

June 24, 2021

TO: Legal Counsel

News Media

Salinas Californian
El Sol
Monterey County Herald
Monterey County Weekly
KION-TV
KSBW-TV/ABC Central Coast
KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE – COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **MONDAY, JUNE 28, 2021, AT 12:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR BY PHONE OR VIDEO (Visit svmh.com/virtualboardmeeting for Access Information).**

Please note: Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado
President/Chief Executive Officer

Committee Members: Richard Turner – Chair; Juan Cabrera – Vice Chair; Pete Delgado – President/Chief Executive Officer; Augustine Lopez – Chief Financial Officer; Clement Miller – Chief Operating Officer; Harry Wardwell – Community Member; Michael Wilson – Community Member; and Orlando Rodriguez, M.D. – Medical Staff Member

**FINANCE COMMITTEE MEETING – JUNE 2021
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, JUNE 28, 2021
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
0450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO
(Visit svmh.com/virtualboardmeeting for Access Information)**

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AGENDA

1. Approval of Minutes from the Finance Committee Meeting of May 24, 2021 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of Project Funding and Award Contract to Omnicell for the SVMH Pharmacy Automation Upgrade and Service (MILLER/CHOI/STROTMAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of Project Funding and Award Construction Contract to Best Contracting Services, Inc. for the SVMH Tower Building Roof Replacement Project (MILLER/STROTMAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
4. Review Balanced Scorecard – April 2021 (LOPEZ)
5. Financial and Statistical Review (LOPEZ)

6. Public Input

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda.

7. Closed Session

(See Attached Closed Session Sheet information)

8. Reconvene Open Session/Report on Closed Session

9. Consider Recommendation for Board Approval of the Terms and Conditions of Agreement for Pathology Services with Salinas Pathology Services Medical Group, Inc. (RADNER/HOFFMAN)

- Staff Report
- Committee Questions to Staff
- Motion/Second
- Public Comment
- Committee Discussion/Deliberation
- Action by Committee/Roll Call Vote

10. Adjournment – The July 2021 Finance Committee Meeting is scheduled for **Monday, July 19, 2021, at 12:00 p.m.**

Notes: This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

The Committee packet is available at the Committee Meeting, at www.svmh.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
FINANCE COMMITTEE MEETING OF THE
BOARD OF DIRECTORS – COMMITTEE OF THE WHOLE**

AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

- [] **LICENSE/PERMIT DETERMINATION**
(Government Code §54956.7)

Applicant(s): (Specify number of applicants) _____

- [] **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
(Government Code §54956.8)

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation): _____

Agency negotiator: (Specify names of negotiators attending the closed session): _____

Negotiating parties: (Specify name of party (not agent): _____

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both): _____

- [] **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
(Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers): _____, or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations): _____

- [] **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**
(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases): _____

Additional information required pursuant to Section 54956.9(e): _____

Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): _____

[] **LIABILITY CLAIMS**
(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961): _____

Agency claimed against: (Specify name): _____

[] **THREAT TO PUBLIC SERVICES OR FACILITIES**
(Government Code §54957)

Consultation with: (Specify name of law enforcement agency and title of officer): _____

[] **PUBLIC EMPLOYEE APPOINTMENT**
(Government Code §54957)

Title: (Specify description of position to be filled): _____

[] **PUBLIC EMPLOYMENT**
(Government Code §54957)

Title: (Specify description of position to be filled): _____

[] **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(Government Code §54957)

Title: (Specify position title of employee being reviewed): _____

[] **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**
(Government Code §54957)

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

[] **CONFERENCE WITH LABOR NEGOTIATOR**
(Government Code §54957.6)

Agency designated representative: (Specify name of designated representatives attending the closed session): _____

Employee organization: (Specify name of organization representing employee or employees in question): _____, or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations): _____

CASE REVIEW/PLANNING
(Government Code §54957.8)

(No additional information is required to consider case review or planning.)

REPORT INVOLVING TRADE SECRET
(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): strategic planning/proposed new services and programs

Estimated date of public disclosure: (Specify month and year): unknown

HEARINGS/REPORTS
(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee):

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

**MINUTES OF THE MAY 2021 FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, MAY 24, 2021
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO
(Visit svmh.com/virtualboardmeeting for Access Information)**

Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

Committee Members Present: Richard Turner, Chair; Juan Cabrera, Vice Chair; Michael Wilson by teleconference, Pete Delgado, Clement Miller, Augustine Lopez, Harry Wardwell, Orlando Rodriguez, MD, in person.

Other Board Members Present, Constituting Committee of the Whole: Regina M. Gage, and Victor Rey, Jr., by teleconference, constituting Committee of the Whole.

Also Present: Adrienne Laurent, Michelle Childs, John Choi, Judi Melton, Scott Cleveland, Charlotte Wayman, Nathan Constant, Tiffany Arguelles, Renee Jaenicke, Karen Schroeder, Derek Ames, in person; Allen Radner, MD, Clint Hoffman, Audrey Parks, Dave Sullivan, and Lindsey Parnell by teleconference.

A quorum was present and the meeting was called to order at 12:04 p.m. by Richard Turner, Committee Chair.

**APPROVAL OF MINUTES FROM THE FINANCE COMMITTEE MEETING OF
APRIL 26, 2021**

Pete Delgado, President/Chief Executive Officer, recommended the Finance Committee approve the minutes of the Finance Committee Meeting of April 26, 2021. This information was included in the Committee packet.

No Public Comment.

MOTION: The Finance Committee approves the minutes of the Finance Committee Meeting of April 26, 2021, as presented. Moved/Seconded/Roll Call Vote: Ayes: Turner, Cabrera, Delgado, Lopez, Miller, Wilson; Noes: None; Abstentions: Wardwell; Absent: Rodriguez; Motion Carried.

Orlando Rodriguez, MD, joined the meeting at 12:10 p.m.

CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF PROJECT FUNDING FOR THE SVMHS RETAIL PHARMACY PROJECT

John Choi, Director of Pharmacy; and Rolf Norman, Director of Financial Planning and Decision Support, reported on the recommendation for Board approval of project funding for the SVMHS Retail Pharmacy Project. This information was included in the Committee packet and included a financial proforma.

SVMHS is pursuing tenant improvements to the first level portion of the parking structure located at 450 E. Romie Lane, Salinas, California. Capital funding to complete renovations and procure furnishings, furniture, and equipment, is requested in the total estimated amount of \$450,000. The primary objectives of the retail pharmacy are to (i) enhance customer care; (ii) support employees and covered lives prescription program; (iii) discharge prescriptions and medications to hospital beds; (iv) support indigent prescription (340B); and (v) support SVMH Infusion Center and specialty medications.

Base retail volumes, COGs and staffing were included as projected by CPS across a five-year period. The proforma was calculated excluding revenue/expense inflation on the SVMH base revenue/expense.

No Public Comment.

The Committee and Hospital Leadership briefly discussed this initiative, including oncology medications and employee rates. Pete Delgado, President/Chief Executive Officer, recommended approval of project funding for the SVMHS Retail Pharmacy Project that will benefit the community and hospital employees.

MOTION: The Finance Committee recommends that the Board of Directors approve project funding for the SVMHS Retail Pharmacy Project in the total project estimate amount of \$450,000, as presented. Moved/Seconded/Roll Call Vote: Ayes: Turner, Cabrera, Delgado, Lopez, Miller, Wardwell, Rodriguez, Wilson; Noes: None; Abstentions: None; Absent: None; Motion Carried.

REVIEW BALANCED SCORECARD – MARCH 2021

Augustine Lopez, Chief Financial Officer, reviewed the Balanced Scorecard Summary for fiscal year 2021, year-to-date March 2021, which provided an overview of the metrics and performance of the SVMHS organizational goals for Service, People, Quality, Finance, Growth, and Community. This information was included in the Committee packet.

CAPITAL FORECAST FOR FISCAL YEAR 2021 – INFORMATION ONLY

Augustine Lopez, Chief Financial Officer, and Rolf Norman, Director of Financial Planning and Decision Support, reviewed the capital forecast for Fiscal Year 2021. This information was included in the Committee packet. Review and discussion included key changes with impact on capital spending FY21, and Board approved capital projects from FY2018 through April YTD.

FINANCIAL AND STATISTICAL REVIEW

Augustine Lopez, Chief Financial Officer, provided a financial and statistical performance review for the month ending April 30, 2021. This information was included in the Committee packet.

Key highlights of the financial summary for April were: (1) consolidated income from operations was unfavorable to budget due to lower than expected inpatient and outpatient volumes, unfavorable payor mix, and higher than budgeted FTEs on a per adjusted average daily census basis, however, an improvement in labor productivity and overtime management was achieved; (2) there was favorable variance in non-operating income predominantly due to the sale of Salinas Valley Assisting Living; (3) repayment of interest-free loans is in process; (4) total admissions were below budget; (5) outpatient surgeries were above budget; (6) total acute average length of stay was favorable to budget; (7) compared to July 2020, ER outpatient visits have decreased by 31%; (8) the Medicare average length of stay case mix index adjusted was favorable to budget; (9) days cash on hand was at 363 days; and (10) total capital expenditures were \$1,548,148.

The case mix index for all discharges (with and without COVID) based on discharges for July 2020 thru April 2021 was also reviewed.

Days of net accounts receivable for the month ending April 30, 2021, was at 47. Mr. Lopez commended the Patient Financial Services team for their outstanding work to improve the commercial billing and cash collection processes. The Patient Financial Services team led by Charlotte Wayman, Director; Tiffany Arguelles, Assistant Director; and Nathan Constant, Manager, commented on the restructuring and initiatives implemented to enhance those processes. Patient Financial Services relocated their office to 3 Rossi Circle in Salinas.

There was brief discussion between the Committee and Hospital Leadership regarding the interest-free loans received during the pandemic, and performance of the Cardiac Diagnostic Outpatient Center.

PUBLIC INPUT

None.

CLOSED SESSION

Richard Turner, Committee Chair, announced that the item to be discussed in Closed Session is Report Involving Trade Secret – strategic planning/proposed new services and programs. The meeting was recessed into Closed Session under the Closed Session protocol at 12:55 p.m.

Clement Miller excused himself from the meeting at 1:30 p.m.

RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Committee reconvened Open Session at 1:45 p.m. Mr. Turner reported that in Closed Session, the Committee discussed: Report Involving Trade Secret – strategic planning/proposed new services and programs. No action was taken in the Closed Session.

Orlando Rodriguez, MD, excused himself from the meeting at 1:46 p.m.

REVIEW AND CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF FISCAL YEAR 2022 OPERATING AND CAPITAL BUDGET

Augustine Lopez, Chief Financial Officer, presented the Fiscal Year 2022 Operating and Capital Budget was reviewed. This information was provided in the Committee packet, and included the following key budget assumptions and capital budget summary:

- Operating Margin – 2.2%
- Total Margin – 4.3%
- Total Operating Revenues - \$634 million
- Total Operating Expenses - \$620 million
- Total Routine Capital Budget - \$57.5 million

No Public Comment.

MOTION: The Finance Committee recommends that the Board of Directors approve the Fiscal Year 2022 Operating and Capital Budget. Moved/Seconded/Roll Call Vote: Ayes: Turner, Cabrera, Delgado, Lopez, Wardwell, Wilson; Noes: None; Abstentions: None; Absent: Miller, Rodriguez; Motion Carried.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:50 p.m. The June 2021 Finance Committee Meeting is scheduled for **Monday, June 21, at 12:00 p.m.**

Richard Turner
Chair, Finance Committee

/ks

**RECOMMENDATIONS OF THE MAY 2021
FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**May Committee Meeting
Meeting of May 24, 2021
To the Board of Directors**

1. **RECOMMEND BOARD APPROVAL OF PROJECT FUNDING FOR THE SVMHS
RETAIL PHARMACY PROJECT**

RECOMMENDATION: Recommends that the Board of Directors approve project funding for the SVMHS Retail Pharmacy Project in the total project estimate amount of \$450,000, as presented.

2. **RECOMMEND BOARD APPROVAL OF FISCAL YEAR 2022 OPERATING AND
CAPITAL BUDGET**

RECOMMENDATION: Recommends that the Board of Directors approve the Fiscal Year 2022 Operating and Capital Budget.

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of Project Funding and Award Contract to Omnicell for the SVMH Pharmacy Automation Upgrade and Service

Executive Sponsor: Clement Miller, Chief Operating Officer
John S. Choi, Director of Pharmacy
Earl Strotman, Sr. Administrative Director Facilities and Construction

Date: June 18, 2021

Executive Summary

SVMHS is required to replace and upgrade a decade old computerized automated medication storage and dispensing cabinets in the next twelve months. This is a required and planned upgrade to address Microsoft windows 10 upgrade in aging cabinets throughout the hospital and also to replace the end of life medication carousels in the pharmacy. The opportunity to upgrade the pharmacy automation system allowed us to evaluate the upgrade proposal from the current vendor BD-Pyxis versus a major competitor Omnicell. The evaluation by nursing, information technology, anesthesia and pharmacy resulted in an overwhelming support to make a conversion to Omnicell that has a 50% larger storage capacity and enhanced analytics software to improve nursing services over BD-Pyxis. The total estimated cost for the project planning, permitting, construction, equipment replacement and five years of software subscription and support services is \$4,503,000.

Background/Situation/Rationale

Pharmacy Automation is a critical operational equipment in health system medication management and distribution of drugs to our patients. The current system at SVMHS is at the end of life. The ten year old carousels are no longer supported by the original manufacturer and BD-Pyxis cabinets are behind in Windows-10 upgrade in addition to the required hardware upgrade/replacement we have to perform in 2021-2022. Due to the limitations in size of BD-Pyxis cabinets, we are only able to stock 80% of the ordered medications. This means 1 out of 5 medications needed by our nurses may not be readily available to administer timely. One of the main advantages of Omnicell is that with a similar footprint, an additional 50% of the medications can be stored in the cabinets throughout the hospital with our goal of 100% of the medications stocked in the cabinets readily available to our nurses. Other benefits of Omnicell include advanced controlled substance diversion detection software and lighted bin technology to prevent medication errors.

Timeline/Review Process to Date:

July 2021: Master agreement review and sign & Purchase Order issue to Omnicell
September 2021: OSHPD Review and Approval
February 2022: Carousel replacement
April 2022: Medication Cabinet Replacement

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Fiscal year capital budgeting:

Fiscal year 2022 capital budgeting allocated funding for the Pharmacy Automation Upgrade Project, in the amount of \$3.3 million. Operational expense in Fiscal year 2023 to 2027 budgets will be requested to continue the support services and software subscription.

Fiscal Year 2022 Budgeted Capital	\$3,300,000
Fiscal Year 2022 Estimated Capital Expense:	
Capital Equipment Purchase	\$2,373,229
Construction, Permits and Licensing	<u>\$ 926,771</u>
	\$3,300,000
Fiscal Year 2022-2027 Estimated Operating Expense (5 Year Software and Support Services Agreement)	\$1,203,025
Omnicell Rebate	\$ -220,000
Total Estimated Project Budget (5 year total)	\$4,283,025

Key Contract Terms	Vendor: Omnicell
1. Proposed effective date	July 1, 2021
2. Term of agreement	5 years
3. Renewal terms	5 years for Service
4. Termination provision(s)	Either Party may, by written notice to the other Party, terminate this Agreement if any of the follow events occur (“Termination Events”): (a) Customer fails to pay to Omnicell (b) a party is in material breach of any non-monetary term, condition or provision of this Agreement.
5. Payment Terms	After installation and Payment Terms are negotiable
6. Annual cost	\$240,605 Software subscription and annual services support
7. Omnicell Rebate	Omnicell agrees to provide Customer with a rebate in the amount of \$220,000.00, in consideration of such purchase or lease, for Customer to use as it sees fit.
8. Cost over life of agreement	\$4,283,025 (\$3.3m Capital and \$1.2m Operating Expense (-220k rebate))
9. Budgeted (indicate y/n)	Yes

Recommendation:

Consider recommendation to Board of Directors (i) to approve the total estimated 5-year project cost for the SVMH Pharmacy Automation Upgrade in the amount of \$4,283,025 and (ii) award contract to Omnicell for the SVMH Pharmacy Automation upgrade and service in the amount \$3,356,254.

Attachments

1. Project Cost Summary

Salinas Valley Memorial Healthcare System (10348)

Project Cost Summary: Pharmacy Automation Upgrade

Architect/Engineering: TBD

Budget Generated at Concept Phase

Budget Date: 6/18/2021

Print Date: 6/18/2021



BUDGET SUMMARY

Line Item	Description	Original Budget	Notes
1	Construction		
0100	Construction Contract	\$400,000	Single Prime Delivery Method
0102	Owner Construction Contingency	\$40,000	Owner Held Contingency
2	Design		
0200	Professional Fees - Fixed	\$150,000	Architectural & Consulting Engineers
3	Inspections and Consultation		
0300	Inspector of Record	\$10,000	Agency Required Inspection
0301	Special Inspections	\$15,000	Agency Required Inspection
0303	Testing and Monitoring(Hazardous Materials)	\$7,000	Hazardous Material Testing and Monitoring
4	AHJ Fees		
0400	OSHPD	\$50,000	Agency Fees
5	Soft Costs		
0502	Construction Management - PM/CM	\$150,000	Program Management
7	FF&E		
0701	Medical Equipment	\$2,373,229	Omnicell Carousel & Medicine Dispensing Units
99	Contingency		
9900	Contingency	\$104,771	Project Contingency
Totals		\$3,300,000	

Board Paper: Finance Committee

Agenda Item: **Consider Recommendation for Board Approval of Project Funding and Award Construction Contract to Best Contracting Services, Inc. for the SVMH Tower Building Roof Replacement Project**

Executive Sponsor: Clement Miller, Chief Operating Officer
Earl Strotman, Senior Administrative Director of Facilities and Construction

Date: June 4, 2021

Executive Summary:

Facilities Management is pursuing activities to replace the existing roofing assemblies at the main hospital's tower building with a new, conventional thermoplastic polyolefin (TPO) single-ply roofing system. Approval for comprehensive project funding in the total estimated amount of \$905,000 and award of construction contract to Best Contracting Services, Inc. in the amount of \$594,555 is being requested.

Background/Situation/Rationale:

Salinas Valley Memorial Hospital's Tower Building (OSHPD Bldg 01640 – Bld 6 Central Sterile Supply) roof system constructed in the early 1990s is comprised of a rubber membrane over rigid insulation and is ballasted by aggregate rock. This existing roofing assembly has been experiencing multiple areas of water intrusion and is susceptible to high winds. The Facility has acquired design and permitting for the replacement of the existing roofing system with a new thermoplastic polyolefin (TPO) single ply roof system. Proposed upgrades to the roofing system will include; (A) new rigid insulation underlayment, (B) new flashing and counter flashing at curbs, air handler unit platforms and penetrations, (C) new single ply roofing membrane and (D) retrofitting of existing utility piping supports to comply with current code regulations.

Salinas Valley Memorial Healthcare System publicly solicited for construction services and acquired two (2) bids with Best Contracting Service, Inc. submitting the lowest responsive and responsible bid.

Timeline/Review Process to Date:

June 2021: Anticipated approvals from Finance Committee and Board for project funding and construction services.

July 2021: Execute construction contract and materials procurement.

August 2021: Commence with construction activities.

October 2021: Project and administrative closeout.

Pillar/Goal Alignment:

x Service People x Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Fiscal Year Capital Budgeting:

Fiscal year 2021 approved capital budget allocated funding to complete design, permitting and administration required for the SVMH 501 Tower Roof Replacement Project in the amount of \$600,000. Additional funding in Fiscal year 2021 and 2022 is being requested to complete construction, implementation and administration required for the SVMH Tower Building Roof Replacement Project in the total estimated amount of \$905,000.

The FY22 budget included a carryover of \$200k, which assumed the project would be partially completed in FY21. However, project delays and scope changes have pushed the project to FY22. The original budget had input from the roofing suppliers prior to Covid 19 impacts on the supply chain and OSHPD Required Scope Increases. OSHPD is requiring that we replace building seismic expansion joints to upgraded components not originally contemplated where the roof meets the original building, and also to upgrade seismic anchorage of the AHU process piping installed in the 1990's.

Fiscal Year 2021 Capital Budget **\$600,000**

Fiscal Year 2022 Capital Budget Assumption:

FY22 Carryover Capital **\$200,000 (based on a \$600k total)**

Current project plan:	
Fiscal Year 2021 Estimated Spend	\$ 68,200
Fiscal Year 2022 Estimated Spend	<u>\$836,800</u>
Total Updated Project Spend	\$905,000

Project Spent to date is:

Total project spend to date is \$63,963 which procured planning, design and administration.

Recommendation:

Consider recommendation to Board of Directors (i) to approve the total estimated project cost for the SVMH Tower Building Roof Replacement Project in the amount of \$905,000 and (ii) award construction contract to Best Contracting Services, Inc. for the SVMH Tower Building Roof Replacement project in the amount \$594,555.

Attachments:

- (1) Total project estimated costs prepared June 4, 2021 at procurement phase.
- (2) Proof of publication for the advertisement for bids.
- (3) Bid Results for construction services from May 6, 2021.

Salinas Valley Memorial Healthcare System (10348)

Project Cost Summary: SVMH Tower Building Roof Replacement - C.I.P. 01.1250.3521

Architect/Engineering: Smith Karng Architects

Budget Generated at Procurement Phase

Budget Date: 6/4/2021

Print Date: 6/4/2021



BUDGET SUMMARY					
Line Item	Description	Original Budget	Notes	Cash Flow	
				FY21 Projection	FY22 Projection
	1 Construction				
0100	Construction Contract	\$600,000	Single Prime Delivery Method	\$0	\$600,000
0101	Owner Construction Contingency	\$60,000	Owner Held Contingency	\$0	\$60,000
	2 Design				
0200	Professional Fees - Fixed	\$65,000	Architectural & Consulting Engineers	\$50,000	\$15,000
	3 Inspections and Consultation				
0300	Inspector of Record	\$10,000	Agency Required Inspection	\$0	\$10,000
0301	Special Inspections	\$10,000	Agency Required Inspection	\$0	\$10,000
0303	Testing and Monitoring(Hazardous Materials)	\$2,000	Hazardous Material Testing and Monitoring	\$1,200	\$800
	4 AHJ Fees				
0400	OSHPD	\$13,000	Agency Fees	\$7,000	\$6,000
	5 Soft Costs				
0502	Construction Management - PM/CM	\$105,000	Program Management	\$10,000	\$95,000
	99 Contingency				
9900	Contingency	\$40,000	~5% of Project	\$0	\$40,000
Totals		\$905,000		\$68,200	\$836,800

The Salinas Californian

Order Confirmation for Ad #: 0004667626
 PO number: SVMH TOWER

Customer: SALINAS VALLEY MEMORIAL/LEC
Address: 450 E ROMIE LN
 SALINAS CA 93901 USA
Acct. #: SNA-704319
Phone: 8317591820

SALINAS VALLEY MEMORIAL/LEC
Ordered By: Denise Bustos

OrderStart Date: 04/02/2021

Order End Date: 04/02/2021

<u>Tear Sheets</u>	<u>Affidavits</u>	<u>Blind Box</u>	<u>Promo Type</u>	<u>Materials</u>	<u>Special Pricing</u>	<u>Size</u>
0	1					2 X 10.78

<u>Net Amount</u>	<u>Tax Amount</u>	<u>Total Amount</u>	<u>Payment Method</u>	<u>Payment Amount</u>	<u>Amount Due</u>
\$784.38	\$0.00	\$784.38	Credit Card	\$0.00	\$784.38

Ad Order Notes:

Sales Rep: mweber

Order Taker: mweber

Order Created 03/29/2021

Product	# Ins	Start Date	End Date
SNA-The Salinas Californian	1	04/02/2021	04/02/2021
SNA-TheCalifornian.com	1	04/02/2021	04/02/2021

* ALL TRANSACTIONS CONSIDERED PAID IN FULL UPON CLEARANCE OF FINANCIAL INSTITUTION

Text of Ad:

Sealed proposals will be received by Salinas Valley Memorial Healthcare System ("SVMHS") located in Salinas, California, for the furnishing of all labor, materials, equipment and services to SVMHS necessary for and incidental to the construction of:

SVMH TOWER BUILDING ROOF REPLACEMENT

General Description. The project involves the replacement of an existing, ballasted EDPM low slope roof system with a new TPA roof system and underlayment, utility supports and anchorage, flashing and sealants, seismic expansion joint and curbs for future equipment.

Bids. Sealed bids will be received by SVMHS at the Construction Office located at 535 E Romie, Suite 6, Salinas, California, until 2:00 p.m. on **April 22, 2021** at which time all bids will be publicly opened. Bids will be referred to a subsequent SVMHS Board of Directors meeting for appropriate action. All Bid Proposals shall be submitted on forms furnished by SVMHS. Bid Proposals must conform with, and be responsive to, the Bid and Contract Documents, copies of which may be obtained from SVMHS as indicated below. Only Bid Proposals submitted to SVMHS prior to the date and time set forth above for the public opening and reading of Bid Proposals shall be considered. Note: Bids submitted orally or by telephone, electronic transmission (email) or facsimile will be considered invalid and will not be accepted. Each Bid Proposal shall be accompanied by:

1. Bid Letter (including acknowledgement of receipt of Ad-denda)
2. List of Subcontractors
3. Disqualification Questionnaire
4. Acknowledgement of Insurance Requirements
5. Bidder's Guaranty: Bidder's Bond or Irrevocable Standby Letter of Credit
6. Non-Collusion Certification

All information and responses of a Bidder in its Bid Proposal, and other documents accompanying the Bid Proposal, shall be complete, accurate and true. Incomplete, inaccurate, or untrue responses or information provided by a Bidder shall be grounds for SVMHS to reject such Bidder's Bid Proposal as nonresponsive.

Pre-Bid Conference. There will be a mandatory pre-bid conference held prior to the date of bid. The conference will take place on **April 7th, 2021**, from 10:00 a.m.-11:30 a.m., in the SVMHS Construction Office located at **535 E. Romie Lane, Suite 6, Salinas, CA 93901**. Request to access the hospital for site investigation shall be coordinated through derek@bogardconstruction.com. Bidders and their subcontractors are encouraged to investigate the existing conditions prior to close of bidding period.

Questions. All requests for interpretation of the drawings and specifications or other questions regarding this project during the bidding process shall be submitted to the Owner in writing by email with the original copy to follow by mail. No telephone questions will be accepted. All written requests for interpretation (RFIs) or correction of the Contract Documents must be received no later than 5 days before close of bid. Send all pre-bid questions and requests for interpretation to SVMHS via email at: derek@bogardconstruction.com.

Bid and Contract Documents. Requests for digital versions of the Documents shall be addressed to Salinas Valley Memorial Healthcare System, Attn: Derek Bogaard (derek@bogardconstruction.com). The Central Coast Builder's Exchange has all bid documents available for Bidders (Visit URL: <http://www.ccbabuilds.com/>).

Labor & Material Payment and Performance Bonds. The successful bidder will be required to furnish a labor & material payment bond and performance bond equal to one hundred percent (100%) of the Contract Price. Each bond must meet the statutory requirements for a public construction project as set forth in California Civil Code Section 3248. The bonds shall be secured through a surety company approved by SVMHS and paid for by the Prime Contractor.

Bid Acceptance/Rejection. SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received. The Contract for the Work, if awarded, will be by action of the SVMHS Board of Directors to the responsible Bidder submitting the lowest responsive Bid Proposal. If Alternate Bid Items are included in the bidding, the lowest priced Bid Proposal will be determined on the basis of the Base Bid Proposal or on the Base Bid Proposal and the combination of Alternate Bid Items selected in accordance with the applicable provisions of the Instructions for Bidders. No bid shall be withdrawn for a period of ninety (90) calendar days subsequent to the opening of bids without the consent of SVMHS.

Contractor License Classification. In accordance with the provisions of California Public Contract Code §3300, SVMHS requires that Bidders have a valid and current class B or C-39 California Contractors License. Bidders must be properly licensed at the time that the Contract for the Work is awarded and at all times during the Work. Any Bidder not so duly and properly licensed shall be subject to all penalties imposed by law. No payment shall be made for work, labor, materials or services provided under the Contract for the Work unless and until the Registrar of Contractors verifies to SVMHS that the Bidder awarded the Contract is properly and duly licensed to perform the Work.

Prevailing Wage. Minimum prevailing wage rates are required to be paid for each craft, classification, or type of worker needed to execute the Contract. Copies of such minimum rates are on file at the Administration office of SVMHS, and are available to any interested party upon request. See Labor Code Section 1773 et seq.

Dated: March 29, 2021

Salinas Valley Memorial Healthcare System
A Local Health Care District

Apr. 2, 2021 (4667626)

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
 SALINAS VALLEY MEMORIAL HOSPITAL (10348)
 PROJECT: TOWER BUILDING ROOF REPLACEMENT
 BID RESULT SUMMARY



Single Prime Bid Packages

DATE: May 6, 2021
 BID TIME: 2:00PM

	CONTRACTOR	CONTACT	EMAIL	PHONE	BASE BID	COMMENTS
1	**Best Contracting Services, Inc. 19027 So. Hamilton Ave. Gardena, Ca 90248	Myris Guballa	mguballa@bestcontracting.com	310-505-4271	\$594,555	
2	Legacy Roofing and Waterproofing, Inc. 1698 Rogers Ave. Suite #10 San Jose, CA 95112	John Winslow	JohnW@legacyroofing.net	831-970-5026	\$790,000	
	**Apparent Low Bidder					
	SVMHS reserves the right to reject any or all bids and to waive any informalities in the bidding, or in any bid received.					

	Documents Accompanying Bid	Contractor 1	Contractor 2
a	Bid Letter	✓	✓
b	List of Subcontractors	✓	✓
c	Disqualification Questionnaire	✓	✓
d	Insurance requirements	✓	✓
e	Bid Bond (Security)	✓	✓
f	Non-Collusion Certification	✓	✓
g	Addenda	✓	✓

SVMH Balanced Scorecard



FY 2021 YTD April

Salinas Valley Memorial Hospital

Monthly Balanced Scorecard (BSC) Summary

FY 2021 : as of 04/30/21



Organizational Goals by Pillar		FY 2021 Act/Proj	TARGET	Var %		FY 2020 Baseline	
Weight 30%	I. Service						
	Average of Inpatient HCAHPS Scores	74.4	74.2	0.3%		73.7	
	Emergency Room Press Ganey Score	61.0	59.7	2.2%		59.2	
20%	Average of Ambulatory HCAHPS Scores	90.5	91.8	-1.4%		91.3	
	III. Quality & Safety Processes						
	Emergency Room Efficiencies						
	Median length of stay for non-admits (in minutes)	162.0	153.0	-5.9%		154.0	
	Median time from admit decision to time of admission to nursing unit (in minutes)	93.0	85.0	-9.4%		88.0	
	Operating Room Efficiencies						
	Turnover Time (Wheels out / Wheels in) (in minutes)	30.1	29.5	-2.0%		29.0	
	Percentage of 1st Case On Time Start Time	90.3%	89.0%	1.5%		90.4%	
	Hospital Acquired Conditions Average	0.30	0.49	38.2%		0.44	
	20%	IV. Finance					
Income from Operations (Normalized) (\$ in Millions)		\$81,470	\$50,933	60.0%		\$113,306	
Operating Margin (Normalized)		13.7%	9.9%	38.5%		19.2%	
10%	V. Growth						
	I. Increase Aspire Health Plan Medicare Advantage membership to →	5,818	6,069	-4.1%		5,459	
	II. Increase % of patients adopting of EPIC MyChart to →	36.7%	30.0%	22.2%		14.7%	
0%	VI. Community						
	Community activity hours by SVMHS Staff	1,366	-			12,644	

Monthly Scorecard

IP Service (15%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var. %
I. Service													
1. Communication with Nurses	81.7	80.1	75.3	81.6	82.2	86.2	84.1	81.8	77.9	82.9	81.4	82.6	-1.4%
# of Reponses	161	145	138	125	115	155	113	95	159	148			
2. Communication with Doctors	79.6	82.0	78.5	81.1	80.1	82.6	87.7	86.6	81.6	86.5	82.6	81.8	1.0%
# of Reponses	159	145	137	125	115	155	112	95	158	147			
3. Responsiveness of Hospital Staff	69.9	63.8	68.4	75.3	67.2	72.1	72.0	65.9	65.5	73.3	69.3	68.2	1.6%
# of Reponses	156	134	135	114	108	148	109	89	150	142			
4. Communication About Medicines	68.8	66.9	64.9	71.6	71.7	67.4	69.2	70.5	66.9	65.0	68.3	69.7	-2.0%
# of Reponses	107	98	88	83	78	98	88	60	100	99			
5a. Cleanliness of hospital environment	86.1	73.4	75.7	79.2	77.7	85.0	78.6	77.9	80.5	81.0	79.5	81.5	-2.4%
# of Reponses	158	143	136	125	112	153	112	95	159	147			
5b. Quietness of hospital environment	58.2	59.6	53.6	55.3	50.0	50.0	52.3	52.6	50.0	45.6	52.7	48.7	8.3%
# of Reponses	158	141	138	123	112	152	111	95	158	147			
6. Discharge Information	86.1	89.8	89.2	91.8	89.6	91.6	92.2	88.7	91.3	91.1	90.2	90.3	-0.1%
# of Reponses	153	136	127	116	107	151	110	93	153	141			
7. Care Transitions	54.1	61.3	53.9	56.0	56.2	62.2	65.0	60.5	56.9	61.5	58.8	57.0	3.2%
# of Reponses	162	144	137	125	115	154	112	95	158	149			
8. Overall Rating of Hospital	78.2	73.6	74.8	76.8	77.2	79.6	77.7	85.4	79.3	82.4	78.5	78.6	-0.1%
# of Reponses	156	140	135	125	114	152	112	96	159	148			
Average of Inpatient HCAHPS Scores	73.8	73.0	71.2	75.2	73.5	76.1	76.7	75.6	73.1	75.8	74.4	74.2	0.3%
# of Total Reponses - IP	162	145	138	125	115	155	113	96	159	149			

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score FY 2020 Baseline was 73.7. Rationale: Baseline = Threshold is based on 7 month Pre-Covid Average (Aug19 to Feb20; Jul19 not included due to sterilizer event) = 73.7. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline.
- ER Press Ganey Score FY 2020 Baseline was 59.2. Rationale: Baseline = Threshold is based on average of July 2020 Actual, MTD August 18, 2020 Actual, September estimated Average of Jul and Aug, and remainder of the year using 8 month Pre-Covid Average (Jul19 to Feb20) = 59.2. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline
- Ambulatory HCAHPS Score FY 2020 Baseline was 91.3. Rationale: Baseline = Threshold is based on 8 month Pre-Covid Average excluding August 2019 (anomaly) = 91.3. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline

Monthly Scorecard

ER Service (10%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
I. Service													
Emergency Room Press Ganey Score	56.4	57.9	59.7	64.5	57.7	60.6	62.0	63.7	63.0	64.7	61.0	59.7	2.2%
# of Total Responses - ER	269	204	201	177	110	194	207	144	201	196			

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score FY 2020 Baseline was 73.7. Rationale: Baseline = Threshold is based on 7 month Pre-Covid Average (Aug19 to Feb20; Jul19 not included due to sterilizer event) = 73.7. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline.
- ER Press Ganey Score FY 2020 Baseline was 59.2. Rationale: Baseline = Threshold is based on average of July 2020 Actual, MTD August 18, 2020 Actual, September estimated Average of Jul and Aug, and remainder of the year using 8 month Pre-Covid Average (Jul19 to Feb20) = 59.2. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline
- Ambulatory HCAHPS Score FY 2020 Baseline was 91.3. Rationale: Baseline = Threshold is based on 8 month Pre-Covid Average excluding August 2019 (anomaly) = 91.3. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline

Monthly Scorecard

Ambulatory Service (5%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
I. Service													
1. Communication	81.1	87.6	82.9	93.6	91.5	86.5	87.5	90.1	92.9	86.2	88.0	90.3	-2.5%
# of Reponses	65	66	52	64	63	55	40	33	64	51			
2. Discharge	91.9	94.0	91.4	95.9	92.2	93.2	92.1	94.0	96.1	93.4	93.4	94.6	-1.2%
# of Reponses	64	66	53	64	62	55	39	33	64	51			
3. Facility rating	72.3	87.3	86.8	96.8	82.3	80.0	89.5	78.8	88.9	84.0	84.7	85.6	-1.1%
# of Reponses	65	63	53	62	62	55	38	33	63	50			
4. Facility/Personal Treatment	89.7	97.2	97.5	98.4	96.2	96.3	93.1	97.0	98.7	95.1	95.9	96.8	-0.9%
# of Reponses	65	66	53	64	62	55	39	33	64	51			
Average of Ambulatory HCAHPS Scores	83.7	91.5	89.6	96.2	90.5	89.0	90.5	90.0	94.2	89.7	90.5	91.8	-1.4%
# of Total Reponses - Ambulatory	65	66	53	64	63	55	40	33	64	51			

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- Includes Departments: Cath Lab, Endoscopy, Angio/Special Procedures Radiology, Outpatient Surgery
- IP HCAHPS Score FY 2020 Baseline was 73.7. Rationale: Baseline = Threshold is based on 7 month Pre-Covid Average (Aug19 to Feb20; Jul19 not included due to sterilizer event) = 73.7. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline.
- ER Press Ganey Score FY 2020 Baseline was 59.2. Rationale: Baseline = Threshold is based on average of July 2020 Actual, MTD August 18, 2020 Actual, September estimated Average of Jul and Aug, and remainder of the year using 8 month Pre-Covid Average (Jul19 to Feb20) = 59.2. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline
- Ambulatory HCAHPS Score FY 2020 Baseline was 91.3. Rationale: Baseline = Threshold is based on 8 month Pre-Covid Average excluding August 2019 (anomaly) = 91.3. The Target is 0.5 point improvement from the Baseline, and the Max is 1.0 point improvement from the Baseline

Monthly Scorecard

Quality & Safety Processes – ER (8%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
III. Quality & Safety Processes													
Emergency Room Efficiencies													
Median length of stay for non-admits (in minutes)	124.0	141.0	158.0	172.0	167.0	179.0	181.0	176.0	172.0	160.0	162.0	153.0	-5.9%
Median time from admit decision to time of admission to nursing unit (in minutes)	87.0	87.0	86.0	87.0	94.0	120.0	115.5	98.5	87.0	83.0	93.0	85.0	-9.4%

Source: Meditech

ER - LOS for Non-Admits in Minutes: Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) The Baseline for FY20 was 154.0 minutes; Rationale: Baseline = Threshold is based on FY 2020 Actuals. The Target is a 1 minute improvement from the Baseline, and the Max is a 2 minute improvement from the Baseline.

ER - Time to Admit in Minutes: Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Actuals for FY 2020 was 81.0 minutes. However, Baseline used to determine Threshold for FY 2021 is 88.0, based on July 2020 Actual and MTD 8-18-20 Actual. Rationale: It is expected that Flu & Covid will generate more complexity for ER admissions. The isolation rooms in the ER are limited. When a patient leaves the isolation room, there is a need for terminal cleaning for at least 1 hour which causes a delay to flow of patients. The admission process has become more complicated with patients going to COVID & isolation rooms because of the need for more resources for transport depending on patient's need. Also, COVID testing can take up to an hour so a patient cannot leave ER until COVID results are available to place a patient in proper rooms. FY21 Threshold is a 2.0 minutes improvement from Baseline = 86.0 minutes; FY21 Target = 85.0 minutes; FY21 Max = 84.0 minutes.

Monthly Scorecard

Quality & Safety Processes – OR (8%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
III. Quality & Safety Processes													
Operating Room Efficiencies													
Turnover Time (Wheels out / Wheels in) (in minutes)	30.7	28.7	29.3	30.3	31.3	33.1	31.6	29.9	28.9	27.1	30.1	29.5	-2.0%
Percentage of 1st Case On Time Start Time	92.2%	86.7%	94.2%	83.5%	89.5%	75.9%	87.0%	98.1%	97.8%	97.9%	90.3%	89.0%	1.5%

Turnover Time Measurement: New Methodology FY 2021 - Calculate minutes elapsed between the PICIS OR Nurse Record wheels out & wheels in of the next case. Historically based on predictive anesthesia end time by the circulating RN in the OR record, this metric was updated to use the anesthesia actual documented end time as a more precise variable to capture and measure data more accurately. The PICIS 8.6 Upgrade in March 2020 prevents modification of time in the Nurse Record and requires the Anesthesia End Time to be documented in the PACU as the patient begins the recovery process rendering it no longer an accurate capture of the TOT wheels out data point. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partition by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 20 Baseline = 29.0 under the new methodology. Rationale: FY 2021 Goals are: Threshold = 30.5, Target = 29.5, Max = 28.5 in order to achieve sustainability.

Percentage of 1st case On Time Start Time

- 1st scheduled case of the day in each OR room where the scheduled time is between 07:00 AM and 08:59 AM
- Cases in which the patient is Wheeled In at least zero minutes prior to the case
- FY20 Baseline was 90.4%. FY 2021 Goals are: Threshold = 87.0%. Target = 89.0%. Max = 91.0%. Rationale: Increased targets from prior year by 1 percentage point in order to achieve sustainability and maintain patient safety as the priority focus for Perioperative Services.
- **National benchmark goals range from 70% to 80%**

Monthly Scorecard

Quality & Safety Processes – HAC (4%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	FY 2021 Act/Proj	TARGET	Var %
III. Quality & Safety Processes												
Hospital Acquired Conditions												
CLABSI SIR (Standard Infection Ratio)	0.00			0.44			0.00			0.15	0.41	64.2%
# of CLABSI EVENTS	0	0	0	0	1	0	0	0	0	1		
CAUTI SIR (Standard Infection Ratio)	0.91			0.81			0.00			0.57	0.43	-34.5%
# of CAUTI EVENTS	1	0	1	1	0	1	0	0	0	4		
CDI SIR (Standard Infection Ratio)	0.54			0.00			0.00			0.18	0.62	70.8%
# of CDI EVENTS	0	2	1	0	0	0	0	0	0	3		
Hospital Acquired Conditions Average	0.49			0.42			0.00			0.30	0.49	38.2%

- **Source:** NHSN & Medline Interface
- Hospital Acquired Conditions will be measured **quarterly**
- **Rationale for Targets:** The FY 2021 Target is set to meet Leapfrog requirements, which will then align with CMS requirements.
- **Acronyms:**
 1. **CLABSI (Central Line Associated Bloodstream Infection).**
 2. **CAUTI (Catheter Associated Urinary Tract Infection).**
 3. **CDI (Clostridium Difficile Infection).**

Monthly Scorecard

Finance (20%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
IV. Finance													
Income from Operations (Normalized) (\$ in Millions)	\$7,663	\$8,131	\$7,328	\$6,224	\$8,606	\$10,189	\$10,275	\$1,670	\$6,566	\$1,241	\$81,470	\$50,933	60.0%
Operating Margin (Normalized)	15.3%	16.7%	15.4%	12.9%	17.6%	19.3%	19.3%	4.1%	13.7%	3.2%	13.7%	9.9%	38.5%

- Target Methodology is based on SVMH's 100% of FY 2021 Board Approved Annual Operating Budget

Monthly Scorecard

Growth (10%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
V. Growth													
I. Increase Aspire Health Plan Medicare Advantage membership to →	5,497	5,529	5,545	5,559	5,571	5,591	5,815	5,818	5,803	5,785	5,818	6,069	-4.1%
II. Increase % of patients adopting of EPIC MyChart to →	-	-	21.1%	21.8%	22.7%	24.7%	28.6%	32.4%	36.5%	36.7%	36.7%	30.0%	22.2%

- **Aspire:** Our target for FY21 is based on detail provided by the executive team at Aspire Health Plan. We are using the current Aspire sales goals for the Special Election Period (SEP) and Annual Election Period (AEP) in line with our current business plan and bid targets. The projected increase of 610 members from our baseline of 5,459 in June is less than our prior year target of a 949 member increase. The primary driver behind the reduction in member growth projection is major changes in the plan design (benefits) to all of the plans, but to the Plus Plan in particular. The changes reflect a desire to improve plan profitability and mitigate risk. Our corridor for minimum and maximum thresholds is proportional to our targets last year with a +/- 20% of the targeted increase in members or 122 members over or under the target. The final result will be based on CMS paid members for the month of June in the July report from CMS.
- **Epic MyChart:** Our target for FY21 is based on benchmarks provided by Epic when compared to our peers that are using Epic MyChart and the recommendations from Epic Ambulatory Advisory Council. The middle 50% of Epic installations from our peer group ranges from 28% to 48% with a median of 38%, our current performance is 14.7% and is improving as we continue to push adoption and implement strategies to engage our patients through MyChart as our primary telemedicine platform. The 30% target was set by the Epic Ambulatory Advisory Council on February 20, 2020. The corridor for minimum and maximum thresholds is +/- 5% for a range from 25% to 35%. The final result will be based on patients with visits in FY21 that have an active MyChart account.

Monthly Scorecard

Community (0%)



Organizational Goals by Pillar	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	FY 2021 Act/Proj	TARGET	Var %
VI. Community													
Community activity hours performed by SVMH Staff	164	120	41	264	96	77	109	56	107	104	1,366	-	-
Increase participation in the Blue Zones Project											NA	844	0.0%

Notes / Assumptions:

- **Community Activity Hours Performed by SVMHS Staff:** Source: SVMH Activity Tracker Application. As a result of the challenging times during the pandemic, there will not be an established target for FY 2021 to dismiss the pressures of performing community activity hours.

Questions / Comments?



Financial Performance Review

May 2021

Augustine Lopez
Chief Financial Officer



Consolidated Financial Summary

For the Month of May 2021

Profit/Loss Statement

\$ in Millions	For the Month of May 2021				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue*	\$ 53.6	\$ 53.8	\$ (0.2)		-0.4%
Operating Expense	\$ 50.6	\$ 51.1	\$ 0.5		1.0%
Income from Operations	\$ 3.0	\$ 2.7	\$ 0.3		11.1%
<i>Operating Margin %</i>	5.6%	5.2%	0.4%		7.69%
Non Operating Income	\$ 1.6	\$ 0.6	\$ 1.0		166.7%
Net Income	\$ 4.6	\$ 3.3	\$ 1.3		39.4%
<i>Net Income Margin %</i>	8.6%	6.2%	2.4%		38.7%

*** Income from Operations includes:**

\$4.6M AB113 Intergovernmental Transfer (FY 20)

\$0.1M TRICARE CAP/DME Reimbursement (FY 20)

\$0.4M LIHP Certified Public Expenditures (FY 13&14)

\$5.1M Total Normalizing Items, Net

Consolidated Financial Summary

For the Month of May 2021 - Normalized

Profit/Loss Statement

\$ in Millions	For the Month of May 2021				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 48.5	\$ 53.8	\$ (5.3)	-9.9%	
Operating Expense	\$ 50.6	\$ 51.1	\$ 0.5	1.0%	
Income from Operations	\$ (2.1)	\$ 2.7	\$ (4.8)	-177.8%	
<i>Operating Margin %</i>	<i>-4.3%</i>	<i>5.2%</i>	<i>-9.5%</i>	<i>-182.7%</i>	
Non Operating Income*	\$ 1.6	\$ 0.6	\$ 1.0	166.7%	
Net Income	\$ (0.5)	\$ 3.3	\$ (3.8)	-115.2%	
<i>Net Income Margin %</i>	<i>-0.9%</i>	<i>6.2%</i>	<i>-7.1%</i>	<i>-114.5%</i>	

Unfavorable results due to:

- Lower than expected inpatient and outpatient volumes
- Unfavorable payor mix where commercial insurance admissions were below budget by 24%
- Higher than budgeted FTEs on a per adjusted ADC basis

*Favorable variance in non-operating income is predominantly due to higher than expected returns on investments in subsidiaries

Consolidated Financial Summary

Year-to-Date May 2021

Profit/Loss Statement

\$ in Millions	FY 2021 YTD May				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue*	\$ 603.4	\$ 542.3	\$ 61.1	11.3%	
Operating Expense	\$ 561.9	\$ 540.4	\$ (21.5)	-4.0%	
Income from Operations	\$ 41.5	\$ 1.9	\$ 39.6	2084.2%	
<i>Operating Margin %</i>	6.9%	0.4%	6.5%	1625.0%	
Non Operating Income	\$ 15.4	\$ 8.4	\$ 7.0	83.3%	
Net Income	\$ 56.9	\$ 10.3	\$ 46.6	452.4%	
<i>Net Income Margin %</i>	9.4%	1.9%	7.5%	394.7%	

*** Income from Operations includes:**

\$6.4M AB113 Intergovernmental Transfer Payments

\$5.8M Hospital Quality Assurance Fee, net

\$0.2M Prior Year Medicare Cost Report Settlement

\$0.1M TRICARE CAP/DME Reimbursement

\$0.4M LIHP Certified Public Expenditures

\$12.9M Total Normalizing Items, Net

Consolidated Financial Summary

Year-to-Date May 2021 - Normalized

Profit/Loss Statement

\$ in Millions	FY 2021 YTD May				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 590.5	\$ 542.3	\$ 48.2	8.9%	
Operating Expense	\$ 561.9	\$ 540.4	\$ (21.5)	-4.0%	
Income from Operations	\$ 28.6	\$ 1.9	\$ 26.7	1405.3%	
<i>Operating Margin %</i>	4.8%	0.4%	4.4%	1100.0%	
Non Operating Income*	\$ 15.4	\$ 8.4	\$ 7.0	83.3%	
Net Income	\$ 44.0	\$ 10.3	\$ 33.7	327.2%	
<i>Net Income Margin %</i>	7.4%	1.9%	5.5%	289.5%	

Favorable performance results due to:

- Higher than expected inpatient and outpatient volumes

*Favorable variance in non-operating income is predominantly due to higher than expected returns on investments in subsidiaries

SVMH Financial Highlights May 2021

Gross Revenues were unfavorable

- Gross Revenues were 2% unfavorable to budget
- IP gross revenues were 6% unfavorable to budget
 - ED gross revenues were 11% unfavorable to budget
 - OP gross revenues were 9% favorable to budget in the following areas:
 - Infusion Therapy
 - Other OP Pharmacy
 - Cardiology
 - Surgery
 - Other OP Services

- Commercial: 21% below budget
- Medicaid: 6% below budget
- Medicare: 11% above budget

Payor Mix - unfavorable to budget

Total Normalized Net Patient Revenues were \$39.3M, which was unfavorable to budget by \$6.6M or 14.4%

COVID Inpatient Discharge Cases Payor Mix Analysis July 2020 thru May 2021

Payor	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21
Medicare	42	28	17	21	36	105	150	50	9	2	2
Medi-Cal	35	34	19	22	28	62	84	23	12	1	2
Commercial	29	22	22	10	27	48	53	13	5	5	2
Other	2	5		2	2	7	2	3	1	1	
Grand Total	108	89	58	55	93	222	289	89	27	9	6

Note: COVID Criteria is based on any DX U07.1 diagnosis code

Financial Summary – May 2021



1) Strong Outpatient business:

- Stronger than expected patient volumes in Infusion Therapy, Cardiology, and Surgery

2) Outpatient Surgeries were 11% (29 cases) above budget at 285

3) ER Outpatient visits were above budget by 2% (68 visits);

- Compared to July, visits decreased from 4,456 to 3,311 (a 26% decline)

4) Total Acute ALOS was 7% favorable at 3.8 vs 4.1 days budgeted

5) Medicare ALOS CMI adjusted was 11% favorable at 2.2 days with a Case Mix Index of 2.0



6) Lower than expected Inpatient business:

- Average daily census was at 101, 15% below budget of 119

7) Total admissions were 10% or 86 admits below budget

- ER admissions were 14% below budget (100 admits)
- ER admissions (including OB ED) were 85% of total acute admissions

8) Inpatient Surgeries were 12% (20 cases) below budget at 149

9) Deliveries were 15% (24 deliveries) below budget at 133

10) OP Observation cases were 15% (25 cases) above budget at 189

CMI – All Discharges (with & without COVID)

Based on Discharges

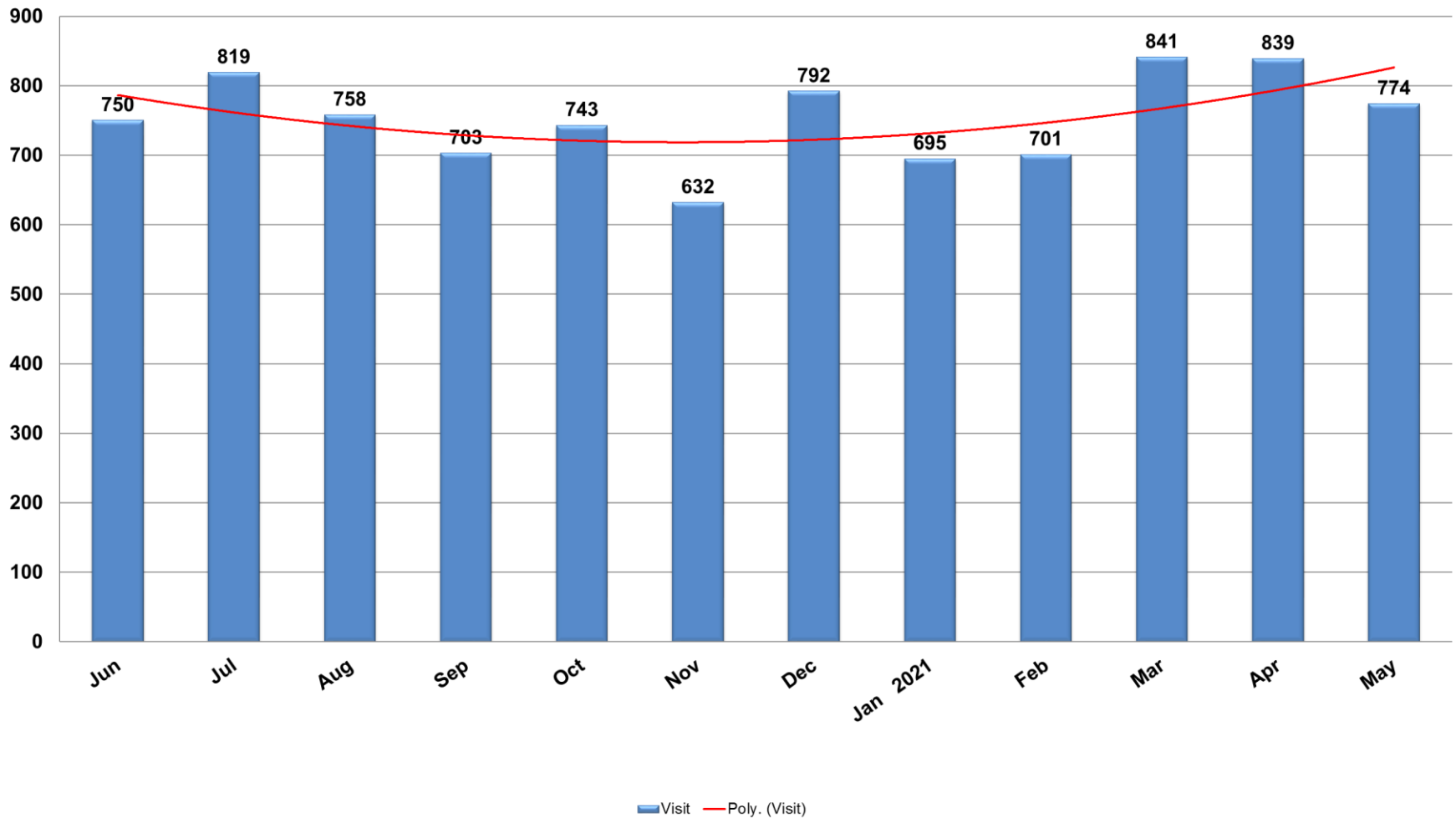
July 2020 thru May 2021

All Payors	All Discharges				COVID Discharges Only				Discharges Excluding COVID			
	Month	All Payor CMI	Discharges	ADC	ALOS	All Payor CMI	Discharges	ADC	ALOS	All Payor CMI	Discharges	ADC
7/31/2020	1.58	906	118	4.0	2.08	108	17	4.8	1.51	798	101	3.9
8/31/2020	1.68	859	117	4.2	2.32	89	18	6.4	1.60	770	99	4.0
9/30/2020	1.71	818	112	4.1	2.27	58	15	7.7	1.66	760	98	3.8
10/31/2020	1.64	864	115	4.1	2.39	55	13	7.5	1.59	809	102	3.9
11/30/2020	1.76	784	110	4.2	2.32	93	18	5.7	1.68	691	92	4.0
12/31/2020	1.76	852	121	4.4	2.15	222	45	6.2	1.62	630	77	3.8
1/31/2021	1.81	891	139	4.8	2.33	289	65	7.0	1.56	602	74	3.8
2/28/2021	1.78	767	119	4.4	2.36	89	27	8.4	1.70	678	92	3.8
3/31/2021	1.74	875	116	4.1	3.11	27	11	12.8	1.69	848	105	3.8
4/30/2021	1.59	824	104	3.8	1.92	9	1	3.7	1.59	815	103	3.8
5/31/2021	1.69	816	100	3.8	2.19	7	1	5.1	1.69	809	99	3.8
Total	1.70	9,256	116	4.2	2.31	1,046	21	6.7	1.63	8,210	95	3.9

Medicare	Medicare Discharges				Medicare COVID Discharges Only				Medicare Discharges Excluding			
	Month	Medicare CMI	Discharges	ADC	ALOS	Medicare CMI	Discharges	ADC	ALOS	Medicare CMI	Discharges	ADC
7/31/2020	1.69	334	44	4.1	1.82	32	5	5.0	1.68	302	39	4.0
8/31/2020	1.82	316	52	5.1	2.41	27	7	8.1	1.77	289	45	4.8
9/30/2020	1.90	286	45	4.8	2.11	16	4	7.9	1.89	270	41	4.6
10/31/2020	1.79	333	47	4.4	2.45	19	4	7.1	1.75	314	43	4.2
11/30/2020	1.88	302	47	4.7	2.29	30	8	7.9	1.83	272	39	4.3
12/31/2020	1.96	324	52	5.0	1.97	95	16	5.3	1.96	229	36	4.8
1/31/2021	1.97	360	65	5.6	2.31	133	30	6.9	1.77	227	35	4.8
2/28/2021	1.98	276	50	5.0	2.42	40	12	8.7	1.91	236	37	4.4
3/31/2021	1.84	338	50	4.6	4.62	7	5	22.9	1.78	331	45	4.2
4/30/2021	1.70	320	44	4.1	1.86	2	0	6.5	1.70	318	44	4.1
5/31/2021	1.95	327	46	4.3	3.95	2	1	9.0	1.94	325	45	4.3
Total	1.86	3,516	49	4.7	2.56	403	8	7.0	1.82	3,113	41	4.4

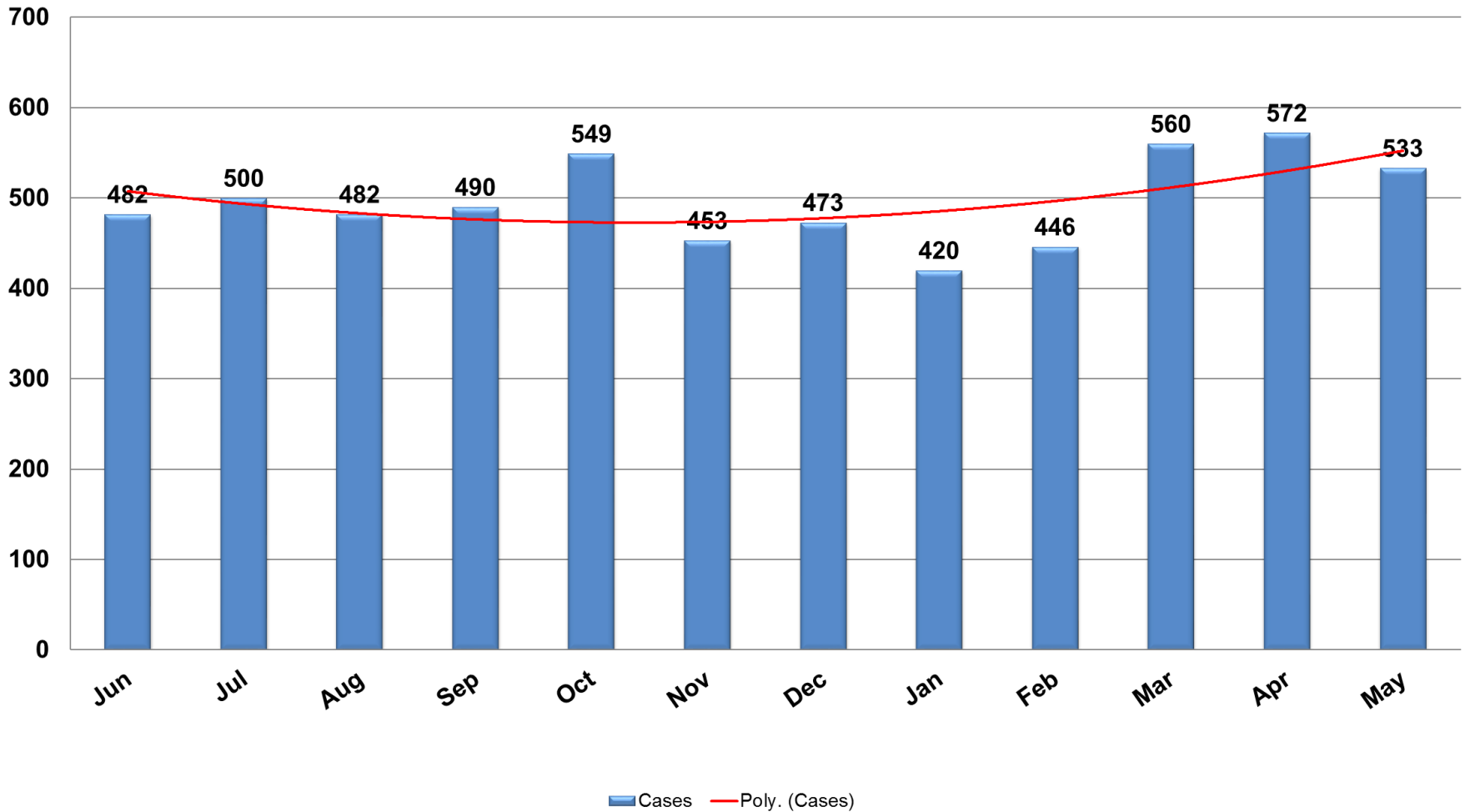
OP Infusion Service Line

OP Infusion
(Includes Botox)
Visit Trend - Jun 2020 thru May 2021



Cardiac Diagnostic O/P Center (CDOC)

CDOC Cases - Rolling 12 Month Trend
Jun 2020 thru May 2021



Labor Productivity – May 2021



1) **Worked FTEs** on a PAADC basis were 18.3% **unfavorable** to budget at **(7.40 actual vs. 6.26 budget)**

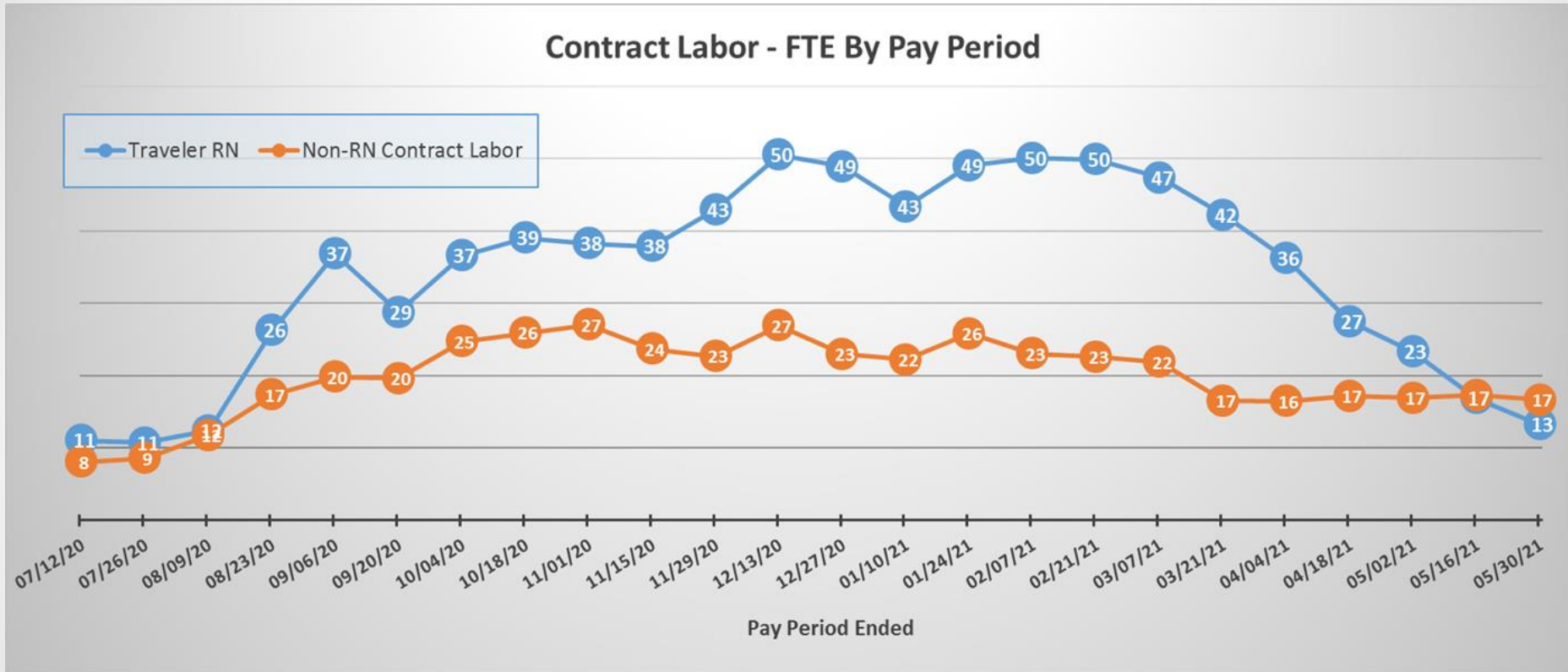
2) **Paid FTEs** on a PAADC basis were 21.7% **unfavorable** to budget at **(8.72 actual vs. 7.17 budget)**

✓ *When reviewed on a unit by unit level, the value of the negative variance for salaries, wages and benefits for **May** was **119 FTEs and \$1.5M.***

Approximately 33 FTEs (\$417k) of the variance was driven by nursing training time that was budgeted evenly over the year. The remainder was driven by very low volumes, and higher than expected staffing levels to support the increase in leave of absences, sick calls, and additional resources needed to support the Covid environment and readiness. Events such as Hospital Week and the magnet celebration also contributed to higher than normal staffing.

✓ *Management continues to address the opportunities to flex staff relative to patient volumes, including a reduction of contracted staff.*

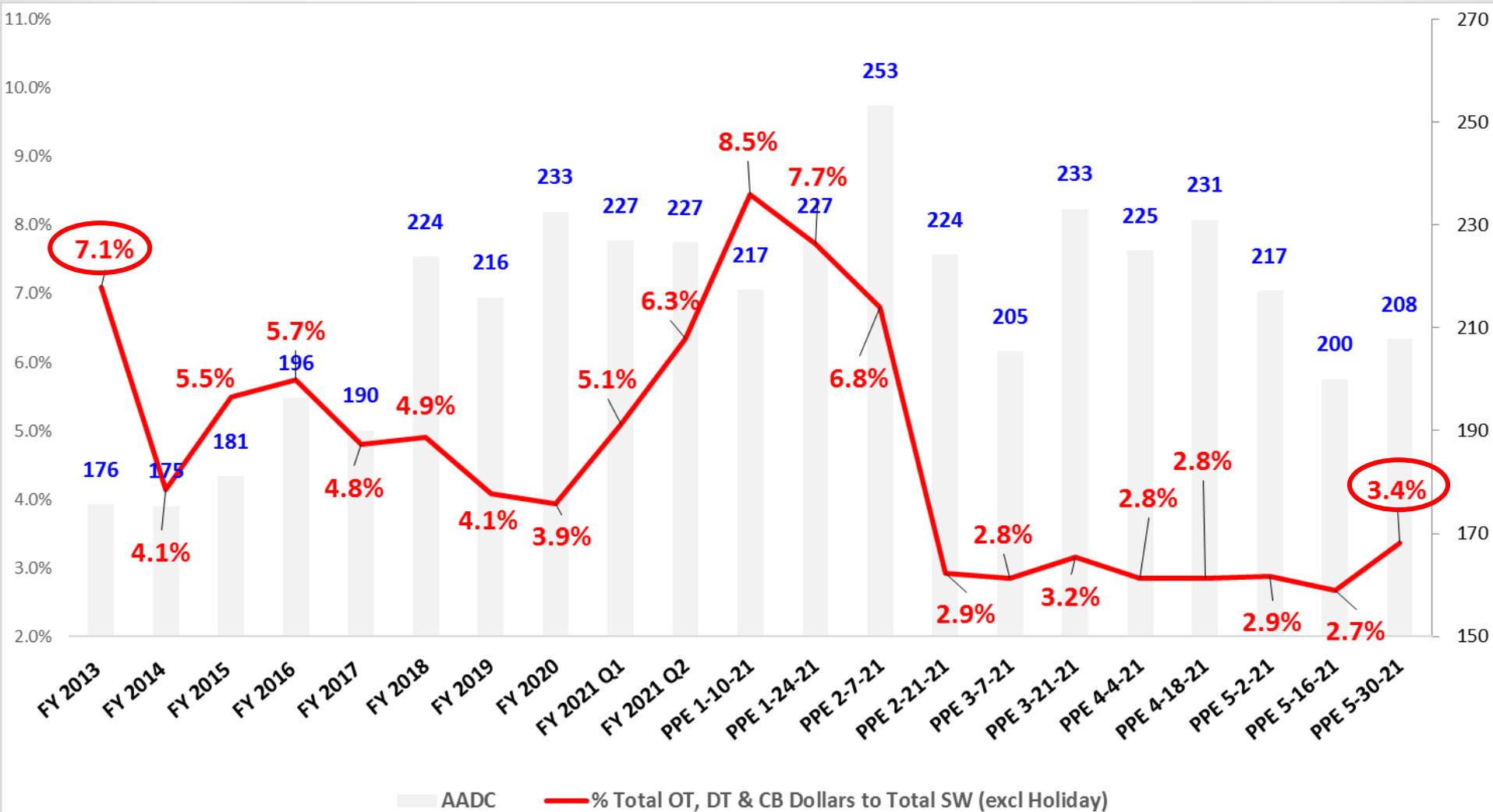
Contract Labor FTE By Pay Period



Nursing contract labor FTE has been reduced significantly since the beginning of March, from a high of 50 FTE to 13 FTE last pay period. Non-RN contract labor has also declined significantly, but has been stable (within an FTE) the last 6 pay periods.

% of Total OT, DT & CB Dollars to Total S&W

Updated Thru PPE 5-30-21



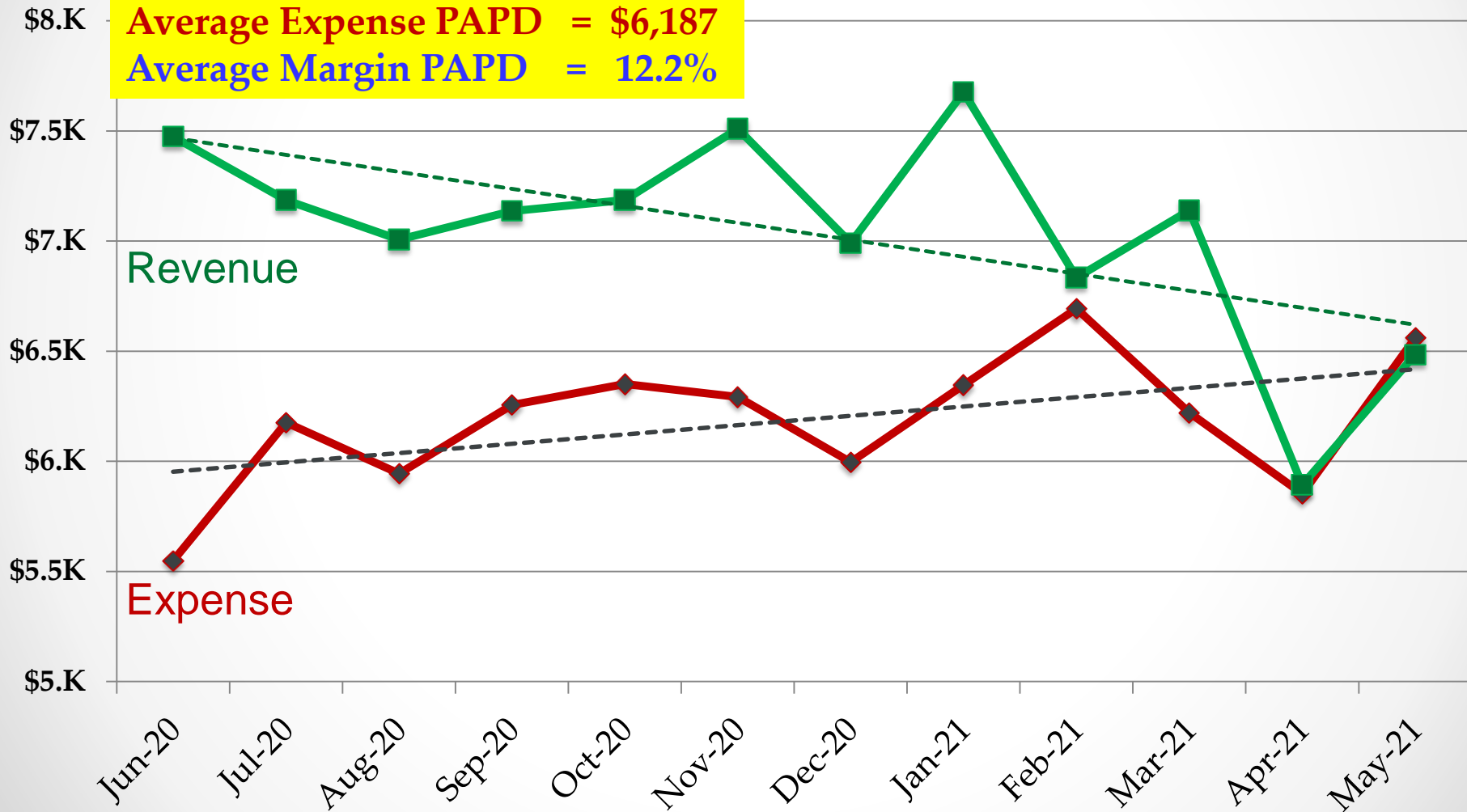
SVMH Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: June 20 to May 21

Average Revenue PAPD = \$7,034

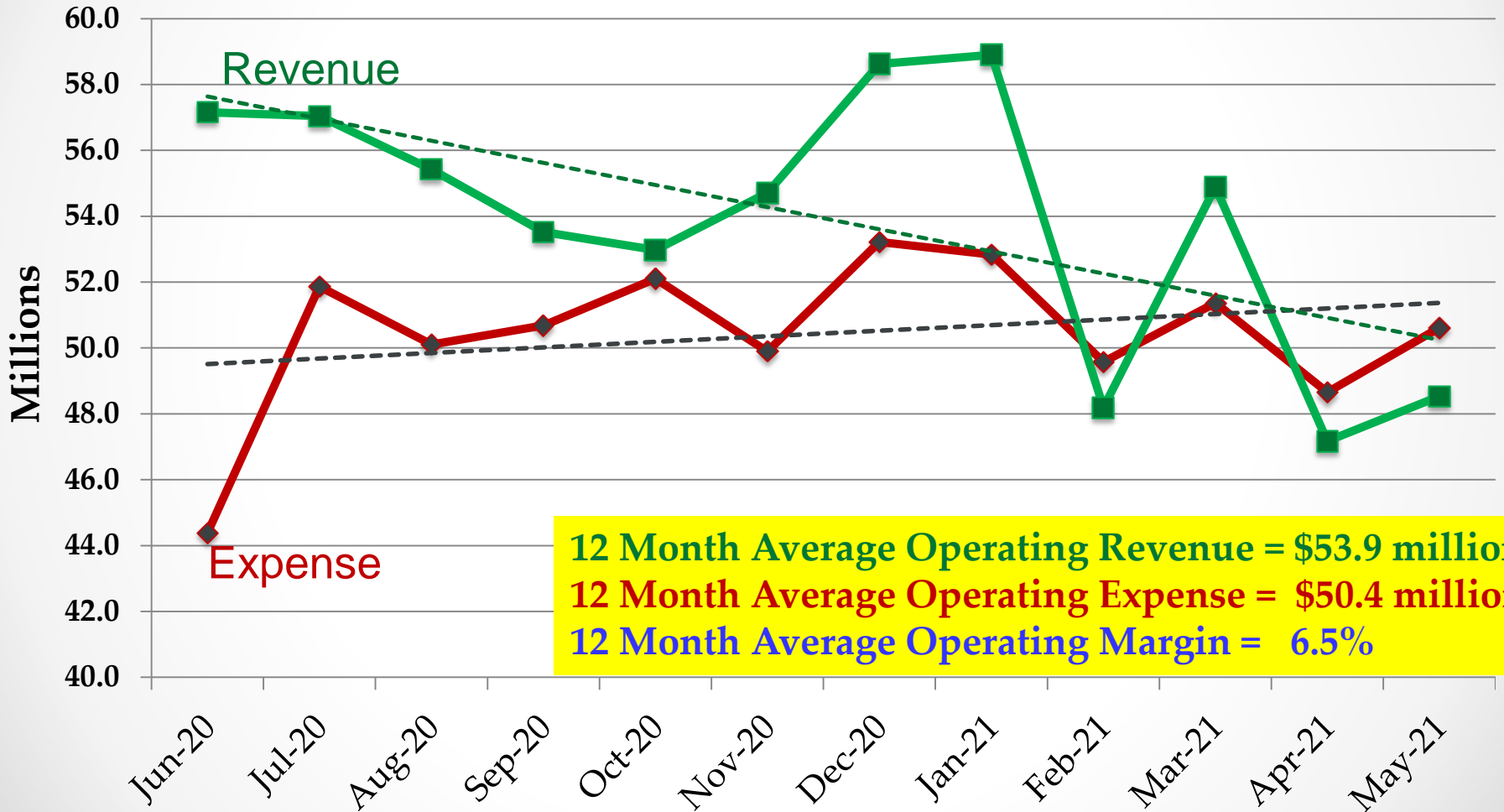
Average Expense PAPD = \$6,187

Average Margin PAPD = 12.2%



SVMHS Operating Revenues & Expenses (Normalized)

Rolling 12 Months: June 20 to May 21



SVMHS Key Financial Indicators

	YTD	SVMHS		S&P A+ Rated		YTD	
Statistic	May-21	Target	+/-	Hospitals	+/-	May-20	+/-
Operating Margin*	4.8%	9.0%		4.0%		11.3%	
Total Margin*	7.4%	10.8%		6.6%		14.0%	
EBITDA Margin**	9.1%	13.4%		13.6%		14.8%	
Days of Cash*	361	305		249		344	
Days of Accounts Payable*	40	45		-		49	
Days of Net Accounts Receivable***	47	45		49		51	
Supply Expense as % NPR	12.9%	15.0%		-		12.2%	
SWB Expense as % NPR	53.8%	53.0%		53.7%		50.6%	
Operating Expense per APD*	6,231	4,992		-		5,479	

*These metrics have been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

***Metric based on 90 days average net revenue (consistent with industry standard)

Days of Cash and Accounts Payable metrics have been adjusted to **exclude** accelerated insurance payments (COVID-19 assistance)

Salinas Valley Memorial Healthcare System

Days Cash on Hand = 361 Days (\$573M)

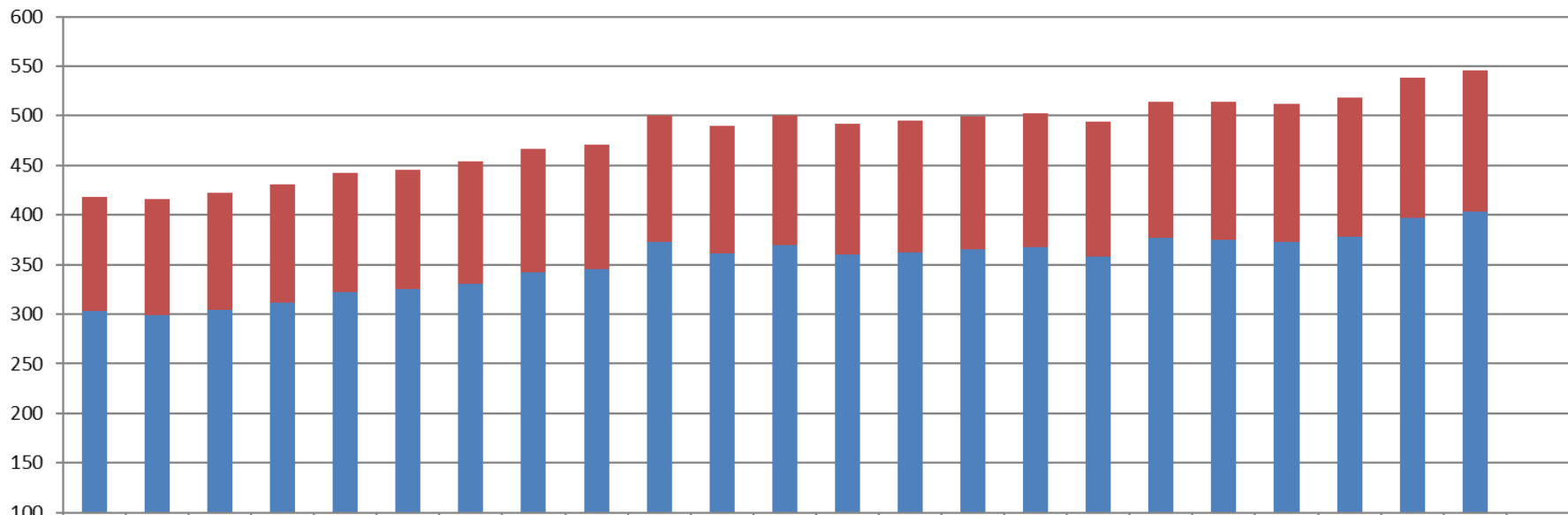
May 2021



SVMH - Cash and Investments

Hospital Cash and Investments

in millions



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Total	418	416	422	431	442	446	454	467	471	500	490	500	492	495	499	502	494	514	514	512	518	538	546	0
■ Restricted	115	117	118	119	120	121	123	125	126	127	129	130	132	133	134	135	136	137	139	139	140	141	143	
■ Operating	303	299	304	312	322	325	331	342	345	373	361	370	360	362	365	367	358	377	375	373	378	397	403	

ASSETS WHOSE USE IS LIMITED

		<u>May-21</u>		<u>YTD</u>
Beginning balance	\$	141,155,312	\$	130,408,693
Investment income or (loss)		358,152		1,104,772
Transfer		1,000,000		11,000,000
Ending balance	\$	142,513,464	\$	142,513,464

ROUTINE CAPITAL EXPENDITURES Through May 2021

Fiscal Month	2020-21 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,825,000	123,919	1,701,081		
August	1,825,000	1,370,100	2,155,981	XRay Room Remodel	131,994
September	1,825,000	306,189	3,674,792	Second Obstetrical Operating Room	15,653
October	1,825,000	1,048,209	4,451,583	Telecom/PBX Relocation Project	14,241
November	1,825,000	1,731,024	4,545,559	Other CIP	33,792
December	1,825,000	2,282,165	4,088,394	Total Improvements	195,680
January	1,825,000	1,234,713	4,678,681		
February	1,825,000	1,254,714	5,248,967	Digital Portable X-RAY Units	235,040
March	1,825,000	1,231,051	5,842,916	Unified Communications Telephone System	139,404
April	1,825,000	1,548,148	6,119,768	Mammography Tracking and Reporting Program	123,642
May	1,825,000	996,196	6,948,572	Other Equipment <\$40K	302,430
June	1,825,000		8,773,572	Total Equipment	800,516
YTD TOTAL	21,900,000	13,126,428	8,773,572	Grand Total	996,196

QUESTIONS / COMMENTS

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
May 31, 2021

	<u>Month of May,</u>		<u>Eleven months ended May 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 44,332,301	\$ 41,674,121	\$ 517,658,816	\$ 517,769,859
Other operating revenue	1,104,823	(8,724,562)	12,943,985	14,011,326
Total operating revenue	<u>45,437,124</u>	<u>32,949,559</u>	<u>530,602,801</u>	<u>531,781,185</u>
Total operating expenses	39,725,128	36,922,922	449,217,478	424,985,899
Total non-operating income	<u>(1,430,650)</u>	<u>5,235,168</u>	<u>(27,713,051)</u>	<u>(7,944,627)</u>
Operating and non-operating income	<u>\$ 4,281,346</u>	<u>\$ 1,261,804</u>	<u>\$ 53,672,271</u>	<u>\$ 98,850,659</u>

SALINAS VALLEY MEMORIAL HOSPITAL
 BALANCE SHEETS
 May 31, 2021

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 407,687,931	\$ 370,271,894
Assets whose use is limited or restricted by board	142,513,464	128,833,506
Capital assets	250,715,278	260,205,350
Other assets	190,417,080	183,493,874
Deferred pension outflows	<u>83,379,890</u>	<u>62,468,517</u>
	<u>\$ 1,074,713,643</u>	<u>\$ 1,005,273,141</u>
LIABILITIES AND EQUITY:		
Current liabilities	134,113,088	147,364,648
Long term liabilities	14,781,049	15,703,672
	126,340,336	108,929,468
Net assets	<u>799,479,170</u>	<u>733,275,353</u>
	<u>\$ 1,074,713,643</u>	<u>\$ 1,005,273,141</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
May 31, 2021**

	<u>Month of May,</u>		<u>Eleven months ended May 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,609	1,344	18,701	19,822
Medi-Cal	928	1,051	11,441	11,807
Commercial insurance	451	723	8,032	8,791
Other patient	129	81	1,350	1,176
Total patient days	<u>3,117</u>	<u>3,199</u>	<u>39,524</u>	<u>41,596</u>
Gross revenue:				
Medicare	\$ 91,719,994	\$ 70,926,041	\$ 929,382,924	\$ 905,995,209
Medi-Cal	50,206,690	48,036,314	583,451,221	571,686,290
Commercial insurance	39,233,897	41,636,244	517,971,104	514,944,910
Other patient	8,947,464	5,905,329	92,363,447	85,549,103
Gross revenue	<u>190,108,045</u>	<u>166,503,928</u>	<u>2,123,168,696</u>	<u>2,078,175,512</u>
Deductions from revenue:				
Administrative adjustment	67,302	447,975	3,371,004	4,048,168
Charity care	1,413,407	899,774	11,614,477	10,070,801
Contractual adjustments:				
Medicare outpatient	28,858,203	22,011,662	275,279,692	271,865,826
Medicare inpatient	39,492,089	28,071,880	412,308,244	416,087,393
Medi-Cal traditional outpatient	2,451,955	1,799,875	23,528,215	30,070,542
Medi-Cal traditional inpatient	3,218,363	4,818,465	73,887,987	68,406,561
Medi-Cal managed care outpatient	19,642,478	16,336,852	203,032,832	212,026,976
Medi-Cal managed care inpatient	14,638,380	18,378,089	201,284,397	184,919,908
Commercial insurance outpatient	16,765,083	14,574,005	175,477,414	158,252,160
Commercial insurance inpatient	14,666,860	14,662,764	176,557,001	158,753,098
Uncollectible accounts expense	3,552,664	3,081,445	39,223,204	36,843,338
Other payors	1,008,960	(252,980)	9,945,413	9,060,883
Deductions from revenue	<u>145,775,744</u>	<u>124,829,808</u>	<u>1,605,509,880</u>	<u>1,560,405,653</u>
Net patient revenue	<u>\$ 44,332,301</u>	<u>\$ 41,674,121</u>	<u>\$ 517,658,816</u>	<u>\$ 517,769,859</u>
Gross billed charges by patient type:				
Inpatient	\$ 97,887,403	\$ 88,198,408	\$ 1,163,658,448	\$ 1,113,548,972
Outpatient	69,092,599	59,576,866	725,166,174	695,484,425
Emergency room	23,128,043	18,728,654	234,344,073	269,142,115
Total	<u>\$ 190,108,045</u>	<u>\$ 166,503,928</u>	<u>\$ 2,123,168,695</u>	<u>\$ 2,078,175,512</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
May 31, 2021**

	<u>Month of May,</u>		<u>Eleven months ended May 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 44,332,301	\$ 41,674,121	\$ 517,658,816	\$ 517,769,859
Other operating revenue	<u>1,104,823</u>	<u>(8,724,562)</u>	<u>12,943,985</u>	<u>14,011,326</u>
Total operating revenue	<u>45,437,124</u>	<u>32,949,559</u>	<u>530,602,801</u>	<u>531,781,185</u>
Operating expenses:				
Salaries and wages	15,375,245	14,723,308	173,074,495	160,617,465
Compensated absences	2,833,948	1,515,216	29,343,454	27,927,859
Employee benefits	6,486,582	6,345,950	79,270,135	78,074,530
Supplies, food, and linen	5,413,565	5,591,199	67,432,689	62,700,977
Purchased department functions	3,149,195	3,033,007	35,662,930	33,797,239
Medical fees	1,793,138	1,824,305	15,056,745	19,165,709
Other fees	1,542,918	1,177,959	16,234,993	11,641,913
Depreciation	1,807,704	1,808,041	19,733,852	18,770,353
All other expense	<u>1,322,833</u>	<u>903,937</u>	<u>13,408,185</u>	<u>12,289,854</u>
Total operating expenses	<u>39,725,128</u>	<u>36,922,922</u>	<u>449,217,478</u>	<u>424,985,899</u>
Income from operations	<u>5,711,996</u>	<u>(3,973,363)</u>	<u>81,385,323</u>	<u>106,795,286</u>
Non-operating income:				
Donations	463,401	11,115,544	2,630,067	12,786,411
Property taxes	333,333	333,333	3,666,667	3,666,667
Investment income	188,206	270,249	3,122,374	5,121,530
Taxes and licenses	0	0	0	(29,074)
Income from subsidiaries	<u>(2,415,590)</u>	<u>(6,483,958)</u>	<u>(37,132,159)</u>	<u>(29,490,161)</u>
Total non-operating income	<u>(1,430,650)</u>	<u>5,235,168</u>	<u>(27,713,051)</u>	<u>(7,944,627)</u>
Operating and non-operating income	4,281,346	1,261,804	53,672,271	98,850,659
Net assets to begin	<u>795,197,824</u>	<u>732,013,549</u>	<u>745,806,899</u>	<u>634,424,694</u>
Net assets to end	<u>\$ 799,479,170</u>	<u>\$ 733,275,353</u>	<u>\$ 799,479,170</u>	<u>\$ 733,275,353</u>
Net income excluding non-recurring items	\$ (786,128)	\$ 1,261,804	\$ 40,823,653	\$ 92,018,853
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>5,067,474</u>	<u>0</u>	<u>12,848,618</u>	<u>6,831,806</u>
Operating and non-operating income	<u>\$ 4,281,346</u>	<u>\$ 1,261,804</u>	<u>\$ 53,672,271</u>	<u>\$ 98,850,659</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
May 31, 2021**

	Month of May,		Eleven months ended May 31,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	\$ 151,703	\$ 82,481	\$ 1,478,158	\$ 1,654,041
Discounts and scrap sale	235,577	123,325	1,006,354	1,499,241
Sale of products and services	12,833	51,921	333,204	186,354
Clinical trial fees	0	0	109,426	0
Stimulus Funds	0	(10,941,377)	0	0
Rental income	227,760	314,755	1,823,445	1,742,722
Other	476,950	1,644,333	8,193,398	8,928,968
	<u>\$ 1,104,823</u>	<u>\$ (8,724,562)</u>	<u>\$ 12,943,985</u>	<u>\$ 14,011,326</u>
Detail of investment income:				
Bank and payor interest	\$ 88,261	\$ 364,115	\$ 1,248,534	\$ 2,800,243
Income from investments	380,256	(93,866)	(1,062,277)	2,314,630
Gain or loss on property and equipment	(280,312)	0	2,936,117	6,657
	<u>\$ 188,206</u>	<u>\$ 270,249</u>	<u>\$ 3,122,374</u>	<u>\$ 5,121,530</u>
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (299,372)	\$ (3,087,817)	\$ (2,090,812)	\$ (2,801,220)
Neurological Clinic	(123,267)	17,345	(918,308)	(695,054)
Palliative Care Clinic	(59,700)	(34,670)	(843,039)	(581,919)
Surgery Clinic	(66,472)	(218,494)	(1,768,971)	(1,273,515)
Infectious Disease Clinic	(28,648)	(7,065)	(298,736)	(269,950)
Endocrinology Clinic	(179,294)	(156,028)	(1,938,106)	(1,589,036)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(250,446)	(439,334)	(5,067,393)	(4,870,331)
OB/GYN Clinic	(402,447)	(531,890)	(3,979,882)	(2,357,874)
PrimeCare Medical Group	(503,044)	(206,902)	(9,154,477)	(6,502,002)
Oncology Clinic	(334,237)	(176,552)	(3,001,243)	(2,449,901)
Cardiac Surgery	(101,179)	(290,123)	(1,739,402)	(1,392,319)
Sleep Center	(37,348)	(89,677)	(616,931)	(820,215)
Rheumatology	(62,666)	(34,570)	(599,871)	(337,830)
Precision Ortho MDs	230,122	(406,698)	(2,597,190)	(3,273,400)
Precision Ortho-MRI	0	(4,069)	(1,492)	(23,831)
Precision Ortho-PT	(50,443)	(14,799)	(541,032)	(113,764)
Dermatology	(24,532)	(80,161)	(328,905)	(80,324)
Hospitalists	0	0	0	0
Behavioral Health	(68,943)	(114,386)	(822,297)	(620,226)
Pediatric Diabetes	(43,579)	50,156	(379,148)	(275,520)
Neurosurgery	(40,841)	(61,463)	(296,459)	(259,389)
Multi-Specialty-RR	(2,677)	(1,464)	42,934	105,702
Radiology	(201,004)	0	(2,195,267)	0
Salinas Family Practice	(144,680)	0	(175,191)	0
Total SVMC	(2,794,697)	(5,888,661)	(39,311,218)	(30,481,918)
Doctors on Duty	626,029	142,973	822,855	86,165
Assisted Living	127	(18,940)	(65,904)	(76,776)
Salinas Valley Imaging	0	(11,554)	(19,974)	24,024
Vantage Surgery Center	41,830	14,468	251,901	148,406
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	118,960	151,310	1,168,436	1,281,801
Aspire/CHI/Coastal	(471,528)	(1,015,584)	(841,073)	(1,133,340)
Apex	38,341	8,103	108,289	54,667
21st Century Oncology	(14,672)	269,876	(64,476)	578,007
Monterey Bay Endoscopy Center	40,020	(135,950)	819,006	28,802
	<u>\$ (2,415,590)</u>	<u>\$ (6,483,958)</u>	<u>\$ (37,132,159)</u>	<u>\$ (29,490,161)</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
May 31, 2021**

	<u>Current year</u>	<u>Prior year</u>
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 320,491,895	\$ 284,757,476
Patient accounts receivable, net of estimated uncollectibles of \$19,248,926	70,903,016	67,250,927
Supplies inventory at cost	8,400,822	7,653,873
Other current assets	<u>7,892,198</u>	<u>10,609,618</u>
Total current assets	<u>407,687,931</u>	<u>370,271,894</u>
Assets whose use is limited or restricted by board	<u>142,513,464</u>	<u>128,833,506</u>
Capital assets:		
Land and construction in process	41,509,839	53,788,313
Other capital assets, net of depreciation	<u>209,205,439</u>	<u>206,417,037</u>
Total capital assets	<u>250,715,278</u>	<u>260,205,350</u>
Other assets:		
Investment in Securities	146,199,799	145,737,152
Investment in SVMC	11,087,780	9,882,620
Investment in Aspire/CHI/Coastal	3,831,217	3,750,490
Investment in other affiliates	24,066,061	21,554,709
Net pension asset	<u>5,232,223</u>	<u>2,568,903</u>
Total other assets	<u>190,417,080</u>	<u>183,493,874</u>
Deferred pension outflows	<u>83,379,890</u>	<u>62,468,517</u>
	<u>\$ 1,074,713,643</u>	<u>\$ 1,005,273,141</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 50,851,692	\$ 51,197,537
Due to third party payers	66,113,607	79,240,295
Current portion of self-insurance liability	<u>17,147,789</u>	<u>16,926,816</u>
Total current liabilities	134,113,088	147,364,648
Long term portion of workers comp liability	<u>14,781,049</u>	<u>15,703,672</u>
Total liabilities	<u>148,894,137</u>	<u>163,068,320</u>
Pension liability	<u>126,340,336</u>	<u>108,929,468</u>
Net assets:		
Invested in capital assets, net of related debt	250,715,278	260,205,350
Unrestricted	<u>548,763,892</u>	<u>473,070,003</u>
Total net assets	<u>799,479,170</u>	<u>733,275,353</u>
	<u>\$ 1,074,713,643</u>	<u>\$ 1,005,273,141</u>

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
May 31, 2021

	Month of May,				Eleven months ended May 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 190,108,045	\$ 193,742,338	(3,634,293)	-1.88%	\$ 2,123,168,696	\$ 1,907,746,904	215,421,792	11.29%
Deductions from revenue	145,775,744	147,884,907	(2,109,163)	-1.43%	1,605,509,880	1,450,170,758	155,339,122	10.71%
Net patient revenue	44,332,301	45,857,431	(1,525,130)	-3.33%	517,658,816	457,576,146	60,082,670	13.13%
Other operating revenue	1,104,823	919,590	185,233	20.14%	12,943,985	10,115,485	2,828,500	27.96%
Total operating revenue	45,437,124	46,777,021	(1,339,897)	-2.86%	530,602,801	467,691,631	62,911,170	13.45%
Operating expenses:								
Salaries and wages	15,375,245	15,415,069	(39,824)	-0.26%	173,074,495	157,664,428	15,410,067	9.77%
Compensated absences	2,833,948	2,559,992	273,956	10.70%	29,343,454	29,139,638	203,816	0.70%
Employee benefits	6,486,582	8,156,118	(1,669,536)	-20.47%	79,270,135	82,071,467	(2,801,332)	-3.41%
Supplies, food, and linen	5,413,565	5,493,292	(79,727)	-1.45%	67,432,689	56,567,631	10,865,058	19.21%
Purchased department functions	3,149,195	3,119,552	29,643	0.95%	35,662,930	34,213,228	1,449,702	4.24%
Medical fees	1,793,138	1,678,265	114,873	6.84%	15,056,745	18,628,394	(3,571,649)	-19.17%
Other fees	1,542,918	835,523	707,395	84.66%	16,234,993	9,277,646	6,957,347	74.99%
Depreciation	1,807,704	1,789,255	18,449	1.03%	19,733,852	19,681,809	52,043	0.26%
All other expense	1,322,833	1,417,763	(94,930)	-6.70%	13,408,185	15,439,615	(2,031,430)	-13.16%
Total operating expenses	39,725,128	40,464,829	(739,701)	-1.83%	449,217,478	422,683,854	26,533,624	6.28%
Income from operations	5,711,996	6,312,192	(600,196)	-9.51%	81,385,323	45,007,777	36,377,546	80.83%
Non-operating income:								
Donations	463,401	166,667	296,734	178.04%	2,630,067	1,833,333	796,734	43.46%
Property taxes	333,333	333,333	(0)	0.00%	3,666,667	3,666,667	0	0.00%
Investment income	188,206	160,094	28,112	17.56%	3,122,374	1,761,029	1,361,345	77.30%
Income from subsidiaries	(2,415,590)	(3,649,869)	1,234,279	-33.82%	(37,132,159)	(42,194,504)	5,062,345	-12.00%
Total non-operating income	(1,430,650)	(2,989,776)	1,559,125	-52.15%	(27,713,051)	(34,933,475)	7,220,424	-20.67%
Operating and non-operating income \$	4,281,346	\$ 3,322,416	958,930	28.86%	\$ 53,672,272	\$ 10,074,301	43,597,970	432.76%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	Month of May		Eleven months to date		Variance
	2020	2021	2019-20	2020-21	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	46	42	501	470	(31)
Other Admissions	107	91	1,198	1,036	(162)
Total Admissions	153	133	1,699	1,506	(193)
Medi-Cal Patient Days	83	66	811	719	(92)
Other Patient Days	169	149	2,013	1,681	(332)
Total Patient Days of Care	252	215	2,824	2,400	(424)
Average Daily Census	8.1	6.9	8.4	7.2	(1.3)
Medi-Cal Average Days	1.7	1.7	1.7	1.6	(0.1)
Other Average Days	0.7	1.6	1.7	1.6	(0.1)
Total Average Days Stay	1.6	1.6	1.7	1.6	(0.1)
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	267	330	4,046	3,510	(536)
Medi-Cal Admissions	242	225	2,706	2,565	(141)
Other Admissions	402	251	3,491	3,029	(462)
Total Admissions	911	806	10,243	9,104	(1,139)
Medicare Patient Days	1,144	1,363	17,688	1,344	(16,344)
Medi-Cal Patient Days	1,058	966	11,895	1,048	(10,847)
Other Patient Days	873	789	10,640	37,110	26,470
Total Patient Days of Care	3,075	3,118	40,223	39,502	(721)
Average Daily Census	99.2	100.6	120.1	117.9	(2.2)
Medicare Average Length of Stay	4.2	4.0	4.3	0.4	(4.0)
Medi-Cal Average Length of Stay	4.0	3.4	3.7	0.3	(3.4)
Other Average Length of Stay	2.2	2.5	2.3	9.2	7.0
Total Average Length of Stay	3.3	3.3	3.4	3.7	0.3
Deaths	21	31	279	413	134
Total Patient Days	3,327	3,333	43,047	41,902	(1,145)
Medi-Cal Administrative Days	3	11	70	176	106
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	3	11	70	176	106
Percent Non-Acute	0.09%	0.33%	0.16%	0.42%	0.26%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2019-20</u>	<u>2020-21</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	213	234	3,061	2,890	(171)
Heart Center	371	343	3,896	3,747	(149)
Monitored Beds	695	313	9,457	8,408	(1,049)
Single Room Maternity/Obstetrics	367	378	4,433	3,819	(614)
Med/Surg - Cardiovascular	494	728	7,796	8,096	300
Med/Surg - Oncology	242	221	2,788	1,937	(851)
Med/Surg - Rehab	356	379	4,397	4,678	281
Pediatrics	73	80	1,116	1,037	(79)
Nursery	252	215	2,824	2,400	(424)
Neonatal Intensive Care	125	89	1,361	1,404	43
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	52.85%	58.06%	70.08%	66.16%	
Heart Center	79.78%	73.76%	77.30%	74.35%	
Monitored Beds	83.03%	37.40%	104.24%	92.68%	
Single Room Maternity/Obstetrics	32.00%	32.96%	35.66%	30.72%	
Med/Surg - Cardiovascular	35.41%	52.19%	51.56%	53.54%	
Med/Surg - Oncology	60.05%	54.84%	63.83%	44.35%	
Med/Surg - Rehab	44.17%	47.02%	50.33%	53.55%	
Med/Surg - Observation Care Unit	0.00%	66.98%	0.00%	61.03%	
Pediatrics	13.08%	14.34%	18.45%	17.15%	
Nursery	49.27%	42.03%	25.47%	21.65%	
Neonatal Intensive Care	36.66%	26.10%	36.82%	37.99%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	<u>Month of May</u>		<u>Eleven months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2019-20</u>	<u>2020-21</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	149	112	1,668	1,469	(199)
C-Section deliveries	45	34	526	465	(61)
Percent of C-section deliveries	30.20%	30.36%	31.53%	31.65%	0.12%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	16,421	21,449	233,939	221,059	(12,880)
Out-Patient Operating Minutes	21,807	28,354	276,781	255,264	(21,517)
Total	38,228	49,803	510,720	476,323	(34,397)
Open Heart Surgeries	5	16	121	131	10
In-Patient Cases	127	146	1,761	1,568	(193)
Out-Patient Cases	235	288	2,913	2,710	(203)
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	24	31	323	354	31
High Risk	420	422	6,510	5,403	(1,107)
More Than One Resource	1,969	2,415	27,750	23,737	(4,013)
One Resource	1,157	1,184	16,370	13,236	(3,134)
No Resources	40	56	516	417	(99)
Total	<u>3,610</u>	<u>4,108</u>	<u>51,469</u>	<u>43,147</u>	<u>(8,322)</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	Month of May		Eleven months to date		Variance
	2020	2021	2019-20	2020-21	
CENTRAL SUPPLY					
In-patient requisitions	12,099	14,957	160,383	163,774	3,391
Out-patient requisitions	9,085	9,870	111,186	106,698	-4,488
Emergency room requisitions	1,582	1,711	29,910	17,100	-12,810
Interdepartmental requisitions	5,744	5,671	75,730	73,908	-1,822
Total requisitions	<u>28,510</u>	<u>32,209</u>	<u>377,209</u>	<u>361,480</u>	<u>-15,729</u>
LABORATORY					
In-patient procedures	28,671	31,904	371,297	387,247	15,950
Out-patient procedures	8,260	12,257	108,899	122,663	13,764
Emergency room procedures	7,198	9,334	104,206	96,588	-7,618
Total patient procedures	<u>44,129</u>	<u>53,495</u>	<u>584,402</u>	<u>606,498</u>	<u>22,096</u>
BLOOD BANK					
Units processed	<u>264</u>	<u>249</u>	<u>3,102</u>	<u>3,107</u>	<u>5</u>
ELECTROCARDIOLOGY					
In-patient procedures	816	963	11,080	10,265	-815
Out-patient procedures	308	486	4,818	4,457	-361
Emergency room procedures	685	914	9,839	9,682	-157
Total procedures	<u>1,809</u>	<u>2,363</u>	<u>25,737</u>	<u>24,404</u>	<u>-1,333</u>
CATH LAB					
In-patient procedures	81	85	917	850	-67
Out-patient procedures	63	100	901	946	45
Emergency room procedures	0	0	0	1	1
Total procedures	<u>144</u>	<u>185</u>	<u>1,818</u>	<u>1,797</u>	<u>-21</u>
ECHO-CARDIOLOGY					
In-patient studies	288	308	3,284	3,270	-14
Out-patient studies	121	167	1,998	2,003	5
Emergency room studies	1	0	15	18	3
Total studies	<u>410</u>	<u>475</u>	<u>5,297</u>	<u>5,291</u>	<u>-6</u>
NEURODIAGNOSTIC					
In-patient procedures	170	154	1,902	1,712	-190
Out-patient procedures	19	30	234	270	36
Emergency room procedures	0	0	1	0	-1
Total procedures	<u>189</u>	<u>184</u>	<u>2,137</u>	<u>1,982</u>	<u>-155</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	Month of May		Eleven months to date		Variance
	2020	2021	2019-20	2020-21	
SLEEP CENTER					
In-patient procedures	0	1	0	2	2
Out-patient procedures	82	166	1,969	2,058	89
Emergency room procedures	0	0	0	0	0
Total procedures	<u>82</u>	<u>167</u>	<u>1,969</u>	<u>2,060</u>	<u>91</u>
RADIOLOGY					
In-patient procedures	1,069	1,097	14,330	14,457	127
Out-patient procedures	629	413	4,957	6,070	1,113
Emergency room procedures	900	1,059	14,733	11,926	-2,807
Total patient procedures	<u>2,598</u>	<u>2,569</u>	<u>34,020</u>	<u>32,453</u>	<u>-1,567</u>
MAGNETIC RESONANCE IMAGING					
In-patient procedures	117	98	1,440	1,347	-93
Out-patient procedures	109	111	924	1,491	567
Emergency room procedures	4	2	105	105	0
Total procedures	<u>230</u>	<u>211</u>	<u>2,469</u>	<u>2,943</u>	<u>474</u>
MAMMOGRAPHY CENTER					
In-patient procedures	2,303	3,535	35,371	33,889	-1,482
Out-patient procedures	2,295	3,501	35,245	33,669	-1,576
Emergency room procedures	0	0	7	3	-4
Total procedures	<u>4,598</u>	<u>7,036</u>	<u>70,623</u>	<u>67,561</u>	<u>-3,062</u>
NUCLEAR MEDICINE					
In-patient procedures	16	10	195	140	-55
Out-patient procedures	57	66	877	804	-73
Emergency room procedures	0	1	6	8	2
Total procedures	<u>73</u>	<u>77</u>	<u>1,078</u>	<u>952</u>	<u>-126</u>
PHARMACY					
In-patient prescriptions	71,238	76,569	951,891	954,852	2,961
Out-patient prescriptions	13,824	15,440	173,406	160,134	-13,272
Emergency room prescriptions	4,589	6,146	78,398	58,992	-19,406
Total prescriptions	<u>89,651</u>	<u>98,155</u>	<u>1,203,695</u>	<u>1,173,978</u>	<u>-29,717</u>
RESPIRATORY THERAPY					
In-patient treatments	14,834	13,376	173,668	214,866	41,198
Out-patient treatments	198	385	5,413	5,006	-407
Emergency room treatments	80	150	4,016	1,839	-2,177
Total patient treatments	<u>15,112</u>	<u>13,911</u>	<u>183,097</u>	<u>221,711</u>	<u>38,614</u>
PHYSICAL THERAPY					
In-patient treatments	2,278	2,337	26,531	25,550	-981
Out-patient treatments	146	344	2,706	2,935	229
Emergency room treatments	0	4	0	4	4
Total treatments	<u>2,424</u>	<u>2,685</u>	<u>29,237</u>	<u>28,489</u>	<u>-748</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of May and eleven months to date

	Month of May		Eleven months to date		Variance
	2020	2021	2019-20	2020-21	
OCCUPATIONAL THERAPY					
In-patient procedures	1,360	1,510	15,898	15,791	-107
Out-patient procedures	77	202	1,316	1,475	159
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,437</u>	<u>1,712</u>	<u>17,214</u>	<u>17,266</u>	<u>52</u>
SPEECH THERAPY					
In-patient treatments	416	376	4,155	4,329	174
Out-patient treatments	24	35	265	314	49
Emergency room treatments	0	0	2	0	-2
Total treatments	<u>440</u>	<u>411</u>	<u>4,422</u>	<u>4,643</u>	<u>221</u>
CARDIAC REHABILITATION					
In-patient treatments	0	2	1	2	1
Out-patient treatments	391	519	4,982	4,760	-222
Emergency room treatments	0	0	0	1	1
Total treatments	<u>391</u>	<u>521</u>	<u>4,983</u>	<u>4,763</u>	<u>-220</u>
CRITICAL DECISION UNIT					
Observation hours	<u>263</u>	<u>347</u>	<u>3,283</u>	<u>3,165</u>	<u>-118</u>
ENDOSCOPY					
In-patient procedures	93	86	992	1,034	42
Out-patient procedures	50	49	415	291	-124
Emergency room procedures	0	0	0	0	0
Total procedures	<u>143</u>	<u>135</u>	<u>1,407</u>	<u>1,325</u>	<u>-82</u>
C.T. SCAN					
In-patient procedures	491	549	6,726	6,086	-640
Out-patient procedures	421	449	3,111	5,309	2,198
Emergency room procedures	404	530	6,137	5,176	-961
Total procedures	<u>1,316</u>	<u>1,528</u>	<u>15,974</u>	<u>16,571</u>	<u>597</u>
DIETARY					
Routine patient diets	14,733	16,941	207,442	181,070	-26,372
Meals to personnel	22,182	18,002	266,052	220,353	-45,699
Total diets and meals	<u>36,915</u>	<u>34,943</u>	<u>473,494</u>	<u>401,423</u>	<u>-72,071</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>91,085</u>	<u>95,167</u>	<u>1,324,269</u>	<u>1,089,406</u>	<u>-234,863</u>

PUBLIC INPUT

CLOSED SESSION

*(Report on Item to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

Finance Committee Board Paper

Agenda Item: **Consider Recommendation for Board Approval of the Terms and Conditions of Agreement for Pathology Services with Salinas Pathology Services Medical Group, Inc.**

Executive Sponsors: Allen Radner, MD
Chief Medical Officer, Salinas Valley Memorial Healthcare System (SVMHS)
Chief Executive Officer, Salinas Valley Medical Clinic (SVMC)
Clint Hoffman
Chief Administrative Officer, Physician Integration & Business Development
Salinas Valley Memorial Healthcare System (SVMHS)
Chief Operating Officer, Salinas Valley Medical Clinic (SVMC)

Date: June 17, 2021

Executive Summary

Salinas Valley Memorial Healthcare System (“SVMHS”) entered into an exclusive five year Pathology Service Agreement (“Pathology Agreement”) with Salinas Pathology Services Medical Group Inc. (“Group”), on August 28, 2008. The Pathology Agreement has automatically renewed for successive one year terms following the expiration of the initial five year term. The current term is set to expire on August 27, 2021. In addition to the Pathology Agreement, SVMHS and the Group entered into a separate Emergency On-Call Agreement (“Emergency Agreement”) effective July 1, 2014, for an initial period of two years. The Emergency Agreement has automatically renewed for successive one year terms following the expiration of the initial term, and is set to expire June 30, 2022. The new Agreement will supersede these agreements with an effective date of July 1, 2021.

The Group currently provides professional pathology services and medical direction at Salinas Valley Memorial Hospital (“SVMH”), 24 hours per day, 7 days per week. This is a renewal of the existing agreements between SVMHS and the Group to provide exclusive coverage of pathology services to patients at SVMH, and to serve on SVMH’s pathology on-call coverage panel. The terms and conditions of the agreement include the following:

- Group will maintain a professional staff of physicians sufficient to provide professional pathology services and coverage, including anatomical pathology services, clinical laboratory services, blood bank services, administrative services, and on-call coverage services
- Group shall be physically present and provide both anatomical and clinical pathology/laboratory services during normal business hours, Monday through Friday, from 8am to 5pm
- Group will make available, 24 hours per day and 365 days per year, at least one Group pathologist to provide on-call coverage and necessary services to in-patients and emergency department patients of the hospital

Administrative Services:

- Participate on medical staff committees
- Designate a Group Pathologist to serve as the medical director of Pathology Services
- Conduct and participate in quality assurance programs and studies
- Maintain an effective communication process to interface with medical staff
- Prepare an annual report for the Medical Executive Committee
- Maintain a policy and procedure manual for the Department
- Maintain an in-service education program for all Department personnel
- Ensure that all tests ordered for pathology services are reasonable and necessary

Reference Lab Activities

- Group may act as a reference lab when requested to perform cytology, surgical pathology, and autopsy pathology services
- Group shall use the hospital laboratory for the technical component of these services
- Group shall compensate hospital commercially reasonable and fair market value rates for the services provided

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

The Agreement with the Group is aligned with our strategic priorities for service, quality, finance, and growth pillars. SVMHS is contracting with the Group to secure the appropriate level and range of pathology services needed to support patients and promote cost efficiency in the operation and delivery of these services. This agreement ensures we have a high quality group accountable for providing consistent coverage critical to our hospital operations.

Pillar/Goal Alignment

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Compensation to the Group under this agreement will not exceed an annual total of four hundred ninety five thousand dollars (\$495,000). The total annual compensation is represented by the following categories:

- Total annual compensation to group - \$435,000
- Maximum recruitment incentive - \$30,000 each, for up to two (2) physicians and structured as a two (2) year forgivable loan

An evaluation of compensation provided under this agreement was determined by reviewing the time allocated for clinical coverage, time allocated for medical direction, and hours for medical administrative services. The compensation and rates for services provided to group that is proposed in the agreement has been reviewed by an independent valuation and compensation consulting firm to confirm that the terms contemplated are both commercially reasonable and fair market value.

The estimated costs to SVMHS will not exceed \$495,000 annually and \$930,000 for the two year term.

Recommendation

SVMHS Administration requests the recommendation for Board Approval of the contract terms and conditions listed above for the Agreement for Pathology Services with Salinas Pathology Services Medical Group, Inc.

Attachments

None

*ADJOURNMENT – THE JULY 2021
FINANCE COMMITTEE MEETING
IS SCHEDULED FOR MONDAY,
JULY 19, 2021, AT 12:00 P.M.*