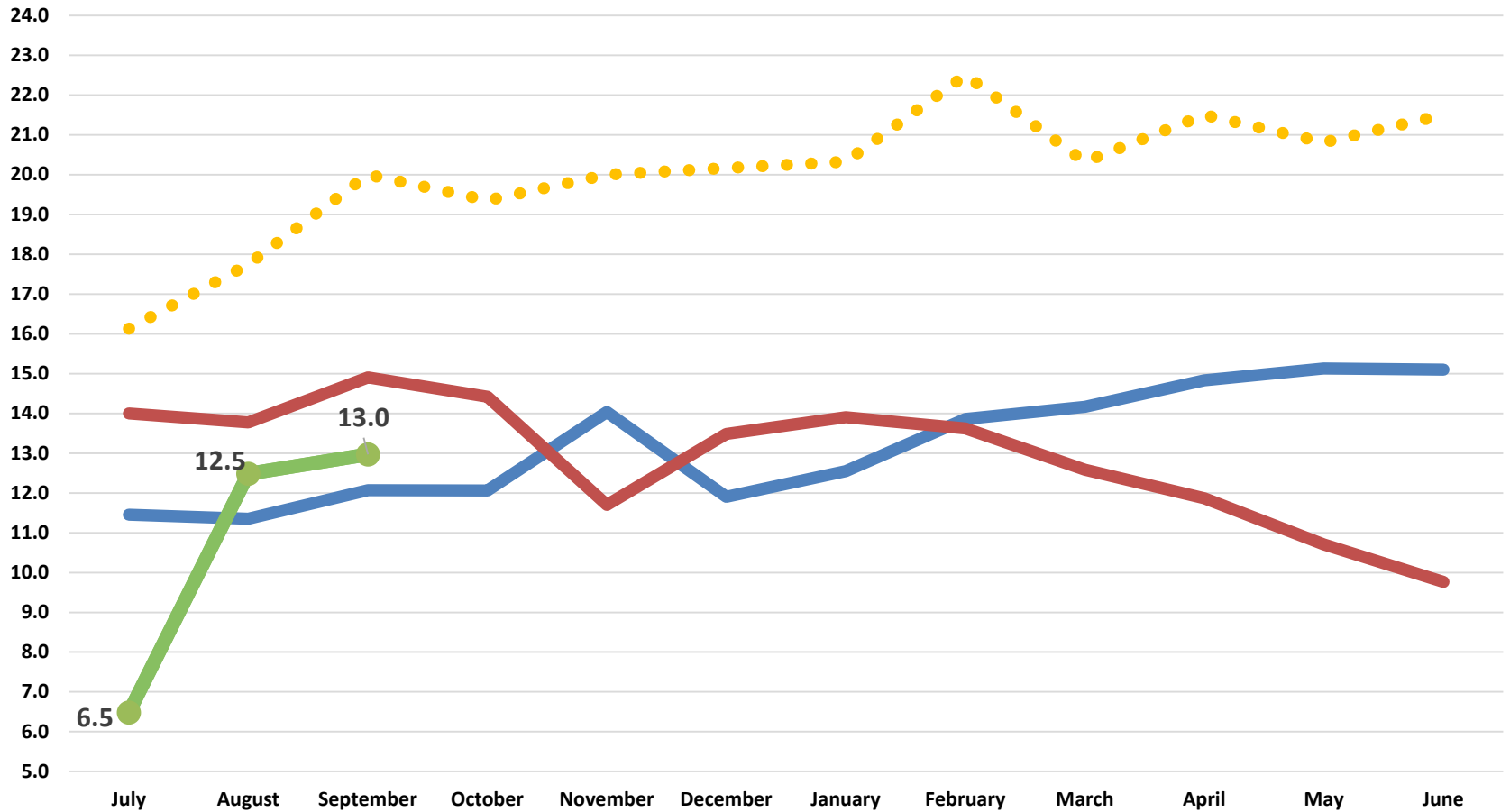
20.1	16.5	12.6	18.5
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Transitional Care Services (TCS) - Avg. Patients Per Day

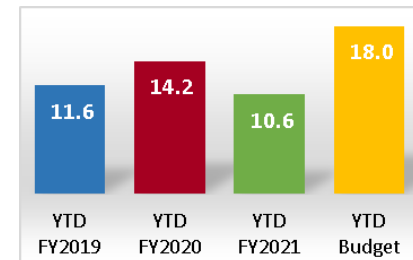


15.5	14.3	13.3	16.3
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

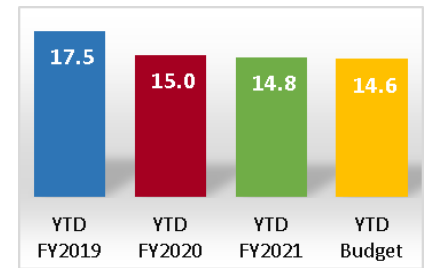
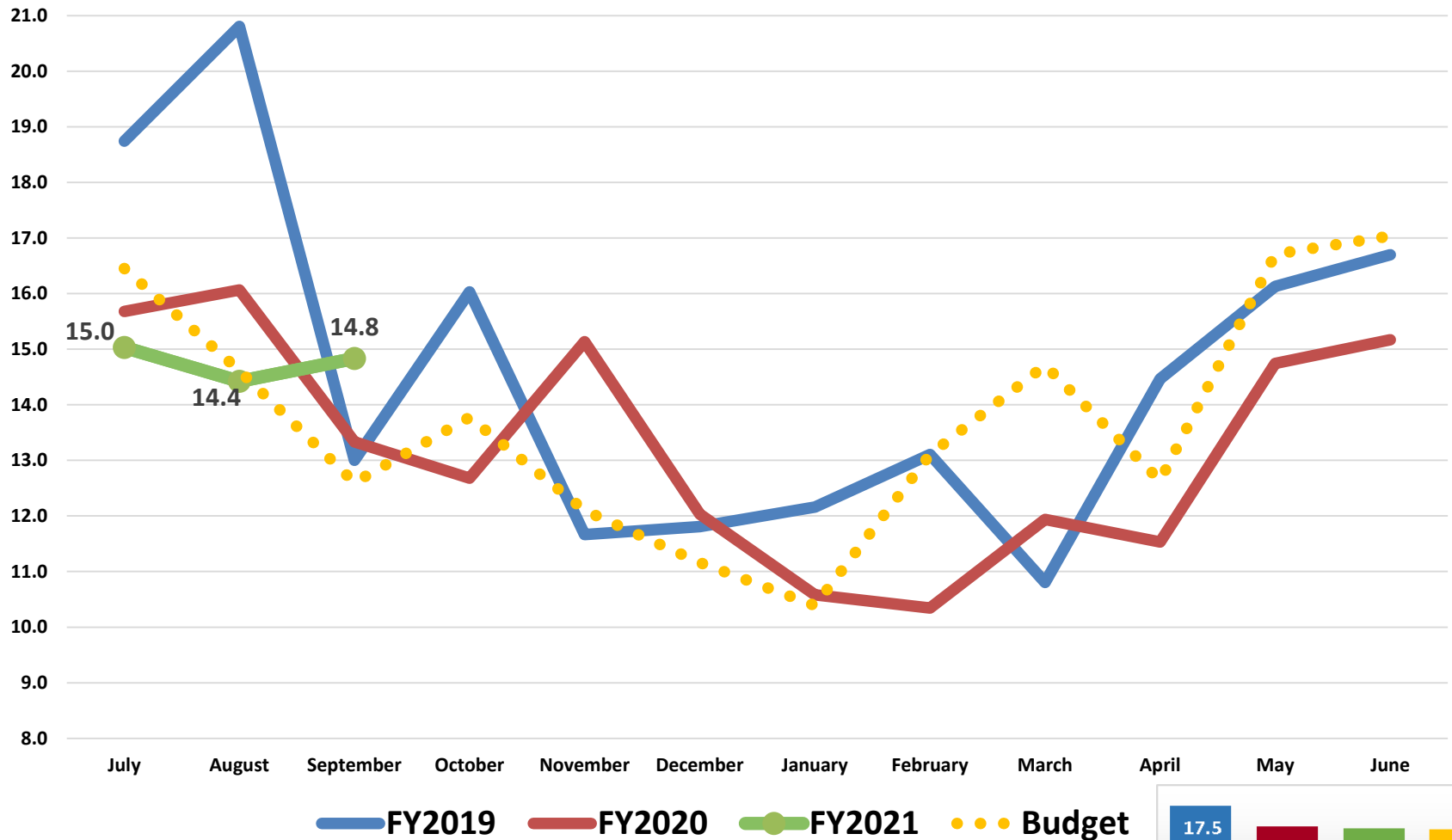
TCS Ortho - Avg. Patients Per Day



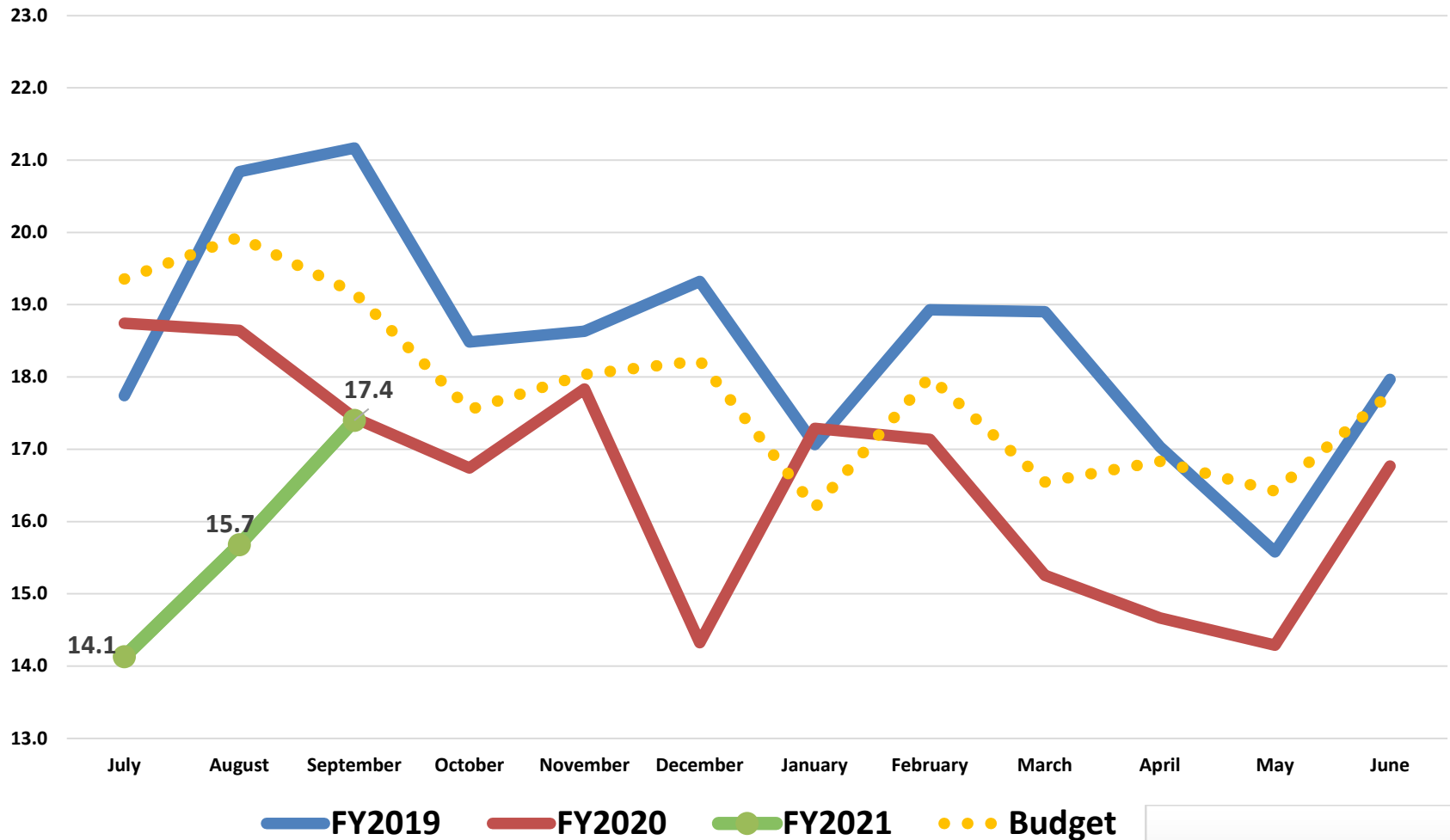
—●— FY2019
 —●— FY2020
 —●— FY2021
 ●●● Budget



NICU - Avg. Patients Per Day

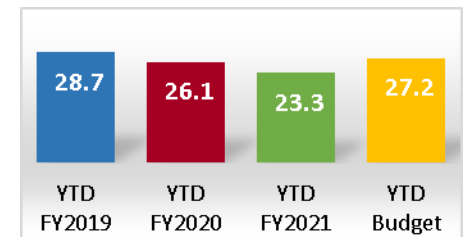
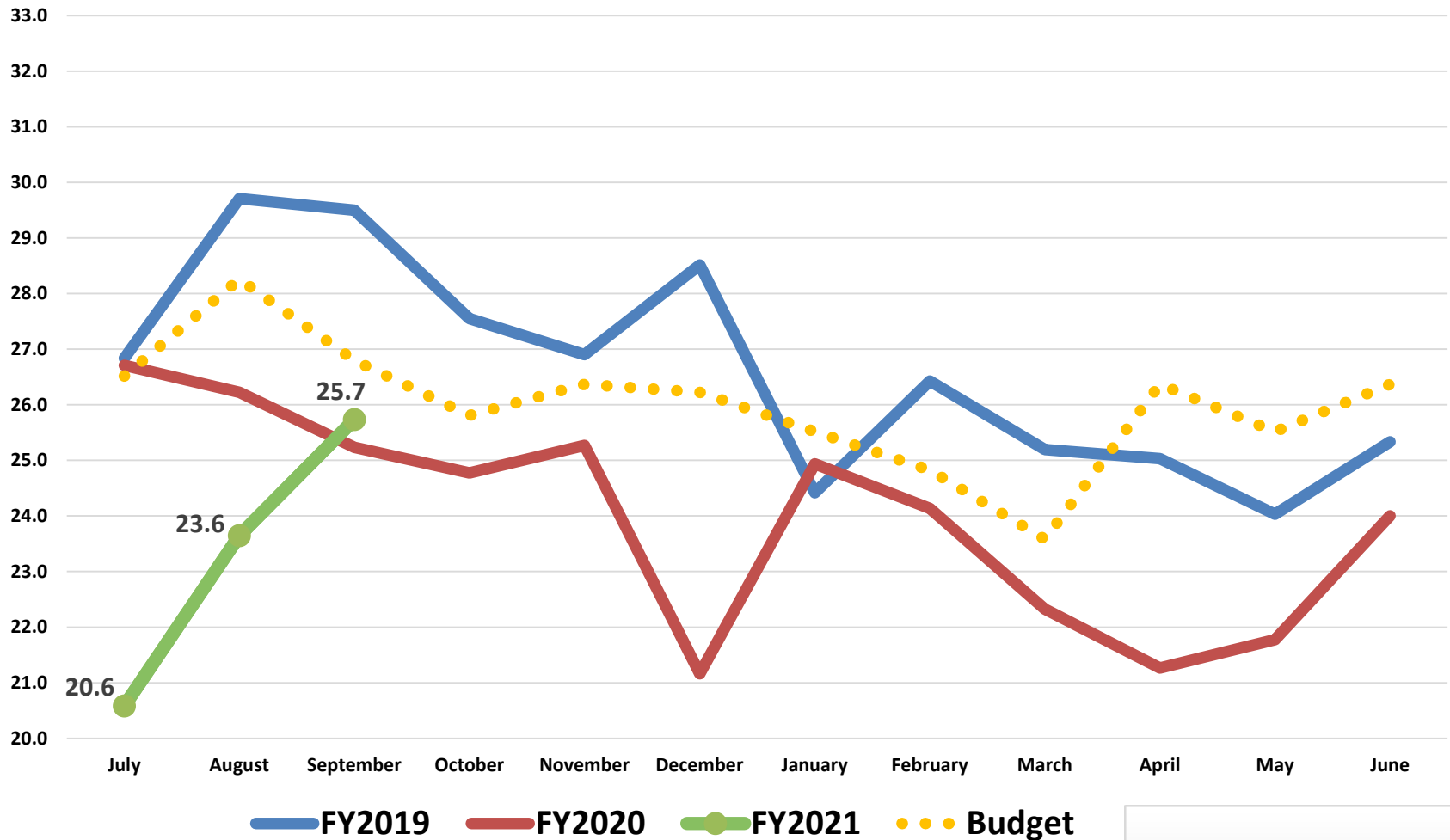


Nursery - Avg. Patients Per Day

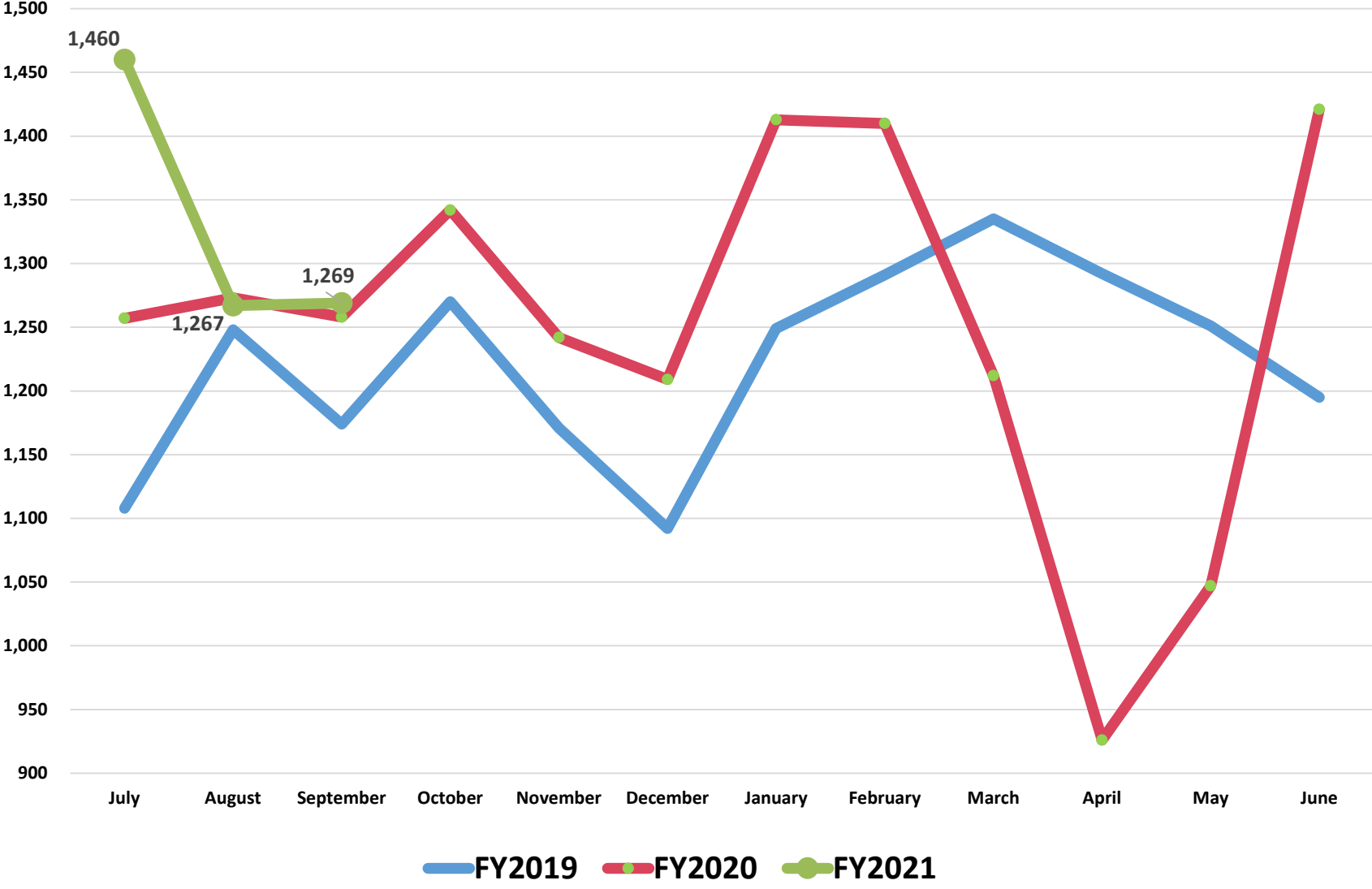


19.9	18.3	15.7	19.5
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

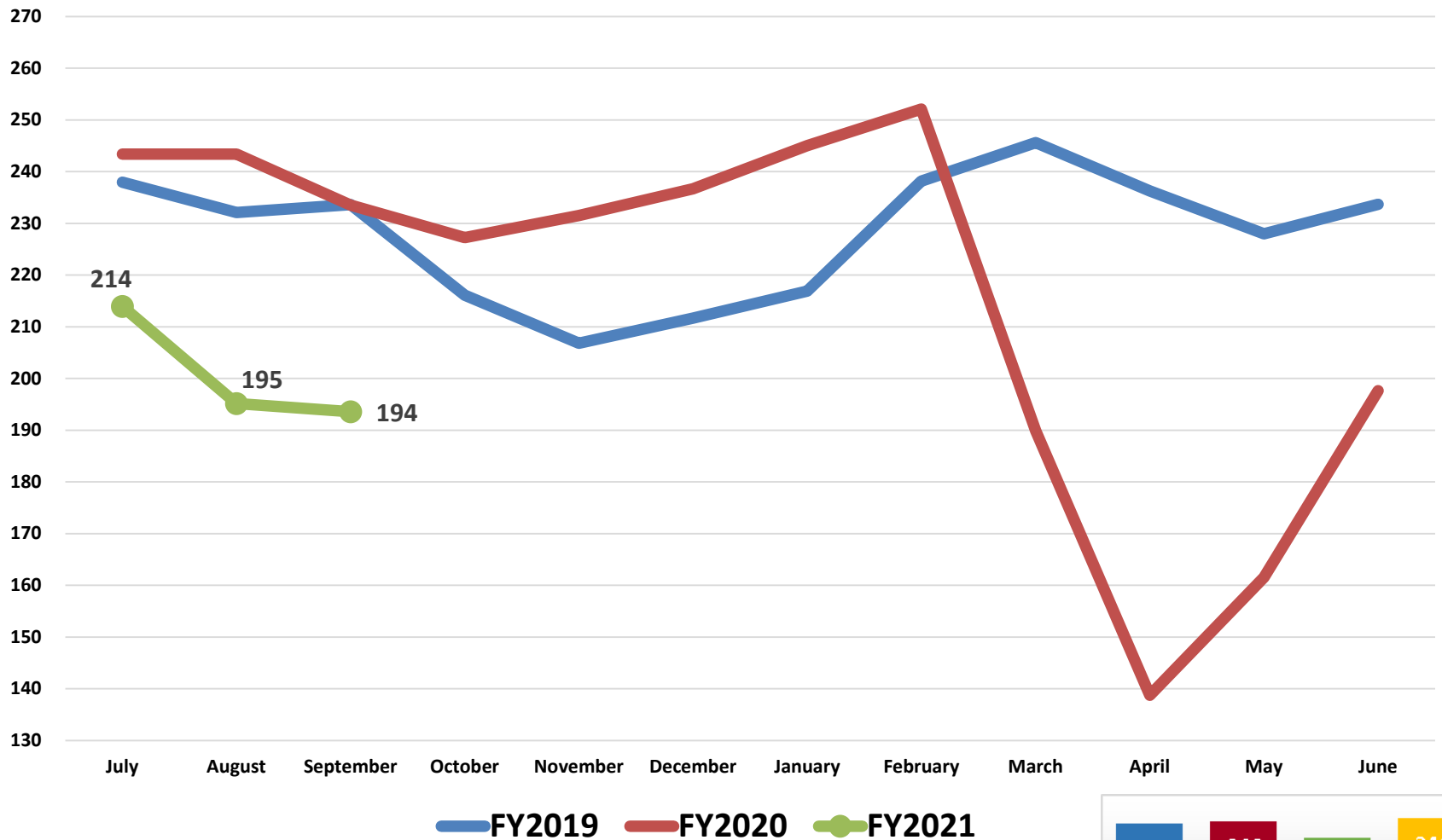
Obstetrics - Avg. Patients Per Day



Outpatient Registrations per Day

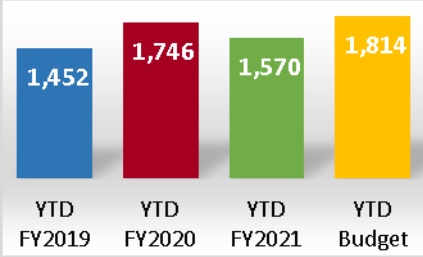
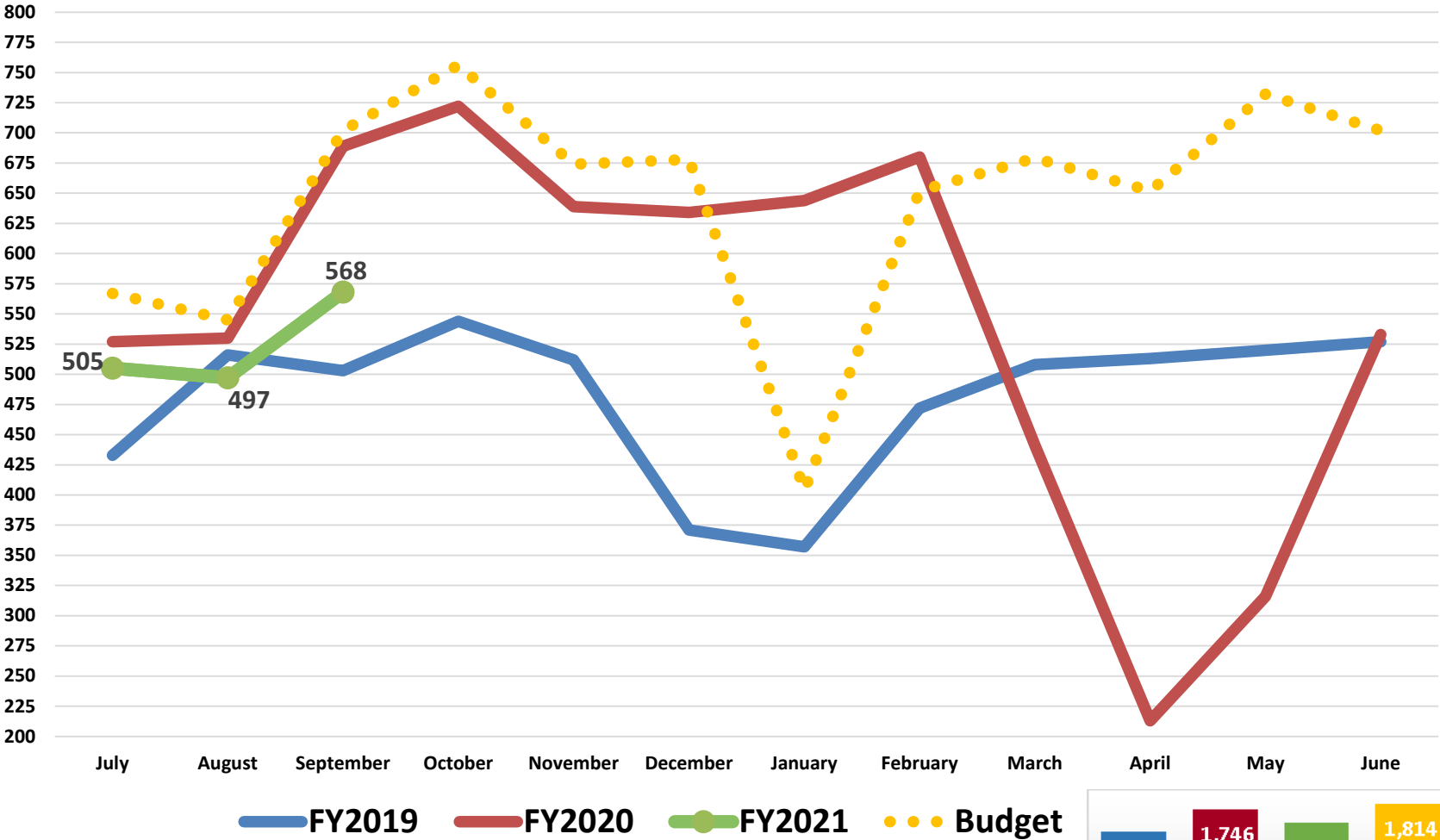


Emergency Dept – Avg Treated Per Day

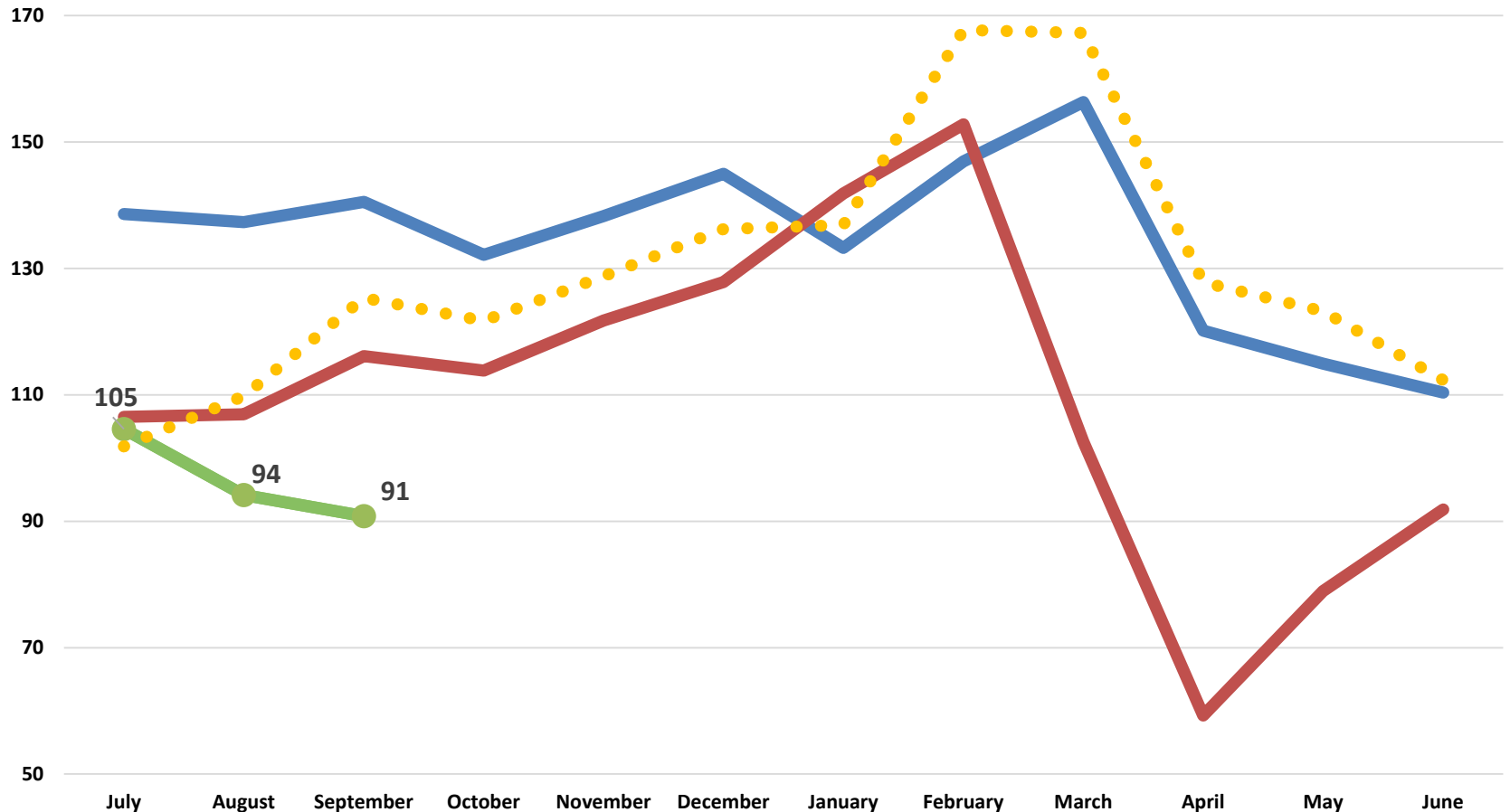


235	240	201	246
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

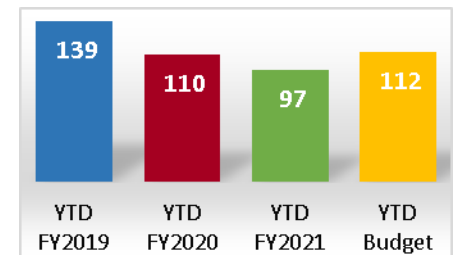
Endoscopy Procedures



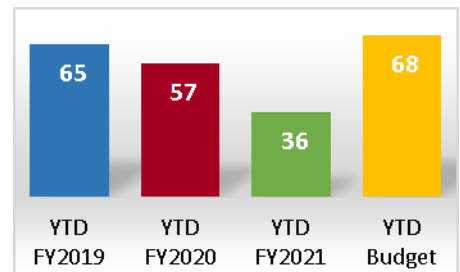
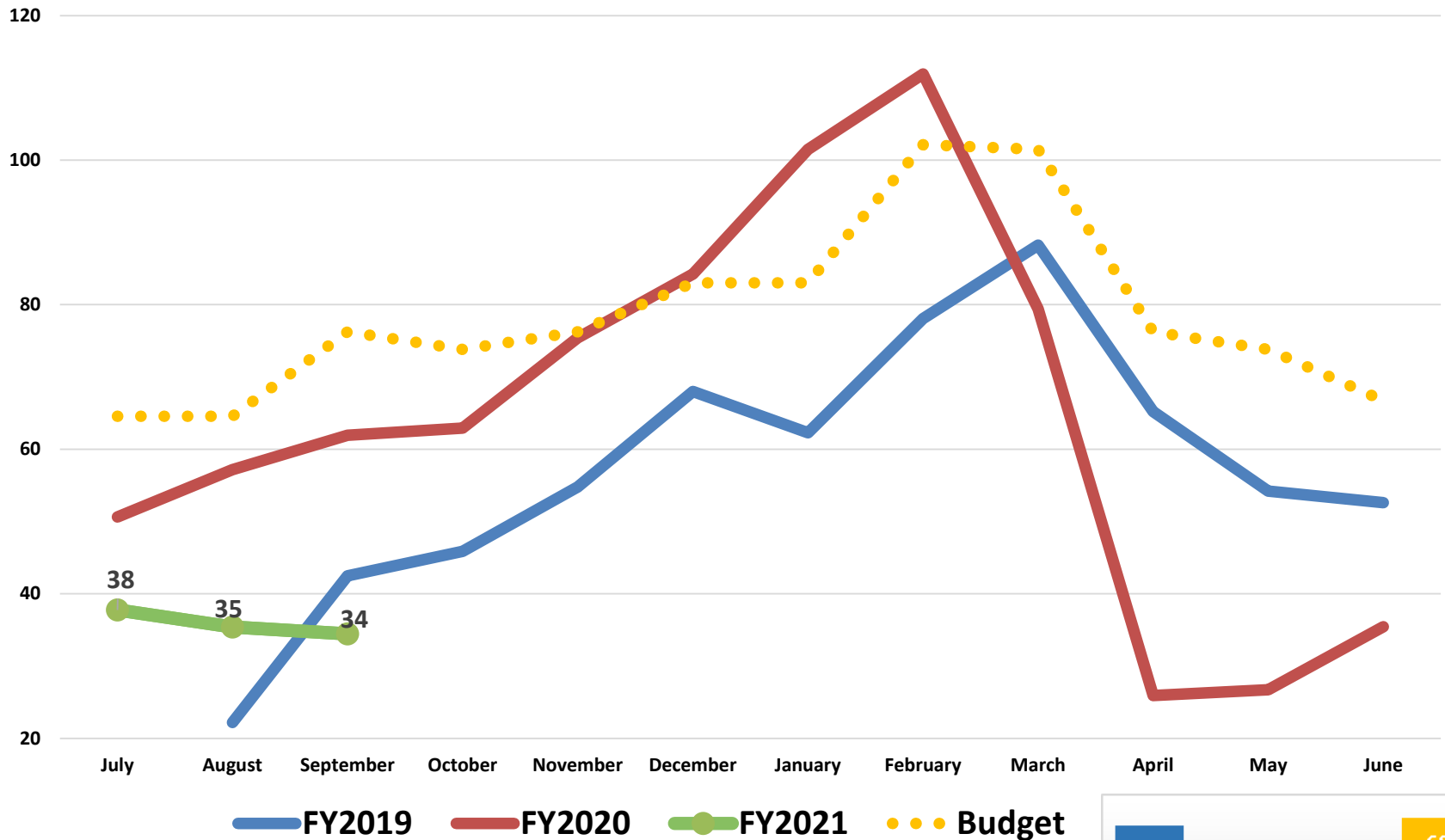
Urgent Care – Court Average Visits Per Day



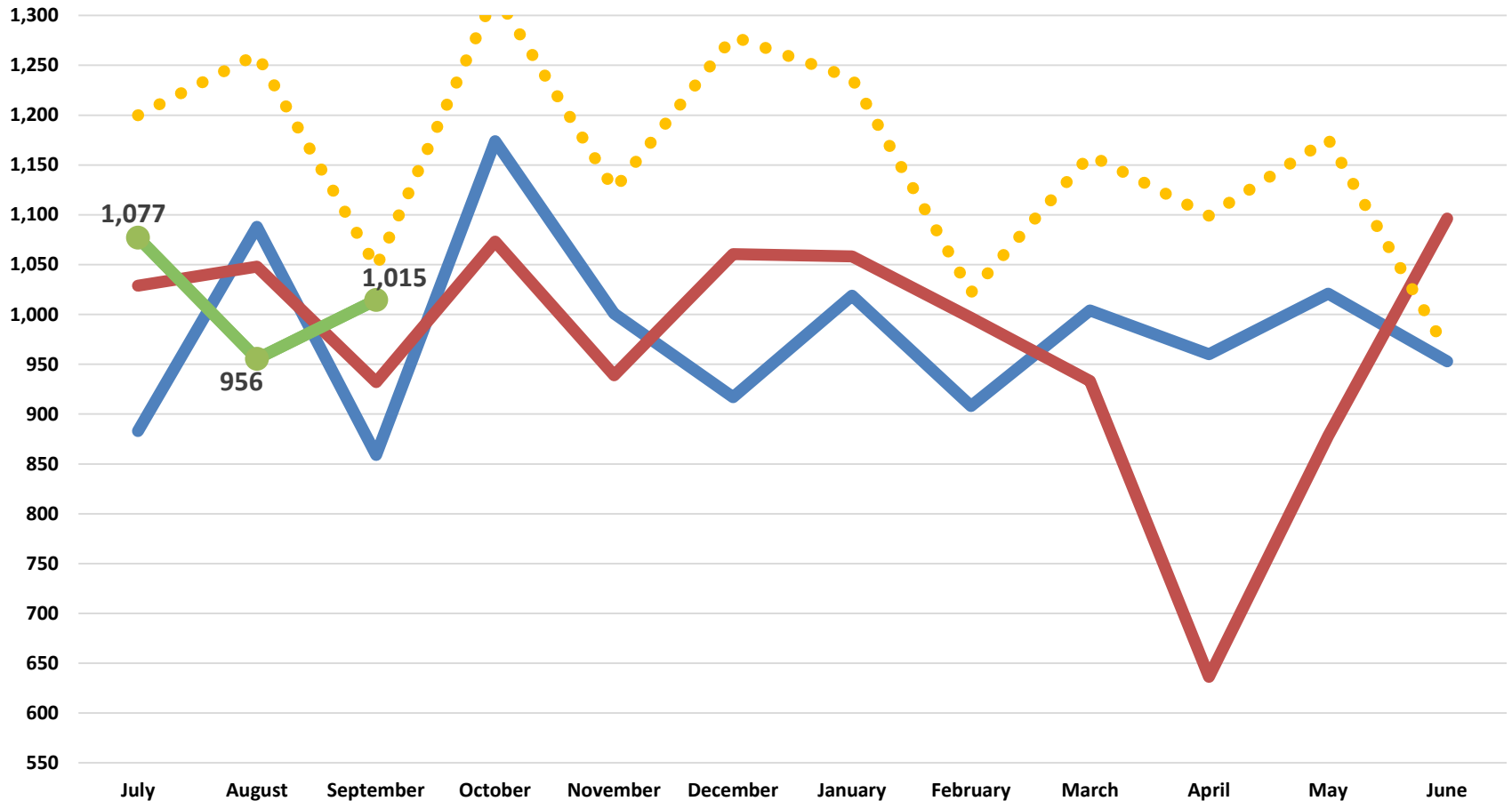
—●— FY2019
 —●— FY2020
 —●— FY2021
 ●●● Budget



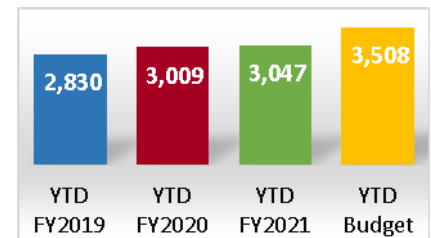
Urgent Care – Demaree Average Visits Per Day



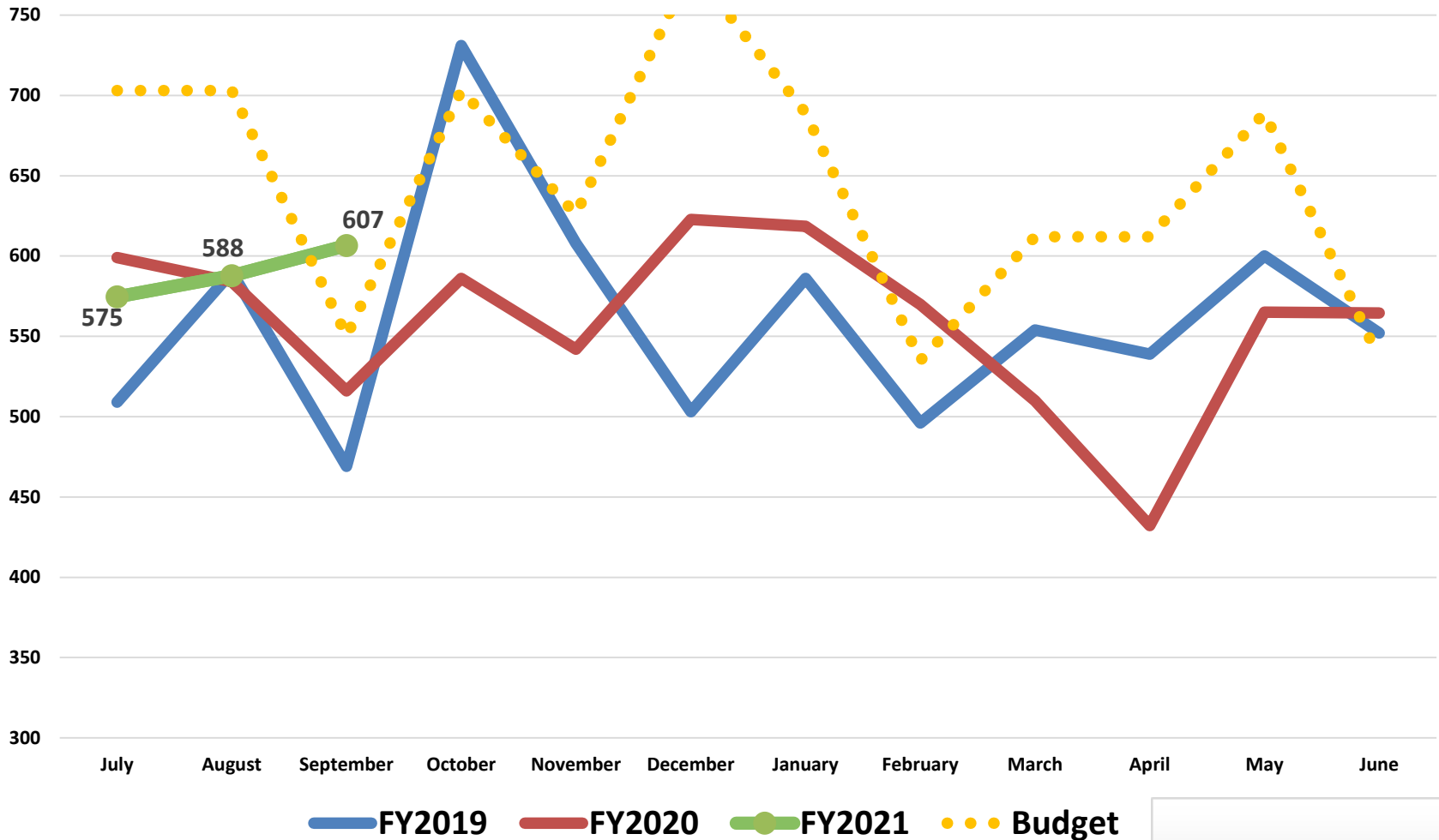
Surgery (IP & OP) – 100 Min Units



—●— **FY2019**
 —●— **FY2020**
 —●— **FY2021**
 ●●● **Budget**

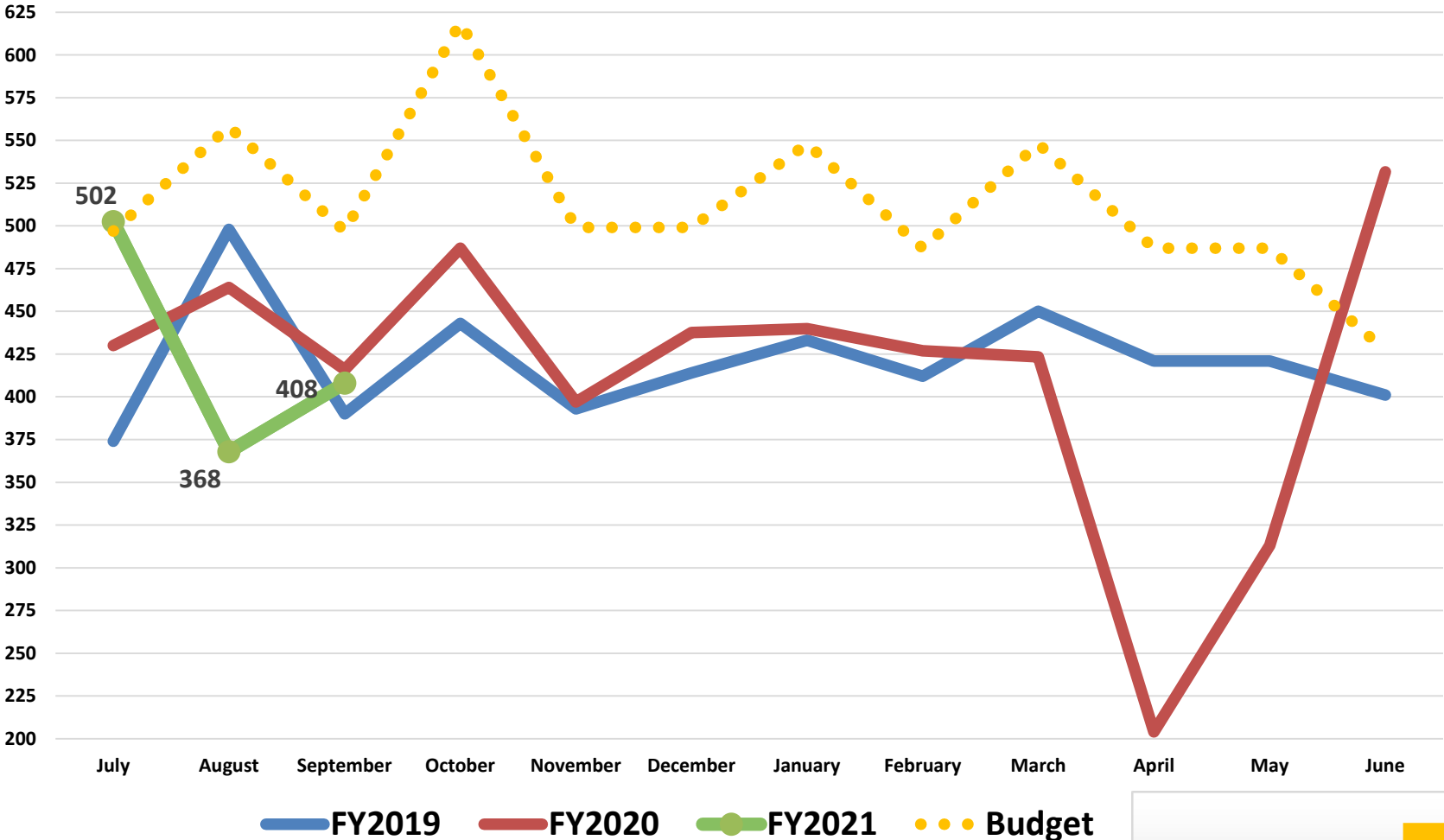


Surgery (IP Only) – 100 Min Units



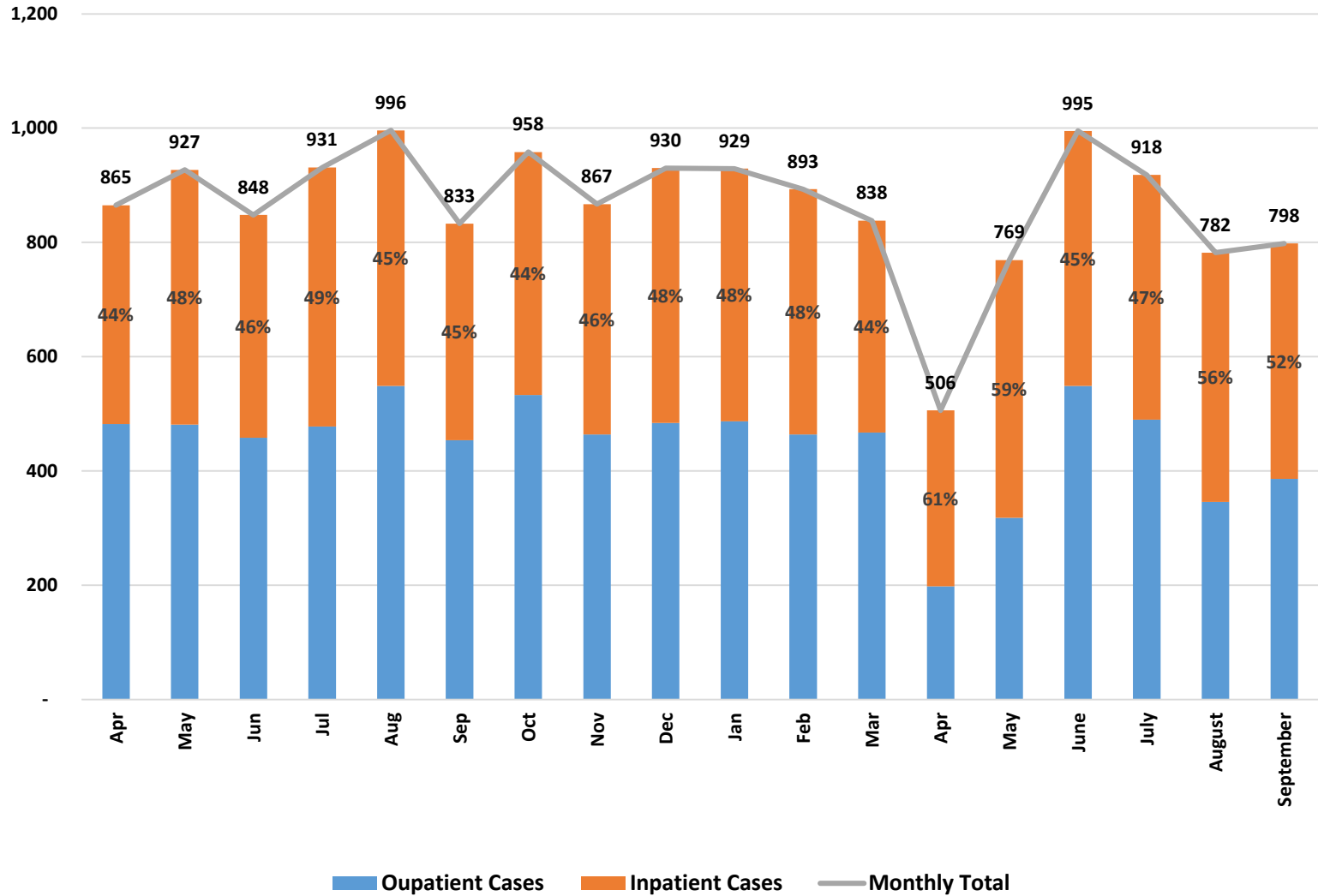
1,568	1,699	1,769	1,956
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Surgery (OP Only) – 100 Min Units

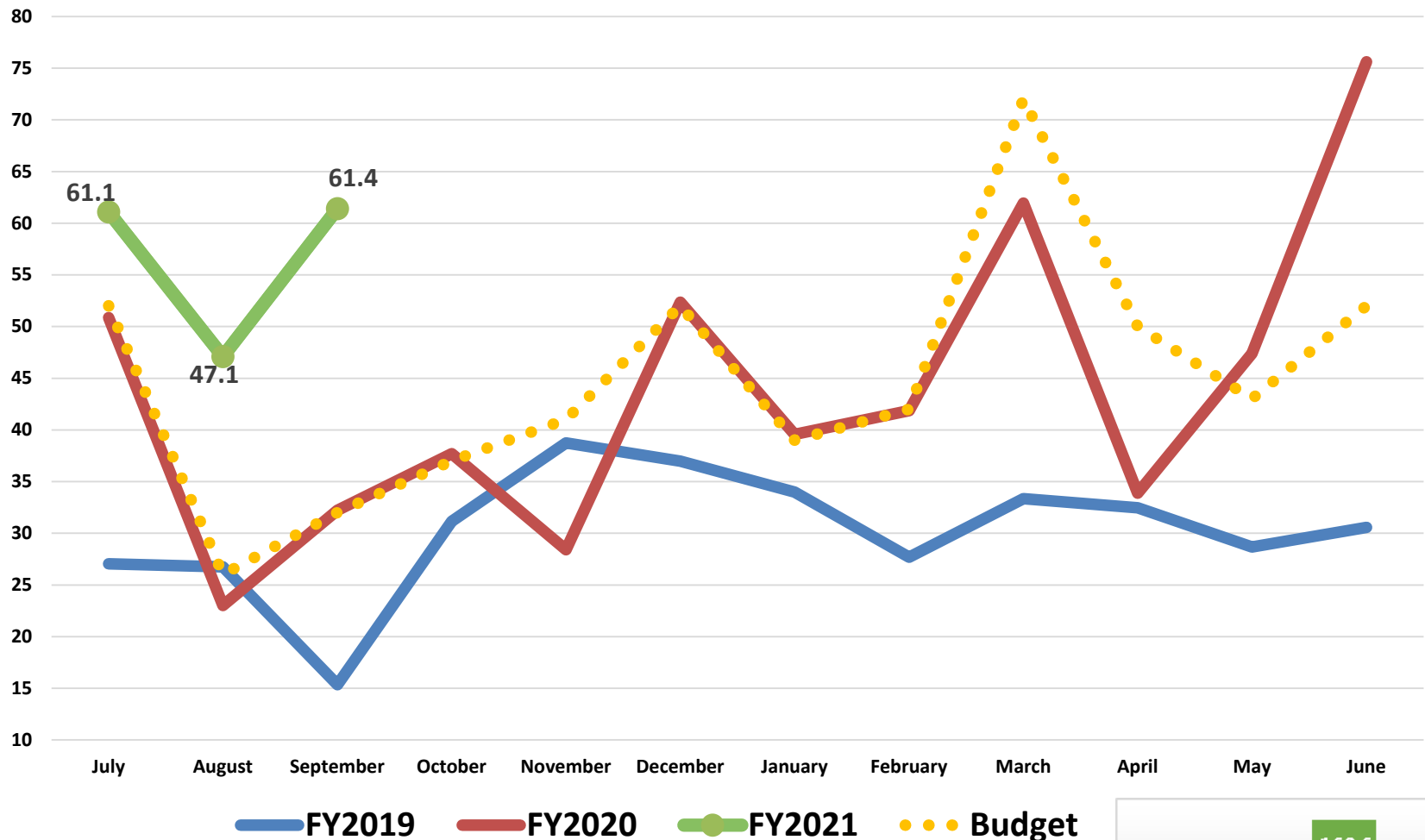


1,262	1,310	1,278	1,552
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Surgery (IP & OP) - Cases

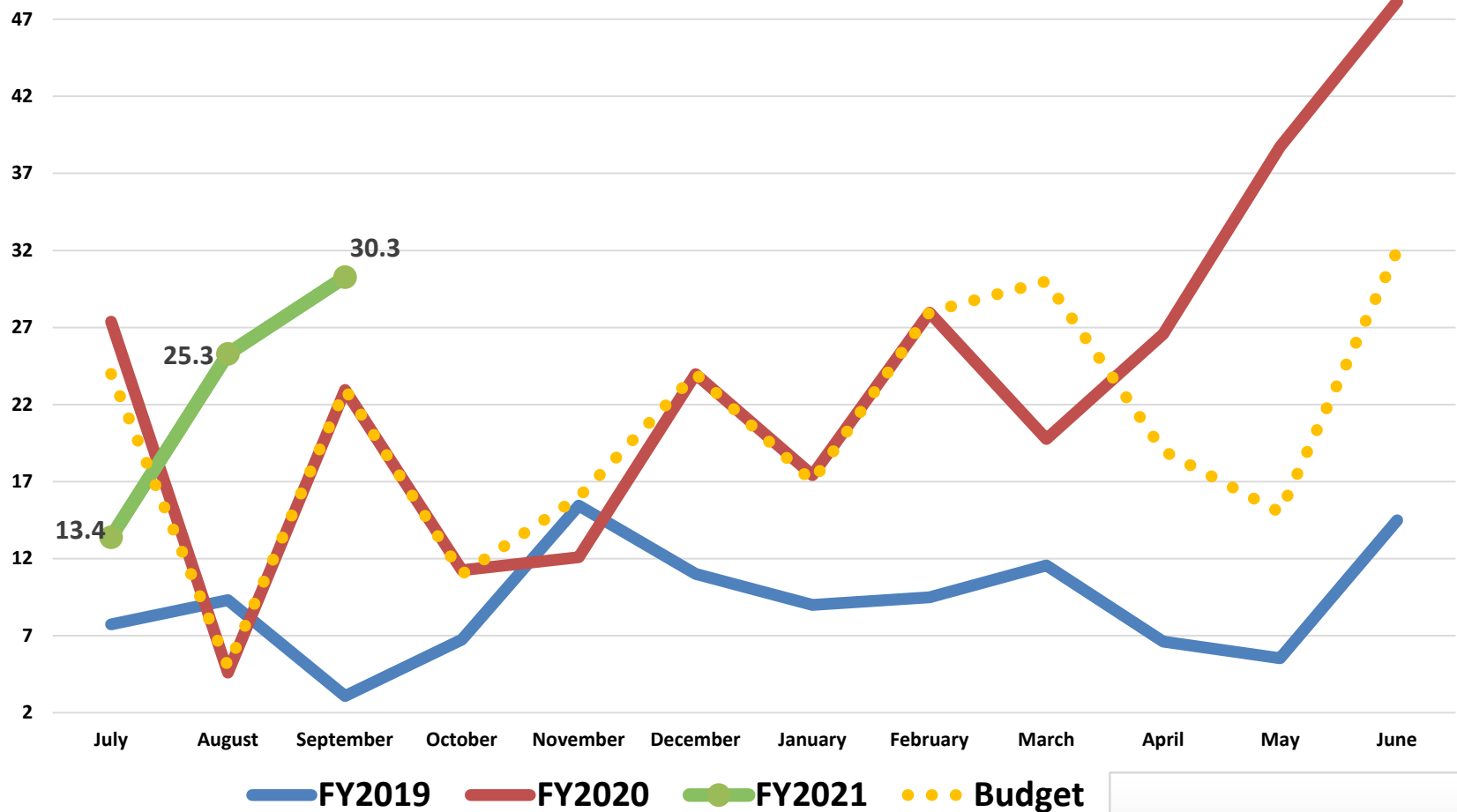


Robotic Surgery (IP & OP) – 100 Min Units



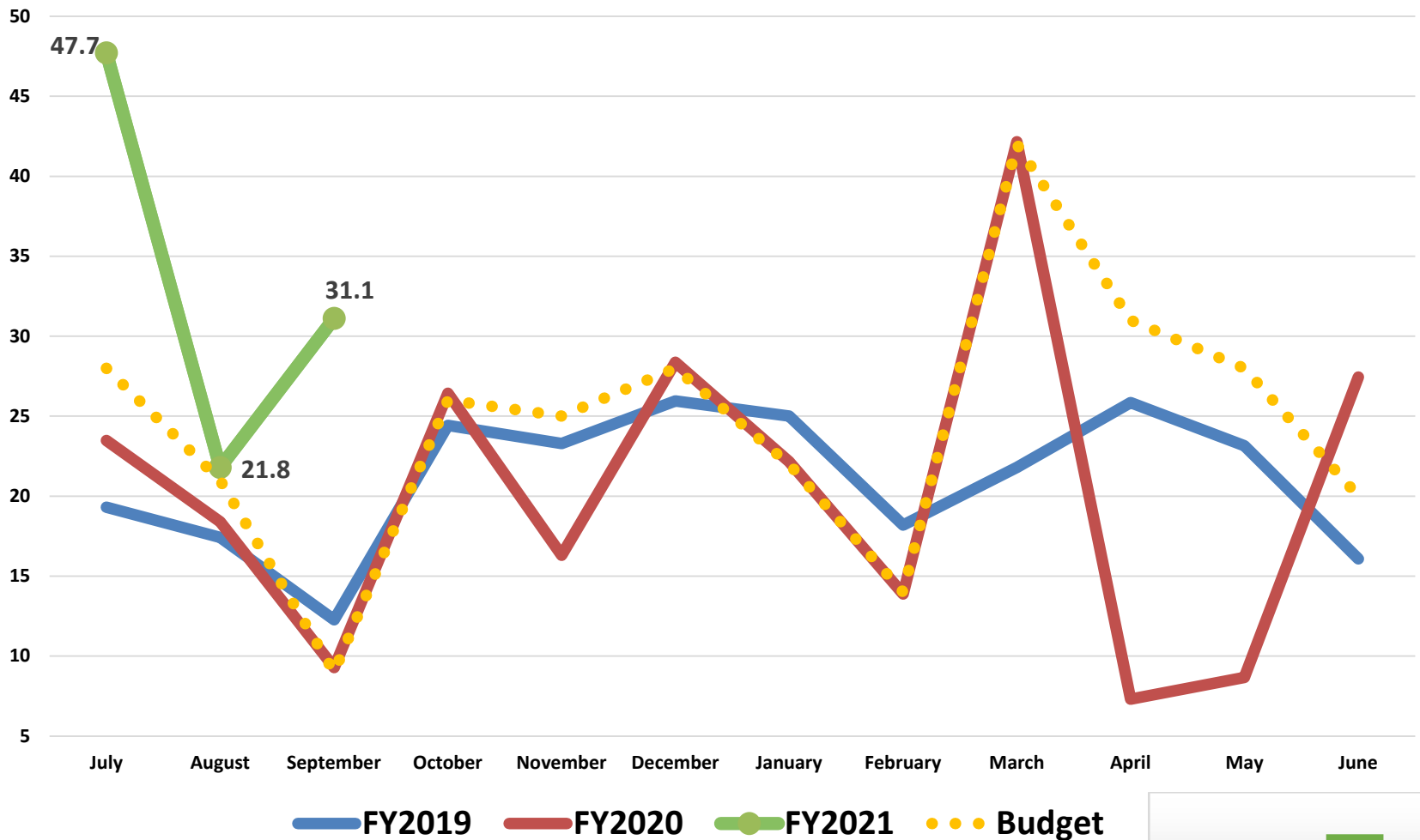
69.2	106.1	169.6	110.0
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Robotic Surgery (IP Only) – 100 Min Units



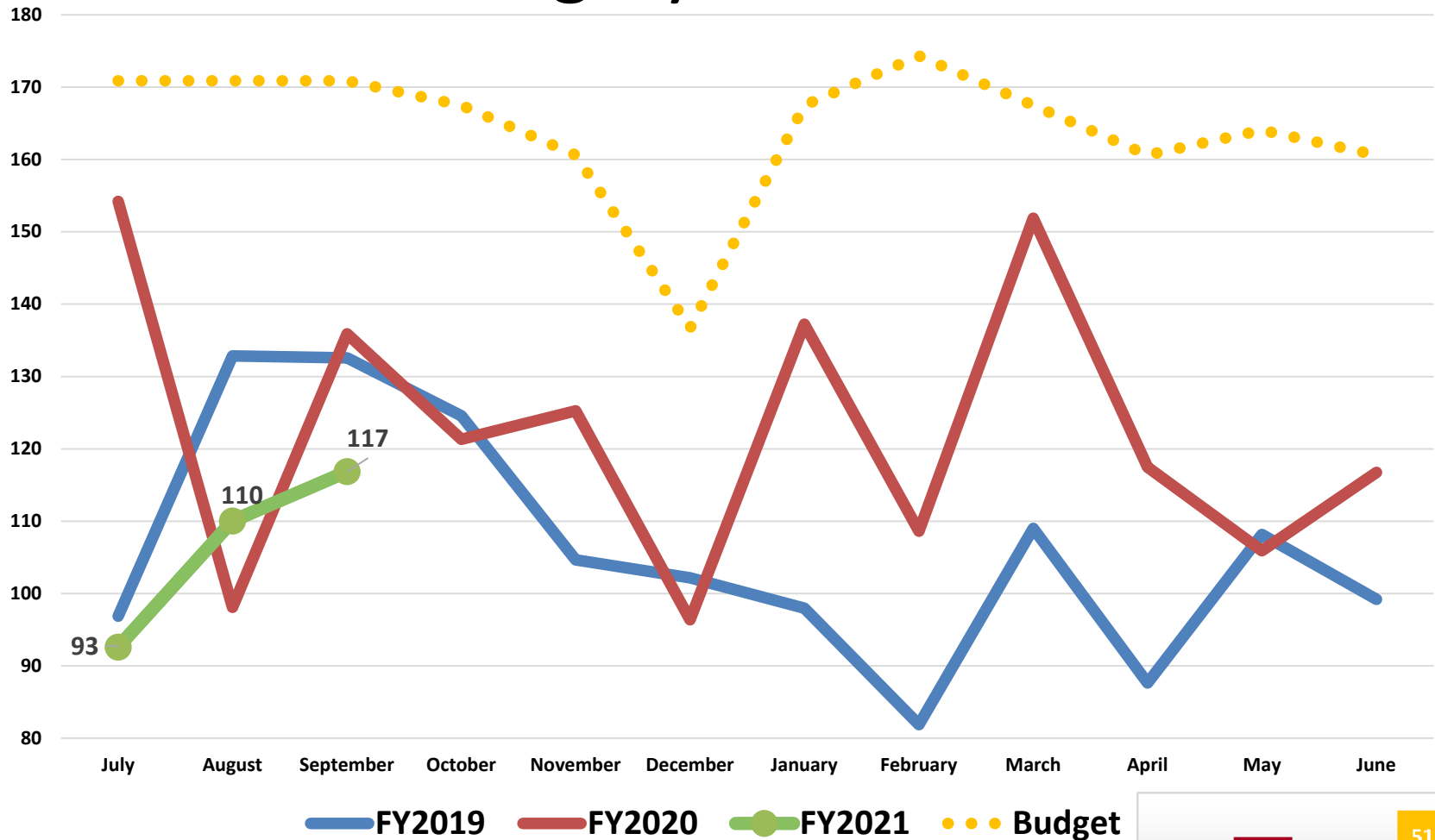
20.1	54.9	69.0	52.0
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Robotic Surgery (OP Only) – 100 Min Units



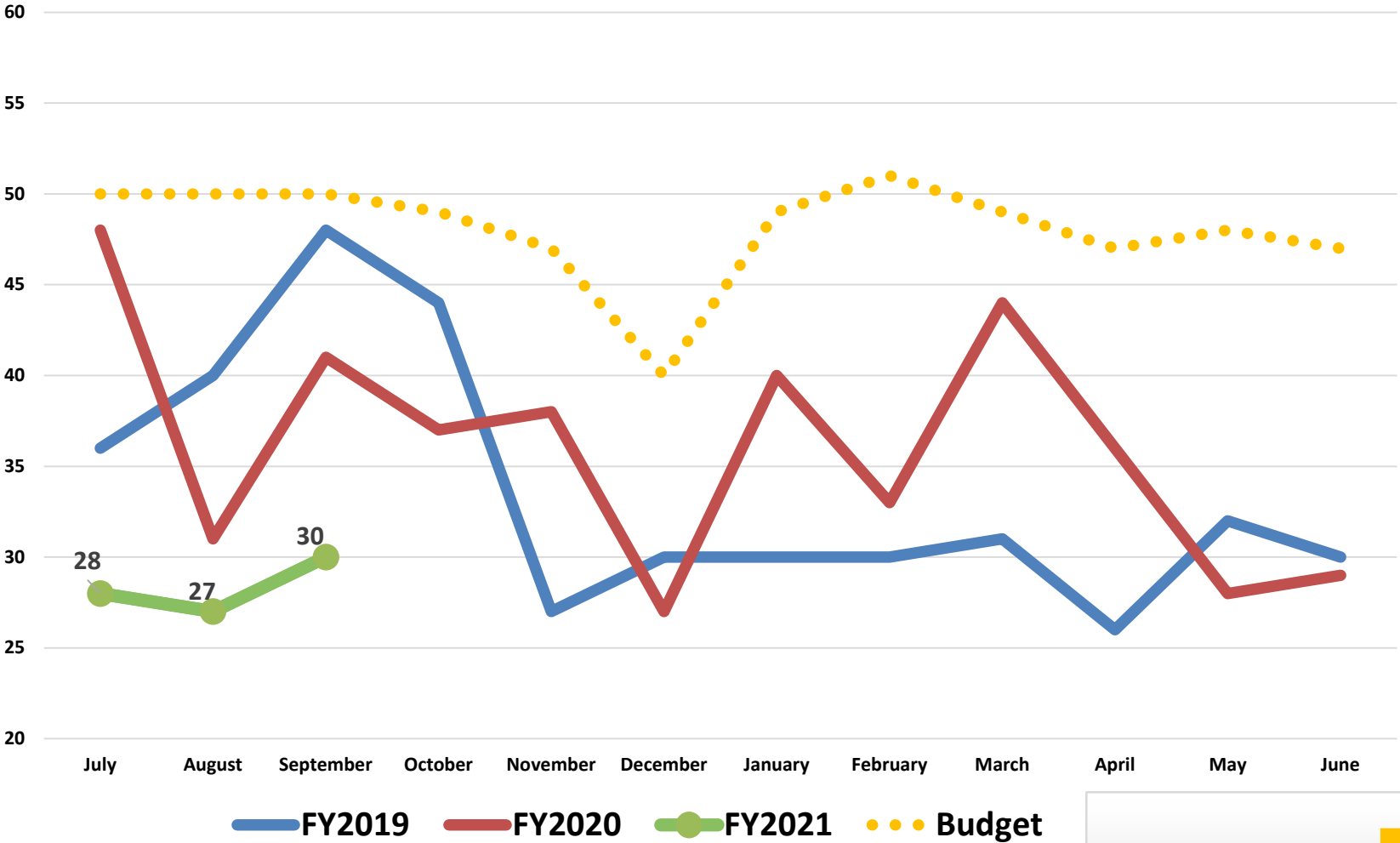
49.0	51.2	100.6	58.0
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Cardiac Surgery – 100 Min Units



362	388	320	513
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

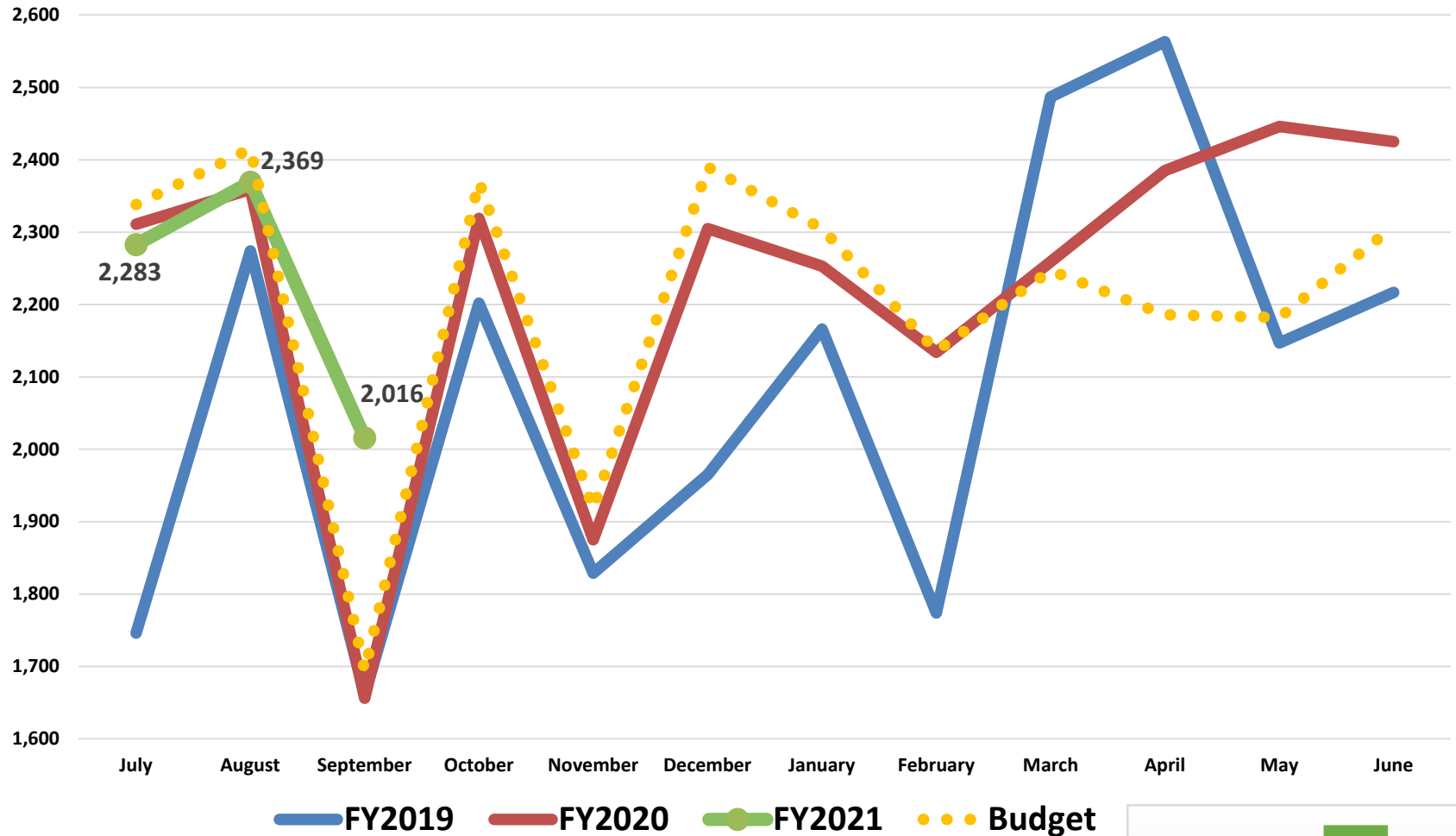
Cardiac Surgery – Cases



124	120	85	150
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

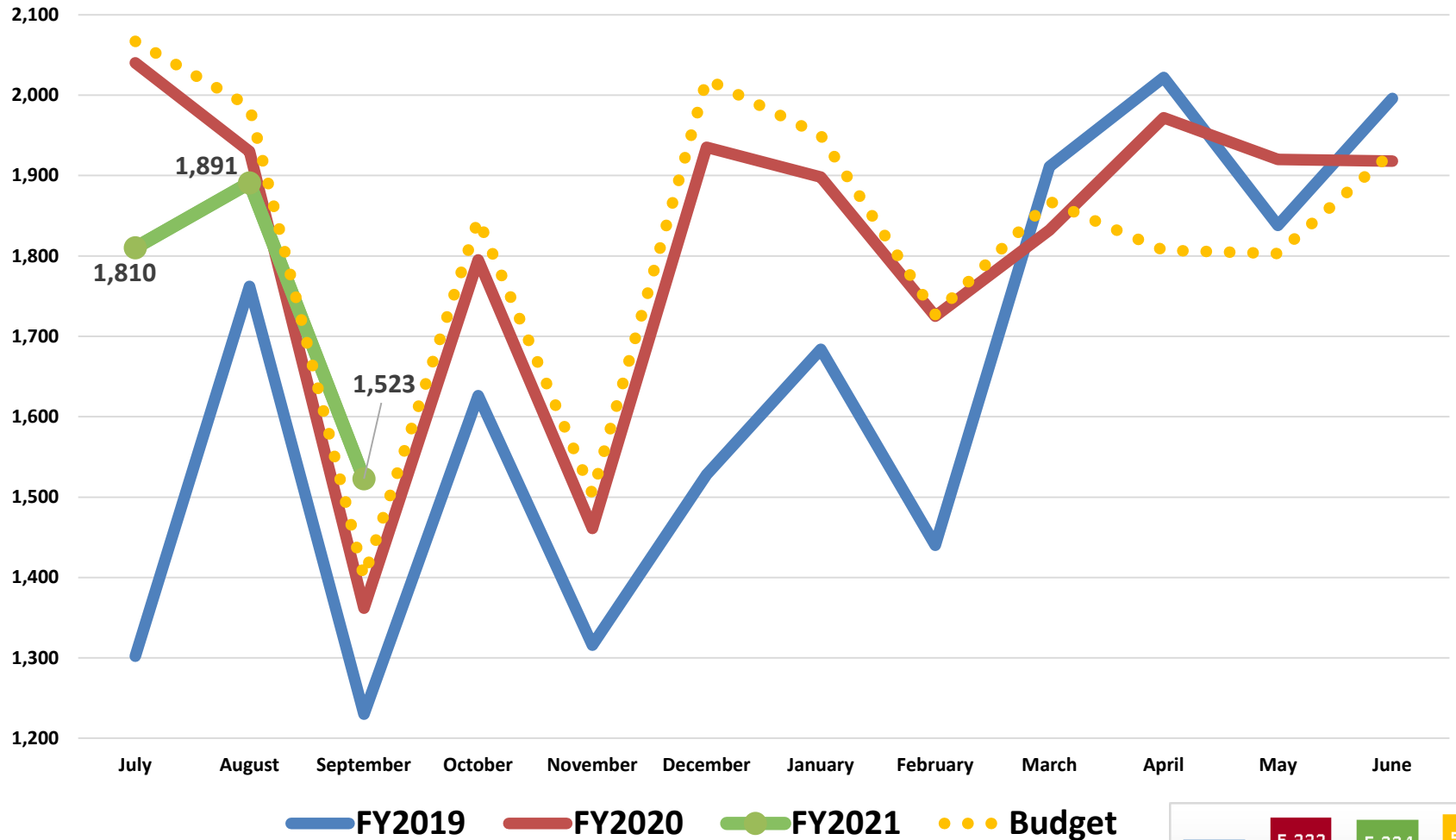
Radiation Oncology Treatments

Hanford and Visalia



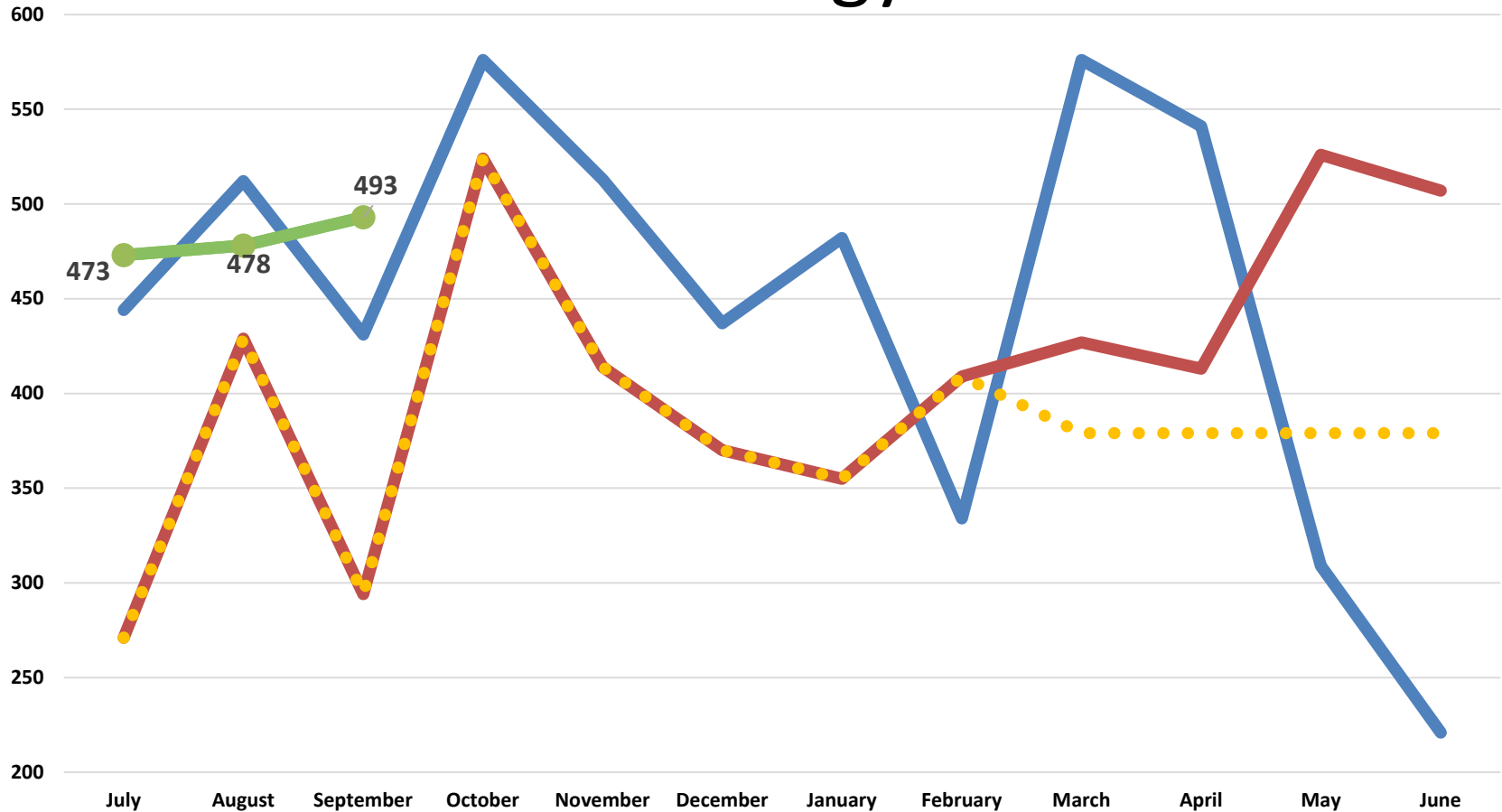
5,681	6,326	6,668	6,447
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Radiation Oncology - Visalia



4,294	5,332	5,224	5,453
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

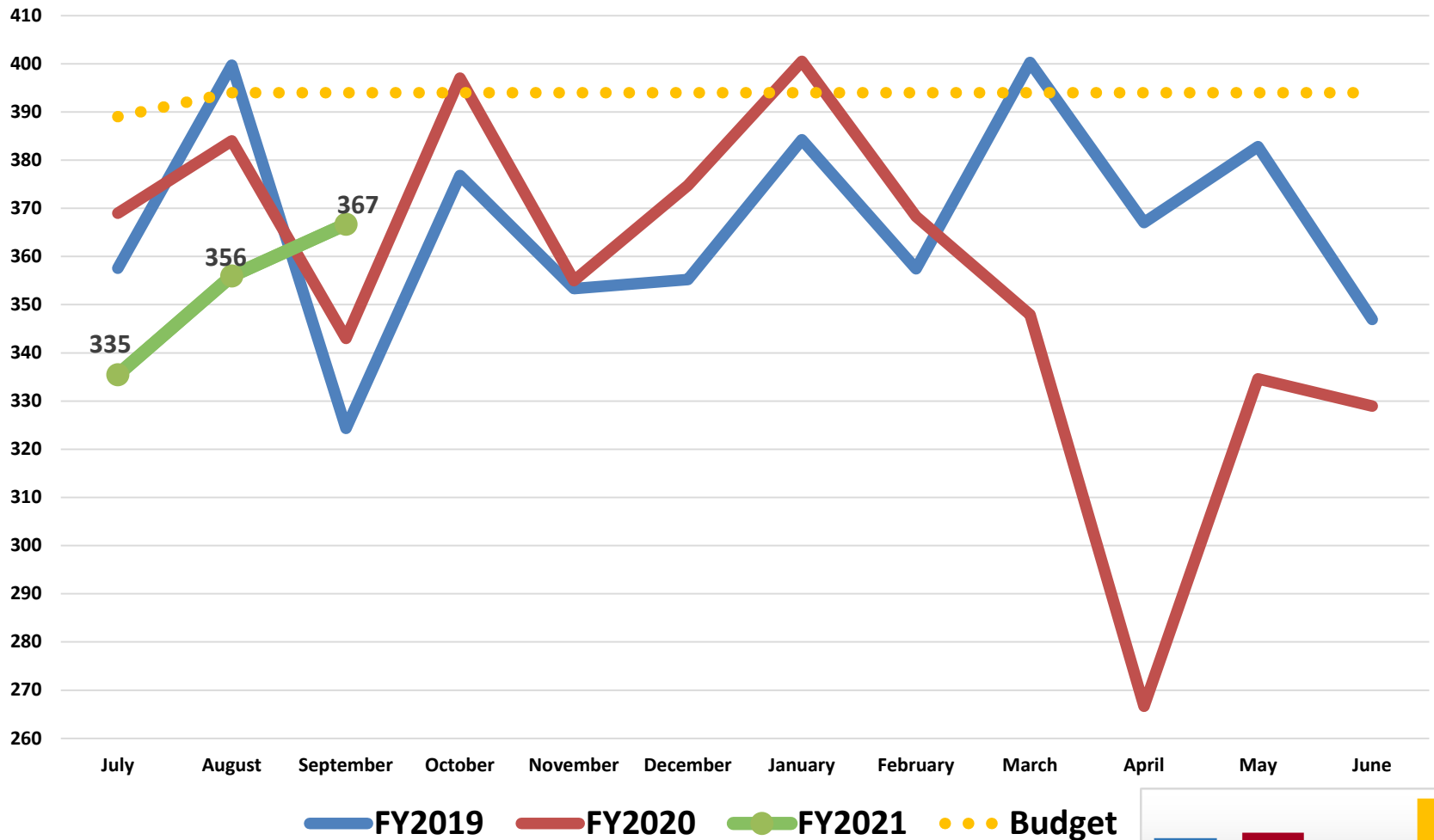
Radiation Oncology - Hanford



—●— **FY2019**
 —●— **FY2020**
 —●— **FY2021**
 ●●● **Budget**

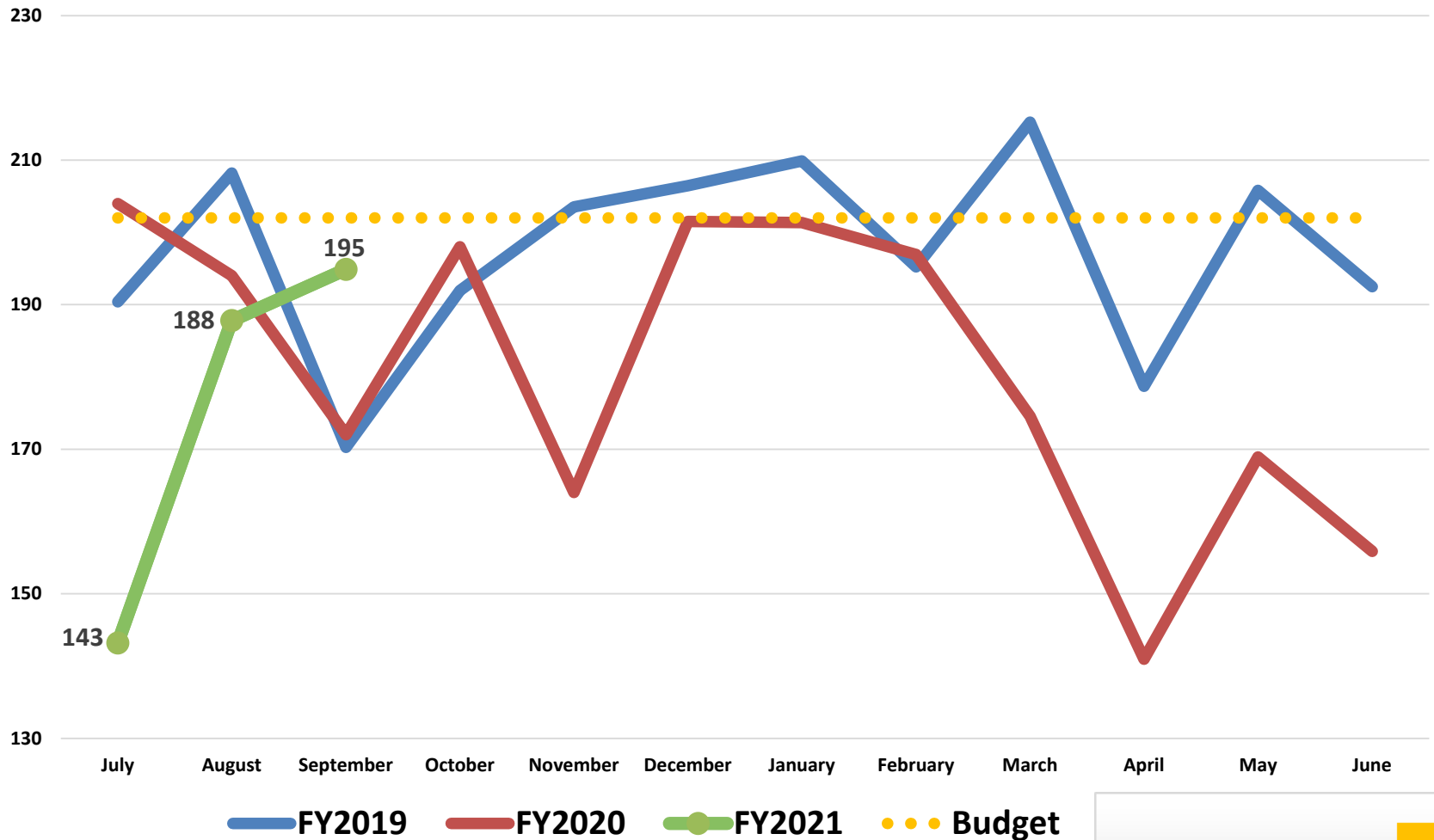
1,387	994	1,444	994
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Cath Lab (IP & OP) – 100 Min Units



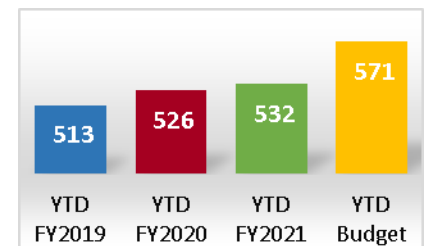
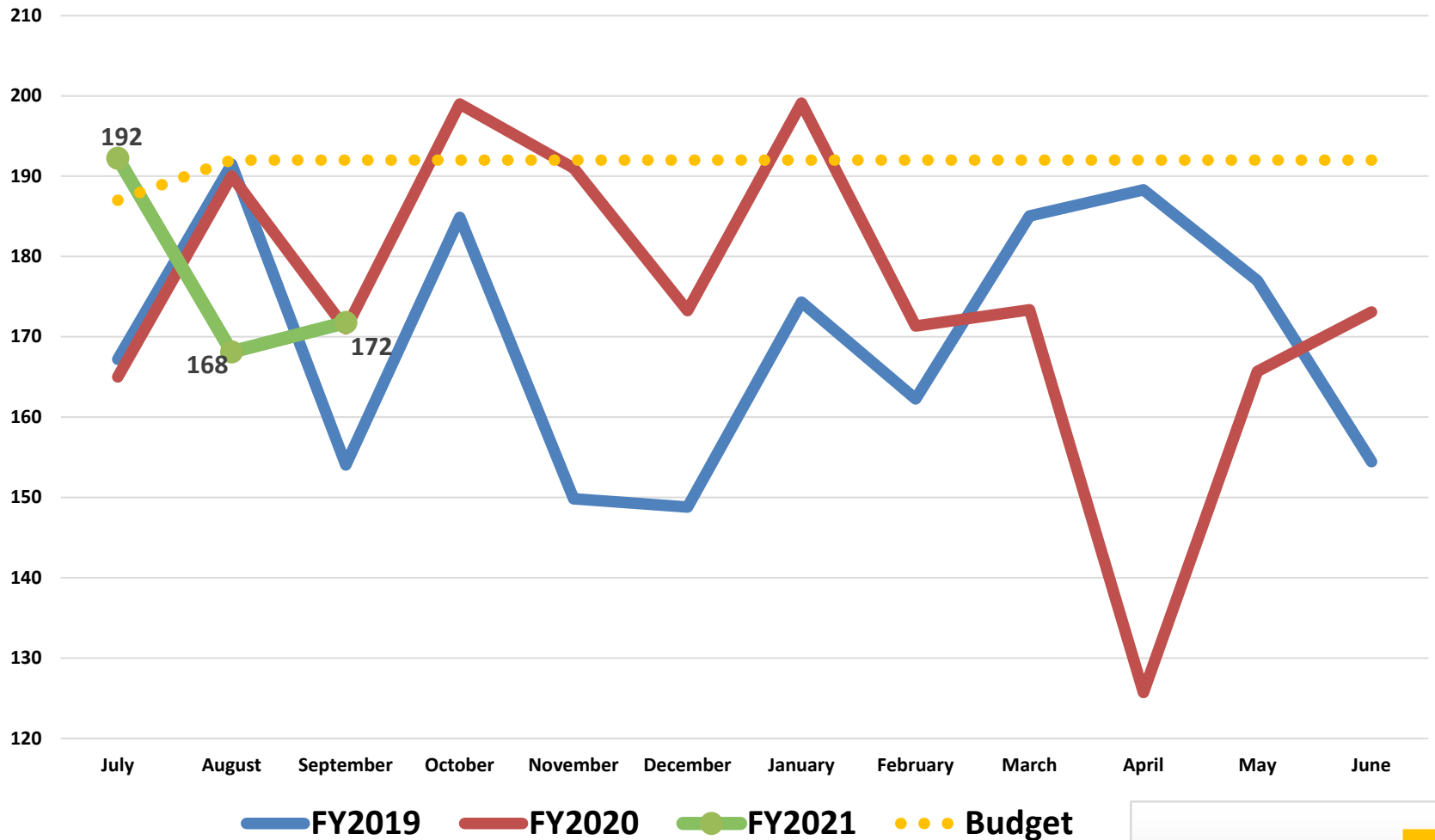
1,082	1,096	1,058	1,177
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Cath Lab (IP Only) – 100 Min Units

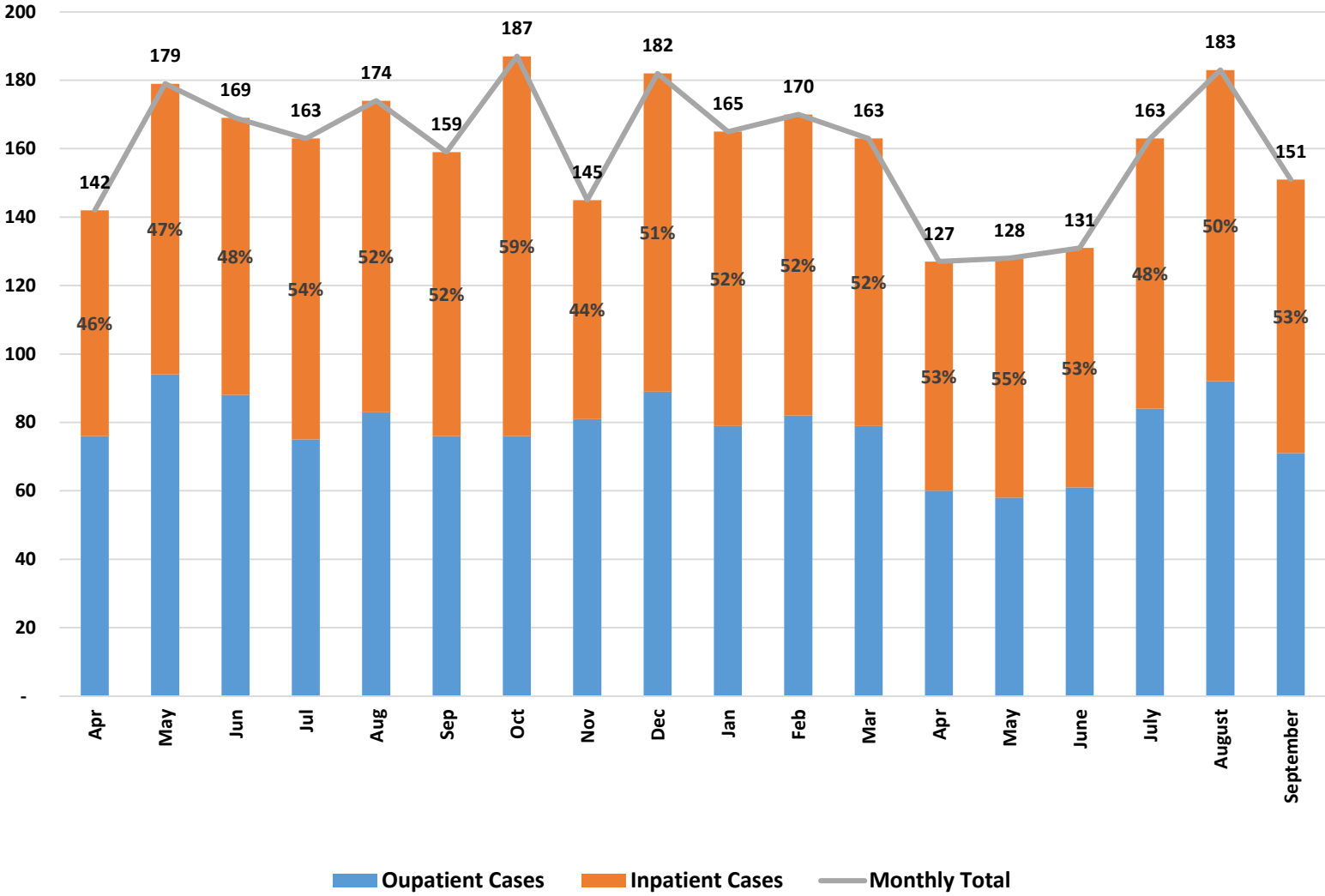


569	570	526	606
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

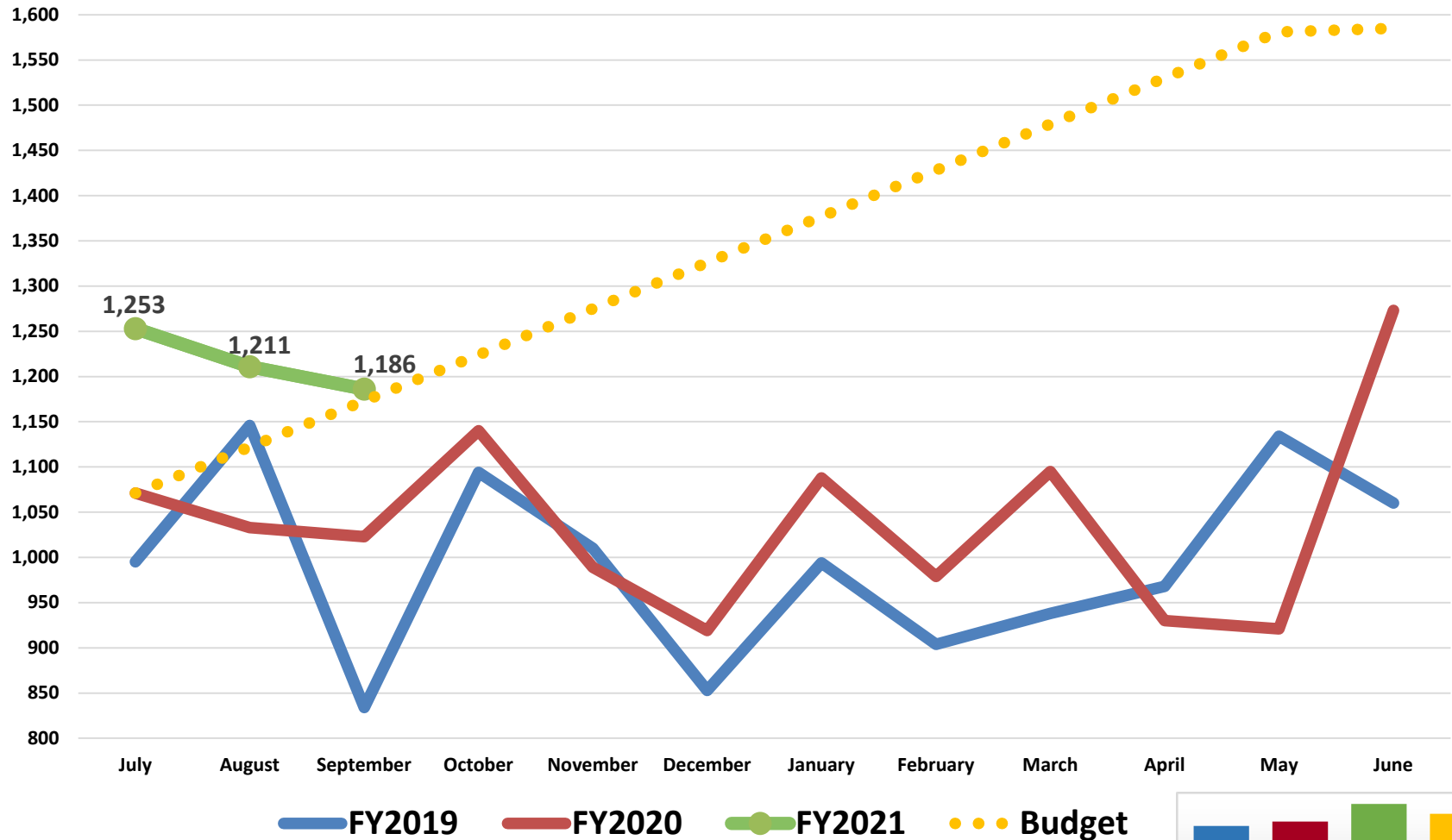
Cath Lab (OP Only) – 100 Min Units



Cath Lab (IP & OP) - Patients

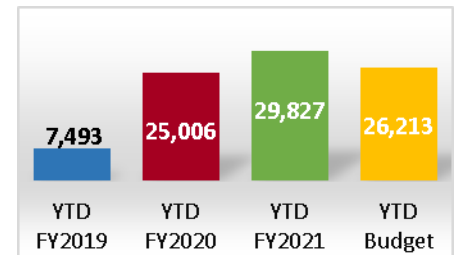
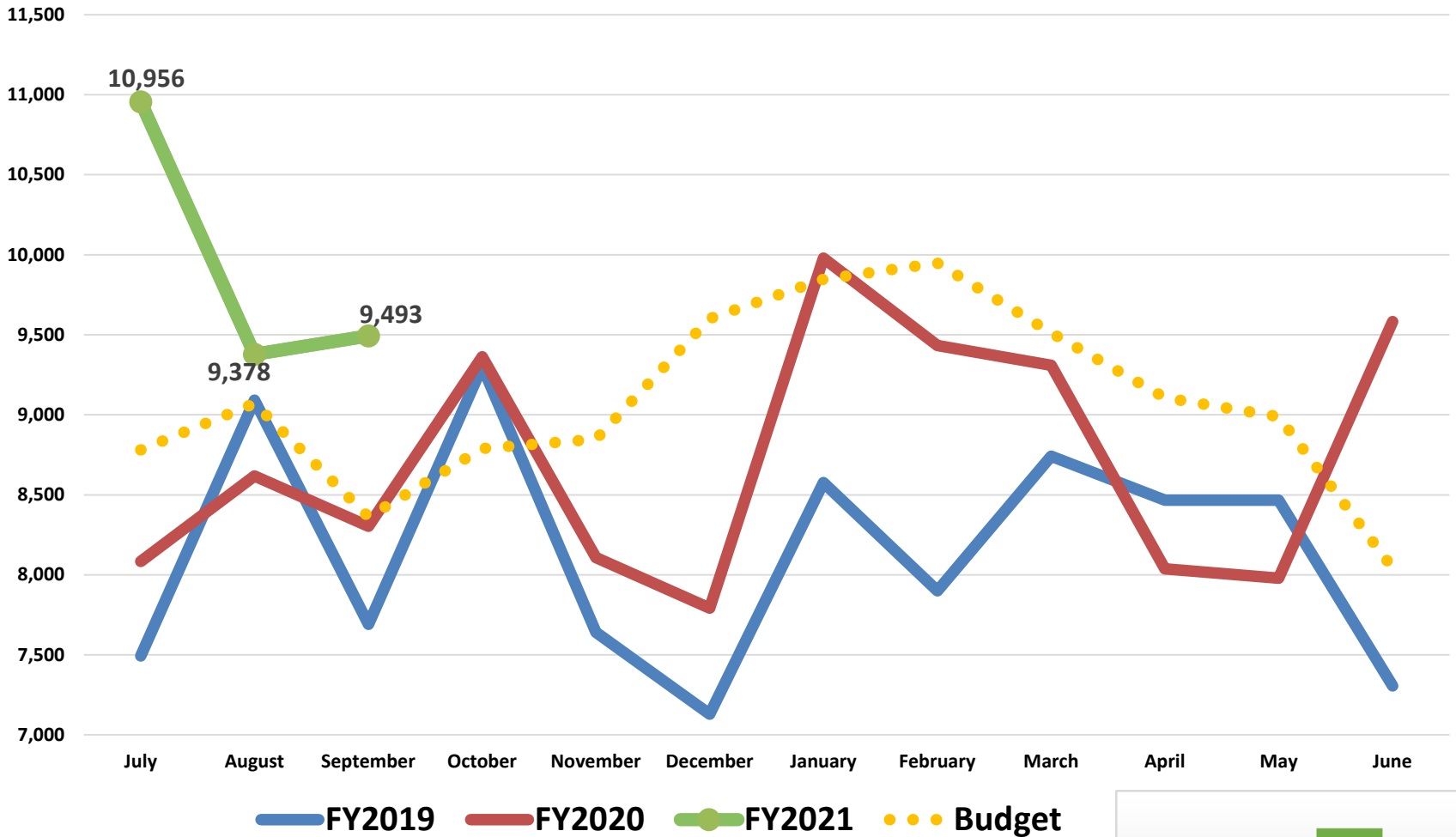


GME Family Medicine Clinic Visits

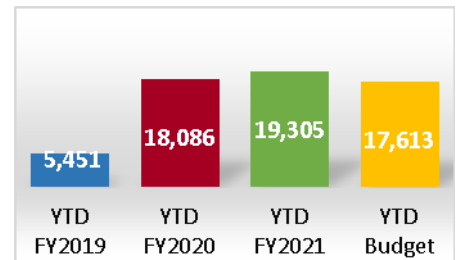
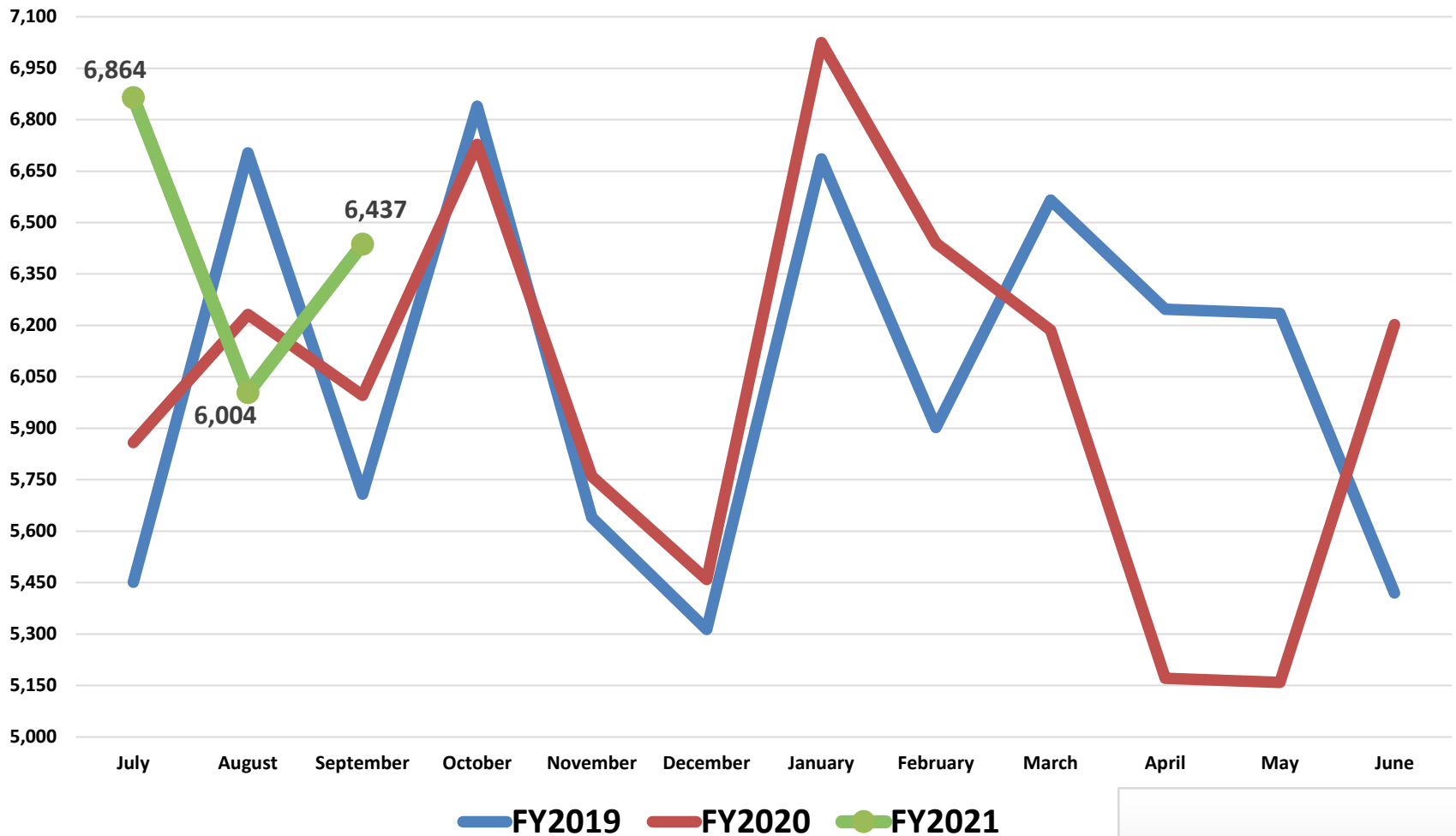


2,975	3,127	3,650	3,366
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

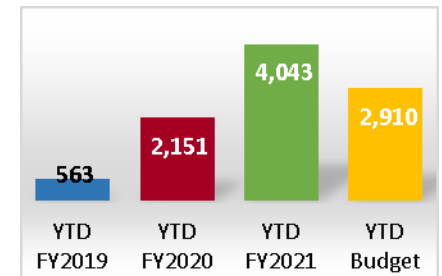
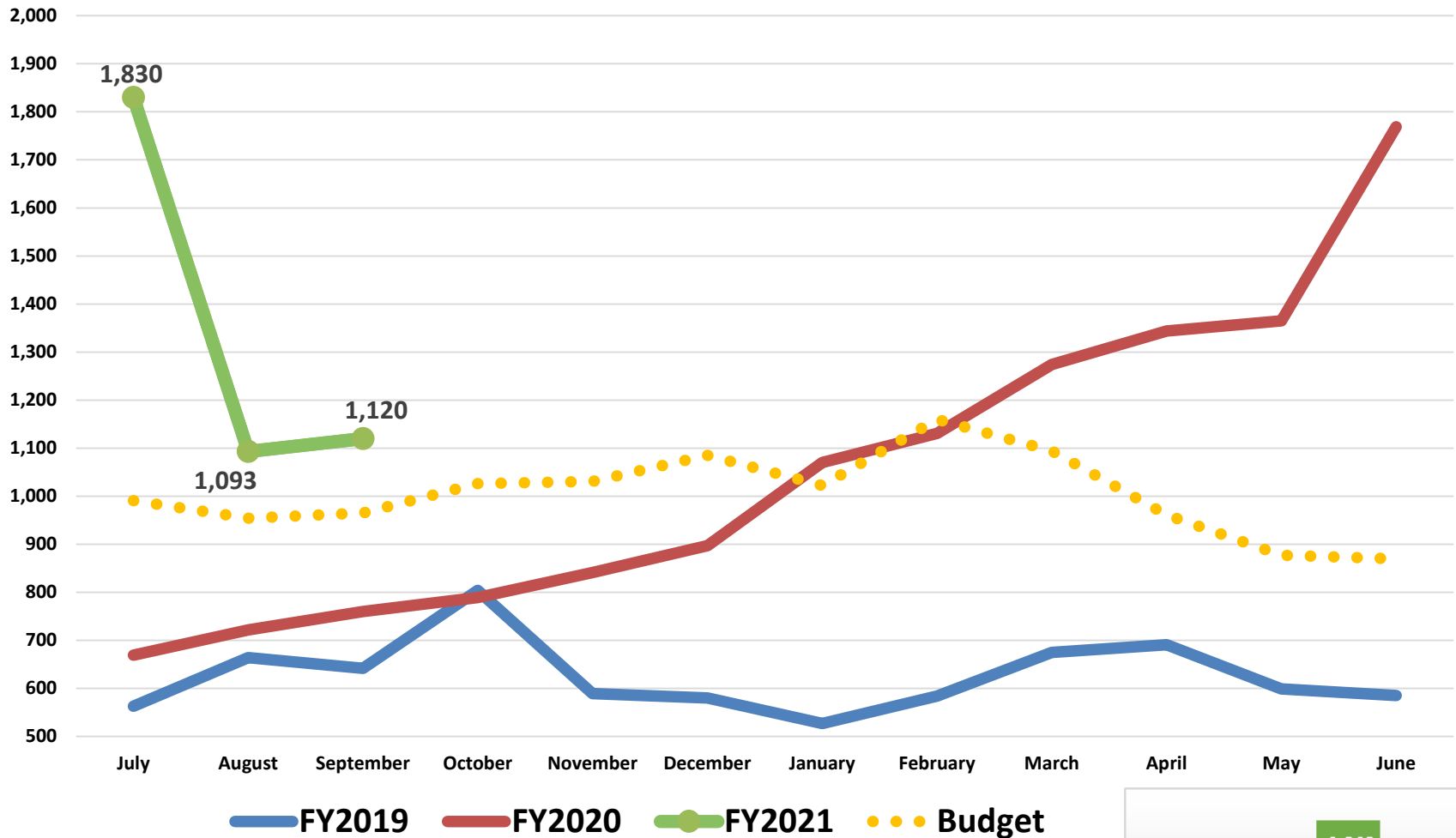
Rural Health Clinic Registrations



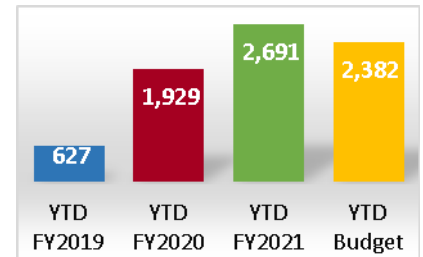
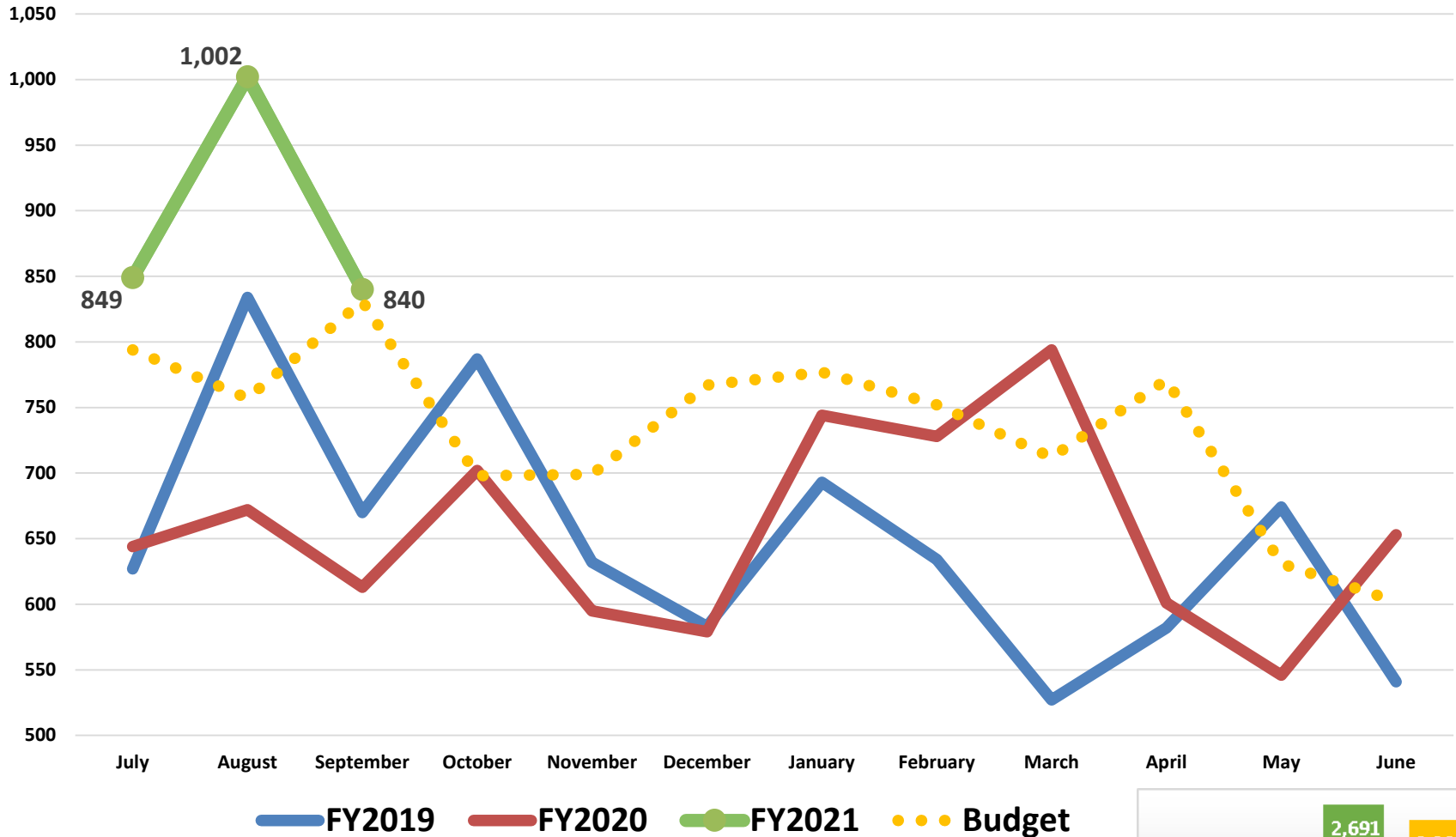
Exeter RHC - Registrations



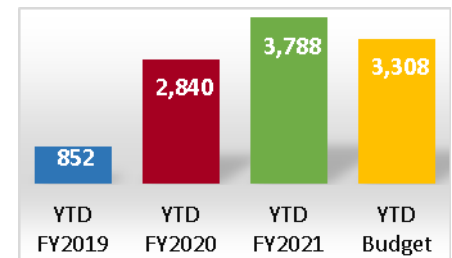
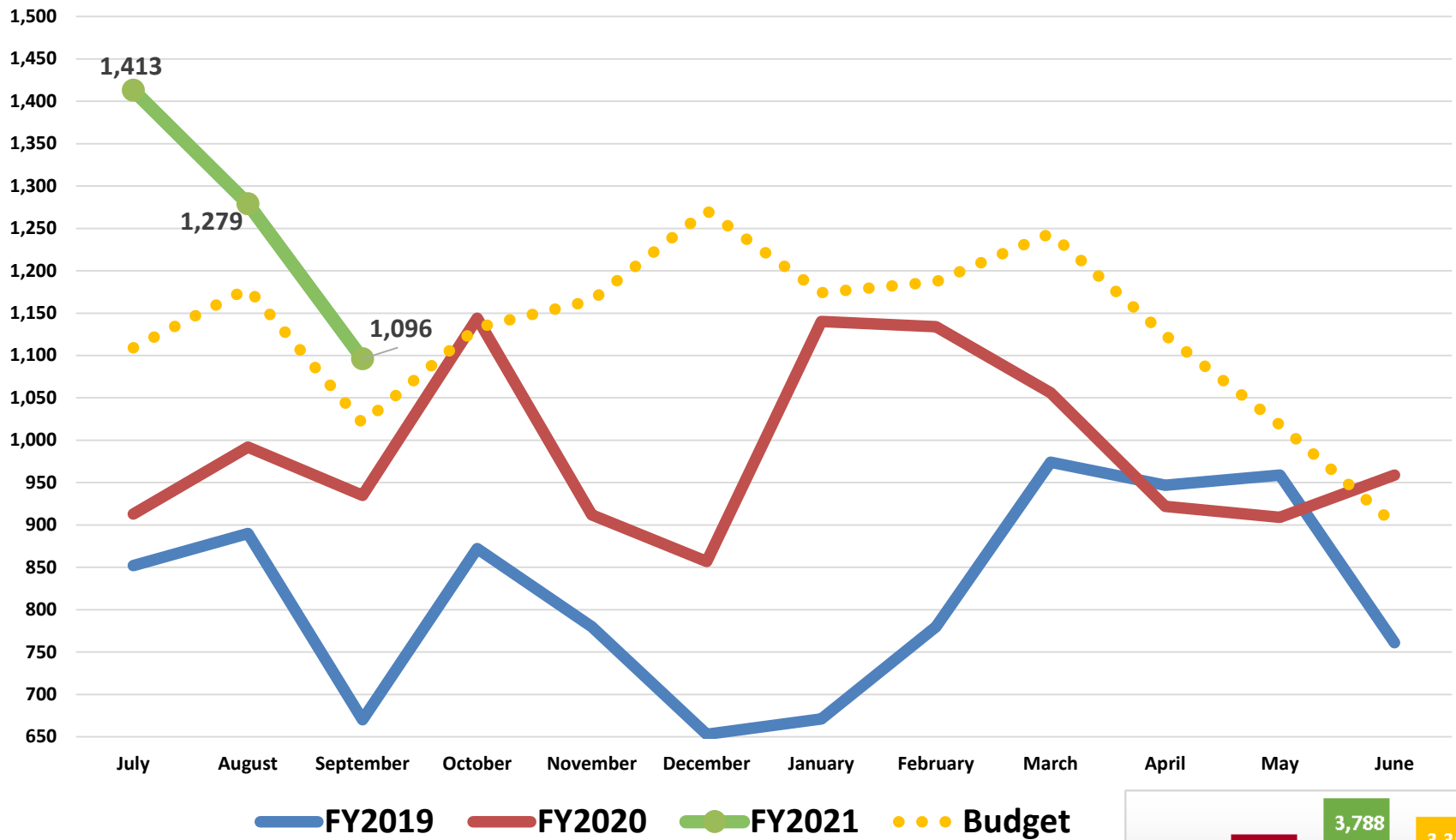
Lindsay RHC - Registrations



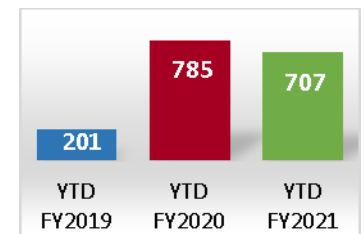
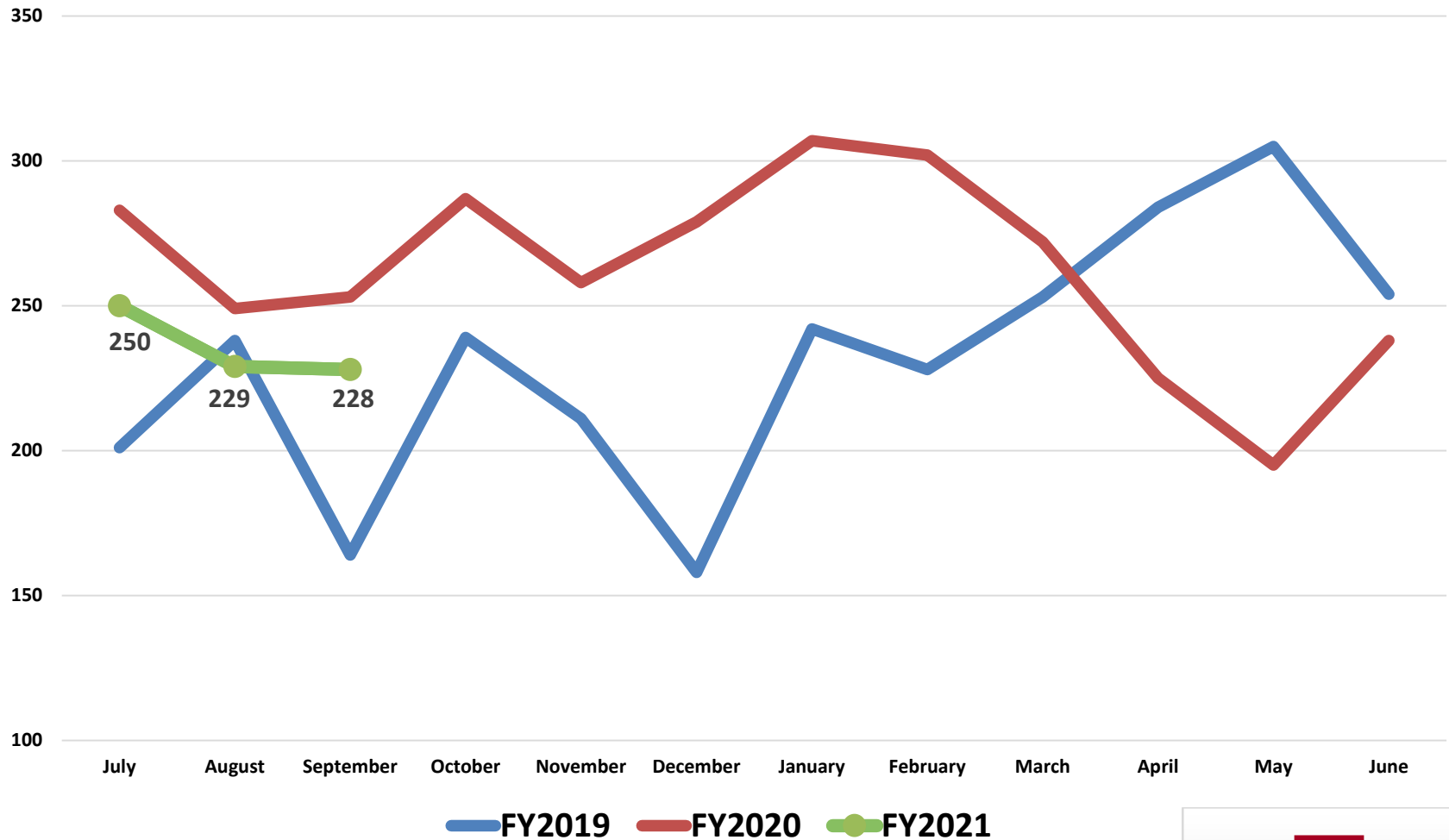
Woodlake RHC - Registrations



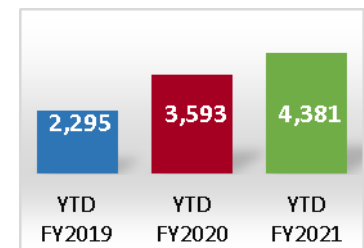
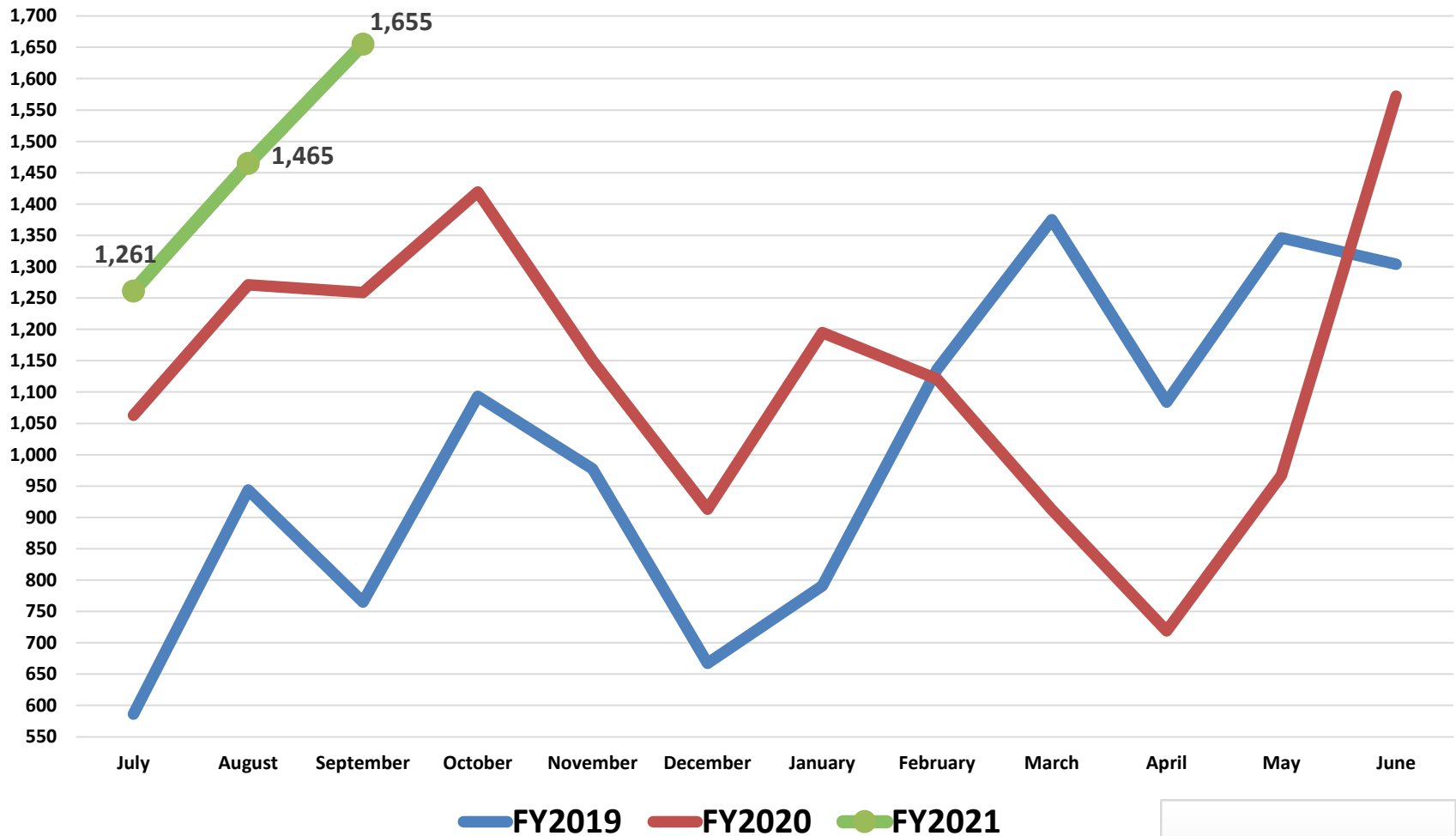
Dinuba RHC - Registrations



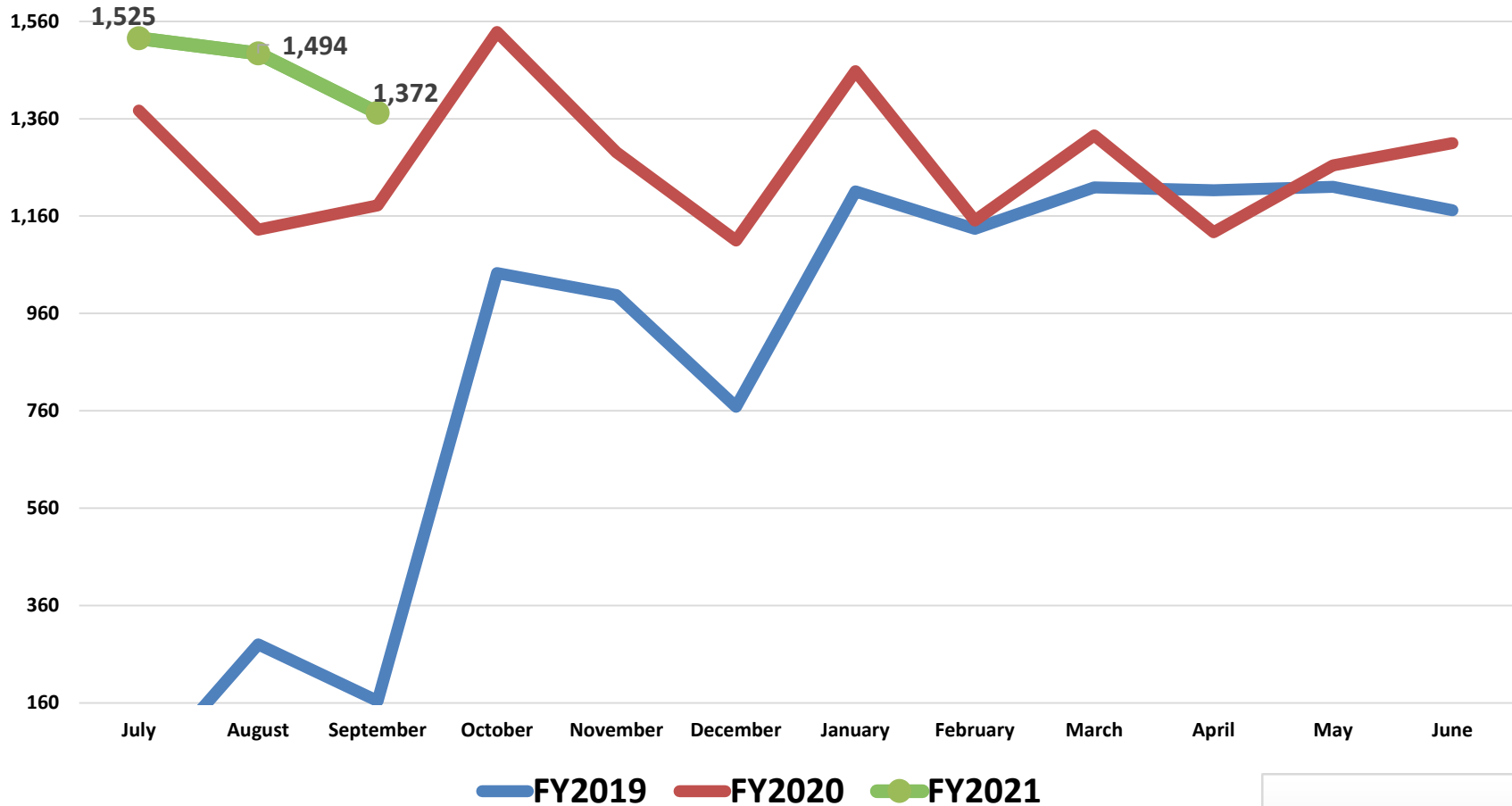
Neurosurgery Clinic - Registrations



Neurosurgery Clinic - wRVU's

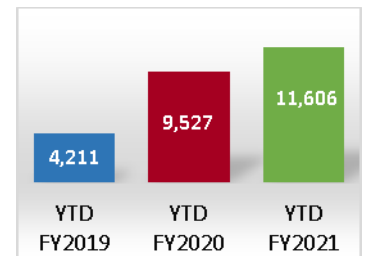
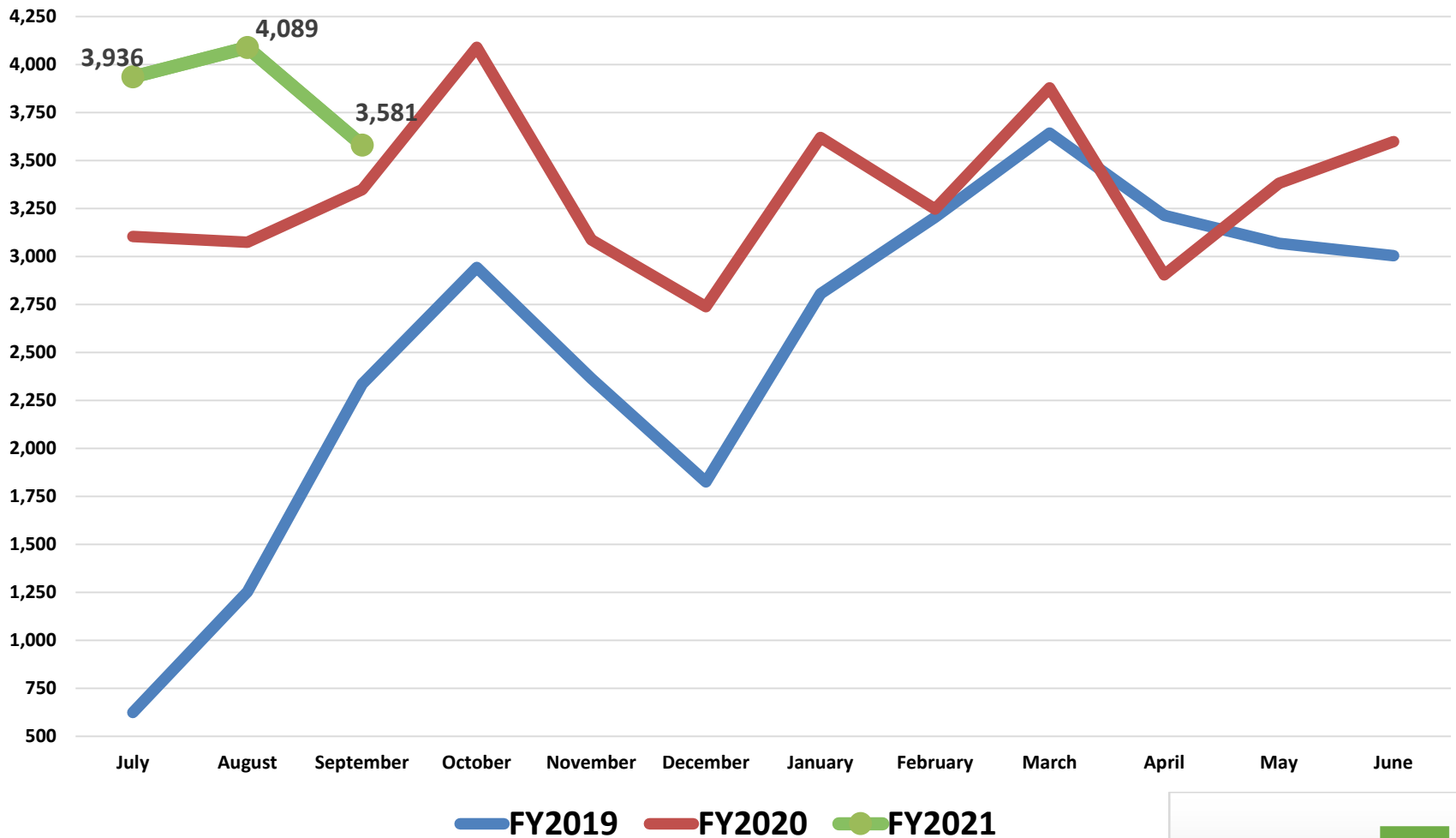


Sequoia Cardiology - Registrations

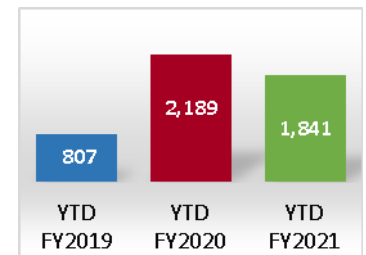
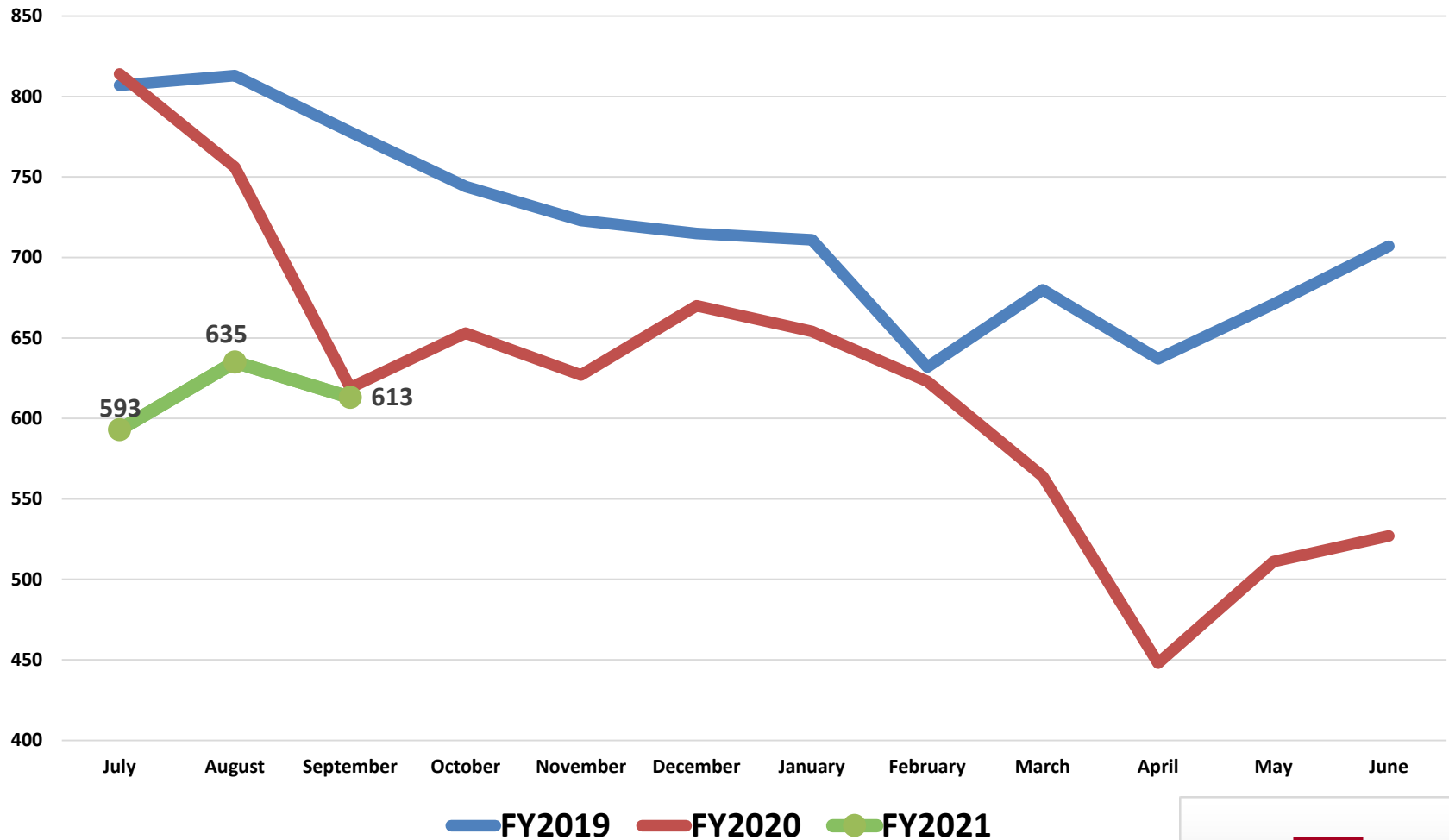


444	3,691	4,391
YTD FY2019	YTD FY2020	YTD FY2021

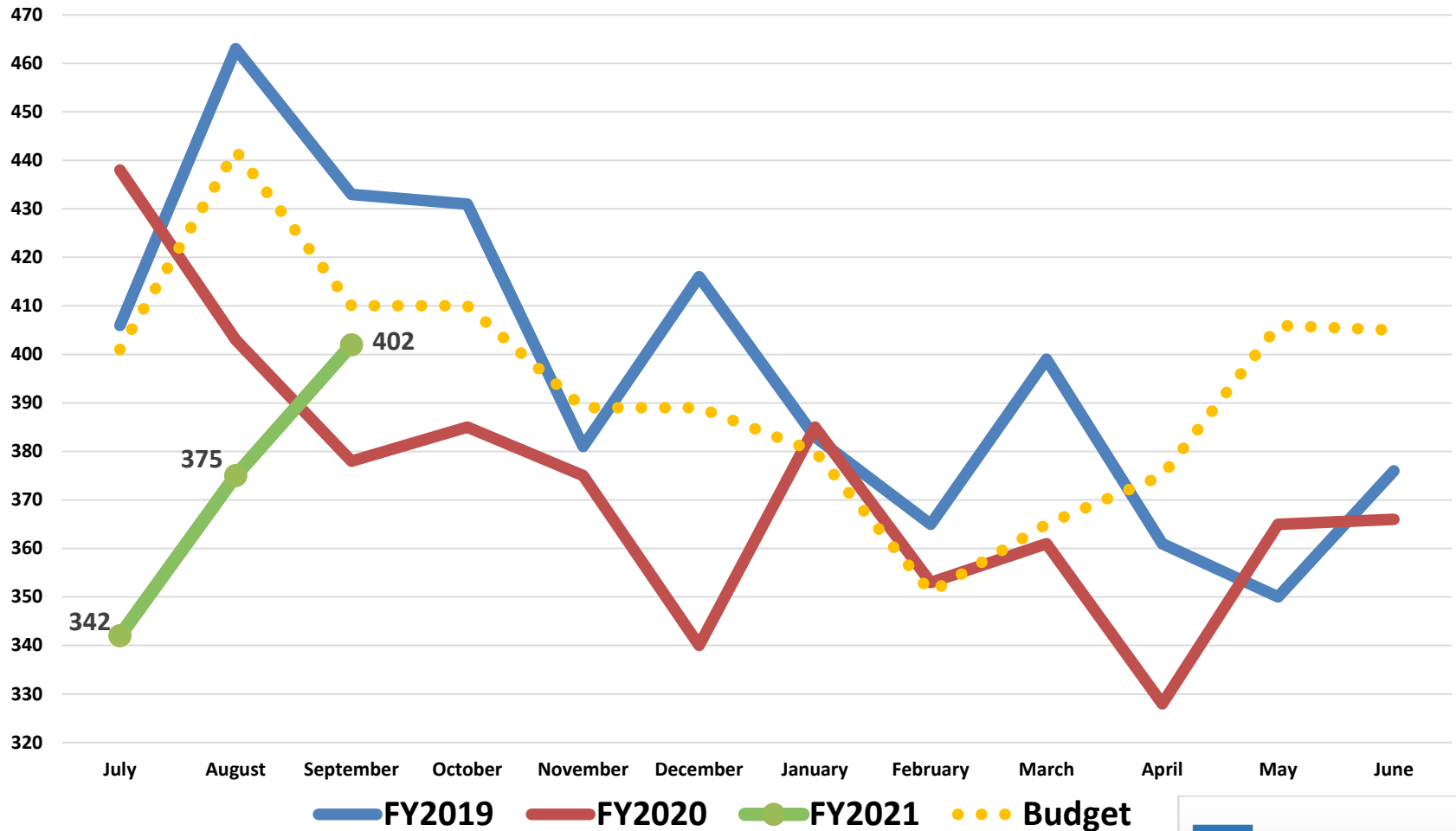
Sequoia Cardiology – wRVU's



Labor Triage Registrations

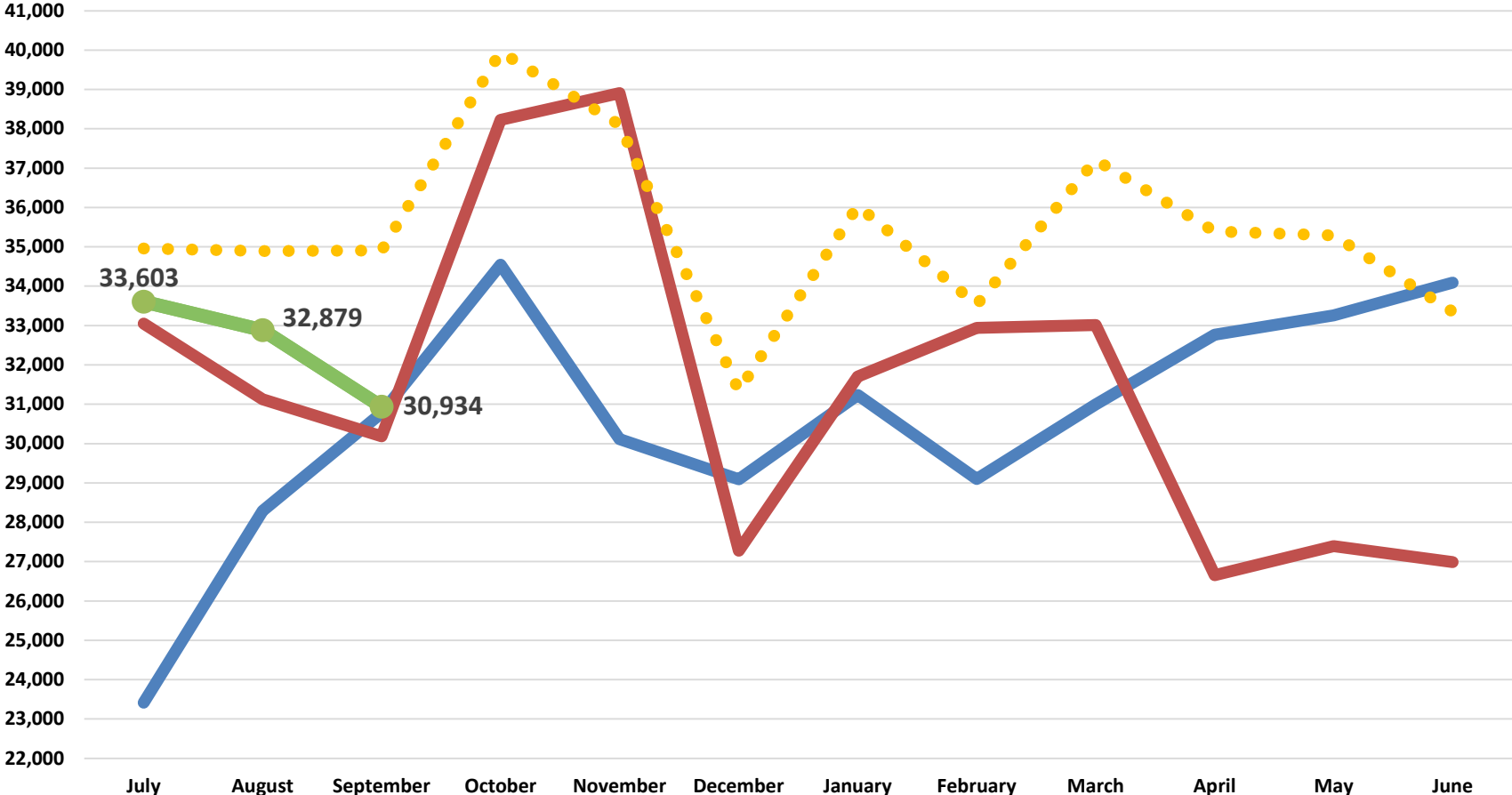


Deliveries

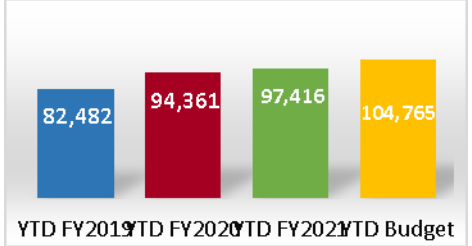


1,302	1,219	1,119	1,253
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

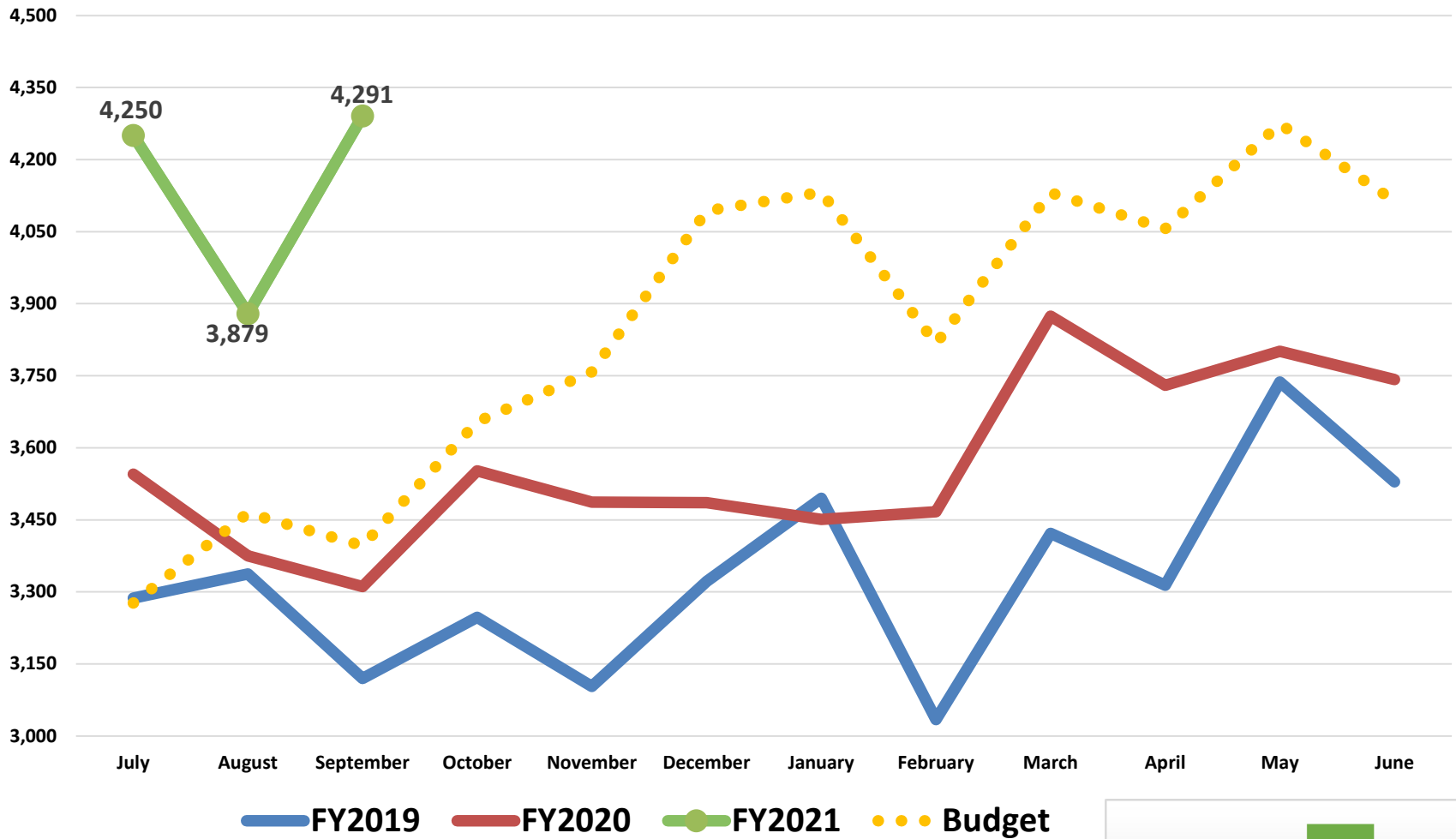
KDMF RVU's



—●— **FY2019**
 —●— **FY2020**
 —●— **FY2021**
 ●●● **Budget**

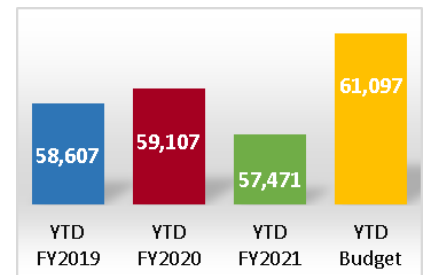
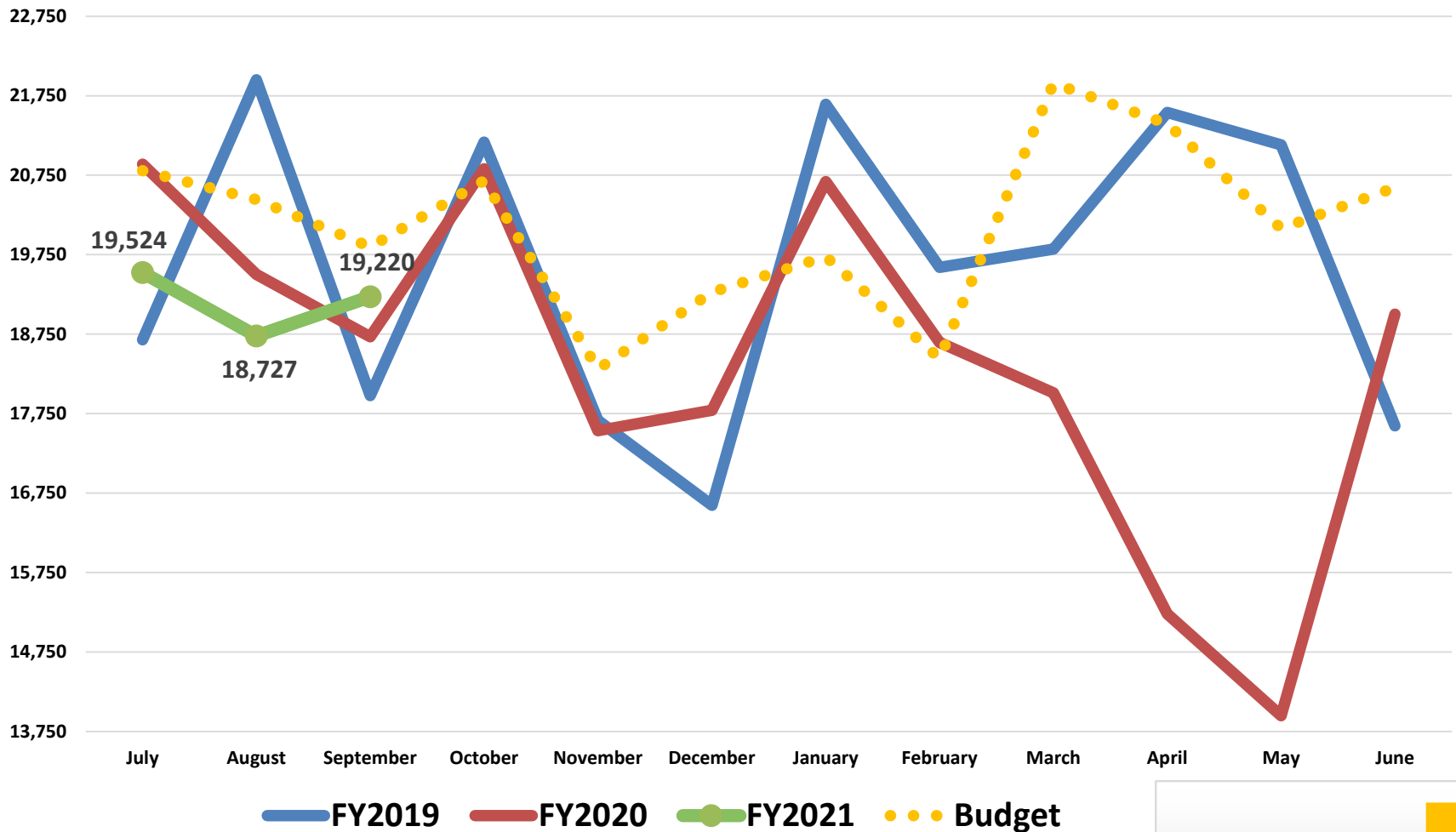


Hospice Days

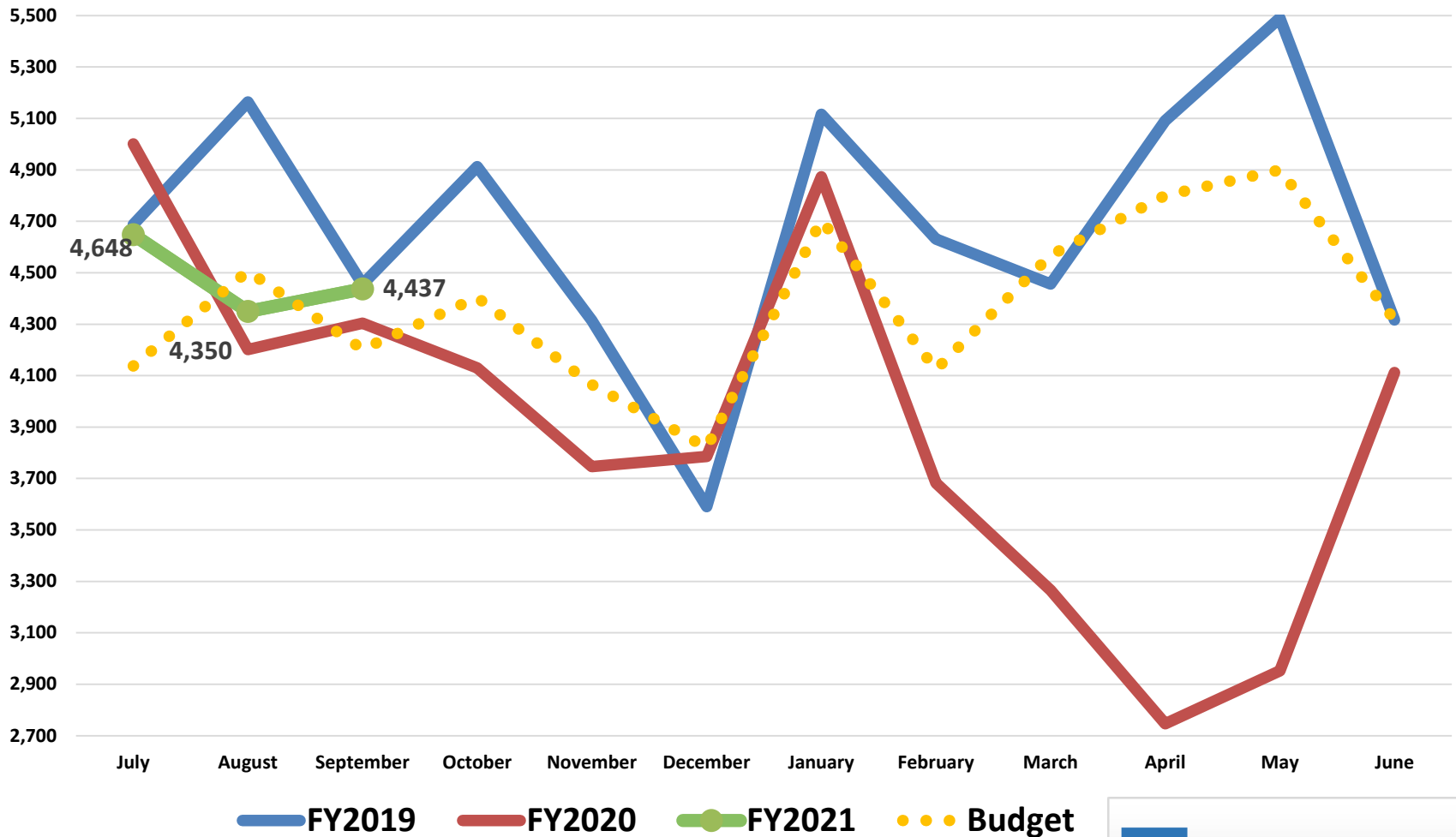


9,744	10,231	12,420	10,137
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

All O/P Rehab Services Across District

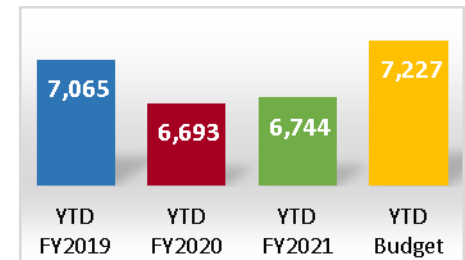
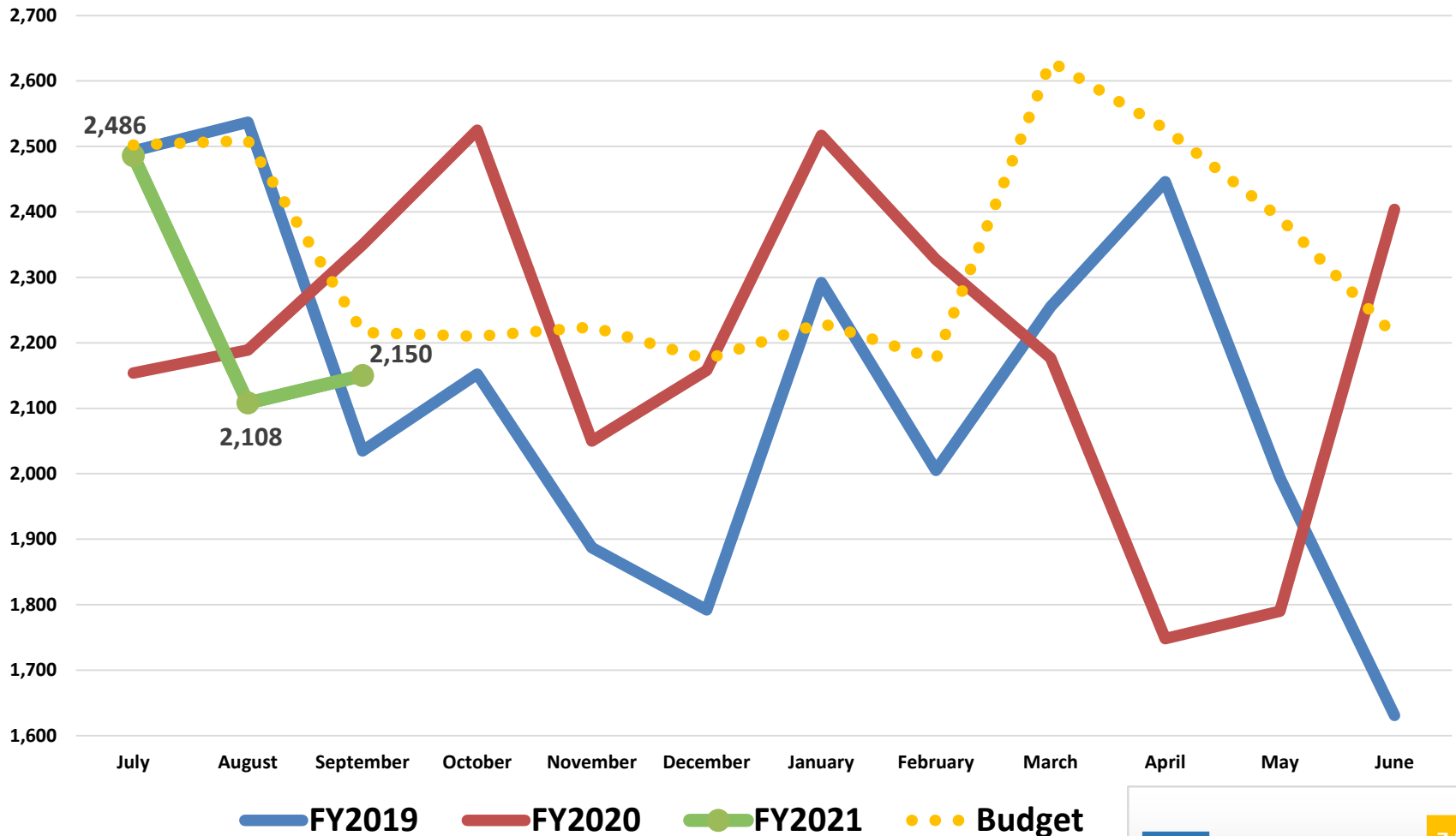


O/P Rehab Services

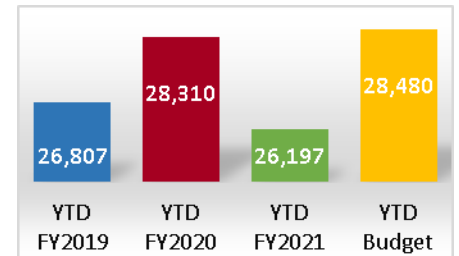
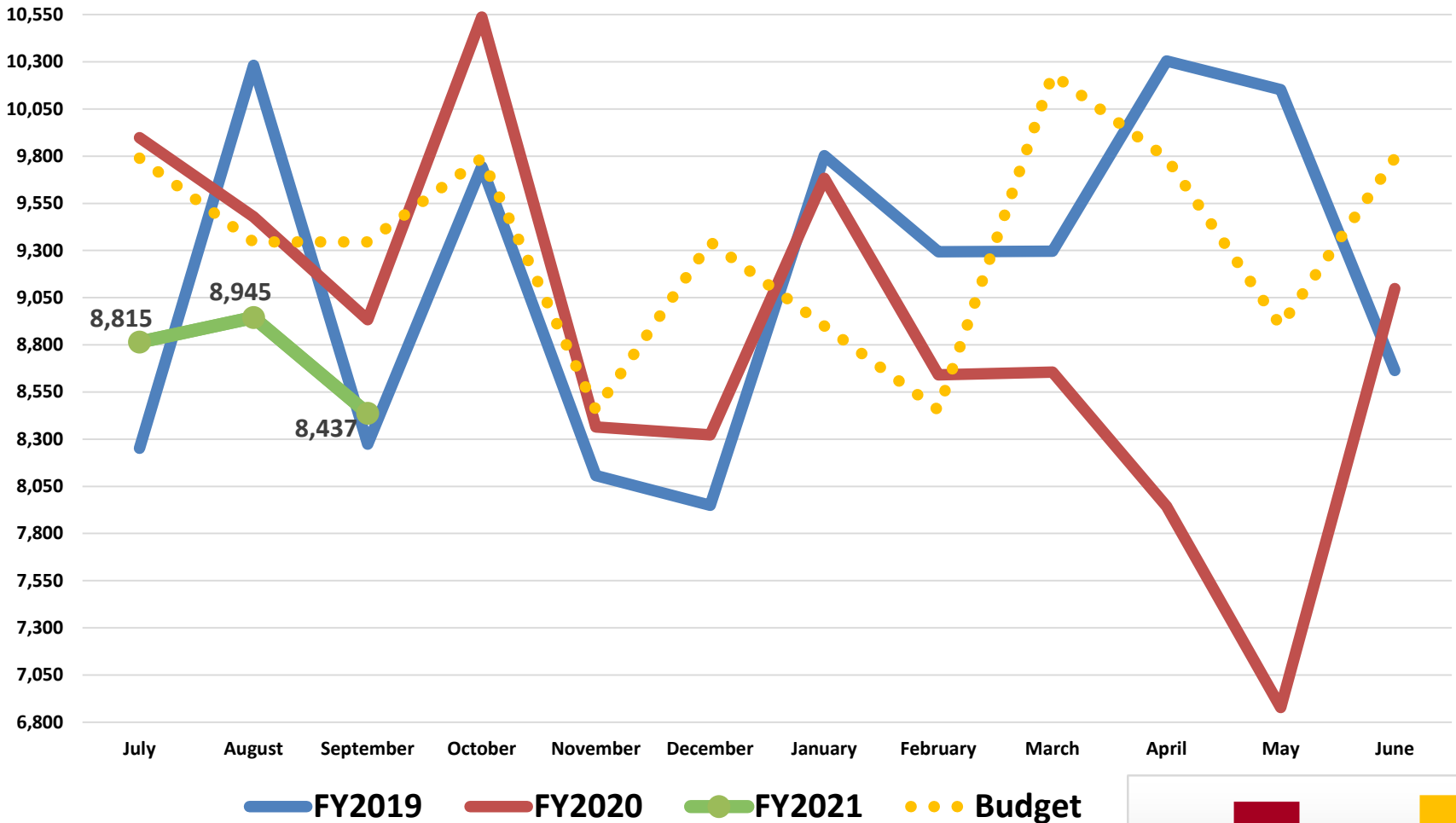


14,306	13,506	13,435	12,847
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

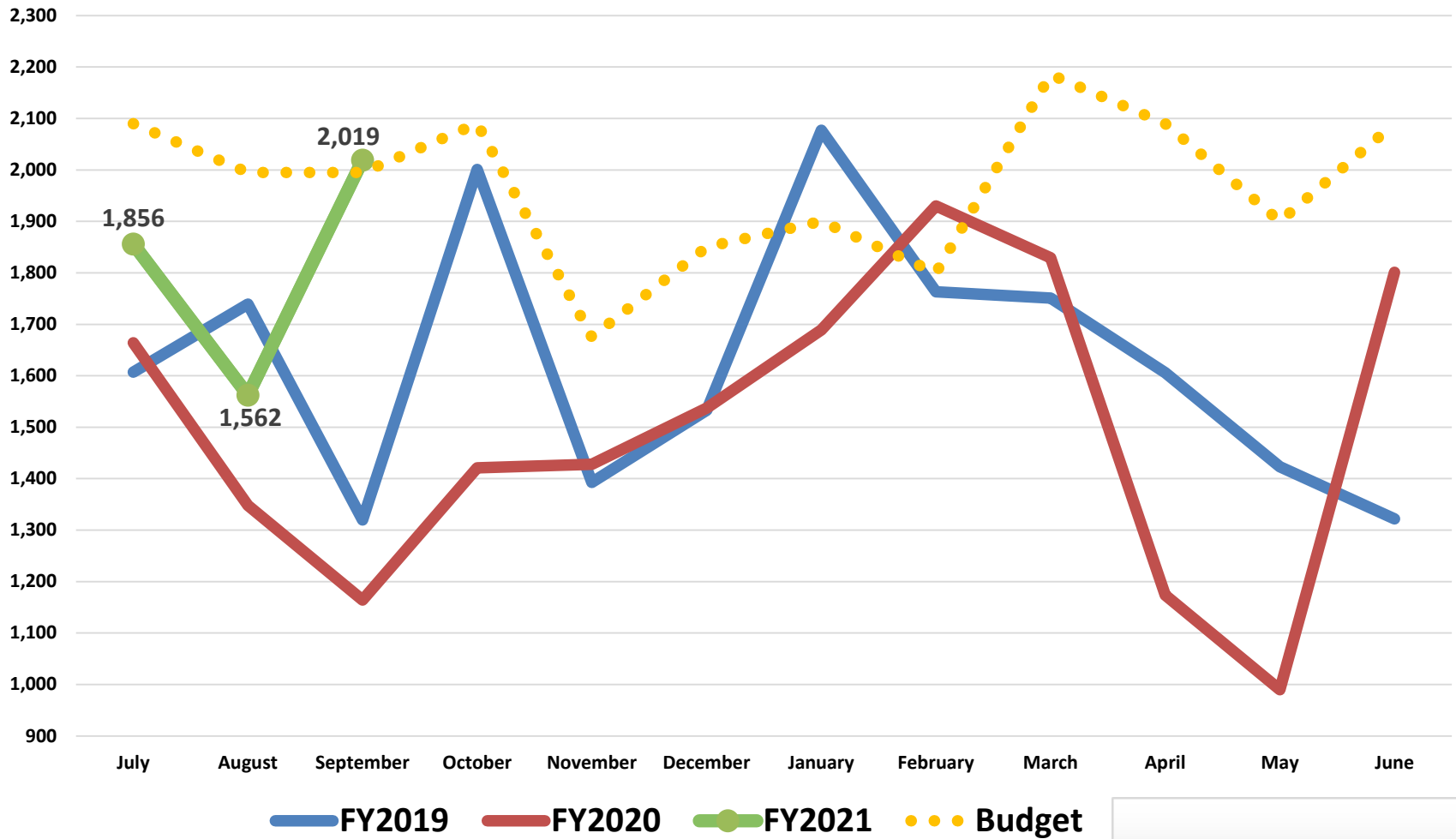
O/P Rehab - Exeter



O/P Rehab - Akers

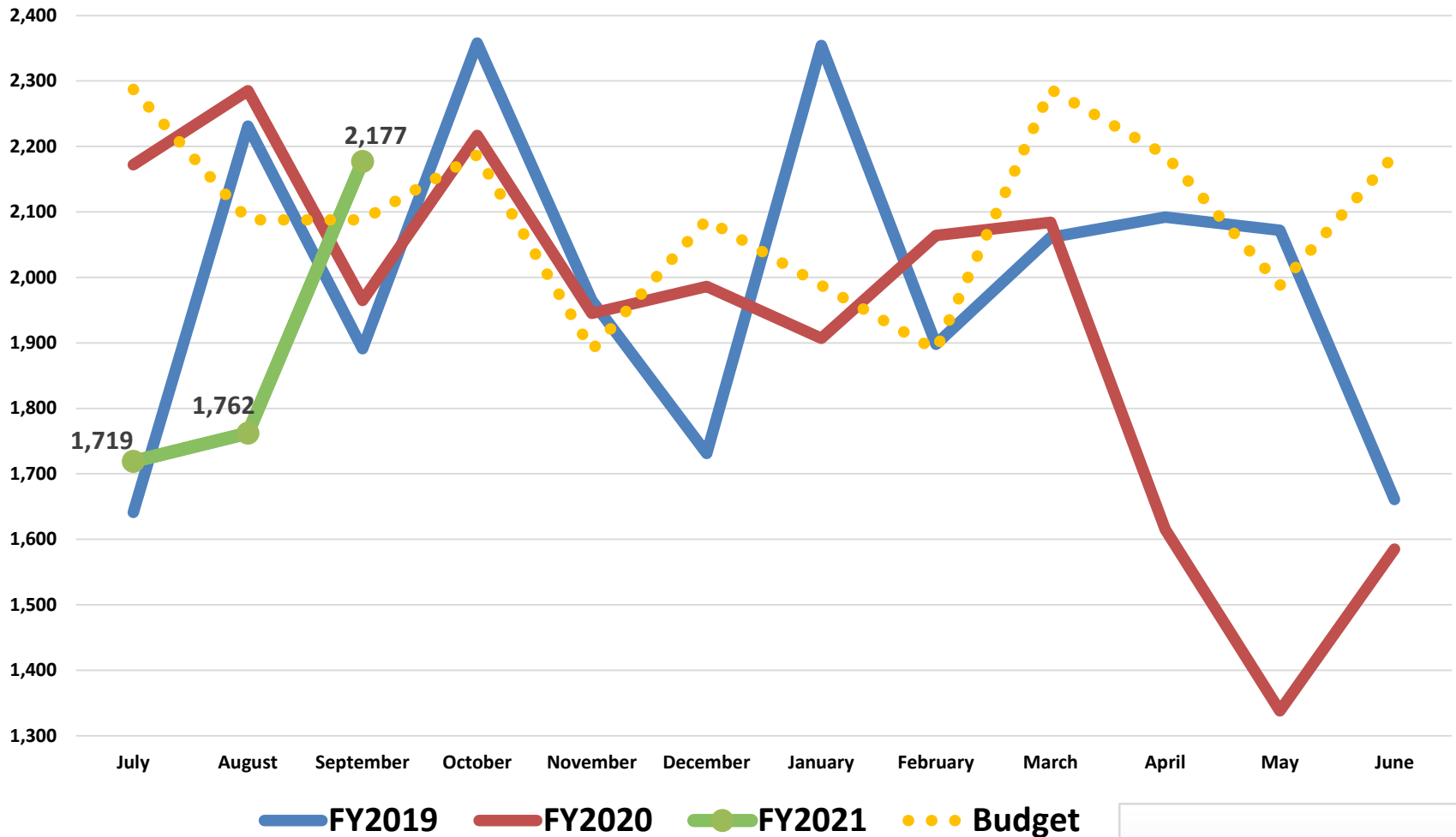


O/P Rehab - LLOPT



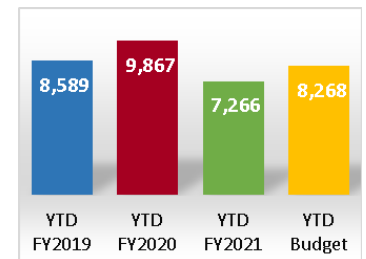
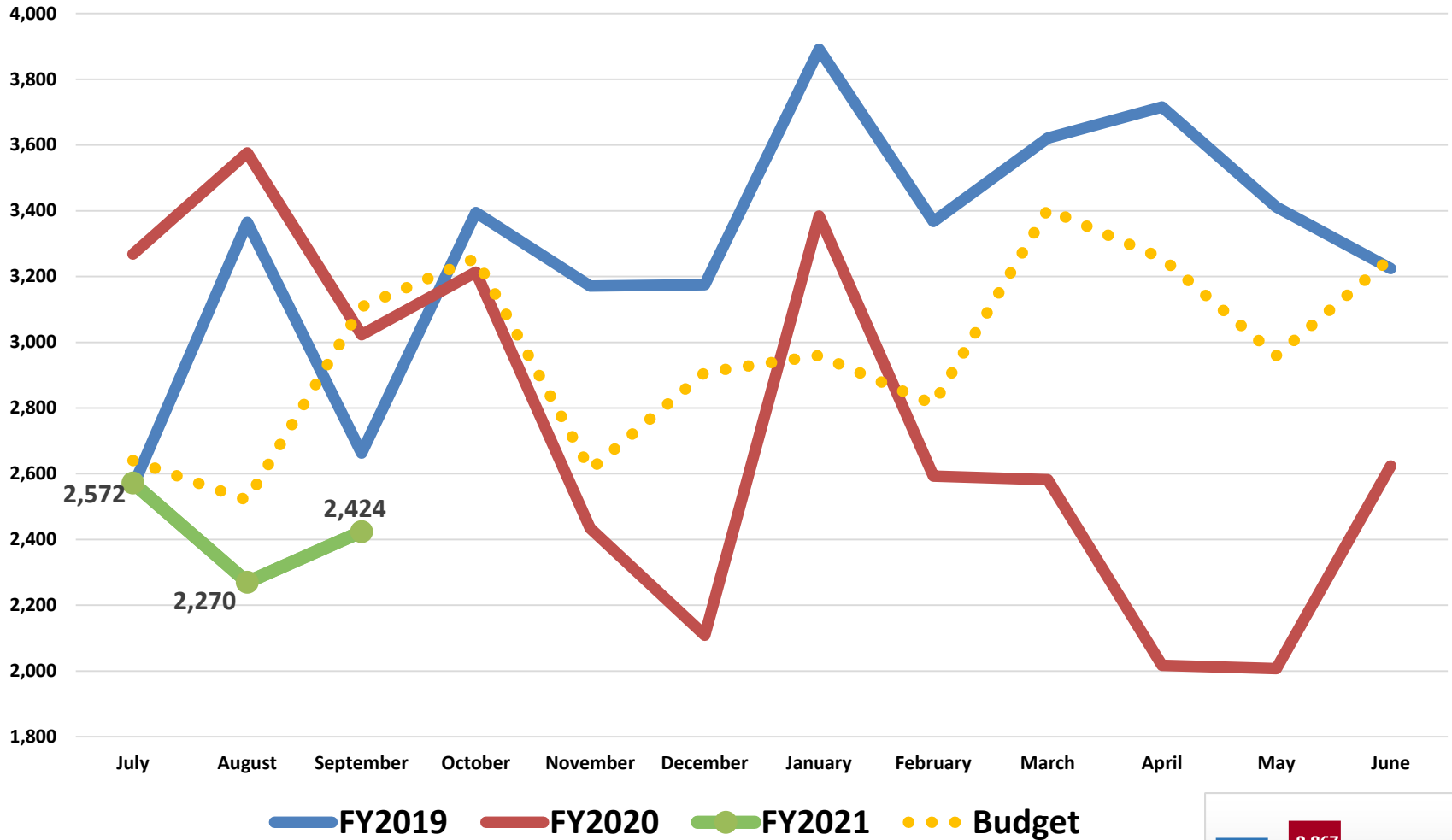
4,666	4,176	5,437	6,080
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

O/P Rehab - Dinuba

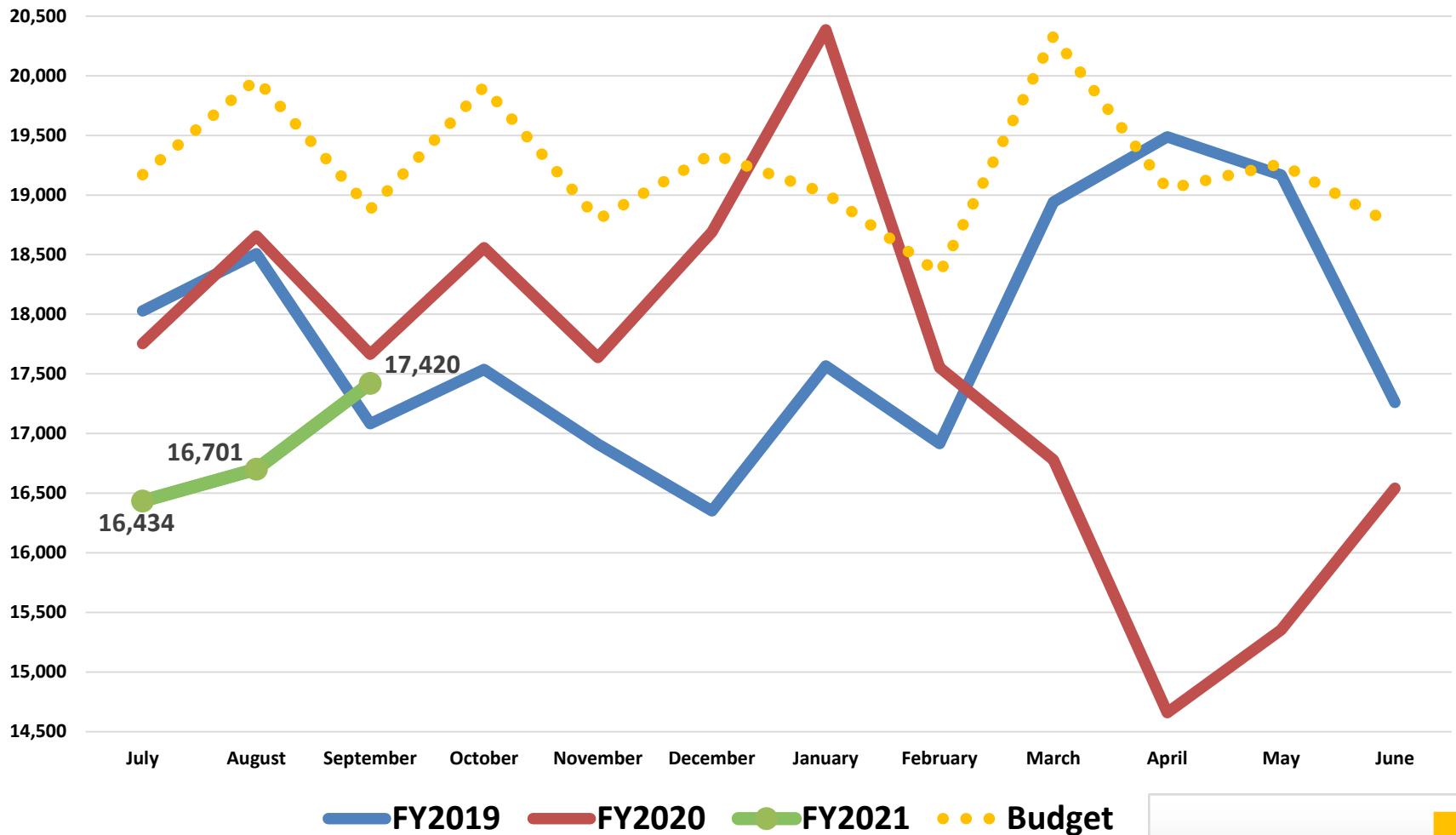


5,763	6,422	5,658	6,463
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Therapy - Cypress Hand Center

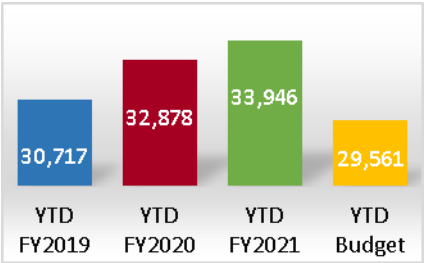
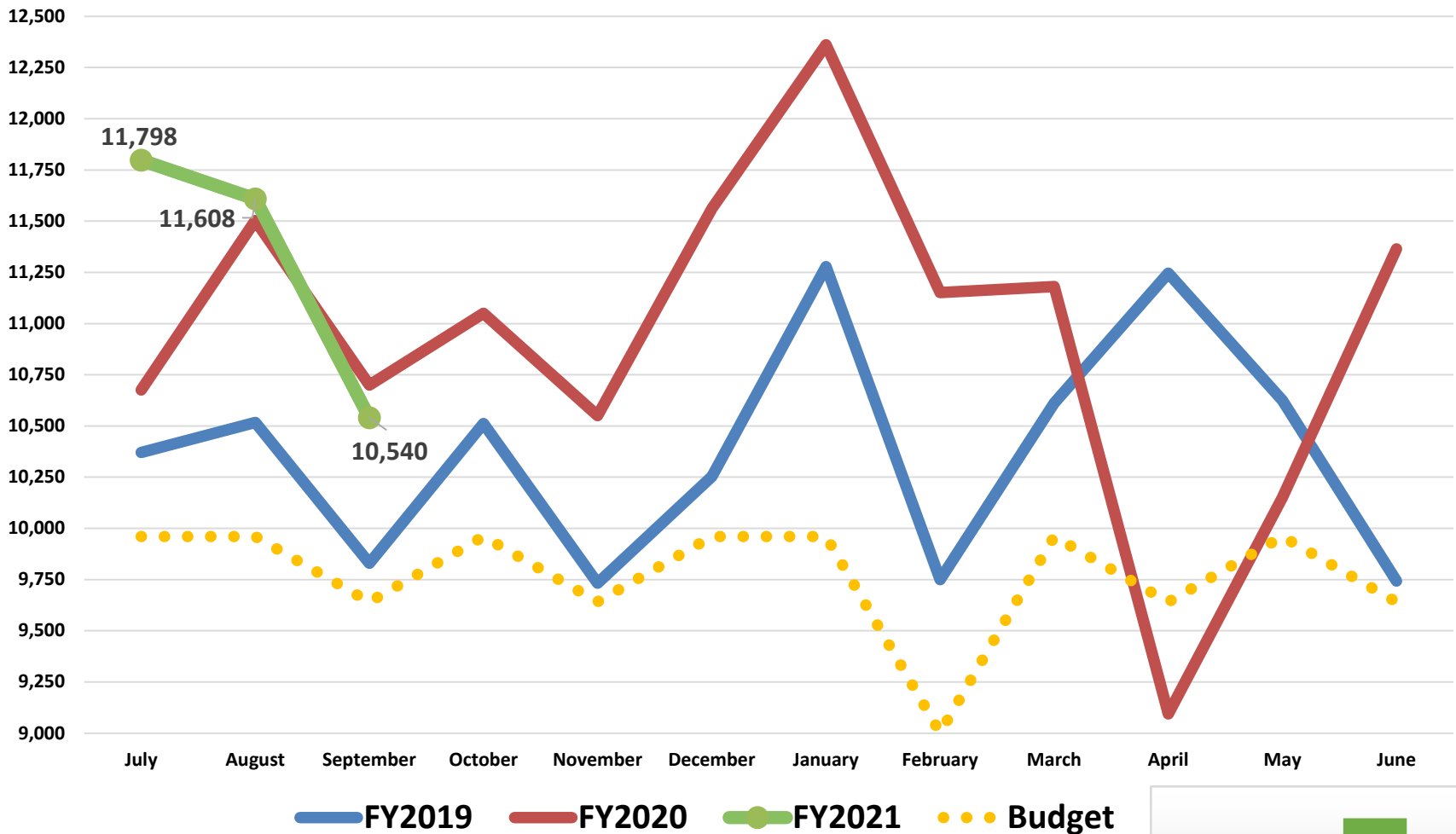


Physical & Other Therapy Units (I/P & O/P)

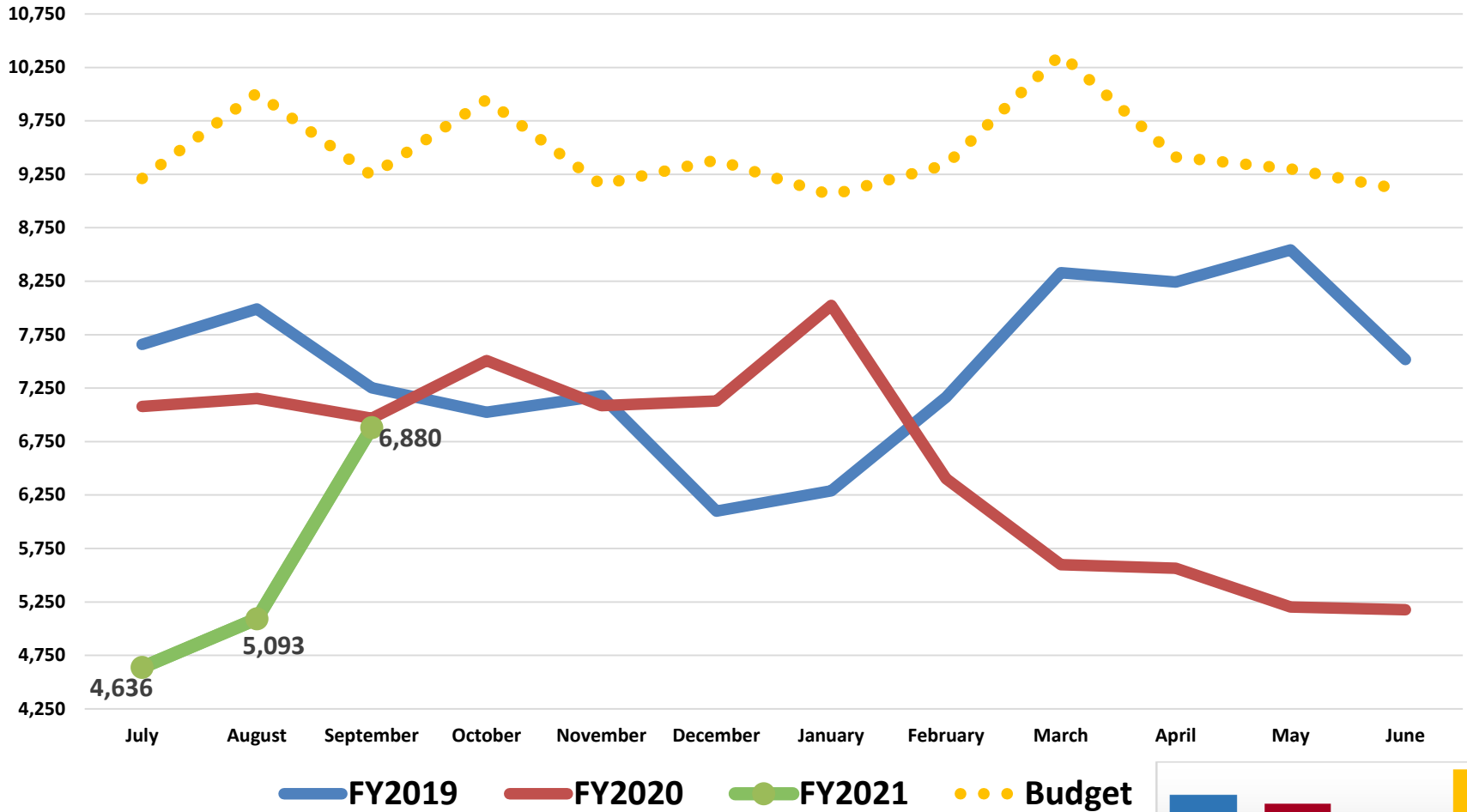


53,618	54,076	50,555	58,021
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Physical & Other Therapy Units (I/P & O/P)-Main Campus

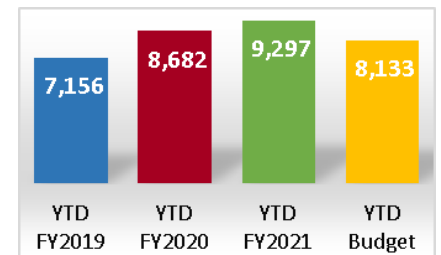
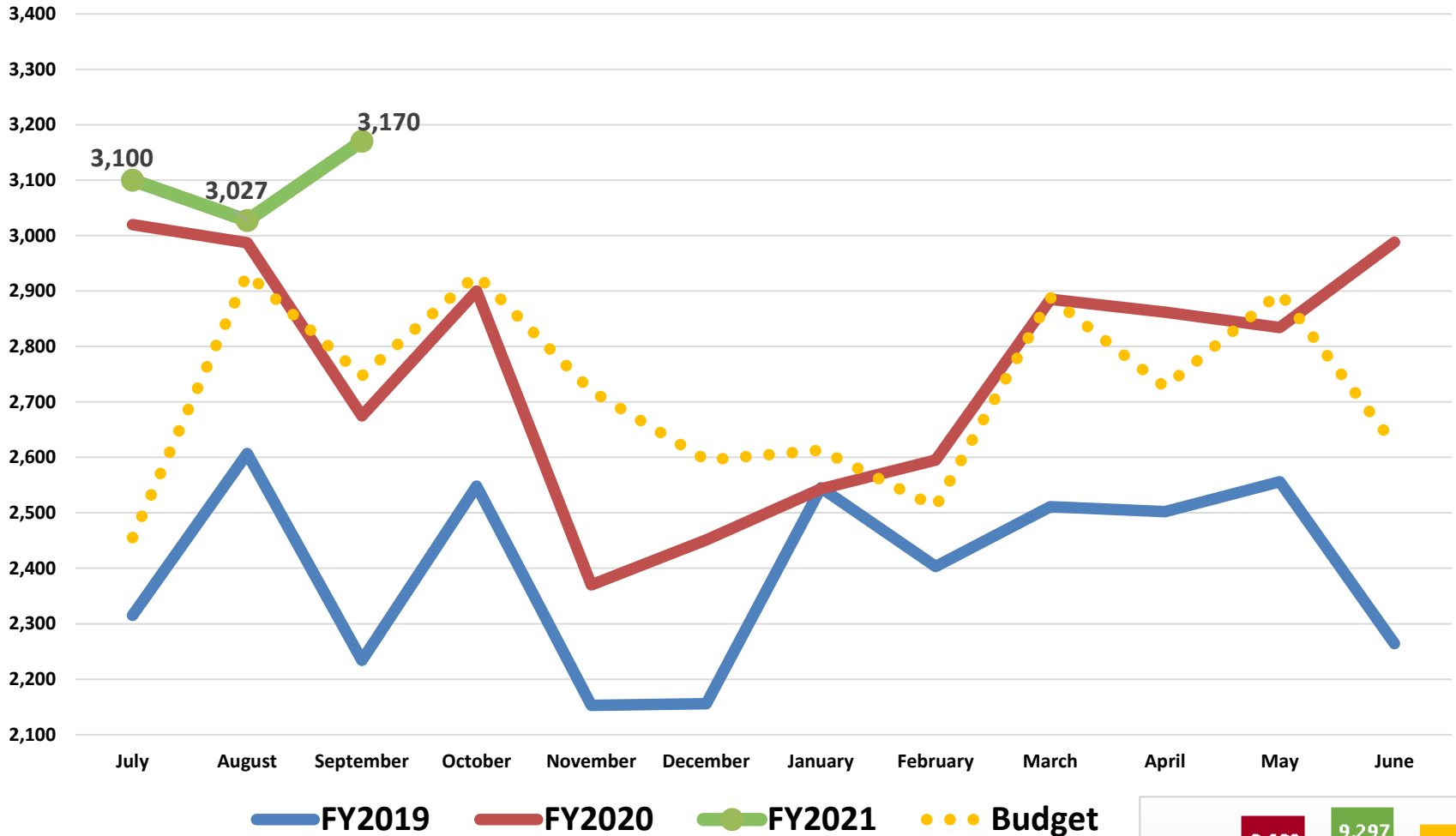


Physical & Other Therapy Units (I/P & O/P)-KDRH & South Campus

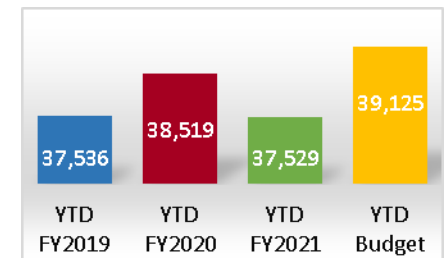
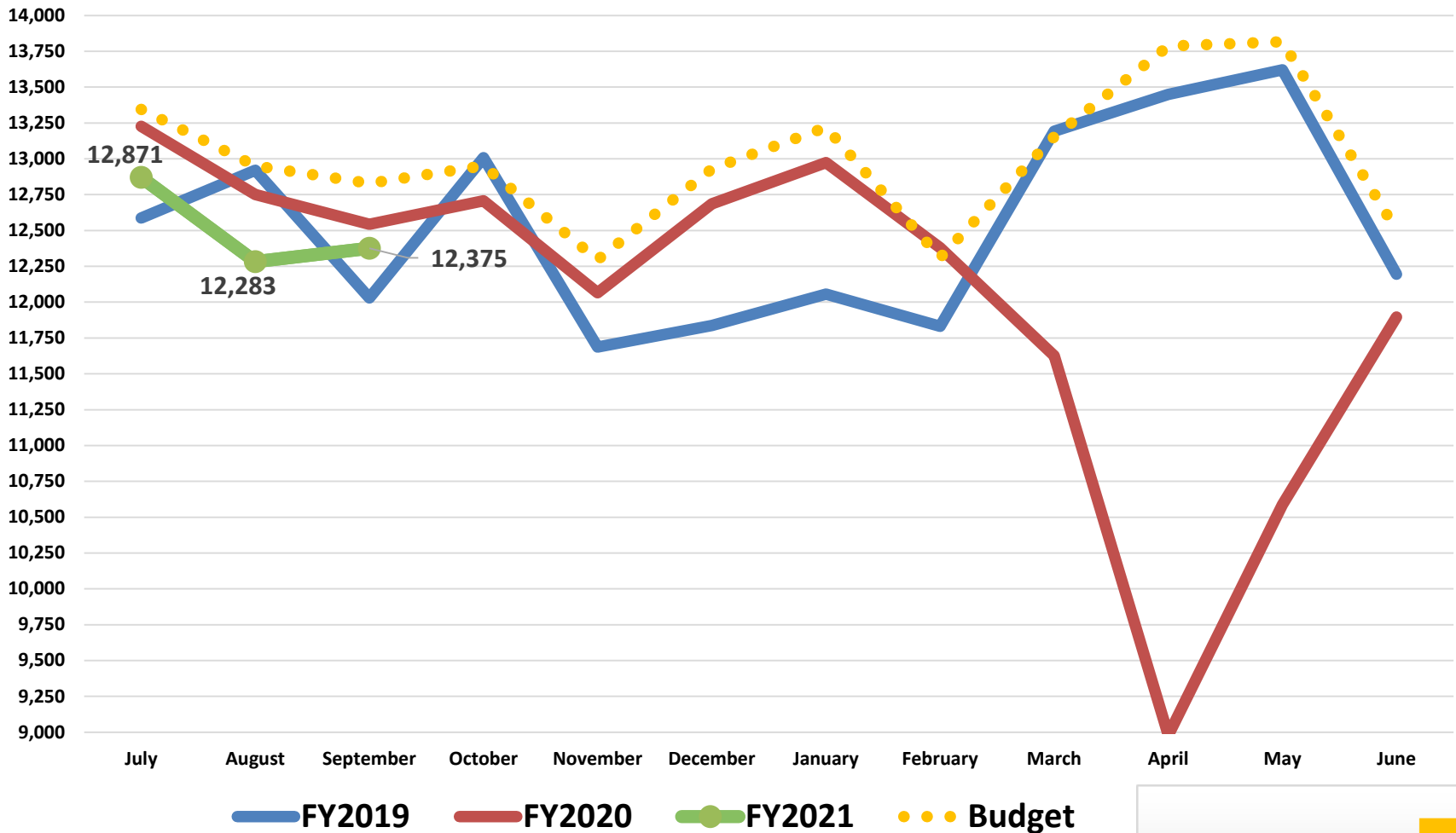


22,901	21,198	16,609	28,460
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

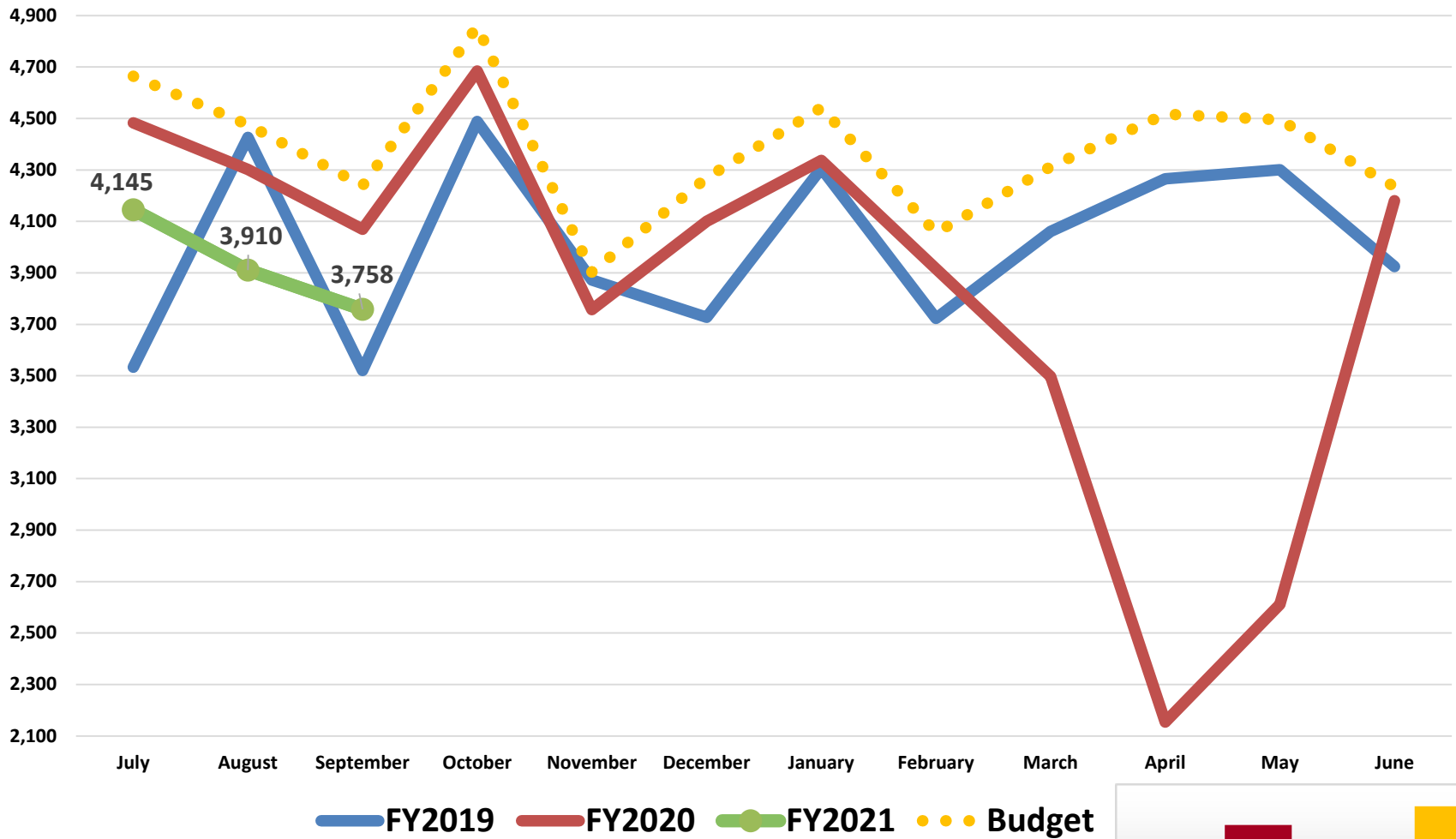
Home Health Visits



Radiology – Main Campus

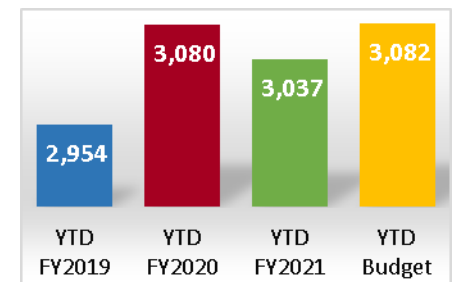
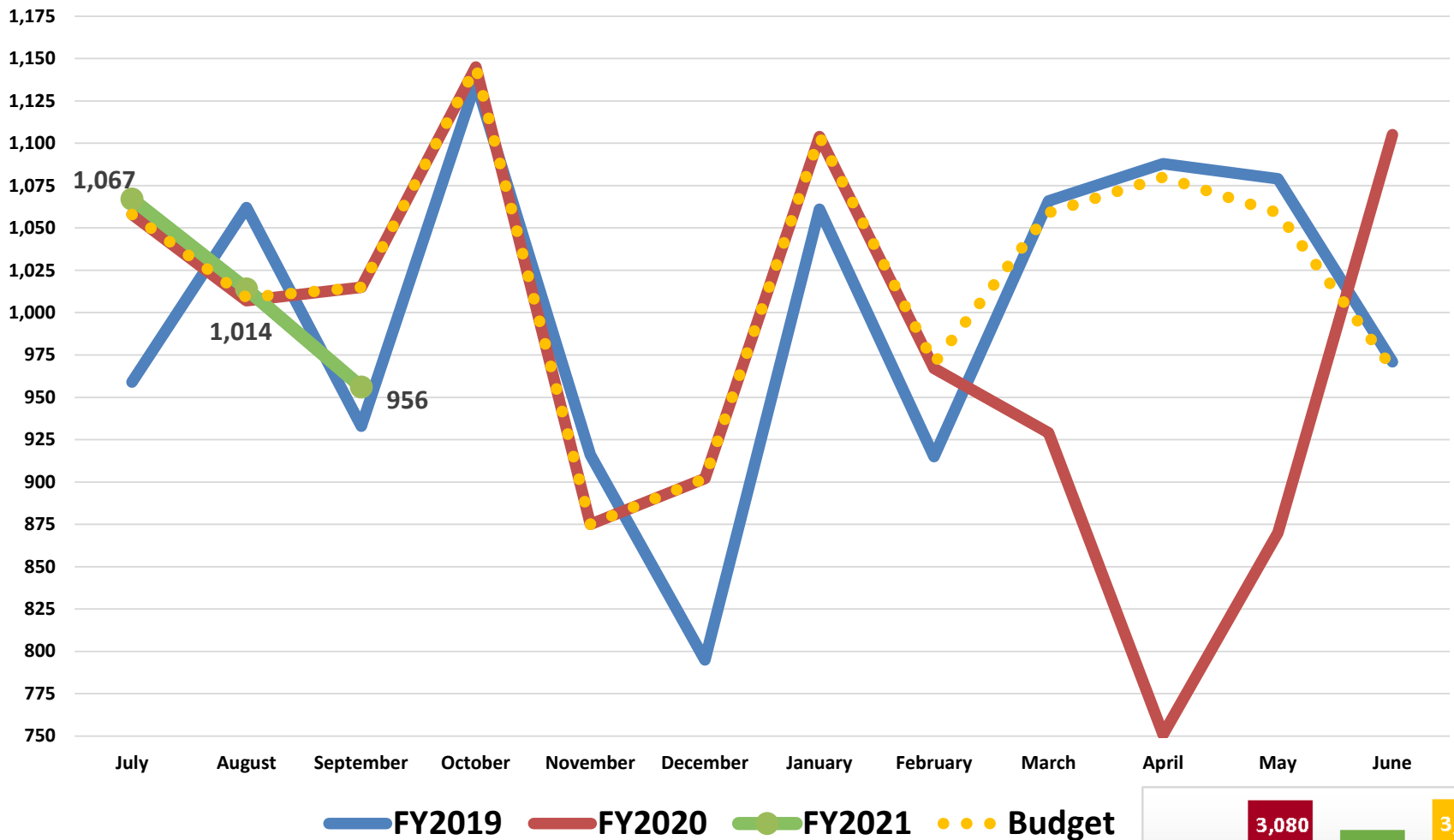


Radiology – West Campus Imaging

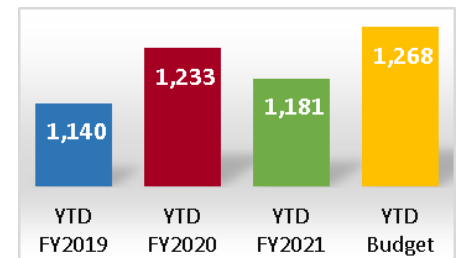
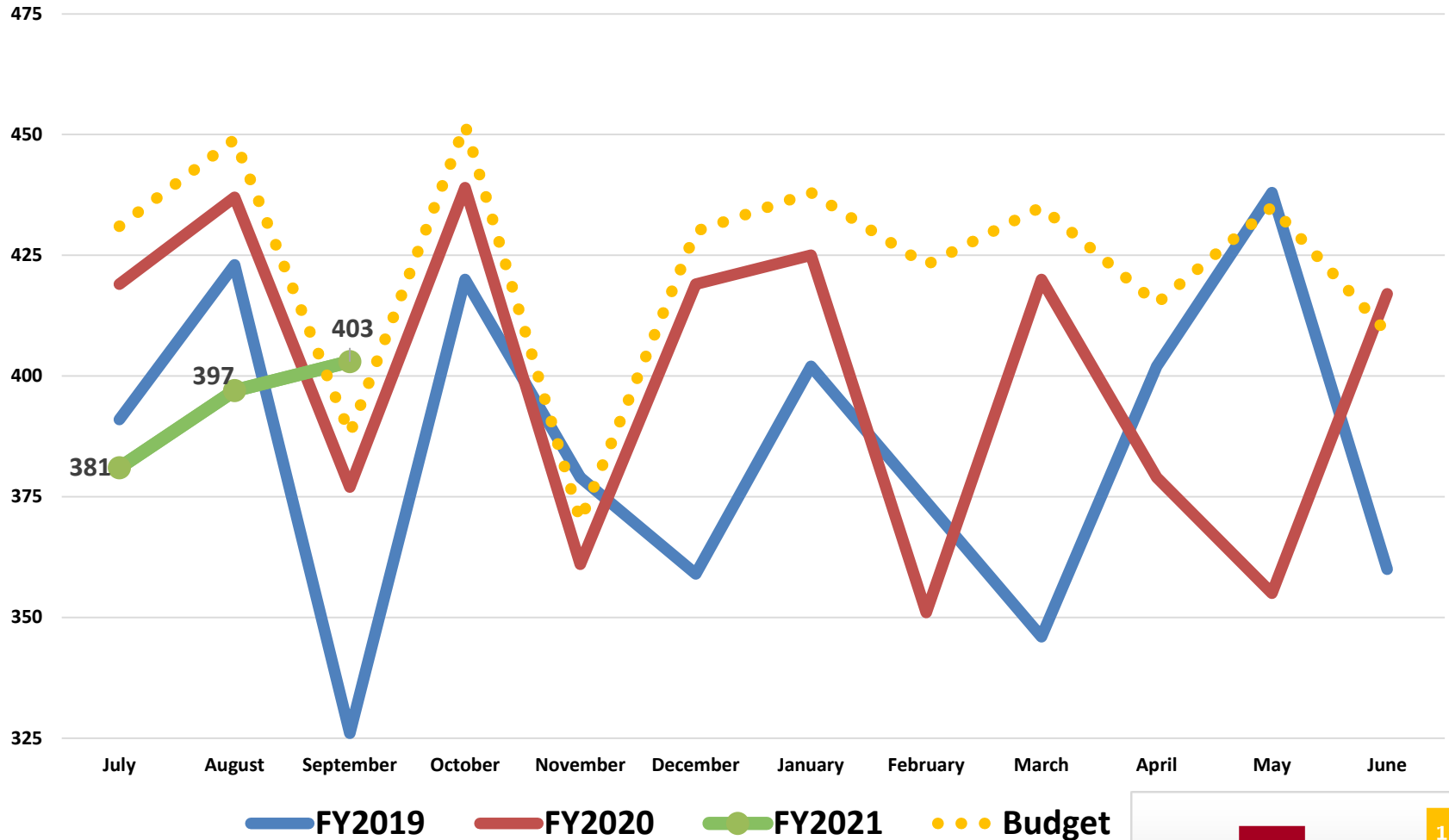


11,479	12,854	11,813	13,378
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

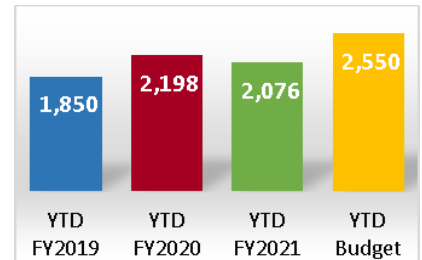
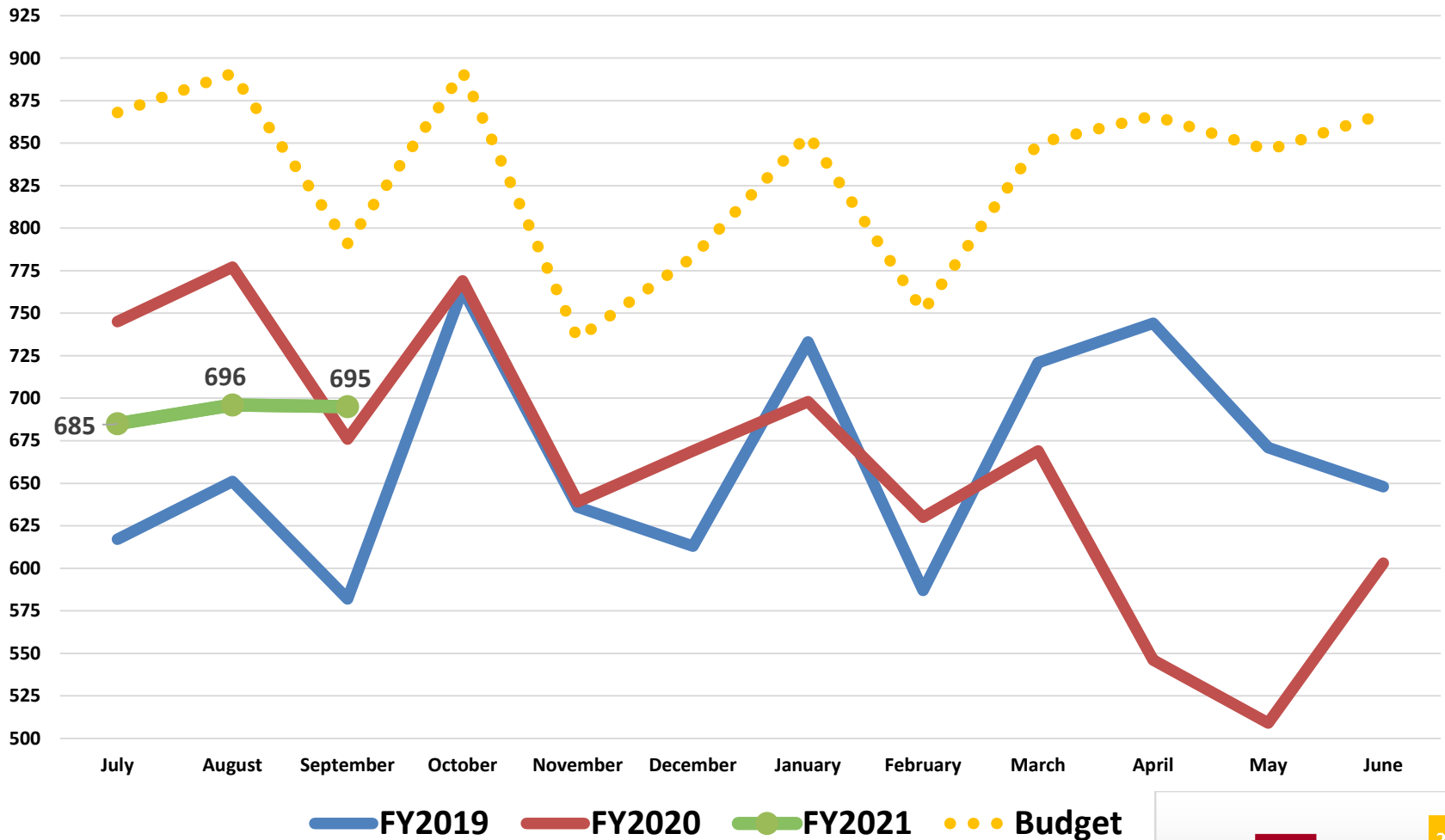
West Campus – Diagnostic Radiology



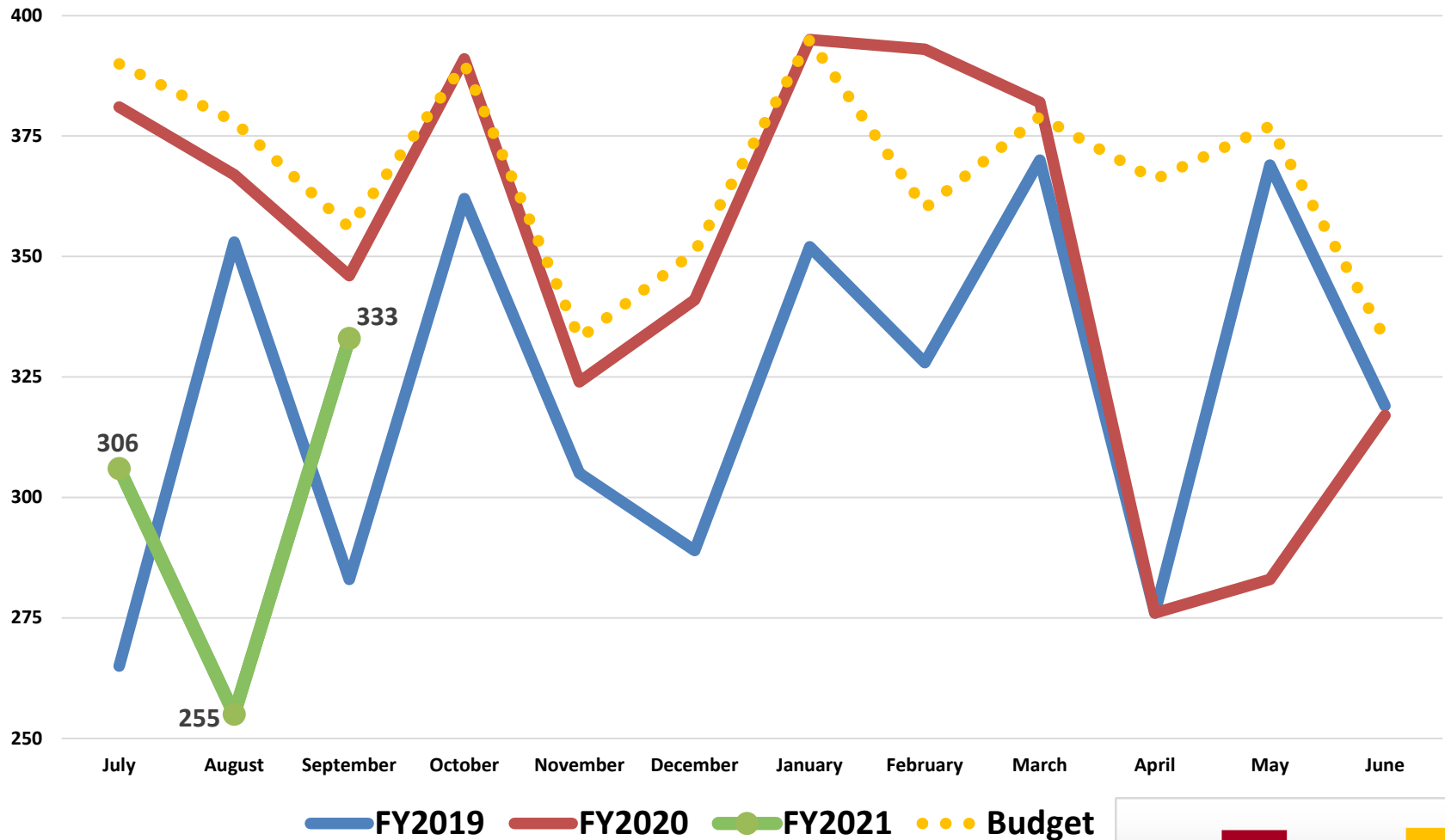
West Campus – CT Scan



West Campus - Ultrasound

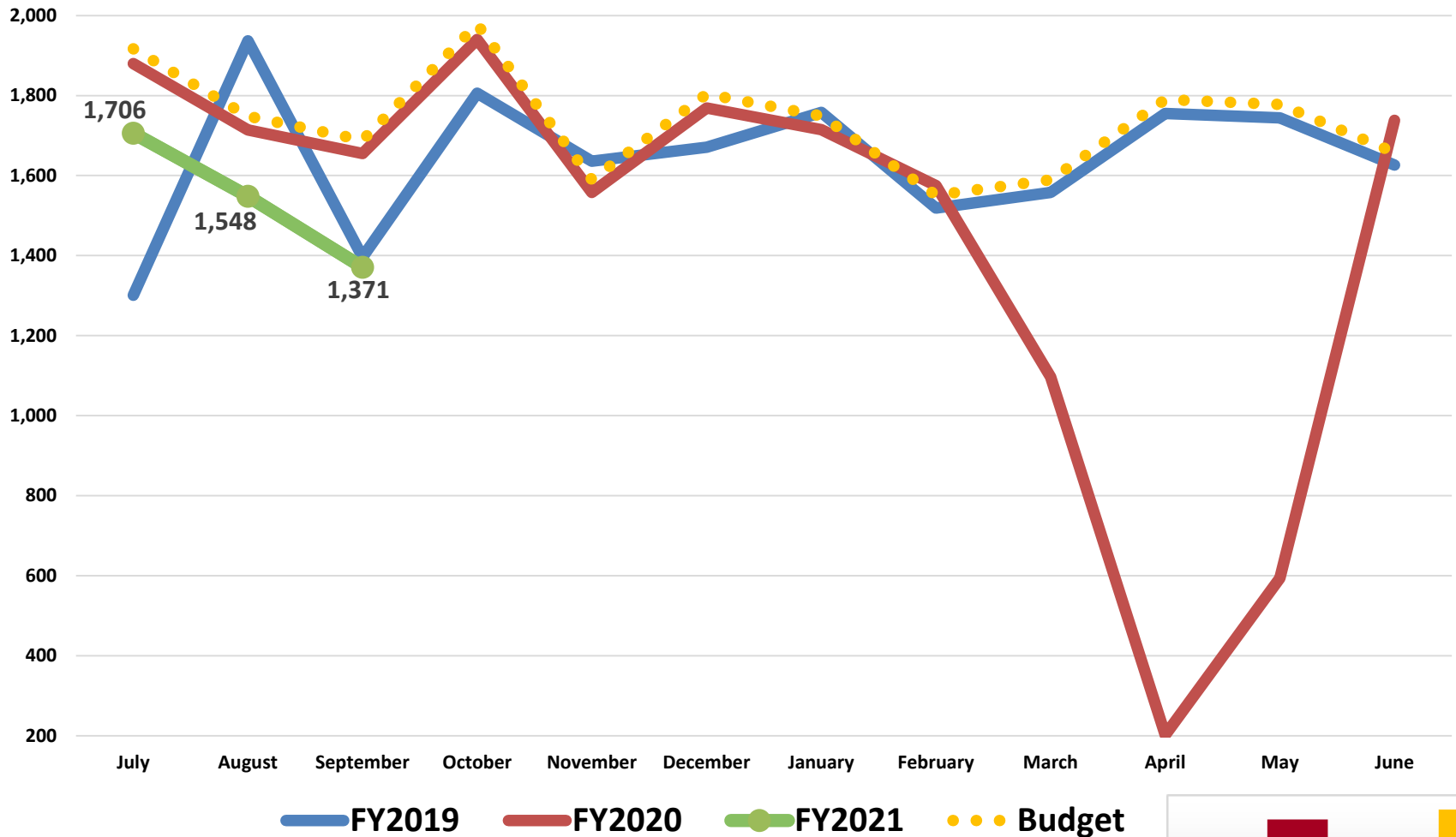


West Campus - MRI



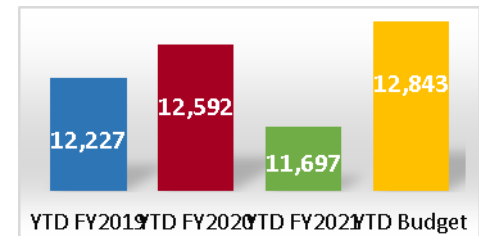
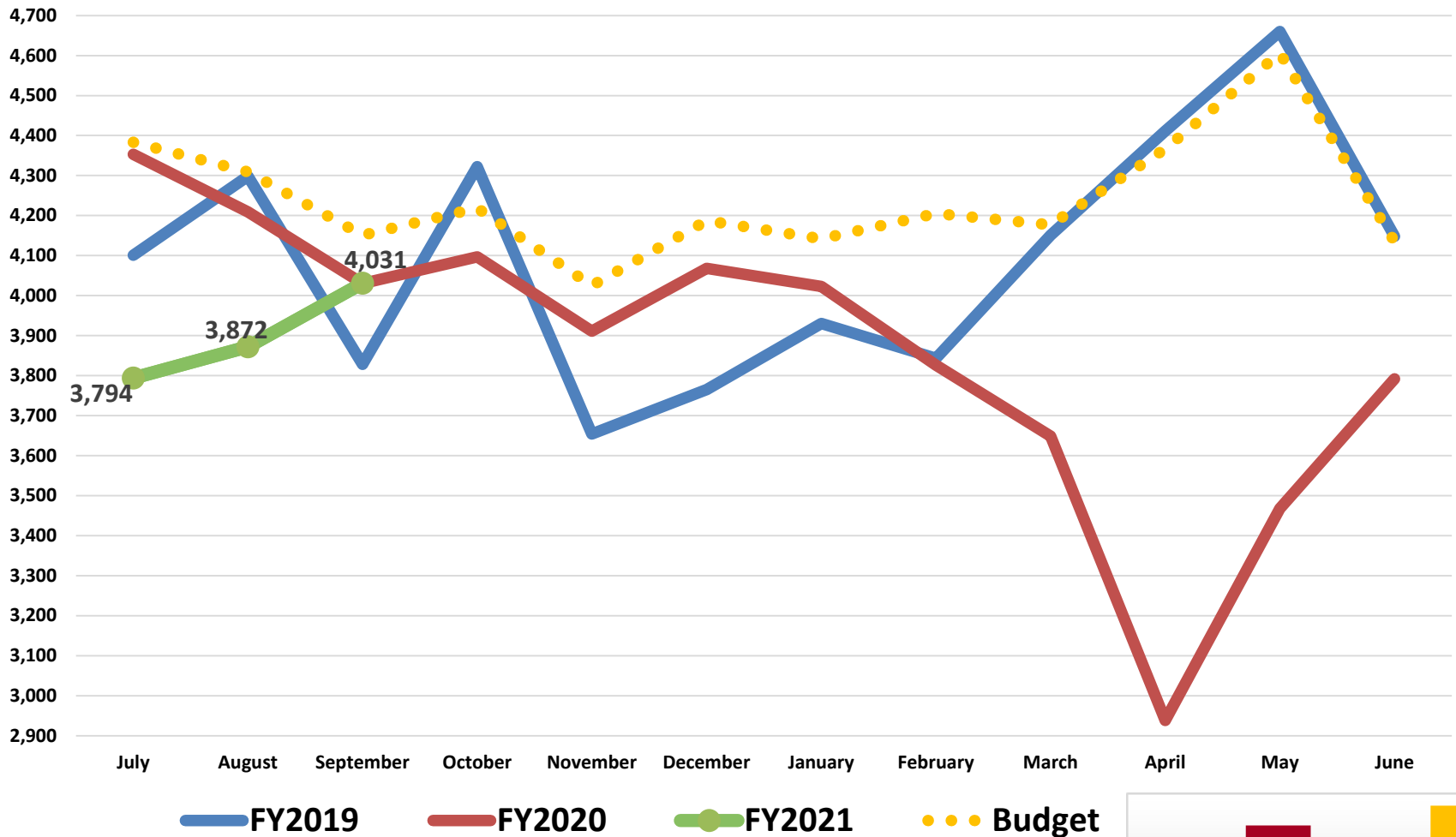
901	1,094	894	1,124
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

West Campus – Breast Center

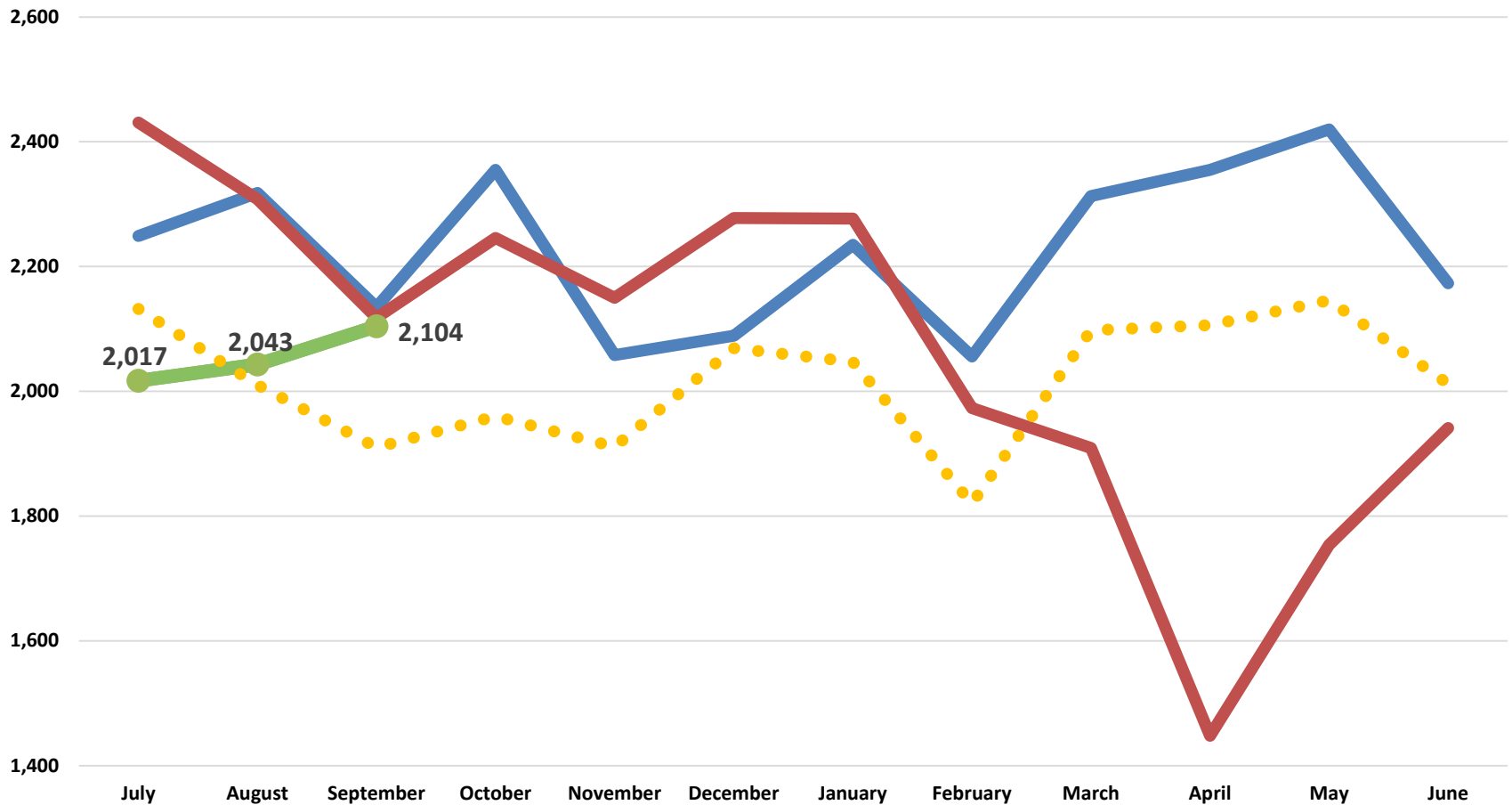


4,634	5,249	4,625	5,354
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Radiology all areas – CT



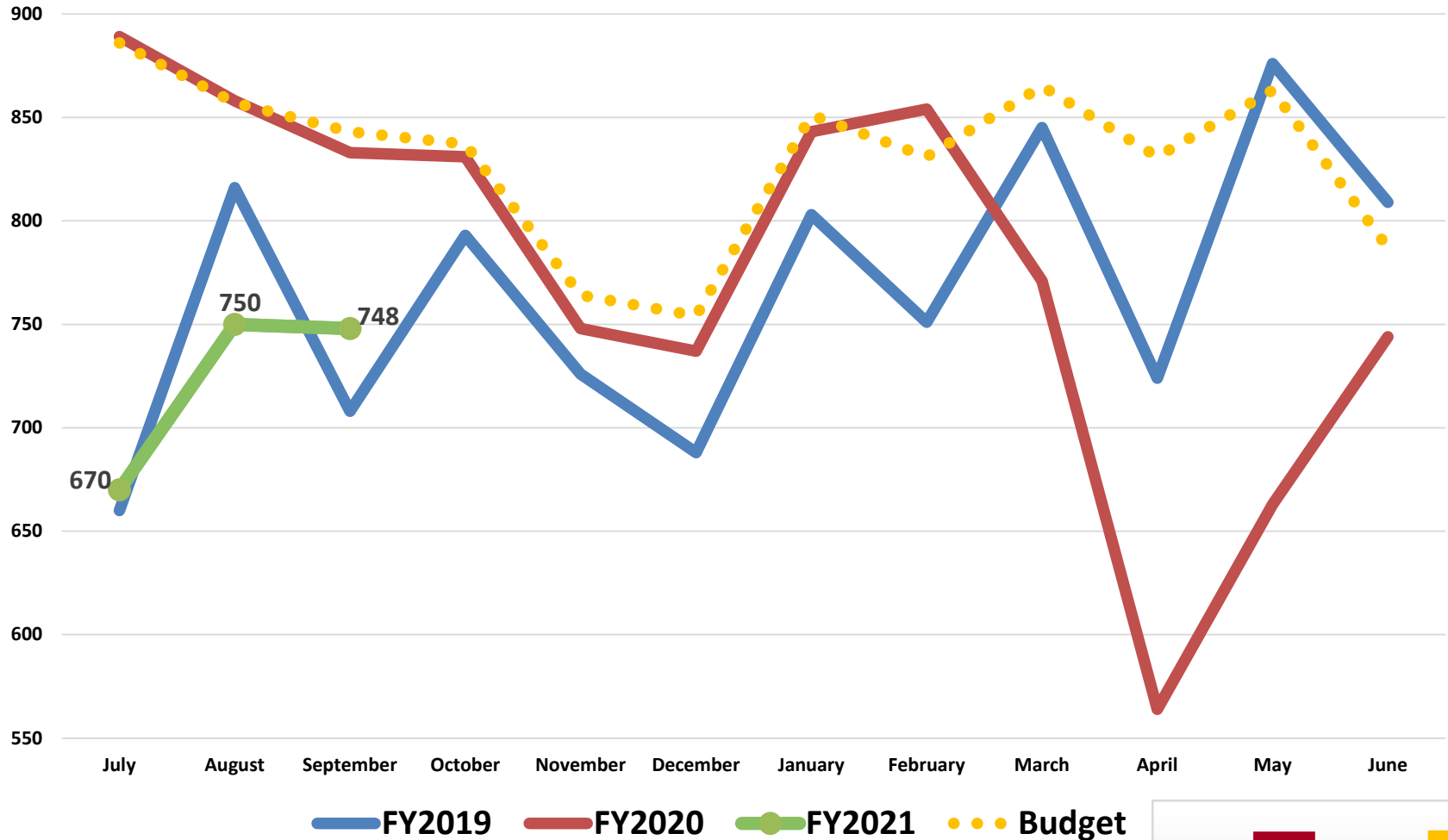
Radiology all areas – Ultrasound



—●— **FY2019**
 —●— **FY2020**
 —●— **FY2021**
 ●●● **Budget**

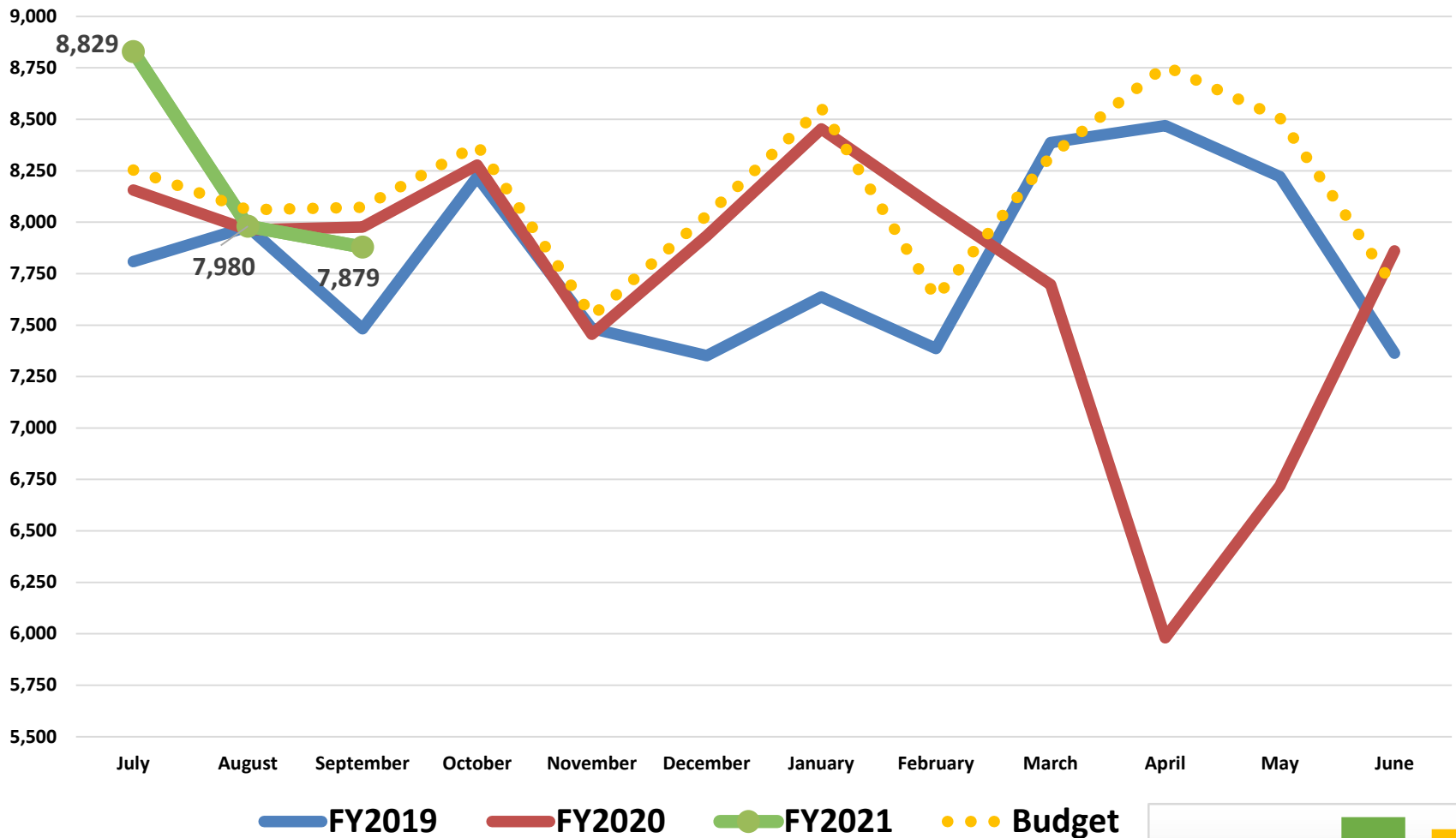
6,702	6,857	6,164	6,052
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Radiology all areas – MRI



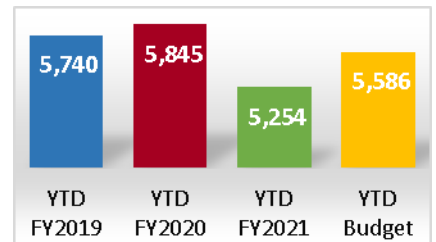
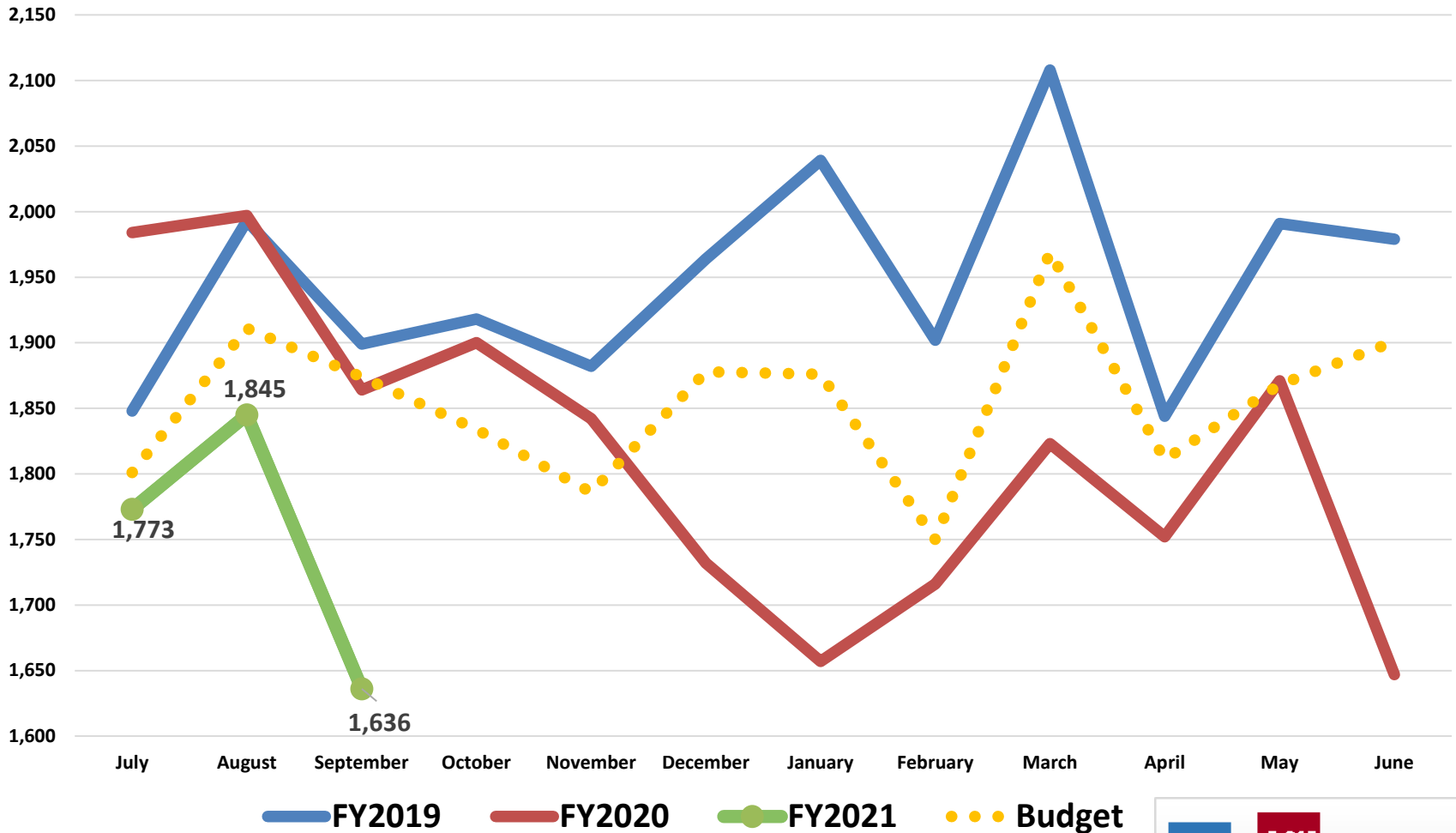
2,184	2,580	2,168	2,586
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Radiology Modality – Diagnostic Radiology



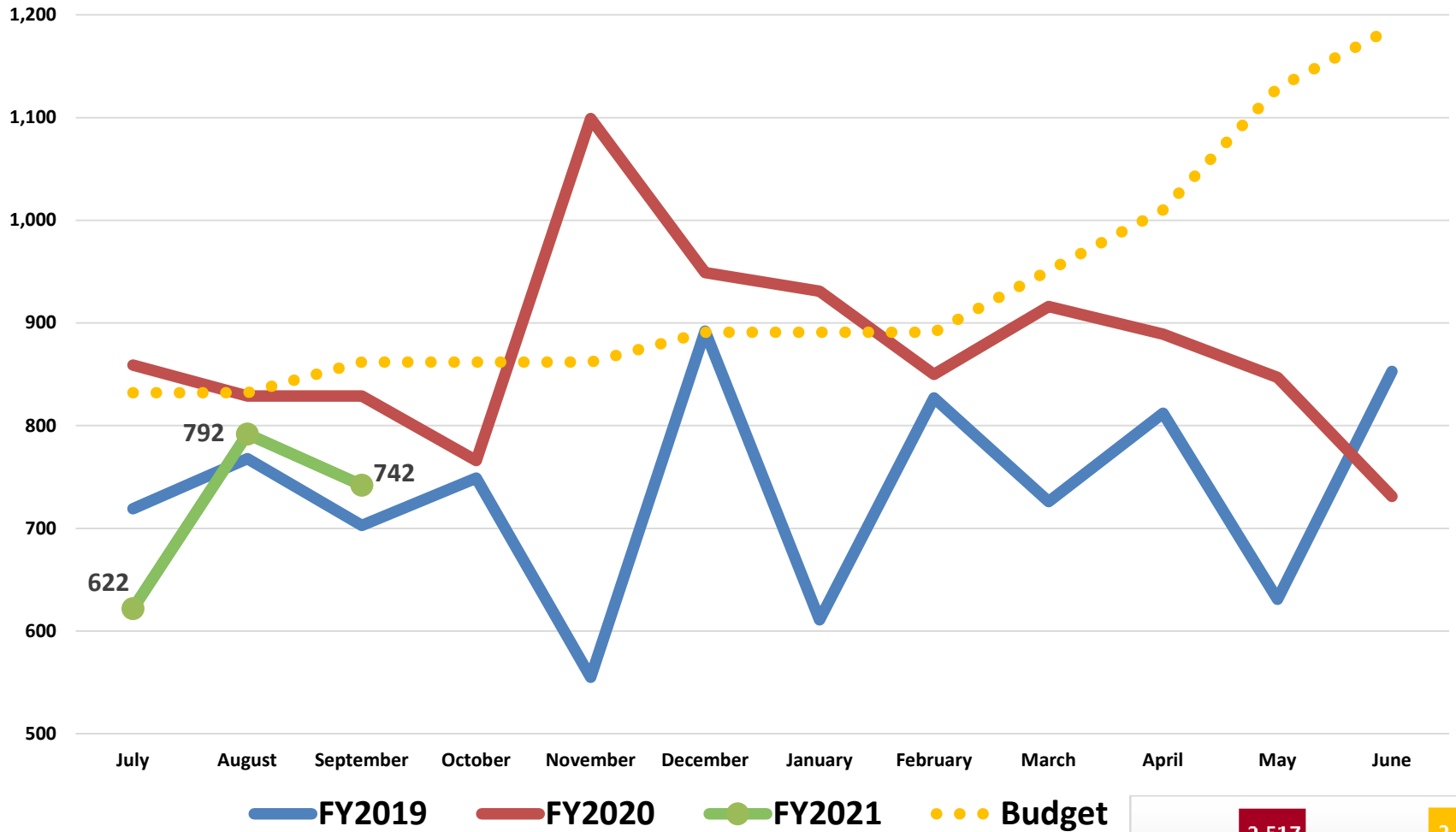
23,268	24,095	24,688	24,386
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

Chronic Dialysis - Visalia



CAPD/CCPD – Maintenance Sessions

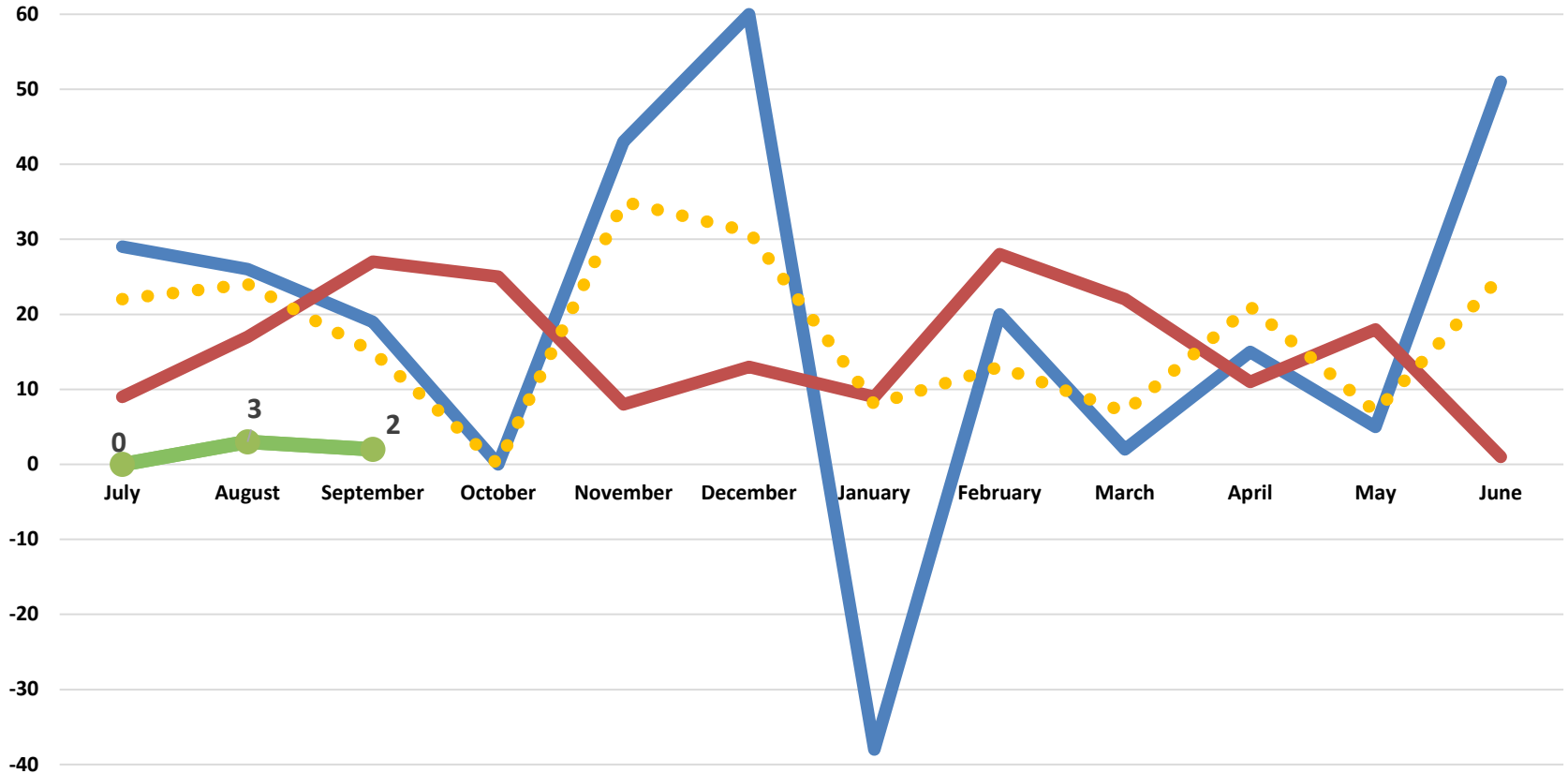
(Continuous peritoneal dialysis)



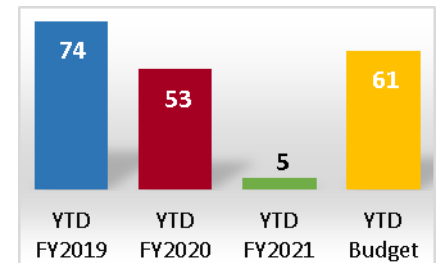
2,190	2,517	2,156	2,526
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget

CAPD/CCPD – Training Sessions

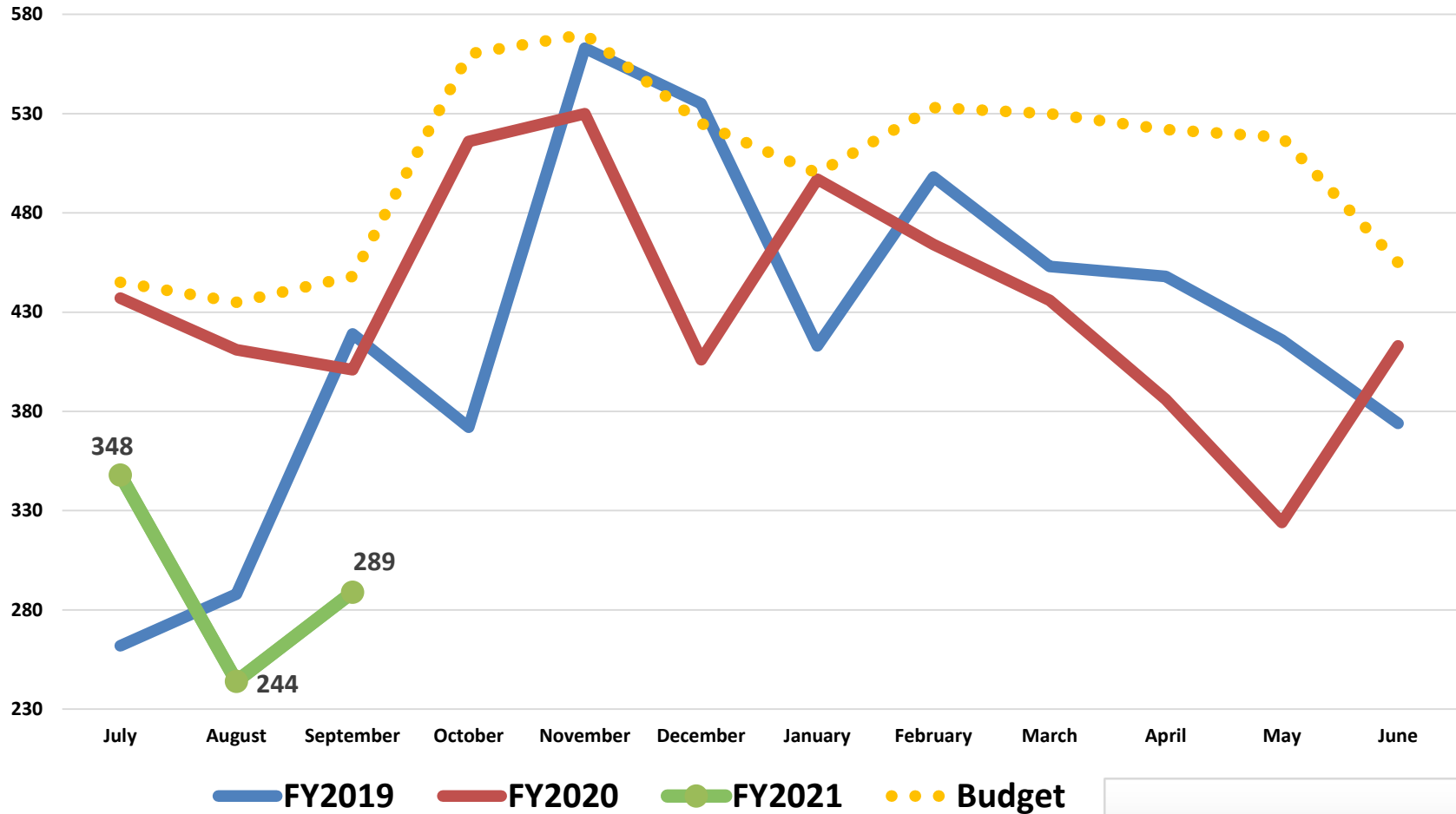
(Continuous peritoneal dialysis)



—●— FY2019
 —●— FY2020
 —●— FY2021
 ●●● Budget



Infusion Center



969	1,249	881	1,328
YTD FY2019	YTD FY2020	YTD FY2021	YTD Budget



Leadership Presentation 2021 Benefits Program Update

Agenda

- 2021 Program Strategy
- Updates to the Medical Program
- Defined Contribution Structure
- New Voluntary Hospital Indemnity Plan
- Pharmacy Program Changes
- Dental and Vision Programs
- Partnership with Transitions Benefit Group
- Virtual Open Enrollment
- Mandatory Open Enrollment

2021 Program Strategy

- 2021 benefits program goal is to align our per employee per year costs with benchmarks while maintaining competitive benefits.
- Kaweah will be implementing the following changes:
 - Change rate tier structure from 3 to 4 tiers. Breaking out the spouse tier allows Kaweah the opportunity to charge a higher contribution for spouse participation compared to dependent child participation.
 - Launch a new point of service plan (PSP) which is a combination of the current EPO and PPO options.
 - Offer a qualified high deductible health plan (HDHP) with a modest HSA seed.
 - Implement a defined contribution strategy and remove the biometric screening discount.
 - Increase the dental contributions to bring them more in line with industry benchmarks.
 - Convert the vision program to 100% voluntary for all employees.
- Kaweah has already implemented several pharmacy clinical programs to help control cost including high cost generic exclusions and low clinical value drug exclusions.
- Partner with Transitions Benefit Group to manage the 65+ population, particularly the spouses enrolled on the plan.
- Add a voluntary hospital indemnity policy to round out our current supplemental health policies of Accident and Critical Illness.

New Medical Plans

Point of Service Plan (PSP)

	2021 POS Plan		
	Kaweah	In-Network and Approved Tertiary Care Centers (Services Not Available at Kaweah)	Out-of-Network Non-Interplan Providers
GENERAL ATTRIBUTES			
Deductible - EE / FAM	\$0	\$1,000 / \$2,000	\$1,000 / \$2,000
Coinsurance	0%	20%	50%
Out of Pocket Max - EE / FAM	\$3,000 / \$6,000**	\$6,000 / \$12,000	\$6,000 / \$12,000
HOSPITAL			
You pay:			
Inpatient			
Admission Deductible/Copay	No charge*	20% after deductible	\$100/confinement + 50% after deductible
Pre-authorization Required?		Yes	
Outpatient Surgery	No charge*	20% after deductible	50% after deductible
Urgent Care****	\$20/visit	\$30/visit + 20% after deductible	\$30/visit + 50% after deductible
Emergency Room	\$200/visit	\$200/visit	\$200/visit
PHYSICIAN'S SERVICES			
You pay:			
Office Visits	Not Available at Kaweah	\$20/visit	\$30/visit
Specialist Office Visit	Not Available at Kaweah	\$40/visit	\$60/visit
Preventive Care	No charge*	No charge*	50% after deductible
Diagnostic Test/Lab/X-ray (Outpatient)	No charge*	20% after deductible	50% after deductible
PRESCRIPTION DRUGS**			
You pay:			
Retail (30 days)			
Generic	\$5/Rx		\$20/Rx
Preferred brand drugs	\$35/Rx		\$45/Rx
Non-preferred brand drugs	\$60/Rx		\$70/Rx
Specialty		No difference, see above	
Mail Order (90 days)			
Generic	\$10/Rx		\$60/Rx
Preferred brand drugs	\$70/Rx		\$135/Rx
Non-preferred brand drugs	\$120/Rx		\$210/RX
Specialty		No difference, see above	

- The new point of service plan (PSP) is a combination of the current EPO and PPO plans.
 - Tier 1 matches Tier 1 on the current EPO
 - Tier 2 and Tier 3 match the current PPO
- This new plan will give employees more choice in providers; however, they will pay the least amount out of pocket if they receive services at Kaweah.
- The copays for urgent care, doctors' visits and emergency room have increased slightly compared to the previous PPO plan.
- There will also be a \$5 copay assessed for any generic prescriptions filled at the Kaweah employee pharmacy.
- The brand and non-preferred brand copays increased as well.

New Medical Plans

High Deductible Health Plan

	2021 HDHP Plan		
	Kaweah	In-Network and Approved Tertiary Care Centers (Services Not Available at Kaweah)	Out-of-Network Non-Interplan Providers
GENERAL ATTRIBUTES			
Deductible - EE / FAM	\$1,400 / \$2,800	\$2,000 / \$4,000	\$2,800 / \$5,600
Coinsurance	20%	20%	50%
Out of Pocket Max - EE / FAM	\$4,000 / \$8,000	\$6,000 / \$12,000	\$6,000 / \$12,000
Aggregate vs Embedded Deductible		Aggregate	
Aggregate vs Embedded OOP Max		Embedded	
PRESCRIPTION DRUGS	You pay:		You pay:
No Cost Preventive Rx?			
Retail (30 days)	All copays apply after the plan deductible has been satisfied		
Generic	\$5/Rx		\$20/Rx
Preferred brand drugs	\$35/Rx		\$45/Rx
Non-preferred brand drugs	\$60/Rx		\$70/Rx
Specialty		No difference, see above	
Mail Order (90 days)			
Generic	\$10/Rx		\$60/Rx
Preferred brand drugs	\$70/Rx		\$135/Rx
Non-preferred brand drugs	\$120/Rx		\$210/RX
Specialty		No difference, see above	

- Employees must satisfy the full deductible before coverage begins which means employees pay the full cost of services (including Rx) before the deductible is satisfied.
- If an employee covers any dependents on the plan, the full family deductible must be satisfied before any individual can take advantage of the coinsurance.
- Because employees take on the financial risk of a higher deductible, the IRS allows them to open a Health Savings Account to save money pre-tax to use for qualified health expenses.
- HSA accounts are great ways to save on taxes and can be used a supplement retirement savings accounts.

Defined Contribution

Premium	Company Cost	HSA Seed	Monthly EE Cost
	<i>PSP</i>		
\$714.41	\$614.41	\$0.00	\$100.00
\$1,428.82	\$1,158.82	\$0.00	\$270.00
\$1,387.71	\$1,152.71	\$0.00	\$235.00
\$2,233.05	\$1,883.05	\$0.00	\$350.00
	<i>HDHP</i>		
\$643.53	\$593.53	\$20.00	\$50.00
\$1,287.06	\$1,097.06	\$60.00	\$190.00
\$1,250.04	\$1,090.04	\$60.00	\$160.00
\$2,011.51	\$1,801.51	\$80.00	\$210.00

- A defined contribution structure protects the company from budget fluctuations due to enrollment migration within the different plan options.
- HSA seed contributions are factored into the defined contribution since it is a true cost to Kaweah to offer this benefit.
- **By implementing this contribution structure, Kaweah is offering a true buy-up program where employees will pay for the plan that best fits their needs.**

New Medical Plans

Health Savings Accounts

- **What is an HSA?**
 - A personal financial account for payment of all medical, dental, vision, & prescription health care expenses free of federal income tax.* These accounts are paired with a qualified high deductible health plan (HDHP).
- **Why do HSA's exist?**
 - To provide a substantial tax reward to individuals who take more financial responsibility for their health care by having a higher-deductible health plan
- **Who owns the money in your HSA?**
 - Employees do. There is no “use it or lose it” provision

*HSA contributions are subject to state taxation in California & New Jersey

EXAMPLES OF ELIGIBLE EXPENSES:

- Doctor's office visits & procedures
- Dental expenses
- Orthodontia (Braces)
- Prescriptions
- Glasses, contact lenses and accessories, LASIK surgery
- Chiropractor, acupuncture, and therapy
- Hearing aids, bandages and crutches
- Long-term care
- Smoking cessation programs
- Birth control and vasectomy
- Plus, many more!

New Medical Plans

Health Savings Accounts

2021 Annual IRS HSA Contribution Limits:

Individual
\$3,600

Family
\$7,200

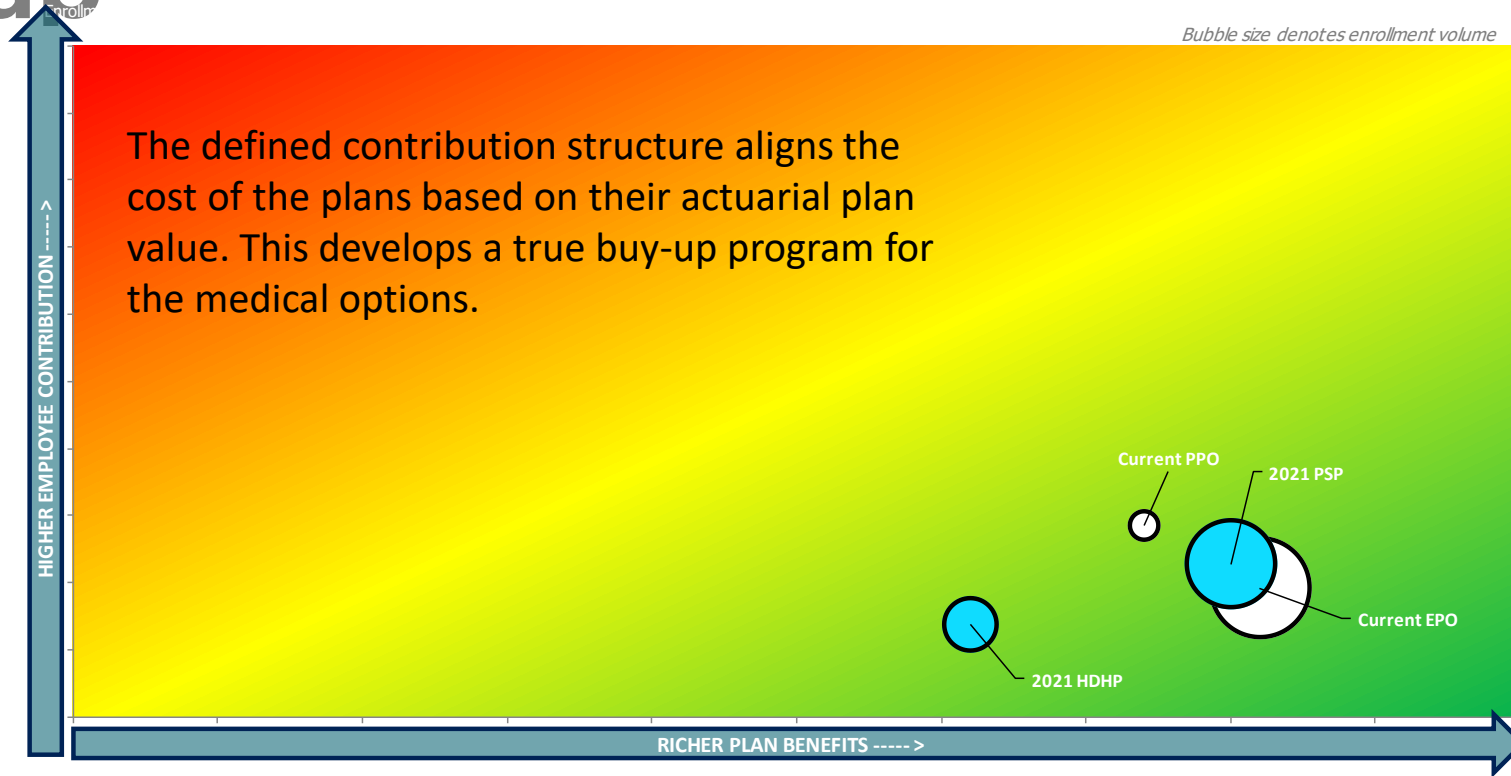
Age 55+
Extra \$1,000

- Employees can contribute pre-tax dollars to their HSA up to the IRS contribution limits*
- Annual limits also include contributions from Kaweah
- Kaweah will make a small employer seed contribution to the HSA accounts for all enrolled employees. Seed amount is dependent on the enrollment tier and if the employee is Full Time or Part Time.
- HSA accounts will be offered through myCafeteriaPlan.

*Note: Employees are responsible for ensuring that they do not contribute more than the IRS annual maximum

New Medical Plans

Heat Map



○ Current Kaweah Plans ● 2021 Kaweah Plans

Medical Rates and Contributions

	Full Time Contributions					Part Time Contributions					
	Premium	Company Cost	HSA Seed	Monthly EE Cost	Per Paycheck	Premium	Company Cost	HSA Seed	Monthly EE Cost	Per Paycheck	
PSP Plan	<i>PSP</i>					PSP Plan	<i>PSP</i>				
EE Only	\$714.41	\$614.41	\$0.00	\$100.00	\$50.00	EE Only	\$714.41	\$474.41	\$0.00	\$240.00	\$120.00
EE + Sp	\$1,428.82	\$1,158.82	\$0.00	\$270.00	\$135.00	EE + Sp	\$1,428.82	\$918.82	\$0.00	\$510.00	\$255.00
EE + CH	\$1,387.71	\$1,152.71	\$0.00	\$235.00	\$117.50	EE + CH	\$1,387.71	\$957.71	\$0.00	\$430.00	\$215.00
EE + Family	\$2,233.05	\$1,883.05	\$0.00	\$350.00	\$175.00	EE + Family	\$2,233.05	\$1,633.05	\$0.00	\$600.00	\$300.00
HDHP	<i>HDHP</i>					HDHP	<i>HDHP</i>				
EE Only	\$643.53	\$593.53	\$20.00	\$50.00	\$25.00	EE Only	\$643.53	\$463.53	\$10.00	\$180.00	\$90.00
EE + Sp	\$1,287.06	\$1,097.06	\$60.00	\$190.00	\$95.00	EE + Sp	\$1,287.06	\$887.06	\$30.00	\$400.00	\$200.00
EE + CH	\$1,250.04	\$1,090.04	\$60.00	\$160.00	\$80.00	EE + CH	\$1,250.04	\$930.04	\$30.00	\$320.00	\$160.00
EE + Family	\$2,011.51	\$1,801.51	\$80.00	\$210.00	\$105.00	EE + Family	\$2,011.51	\$1,591.51	\$40.00	\$420.00	\$210.00

- Implement 4 tier rate structure.
- Full time and part time populations will receive a HSA seed from Kaweah.

Voluntary Benefits

Hospital Indemnity Plan

VB-Hospital Indemnity	Voya
Coverage	\$150 per day
Policy Features and Charges	
Hospital Admission Benefit	\$1,500 for first day of confinement
Admission Maximum	8 per year
Hospital Confinement Benefits	\$150 per day limited to 10 days, beginning day 2
Critical Care Unit	\$300 per day limited to 10 days, beginning day 2
Rehabilitation Facility	\$75 per day limited to 10 days, beginning day 2
Wellness Benefit	\$50 for EE & SP. \$25 for Child, limits \$100 for all Children
Dependent Coverage	Matches EE Benefit
Maternity	Included
Pre-Ex	None
Waiting Period	None
Portability	Included
Underwriting	
Min Case Size	None
Underwriting	All guaranteed
Rate Guarantee	3 Years

- New voluntary benefit offering from Voya that will pair nicely with the new PSP or HDHP option.
- This plan pays an admission benefit when a member is confined to the hospital for at least 1 day; the daily benefit is paid for any additional days the member is hospitalized.
- Maternity claims are included.
- Wellness benefit pays members a small amount for receiving preventive care services.

Monthly Rates

Employee Only	\$21.01
Employee + Spouse	\$35.16
Employee + Child(ren)	\$34.63
Employee + Family	\$48.78

Pharmacy Program

Clinical Programs

Multi-Source Brand Copay Penalty

- Member pays the cost difference between the brand and generic product for brand selection when generic is available.

Nonessential Drug Exclusion

- Formulary optimization for low clinical value medications.
- Examples: high cost, low clinical value medications and high cost drug kits/packs.

High Cost Generics

- Excludes high cost generics when there are clinically appropriate, lower cost alternatives on formulary.

Dental Rates and Contributions

	Premium	Company Cost	Monthly EE Cost	Per Paycheck
Dental Choice	<i>Dental Choice - Full Time</i>			
EE Only	\$39.54	\$23.54	\$16.00	\$8.00
EE + Sp	\$79.09	\$35.09	\$44.00	\$22.00
EE + CH	\$107.31	\$55.31	\$52.00	\$26.00
EE + Family	\$160.03	\$74.03	\$86.00	\$43.00
Dental Choice	<i>Dental Choice - Part Time</i>			
EE Only	\$39.54	\$13.54	\$26.00	\$13.00
EE + Sp	\$79.09	\$25.09	\$54.00	\$27.00
EE + CH	\$107.31	\$44.31	\$63.00	\$31.50
EE + Family	\$160.03	\$64.03	\$96.00	\$48.00

	Premium	Company Cost	Monthly EE Cost	Per Paycheck
Dental PPO	<i>Dental PPO - Full Time</i>			
EE Only	\$31.46	\$23.46	\$8.00	\$4.00
EE + Sp	\$62.93	\$34.93	\$28.00	\$14.00
EE + CH	\$85.38	\$55.38	\$30.00	\$15.00
EE + Family	\$127.33	\$74.33	\$53.00	\$26.50
Dental PPO	<i>Dental PPO - Part Time</i>			
EE Only	\$31.46	\$13.46	\$18.00	\$9.00
EE + Sp	\$62.93	\$24.93	\$38.00	\$19.00
EE + CH	\$85.38	\$43.38	\$42.00	\$21.00
EE + Family	\$127.33	\$63.33	\$64.00	\$32.00

- New dental contributions to better align with industry benchmarks.
- Implement 4 tier rate structure on the dental plan to match the new structure on the medical plan.
- Also implement defined contributions on the plan options with the Full Time and Part Time populations.

Vision Rates and Contributions

Vision	Vision Contributions			
	Premium	Company Cost	Monthly EE Cost	Per Paycheck
		<i>VSP</i>		
EE Only	\$10.78	\$0.00	\$10.78	\$5.39
EE + SP	\$17.30	\$0.00	\$17.30	\$8.65
EE + CH	\$16.02	\$0.00	\$16.02	\$8.01
EE + Family	\$25.60	\$0.00	\$25.60	\$12.80

- Convert vision program to 100% voluntary.
- 59% of similar sized Healthcare clients in our broker’s book of business offer 100% voluntary vision programs.
- Follow rating structure of the medical and dental plans by converting to 4-tiers.

Transitions Benefit Group

EMPLOYER SUPPORT

- Medicare Compliant Support System
- Reduce MSP Exposure
- Create Offboarding Solutions
- Outsource Aging Employee Support
- Custom Webinars
- Compliance Risk Reduction
- Medicare Education for Employee
 - Plan Comparison
 - Enrollment Support
 - Ongoing Care
- Under-age 65 Medicare/Disability Consultations

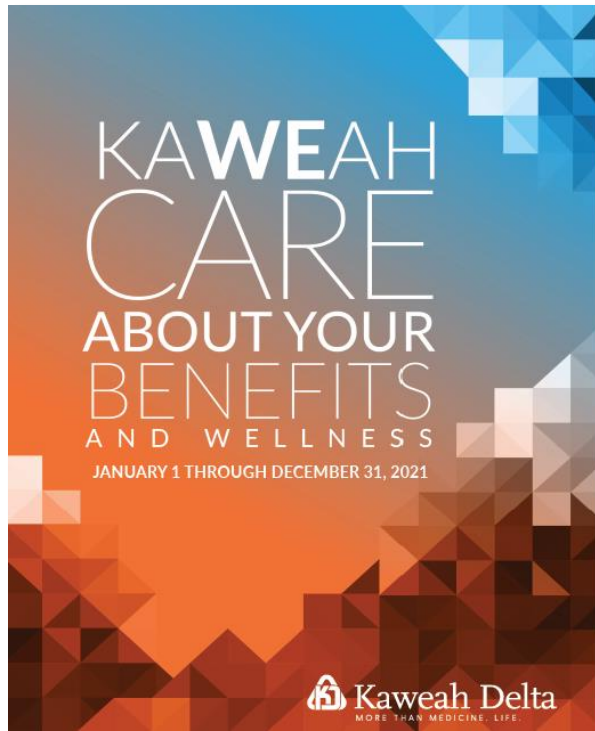
EMPLOYEE SUPPORT

- Medicare Coordination
- Medicare Education
- Retirement Readiness Assessment
- Retirement Planning Education
- Social Security Planning
- Social Security Education
- Utilization of HSA contributions
- Coordination with COBRA
- Continuity of Benefits Support
- Ongoing and Personalized Attention
- Individualized Consultation

- Provide employees with retirement transition services.
- Services are available to all KDHCDC benefit eligible employees, spouses and immediate family members.

Virtual Open Enrollment

Open Enrollment: Early November!



- Since we cannot host an onsite benefits fair this year, Kaweah will be hosting a virtual Open Enrollment fair.
- Employees will be able to watch recorded PowerPoints on each plan offering.
- Once employees watch all the recordings, they will be entered into a drawing for raffle prices.