



**AGENDA**

**REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, January 3, 2023 – 4:00 PM**

**Modular C Classroom**

**600 N. Highland Springs Avenue, Banning, CA 92220**

**In compliance with the Americans with Disabilities Act**, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2160. **Notification 48 hours prior to the meeting** will enable the Hospital to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

I. Call to Order

S. DiBiasi, Chair

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Hospital Board of Directors on any matter under the subject jurisdiction of the Board. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Board Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the Hospital Board of Directors, we want you to know that the Board acknowledges the comments or concerns that you direct to this Board. While the Board may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the Hospital CEO, or other Hospital Executive personnel, to do further research and report back to the Board prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board’s part; a response will be forthcoming.

**GENERAL TOPIC**

III. Streamline Presentation

M. Wallace verbal

**OLD BUSINESS**

IV. **\*Proposed Action - Approve Minutes**

S. DiBiasi

- December 6, 2022, Regular Meeting

A

**NEW BUSINESS**

San Gorgonio Memorial Hospital  
 Board of Directors Regular Meeting  
 January 3, 2023

- |       |   |                               |        |
|-------|---|-------------------------------|--------|
| V.    | Hospital Board Chair Monthly Report   | S. DiBiasi                    | verbal |
| VI.   | CEO Monthly Report  | S. Barron                     | verbal |
| VII.  | January, February, & March Board/Committee Meeting Calendars  | S. DiBiasi                    | B      |
| VIII. | Foundation Monthly Report   | V. Hunter                     | C      |
| IX.   | <b>Reminder – All Hospital Board Members Annual Execution of Confidentiality and Nondisclosure Agreement</b>  | S. DiBiasi                    | D      |
| X.    | Patient Care Services bi-monthly report   | P. Brown                      | E      |
| XI.   | <b>* Proposed Action – Annual Approval of Hospital Bylaws</b><br>(per bylaws Section 4.05, (i))<br>▪ <b>ROLL CALL</b>   | S. DiBiasi                    | F      |
| XII.  | <b>Hospital Board Chair – Appoint 2023 Committee Members</b><br>(Copy of 2022 Committee Members included as informational)  | S. DiBiasi                    | G      |
| XIII. | <b>2023 Slate of Officers</b><br>(2022 Slate of Officers included in packet for reference)<br><br>• <b>* Proposed Action – Nominate/Approve 2023 Hospital Board Chair</b><br>▪ <b>ROLL CALL</b><br><br>• <b>* Proposed Action – Nominate/Approve 2023 Hospital Board Vice Chair</b><br>▪ <b>ROLL CALL</b><br><br>• <b>* Proposed Action – Nominate/Approve 2023 Hospital Board Secretary</b><br>▪ <b>ROLL CALL</b><br><br>• <b>* Proposed Action – Nominate/Approve 2023 Hospital Board Treasurer</b><br>▪ <b>ROLL CALL</b> | S. DiBiasi                    | H      |
| XIV.  | <b>* Proposed Action – Approve 2023 Environment of Care Plans</b><br>▪ <b>ROLL CALL</b>   | S. Sanchez                    | I      |
| XV.   | Committee Reports:<br><br>• Finance Committee<br>○ December 27, 2022, regular meeting minutes<br>• <b>* Proposed Action – Approve November 2022 Financial Statement (Unaudited)</b><br>(Approval recommended by Finance Committee 12/27/2022)<br>▪ <b>ROLL CALL</b>   | S. DiBiasi/<br>D. Heckathorne | J      |

- |        |   |                                 |   |
|--------|---|---------------------------------|---|
|        | <p><b>* Proposed Action – Recommend approval to the Healthcare District Board</b></p> <ul style="list-style-type: none"><li>▪ <b>Resolution No. 2023-01</b><br/>(A RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LINE OF CREDIT WITH FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK, AND APPROVING CERTAIN OTHER ACTIONS)</li><li>▪ <b>ROLL CALL</b></li></ul> | D. Heckathorne                  | K |
|        | <p><b>* Proposed Action – Recommend approval to the Healthcare District Board</b></p> <ul style="list-style-type: none"><li>• <b>The replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping.</b></li><li>▪ <b>ROLL CALL</b></li></ul>   | D. Heckathorne                  | L |
|        | <p><b>* Proposed Action – Recommend approval to the Healthcare District Board</b></p> <ul style="list-style-type: none"><li>• <b>Renewal of the 3M Software Coding Agreement</b></li><li>▪ <b>ROLL CALL</b></li></ul>   | D. Heckathorne                  | M |
| XVI.   | Chief of Staff Report<br><b>* Proposed Action - Approve Recommendations of the Medical Executive Committee</b> <ul style="list-style-type: none"><li>▪ <b>ROLL CALL</b></li></ul>   | S. Khalil, MD<br>Chief of Staff | N |
| XVII.  | <b>* Proposed Action - Approve Policies and Procedures</b> <ul style="list-style-type: none"><li>• <b>ROLL CALL</b></li></ul>   | Staff                           | O |
| XVIII. | Community Benefit events/Announcements/<br>and newspaper articles   | S. DiBiasi                      | P |
| XIX.   | Future Agenda Items   |                                 |   |
|        | <b>*** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION</b>  | S. DiBiasi                      |   |
|        | ➤ Proposed Action - Recommend approval to Healthcare District Board - Medical Staff Credentialing<br>( <i>Health &amp; Safety Code §32155; and Evidence Code §1157</i> )  |                                 |   |
|        | ➤ Receive Quarterly Environment of Care/Life Safety/Utility Management report<br>( <i>Health &amp; Safety Code §32155</i> )   |                                 |   |
|        | ➤ Receive 2022 Environment of Care Plan Evaluations<br>( <i>Health &amp; Safety Code §32155</i> )   |                                 |   |
| XX.    | <b>ADJOURN TO CLOSED SESSION</b>  |                                 |   |

San Gorgonio Memorial Hospital  
Board of Directors Regular Meeting  
January 3, 2023

**\* The Board will convene to the Open Session portion of the meeting approximately 2 minutes after the conclusion of Closed Session.**

**RECONVENE TO OPEN SESSION**

**\*\*\* REPORT ON ACTIONS TAKEN DURING CLOSED SESSION** S. DiBiasi

XXI. **ADJOURN** S. DiBiasi

**\*Action Required**

In accordance with The Brown Act, *Section 54957.5*, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

I certify that on December 30, 2022, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Hospital, and on the San Gorgonio Memorial Hospital website, said time being at least 72 hours in advance of the regular meeting of the Board of Directors  
(*Government Code Section 54954.2*).

Executed at Banning, California, on December 30, 2022



Ariel Whitley, Executive Assistant

**TAB A**

REGULAR MEETING OF THE  
SAN GORGONIO MEMORIAL HOSPITAL  
BOARD OF DIRECTORS

December 6, 2022

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, December 6, 2022, in Modular C meeting room, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Ron Rader, Steve Rutledge (Vice Chair), Randal Stevens, Lanny Swerdlow, Dennis Tankersley, Siri Welch

Members Absent: Shannon McDougall, Darrell Petersen

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Sherif Khalil, MD (Chief of Staff), Annah Karam (CHRO), Ali Webb (Administrative Assistant), Angie Brady (ED Director), David Imus (Wipfli), Legal Counsel, John Peleuses (Project Manager)

AGENDA ITEM		ACTION / FOLLOW-UP
<b>Call To Order</b>	Chair, Susan DiBiasi, called the meeting to order at 4:04 pm.	
<b>Public Comment</b>	Ehren Ngo expressed his thanks to leadership and the Board of Directors. He stated what a pleasure it was to serve on the board.	
<b>OLD BUSINESS</b>		
<b>Proposed Action - Approve Minutes November 1, 2022, regular meeting</b>	Chair, Susan DiBiasi, asked for any changes or corrections to the minutes of the November 1, 2022, regular meeting.	<b>The minutes of the November 1, 2022, regular meeting will stand correct as presented.</b>
<b>NEW BUSINESS</b>		
<b>Hospital Board Chair Monthly Report</b>	In January 2023, the Exec. Team for the Hospital Board will be announced. Salary increases are currently being refined. Salaries must be published per position in January 2023.	
<b>CEO Monthly Report</b>	Steve Barron, CEO, reported that there was an influx in influenza and RSV. There are bed shortages and staffing shortages nationally. Flu season will go through March. E-mails will be sent to all associates on December 7, 2022, explaining the retention bonus they will be receiving. It will be \$1,000.00 for full-time associates that worked between 100hrs – 399hrs and \$750.00 for part-time employees that have worked 400hrs and beyond between July 30 – October 28 and still employed as of November 28.	

AGENDA ITEM		ACTION / FOLLOW-UP																				
<b>December, January, &amp; February Board/Committee meeting calendars</b>	Calendars for December, January, & February were included on the board tablets.																					
<b>Foundation Monthly Report</b>	Foundation Director, Valerie Hunter, gave the Foundation Monthly Report as included on the board tablets. Valerie expressed that she is currently working on the golf tournament that will take place in October of 2023.																					
<b>Proposed Action – Approve Mission/Vision/ Values Statement</b>	<p>Steve Barron noted that the current Mission, Vision, and Values Statement is reviewed and re-approved annually by the Hospital Board. It was included on board tablets last month for review.</p> <p>There were no suggested changes.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 888 1250 1062"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<b>M.S.C., (Stevens/Rader), the SGMH Board of Directors approved the Mission/Vision/Values Statement as presented.</b>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<b>For Review – Hospital Bylaws</b>	Chair DiBiasi noted that the Hospital Bylaws are slated for their annual approval at the January 2023 meeting. Any suggested changes and/or additions should be directed to staff.																					
<b>Proposed Action – Approve Amended 2023 Meeting Dates</b>	<p>Chair DiBiasi reported that included on the board tablets is a list of amended suggested meeting dates for 2023.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1392 1250 1566"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<b>M.S.C. (Rutledge/Tankersley), the SGMH Board of Directors approved the 2023 Meeting Dates as presented.</b>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<b>Proposed Action – Appoint Ad Hoc Nomination Committee</b>	Item dismissed.																					
<b>COMMITTEE REPORTS:</b>																						

AGENDA ITEM		ACTION / FOLLOW-UP																				
<p><b>Finance Committee</b></p> <p><b>Proposed Action – Recommend Approval of the November 2022 Financial Statement (Unaudited).</b></p>	<p>Dan Heckathorne, CFO, reviewed the Executive Summary of the November 2022 Financial report which was included on the board tablet. A copy of the Finance Committee’s November 29, 2022, meeting minutes were also included on the board tablet. It was noted that the Finance Committee recommends approval of November 2022 Financial report as presented.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 573 1252 747"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C., (Rader/Stevens), the SGMH Board of Directors approved the November 2022 Financial Statement as presented.</b></p>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<p><b>Proposed Action – Recommend Approval to Healthcare District Board of District Hospital Leadership Forum (DHLF) Annual Dues Renewal</b></p>	<p>San Gorgonio Memorial Healthcare District &amp; Hospital have been members of the DHFL for many years. The DHFL is the group which formally oversees the overall guidance and planning for all matters related to Supplemental Funding on behalf of California Healthcare Districts. DHFL also coordinates their efforts with numerous California agencies (including CHA) in areas that impact the Healthcare Districts.</p> <p>It was noted that approval is recommended to the Healthcare District Board.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1178 1252 1352"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Welch/Swerdlow), the SGMH Board of Directors voted to recommend approval of the District Hospital Leadership Forum (DHLF) Annual Dues Renewal to the Healthcare District Board.</b></p>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<p><b>Proposed Action – Recommend Approval to Healthcare District Board- FYE 22 Financial Audit</b></p>	<p>Dan Heckathorne, CFO, introduced David Imus of Wipfli, LLP. David presented the FYE 22 Financial Audit.</p> <p>It was noted that approval is recommended to the Healthcare District Board.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1650 1252 1824"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Rader/Rutledge), the SGMH Board of Directors voted to recommend approval of the FYE 22 Financial Audit to the Healthcare District Board.</b></p>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				



AGENDA ITEM		ACTION / FOLLOW-UP																				
<b>Human Resources Committee</b>	At the request of Committee Chair, Ron Rader, Annah Karam, Chief Human Resources Officer, briefly reviewed the reports that were reviewed at the committee meeting and the reports discussed as included on the board tablets. A copy of the Human Resources Committee’s November 16, 2022, meeting minutes were also included on the board tablets.																					
<b>Community Planning Committee</b>  <b>Proposed Action – Approve 2022 Community Health Needs Assessment</b>	<p>After working with IEHP, the committee reviewed the 164-page Community Health Needs Assessment. The market research plan is due in March 2023. The Committee discussed a possible plan for our Women’s center.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 741 1253 911"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<b>M.S.C., (Tankersley/Rader), The SGMH Board of Directors approved the 2022 Community Health Needs Assessment as presented.</b>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<b>Chief of Staff Report</b>  <b>Proposed Action – Approve Recommendations of the Medical Executive Committee</b>	<p>Sherif Khalil, MD, Chief of Staff, briefly reviewed the Medical Executive Committee report as included on the board tablets.</p> <p>Approval Items:</p> <ul style="list-style-type: none"> <li>2022 Annual Approval of Policies and Procedures</li> </ul> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1192 1253 1362"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<b>M.S.C., (Stevens/Welch), the SGMH Board of Directors approved the Medical Executive Committee recommended approval items as submitted.</b>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<b>Proposed Action – Approve Policies and Procedures</b>	<p>There were fifty-three (53) policies and procedures included on the board tablets presented for approval by the Board.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1541 1253 1711"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Absent</td> </tr> <tr> <td>Petersen</td> <td>Absent</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Stevens</td> <td>Yes</td> </tr> <tr> <td>Swerdlow</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	McDougall	Absent	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<b>M.S.C., (Stevens/Welch), the SGMH Board of Directors approved the policies and procedures as submitted.</b>
DiBiasi	Yes	McDougall	Absent																			
Petersen	Absent	Rader	Yes																			
Rutledge	Yes	Stevens	Yes																			
Swerdlow	Yes	Tankersley	Yes																			
Welch	Yes	Motion carried.																				
<b>Community Benefit events/Announcements/and newspaper articles</b>	Miscellaneous information was included on the board tablets.																					

AGENDA ITEM		ACTION / FOLLOW-UP
<b>Future Agenda Items</b>	<ul style="list-style-type: none"> <li>• None</li> </ul>	
<b>Adjourn to Closed Session</b>	<p>Chair, DiBiasi reported the items to be reviewed and discussed and/or acted upon during Closed Session will be:</p> <ul style="list-style-type: none"> <li>➤ Recommend approval to the Healthcare District Board – Medical Staff Credentialing</li> <li>➤ Participate in a telephone conference with legal counsel regarding anticipated litigation</li> </ul> <p>The meeting adjourned to Closed Session at 5:51 pm.</p>	
<b>Reconvene to Open Session</b>	<p>The meeting adjourned from closed session at 6:56 pm.</p> <p>At the request of Chair DiBiasi, Ali Webb reported on the actions taken/information received during the Closed Session as follows:</p> <ul style="list-style-type: none"> <li>➤ Recommended approval to the Healthcare District Board – Medical Staff Credentialing</li> <li>➤ Participated in a telephone conference with legal counsel</li> </ul>	
<b>Adjourn</b>	The meeting was adjourned at 6:57 pm.	

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Respectfully submitted by Ariel Whitley, Executive Assistant

**TAB B**



# January 2023

## Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 <i>New Year's Day</i>	2 <i>Admin. Closed—New Years Day Observed</i>	3 <b>4:00 pm Hospital Board Meeting</b> <b>6:00 pm Healthcare District Board Meeting</b>	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18 <b>9:00 am HR Committee Meeting</b> <b>10:00 am Community Planning Meeting</b>	19	20	21
22	23	24	25	26	27	28
29	30	31 <b>9:00 am Finance Committee</b>				


Items in **bold** = Board/Committee meetings

Items with \* = Associate functions that Board members are invited to attend



# February 2023

## Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 <b>4:00 pm Hospital Board Meeting</b> <b>6:00 pm Healthcare District Board Meeting</b>	8	9	10	11
12	13	14 	15	16	17	18
19	20 <i>Administration Closed</i> <i>Presidents Day</i>	21	22	23	24	25
26	27	28 <b>9:00 am Finance Committee</b>				


Items in **bold** = Board/Committee meetings

Items with \* = Associate functions that Board members are invited to attend



# March 2023

## Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 <b>4:00 pm Hospital Board Meeting</b> <b>6:00 pm Healthcare District Board Meeting</b>	8	9	10	11
12	13	14	15	16	17  Happy St. Patrick's Day	18
19	20	21	22	23	24	25
26	27	28 <b>9:00 am Finance Committee</b> <b>10:00 Executive Committee</b>	29	30	31	

Items in **bold** = Board/Committee meetings

Items with \* = Associate functions that Board members are invited to attend

**TAB C**

## SGMH Foundation December 2022 Report

### Foundation Finances for December 2022

(as of 12/28/2022)

Bank of Hemet Checking Acct:	\$302,263.63	(actual as of 12/28/2022)
Bank of Hemet Money Market Acct:	\$128,240.31	(actual as of 12/28/2022)
I.E. Community Foundation Acct:	\$89,968.96	<u>Actual for Oct 2022 (Nov 2022 not available)</u>
<b>Total</b>	<b>\$520,472.90</b>	

### Foundation Report

- SGMH Foundation will start meeting in January 2023 for its upcoming event. The golf tournament is slated for October 2023 at Morongo Golf Club at Tukwet Canyon.
- SGMH Foundation Director and President have (2) upcoming interviews for potential board members. Both people are Banning residents and one is very involved in community efforts.
- Valerie and the Foundation President are continuing to speak to potential major donors with an “ask” to support the Foundation’s mission of supporting the hospital.



**TAB D**

# CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

## HOSPITAL BOARD

This Confidentiality and Nondisclosure Agreement (“Agreement”) is entered into on \_\_\_\_\_ between San Geronio Memorial Hospital, a California nonprofit public benefit corporation (“Hospital”) and \_\_\_\_\_, an individual (“Board/Committee Member”). The Hospital and Board/Committee Member are each a “Party” and sometimes collectively referred to herein as the “Parties”.

### RECITALS

A. Board/Committee Member has been appointed as a member of Hospital’s Board of Directors and its Committees wherein Board/Committee Member will have access to certain business information, including, but not limited to, financial information exchanged in closed door sessions of the Board of Directors (“Confidential Information”).

B. Board/Committee Member desires to assure Hospital that the Confidential Information will not be disclosed to other individuals or entities, except as expressly authorized by this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

### OPERATIVE PROVISIONS

1. Acknowledgment. The Parties acknowledge and understand that the Confidential Information contains sensitive and private information, some of which may constitute trade secrets of Hospital.

2. Restriction on Use. The Parties agree that only individuals authorized by Hospital (“Authorized Persons”), shall have access to the Confidential Information and that Hospital shall cause any such Authorized Persons having access to the Confidential Information to sign an agreement substantially in the form of this Agreement, in which said Authorized Person agrees to be bound by terms and provisions substantially identical to those set forth in this Agreement.

3. Restriction on Disclosure. Each Party further agrees on behalf of itself and any Authorized Persons, that it shall hold, maintain, and protect the confidential nature of the Confidential Information and shall not disclose the existence or contents of the Confidential Information to any person or entity, except as expressly authorized by this Agreement.

4. Exceptions to Restriction on Disclosure. Nothing contained in this Agreement shall prevent or be interpreted as preventing either Party or the Authorized Persons from disclosing the Confidential Information under the following circumstances:

- (a) Where written consent is provided by the non-disclosing Party; and
- (b) Where disclosure of the Confidential Information is required by subpoena

or other process of law; provided the subpoenaed Party or the Authorized Persons, as the case may be, shall promptly notify the non-subpoenaed Party of the receipt of said process so as to allow the non-subpoenaed Party every opportunity to resist the subpoena, service of process or court order.

5. No Rights in Confidential Information. No rights or licenses in the Confidential Information, expressed or implied, are granted to Board/Committee Member as a result of this Agreement.

6. Survival. Board/Committee Member's obligations with respect to the Confidential Information shall survive any expiration, termination or cancellation of this Agreement and continue to bind Committee Member.

7. Governing Law. This Agreement shall be governed by the laws of the State of California.

8. Remedies. Board/Committee Member acknowledges that money damages alone would not be a sufficient remedy for its breach of this Agreement. In addition to all other remedies, Hospital shall be entitled to specific performance and injunctive or equitable relief to remedy a breach. Board/Committee Member agrees to waive any requirement for the securing or posting of a bond in connection with such remedy. Board/Committee Member agrees to be fully responsible for its breach of any provision of this Agreement.

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter herein and supersede all prior agreements and understandings, whether oral or written.

10. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

**BOARD/COMMITTEE MEMBER:**

By: \_\_\_\_\_  
(signature)

Name: \_\_\_\_\_  
(printed)

# TAB E



## **CNO REPORT TO THE BOARD**

**JANUARY 2023**

### **Patient Care Quality and Safety:**

The Emergency Department is starting a trial program for customer service through a company called Ascura. Patients are sent a six question survey via text message, 4 hours after discharge from the ED. Patients are asked if they have any questions about their discharge instructions, to rate the care provided by both physicians and nurses, if they are feeling better or worse, and if they have any suggestions to improve their ED experience. Dr. Singh, the ED nurse director, a physician assistant and 2 charge nurses have access to follow up with the patients. We are anxious to see how labor intensive this program will be, and if there will be significant positive impact on our customer service scores.

The annual safety fair was held in person this year on December 8<sup>th</sup> and December 15<sup>th</sup>. 418 associates attended the presentations.

The stroke program is progressing. Canon (Toshiba) has been chosen as the vendor for the CT scanners. The provider for the MRI has been narrowed down to 2 vendors, Canon and Phillips. Both are working on a pricing quote for a turn-key MRI room. The new stroke coordinator, Guillermo Siriano started this month. He has experience with TJC accredited stroke programs.

With the retirement of Linda Kalb and Susan Sommers, and Mia Simms Bullock changing to per diem, we are currently facing challenges in recruiting a wound care nurse and an infection preventionist.

### **Regulatory Issues**

None at this time. ☺

**TAB F**

**AMENDED AND RESTATED BYLAWS  
OF  
SAN GORGONIO MEMORIAL HOSPITAL  
HOSPITAL BOARD**

**A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

Approved by SGMH Board of Directors on January 3, 2023

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**AMENDED AND RESTATED BYLAWS**

**OF**

**SAN GORGONIO MEMORIAL HOSPITAL**

**A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION**

**ARTICLE 1  
OFFICES**

**Section 1.01 Principal Office**

The principal office of the Corporation for the transaction of its business shall be located at San Gorgonio Memorial Hospital, which is located at the southeastern corner of Highland Springs Avenue and West Wilson Street in the City of Banning, in the County of Riverside, State of California, or such other place or places within the boundaries of the San Gorgonio Memorial Healthcare District (“District”) as the Board of Directors may from time to time designate.

**ARTICLE 2  
NONPROFIT NATURE**

**Section 2.01 Goals and Purposes**

The Corporation manages the San Gorgonio Memorial Hospital for the San Gorgonio Memorial Healthcare District, a local healthcare district under California Health & Safety Code Section 32000. Under the management services agreement between the District and the Corporation, the Corporation is charged with providing management and pharmacy services to the Hospital for the benefit of the communities served by the District. The goals and purposes of this Corporation are to:

- a. operate and maintain the Hospital and provide hospital services for the benefit of the communities served by the San Gorgonio Memorial Healthcare District.
- b. maintain a hospital for the care of persons suffering from illnesses or disabilities which require that the patients receive hospital care.
- c. carry on any activities related to healthcare services which, in the opinion of the Board of Directors, may be justified by the facilities, personnel, funds or other assets that are or can be made available.
- d. participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health of the community.
- e. provide health education to the Hospital’s patients and members of the community regarding wellness and prevention.

- f. attract and retain a diverse staff of qualified well trained and competent healthcare practitioners and support personnel who will provide care in a competent manner.

### **Section 2.02 Exempt Purposes**

The purposes for which this Corporation is organized are exclusively charitable and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statute). Notwithstanding any other provisions of these Bylaws, the Corporation shall not, except to an insubstantial degree, engage in or carry on any activities or exercise any power that is not in furtherance with the goals and purposes of this Corporation, or which are not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statute) or Section 23701d of the California Revenue and Taxation Code, as amended from time to time (or any successor statute) or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statute) or under Section 17201 and related Sections of the California Revenue and Taxation Code, as amended from time to time (or any successor statute).

### **Section 2.03 Dedication of Assets**

The property of this Corporation is irrevocably dedicated to the charitable and educational purposes set forth in these Bylaws, and no part of the net income or assets of this Corporation shall inure to the personal benefit of any Director, Officer, or Member of this Corporation or to the benefit of any other private person. Upon the winding up and dissolution of this Corporation, its assets remaining after payment of, or provision for payment of, all the Corporation's debts and liabilities shall be distributed to the San Geronio Memorial Healthcare District, or any successor public agency charged with carrying out the purposes of the District, to continue to promote and accomplish the public purpose of this Corporation as set forth in these Bylaws. If the District, or the successor entity referred to in the preceding sentence, shall no longer exist at such time, then upon the winding up and dissolution of this Corporation, its assets remaining after payment of, or provision for payment of, all the Corporation's debts and liabilities shall be distributed to another non-profit corporation, trust or fund which is organized and operated exclusively for charitable purposes and which has established its tax exempt status within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (or any successor statute), and Section 23701(d) of the California Revenue and Taxation Code, as amended from time to time (or any successor statute), such assets to be used exclusively for the purpose of continuing to promote and accomplish the charitable purpose of this Corporation as set forth in the Articles and in the Bylaws of the Corporation.

## **ARTICLE 3 MEMBERS**

### **Section 3.01 No Members**

The Corporation shall have no members, within the meaning of California Corporations Code Section 5056.

## **ARTICLE 4 DIRECTORS**

### **Section 4.01 Number**

This Corporation shall have nine (9) regular Directors, who shall be known collectively as the Board of Directors. Members of the Board of Directors shall be elected, as set forth in Article 5, provided that each individual who takes office as a Director of the District shall be an *ex officio* Director of the Corporation, with full voting rights and shall count for purposes of establishing a quorum. All of the Directors, including *ex officio* Directors, shall be subject to the same terms and provisions of these Bylaws and applicable law except as expressly provided to the contrary by these Bylaws. Subject to the discretion of the Board, two members of the Board of Directors may be members of the Medical Staff of San Gorgonio Memorial Hospital.

The Chief of Staff shall be an invited guest at all meetings of the Board of Directors, but shall excuse himself or herself from Board meetings when requested to do so by the Chair, and may not attend closed session meetings of the Board unless his or her experience and expertise is required by the Board and he or she is asked to attend by the Board. As the Chief of Staff is not a Director, the Chief of Staff shall have no voting rights and shall not count for purposes of establishing a quorum. The Chief of Staff shall abide by all policies of the Corporation applicable to Directors with respect to conflicts of interests and maintaining the confidentiality of trade secret, competitively sensitive information and closed session information.

### **Section 4.02 Use of Terms “Directors” and “Board”**

The words “Directors” and “Board”, as used in the Articles of Incorporation of this Corporation, or in these Bylaws, in relation to any power or duty requiring collective action, mean “Board of Directors”.

### **Section 4.03 Restriction on Interested Persons and Employees as Directors**

Subject to the additional restrictions in Section 4.18 of these Bylaws, no more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, such as an independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; and (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person. Employees of the Corporation or District may not serve on the Board. However, except as provided to the contrary by Government Code Section 1090, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

### **Section 4.04 Powers**

The Directors shall exercise the powers of the Corporation, control its property, and conduct its affairs, except as otherwise provided by law, by the Articles of Incorporation, or by these Bylaws. The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Corporation.

## **Section 4.05 Duties**

The Board of Directors has responsibility to establish policy for the Hospital and its business including, but not limited to, all matters pertaining to quality of care rendered within the Hospital. The Board of Directors shall exercise this authority in conformity with applicable laws, regulations and accreditation requirements. In furtherance of the foregoing, the role of the Directors shall be as follows:

- a. establish policy for the operation, maintenance and development of the Hospital and its business including, but not limited to, assuring the quality of care within the Hospital.
- b. appoint a competent and experienced Chief Executive Officer who shall be its direct representative in the management of the Hospital.
- c. review the performance of the Chief Executive Officer on an annual basis.
- d. approve the annual operating budget and capital expenditures.
- e. approve the strategic plan on an annual basis.
- f. review and approve periodic financial statements and other financial matters of the Corporation.
- g. assure that adequate revenues are retained by the Corporation and expended in accordance with its charitable purposes.
- h. review and act on financing arrangements recommended by the Chief Executive Officer for the Corporation.
- i. review these Bylaws, the Bylaws of the Medical Staff and all committees on an annual basis, and approve needed changes.
- j. review and approve written personnel policies and establish a procedure for notifying employees of changes in such personnel policies.
- k. review and, where appropriate, approve policies and procedures to promote care, treatment and rehabilitation of patients.
- l. review and revise, as appropriate, all department and service policies and procedures when warranted and ensure that the Medical Staff participates, as appropriate.
- m. act as the final decision-making authority with respect to all matters pertaining to credentialing and privileges. Upon the recommendation and advice of the Medical Staff, the Board shall appoint members of the Medical Staff and grant such privileges as may, in their judgments, be warranted by the experience and training of the applicant.

#### **Section 4.06 Compensation**

The members of the Board of Directors shall be entitled to receive compensation equivalent in amount to that which is payable to the members of the Board of Directors of a California Healthcare District pursuant to the terms of Health & Safety Code Sections 32103. Such amounts shall not be mandatory and Board Members choosing not to accept compensation may do so. Additionally, each Board member shall also be entitled to receive reimbursement for expenses reasonably incurred in conjunction with educational seminars directly related to their function as a hospital board member, subject to such annual budgetary limitations as may be determined from time to time by the Board of Directors.

#### **Section 4.07 Meetings Generally: Organizational Meeting**

The meetings of the Board of Directors of the Corporation are subject to the Ralph M. Brown Act, as provided in California Government Code Section 54952(c). The Board of Directors shall hold its meetings in accordance with the agenda, open meeting and other requirements of the Ralph M. Brown Act, Government Code Section 54950 et seq. The Board of Directors shall annually hold organizational meeting where it shall organize by electing from its number the officers provided in Article 6 hereof to hold office until their successors are appointed as herein provided.

#### **Section 4.08 Place**

Meetings of the Board of Directors shall be held on the campus of the San Geronio Memorial Hospital or at such other place within the boundaries of the District as may be designated from time to time by the Board of Directors.

#### **Section 4.09 Regular Meetings**

Regular meetings of the Board of Directors shall be held at such times as may be prescribed from time to time by resolution of the Board of Directors, but not less than ten times annually. Upon adoption of such a resolution, a copy of the resolution shall be delivered to each member of the Board of Directors. Thereafter, no notice of any meeting held pursuant to the schedule described in the resolution shall be required, other than as may be required by law.

#### **Section 4.10 Special Meetings**

Special meetings of the Board of Directors shall be held whenever called by the Chair, or not less than four (4) of the Directors.

#### **Section 4.11 Meeting by Telephone**

Members of the Board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment so long as (i) each member participating in the meeting can communicate with all of the other members concurrently, and (ii) each member is provided the means of participating in all matters before the Board, including the capacity to propose, or to interpose an objection, to a specific action to be taken by this Corporation, provided that it complies with California Government Code Section 54953(b).

#### **Section 4.12 Notice and Agenda**

At least 72 hours before a regular meeting and at least 24 hours before a special meeting, the Corporation shall post an agenda containing a brief but descriptive general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session in accordance with the Ralph M. Brown Act.

Notice of the time and place of all special meetings of the Board of Directors shall be given to each Director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone, including a voice messaging system or technology designed to record and communicate messages, or electronic transmission by the corporation (as defined in California Corporations Code Section 20). All such notices shall be given or sent to the Director's address or telephone number as shown on the records of the Corporation.

Notices sent by first-class mail shall be deposited in the United States mails at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, telegraph, facsimile, electronic mail, or other electronic means shall be delivered, telephoned or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting.

The notice shall state the time of the meeting, and the place if the place is other than the principal office of the Corporation. It need not specify the purpose of the meeting.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place are fixed at the meeting adjourned.

#### **Section 4.13 Quorum**

A quorum shall consist of a majority of the members of the Board of Directors, unless a greater number is expressly required by statute, by the Articles of Incorporation of this Corporation, or by these Bylaws. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, except where any law, regulation, or policy of any governmental agency requires a larger minimum vote in favor of any resolution.

#### **Section 4.14 Conduct of Meetings**

The Chair, or in his absence, the Vice Chair or, in the absence of both, a chair chosen by a majority of the Directors present, shall preside at all meetings of the Board of Directors. Meetings shall be governed by such rules of procedure as may be reasonably appropriate under the circumstances, insofar as such rules are not inconsistent or in conflict with these Bylaws, with the Articles of Incorporation of this Corporation, or with law. Each Director present shall have an affirmative duty to vote for or against each matter presented for a vote unless the Director has a conflict of interest that requires the Director to recuse himself. If a Board Member abstains from voting the abstention shall be counted on the side of the matter receiving the highest number of votes. Recusal for these purposes means (i) not voting, and (ii) leaving the meeting after answering any questions posed by the other Directors.



#### **Section 4.15 Meetings Public**

All meetings of the Board of Directors shall be open to the public in accordance with the Ralph M. Brown Act, Government Code Section 54950, et seq. and subject to the other terms of said Act. However, certain items, including but not limited to personnel matters, labor negotiations, quality improvement and other protected Medical Staff matters and litigation matters, are not appropriate for public discussion. Accordingly, where an exception to the open meeting requirement exists under the Brown Act, the Health & Safety Code or other applicable law and where the matter is properly agendaized the Board of Directors may meet in closed session.

#### **Section 4.16 Adjournment**

The Board may adjourn any regular, adjourned, special or adjourned special meeting to a time and place specified in the order of adjournment. A copy of the notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of adjournment in accordance with Government Code Section 54955.

#### **Section 4.17 Ethics Training and Sexual Harassment Avoidance Training Requirements**

All members of the Board of Directors shall complete a course with a minimum of two hours of training in ethics pursuant to Government Code 54235 (AB 1234), similar to that as is required of the District Board of Directors. Such training will be required of newly appointed Directors within one year of assuming office and shall be renewed each two years thereafter. A certificate of completion showing at least two hours of training must be submitted and placed in each board member's file.

In addition to ethics training, all members of the Board of Directors shall complete a course with a minimum of two hours of training in sexual harassment avoidance pursuant to Government Code 12950.1 (AB 1825 & AB 1661) and 2 CCR 11024. Such training will be required of newly appointed Directors within six months of assuming office and shall be renewed each two years thereafter. A certificate of completion showing at least two hours of training must be submitted and placed in each board member's file.

#### **Section 4.18 Conflicts of Interest and Other Policies**

Members of the Board of Directors shall comply with the District's Conflict of Interest Code, as it may be amended or supplemented from time to time, applicable provisions of the Political Reform Act, Government Code Section 81000, et seq., Government Code Section 1090, et seq. and other policies adopted by the Board, including but not limited to its confidentiality policies. As required by the forgoing laws, Board members shall file an FPPC Form 700 with the Corporation within 30 days of taking office, annually, and within 30 days of leaving office.

#### **Section 4.19 Confidentiality: Public Statements**

The Board of Directors, and each of its members, shall maintain the confidentiality of any and all information that has been discussed in closed session or that is normally discussed in closed

session. Further, each Director with access to confidential information regarding this Corporation or this Corporation's business is expected to hold such information in confidence and to refrain from either using such information for personal gain or disclosing it unnecessarily outside the scope of the Director's duty with respect to this Corporation. No Board member shall make a public statement on behalf of the Board, or in a manner that appears to be on behalf of the Board, unless a majority of the Board has given prior authorization for the public statement at a duly noticed meeting of the Board of Directors.

#### **Section 4.20 Appropriation of Business Opportunity and Confidential Information**

No Director of this Corporation may appropriate or divert to others any opportunity for profit in connection with a transaction in which it is known or could be anticipated that this Corporation is or would be interested. Such opportunities include but are not limited to, acquisition of real or personal property, appointment of suppliers, or design or development of new products, services or areas of business related to this Corporation's present or planned services or service areas.

### **ARTICLE 5 ELECTION OF DIRECTORS**

#### **Section 5.01 Votes Required to Elect Director**

Except as provided in Section 4.01 with respect to *ex officio* Directors, a candidate must receive the vote of a majority of the Directors present to be elected as a Director.

#### **Section 5.02 Term of Office of Directors**

Directors shall serve a term of four (4) years. Each Director may serve a maximum of two (2) consecutive terms. Former directors will be eligible to serve again after one (1) year of non-service. However, *ex officio* Board members shall serve for a term equal to their term on the District Board, and upon their resignation or removal from the District Board for any reason whatsoever, their terms of office as Directors of this Corporation shall cease and terminate, and their successors on the District Board shall be *ex officio* Directors of this Corporation in their place and stead. Each Director other than *ex-officio* Directors, including a Director elected to fill a vacancy, shall hold office until the expiration of the term for which elected, and until a successor has been appointed. The successor Director shall serve the unexpired term of the predecessor Director. If the unexpired term is two (2) years or less, then the successor Director shall serve a term of four (4) years plus the unexpired term. If the unexpired term is more than two (2) years, then the successor Director shall serve the unexpired term and face re-election to serve a new four (4)-year term.

#### **5.03 Vacancies**

- a. Events Causing Vacancies. A Board member, including but not limited to an *ex officio* Director as a consequence of being a District Board member, shall be deemed to have vacated his seat on the occurrence of any of the following:

- (1) The death or resignation of the Director.

- (2) The declaration or resolution of the Board of the vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by a final order or judgment of any court to have breached a duty under Sections 5230, et seq., of the California Nonprofit Public Benefit Corporation Law.
  - (3) Except as provided in Section 4.01 with respect to *ex officio* Directors, any Director may be removed, either with or without cause, by majority vote of the Directors then in office, at any regular or special meeting of the Board of Directors.
  - (4) Except as provided in Section 4.01 with respect to *ex officio* Directors, the absence of a Director from three consecutive meetings of the Board of Directors, and the determination of a majority of the remaining members of the Board of Directors that such absence was not excused.
  - (5) An increase in the authorized number of Directors.
  - (6) The failure of the Directors, at any meeting of the Directors at which any Director or Directors are to be elected, to fill a vacancy scheduled to be filled by election at such meeting.
- b. Resignations. Any Director may resign, which resignation shall be effective upon giving written notice to the Chair, the Chief Executive Officer, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to be effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.
  - c. Vacancies of Directors. An Ad Hoc nominating committee will be formed for the purpose of recommending candidates to fill vacancies of Directors. This committee will be appointed in adherence with Section 7.06 and will include no less than two (2) *ex officio* Directors from the District Board. The Directors may elect a Director or Directors at any time to fill any vacancy or vacancies in the Board of Directors. Directors elected to fill a vacancy or vacancies in the Board of Directors of *ex officio* Directors by virtue of being a District Board member need to be the Director elected to the District Board to fill the vacancy on the District Board.
  - d. No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires unless such an intent is shown in the records of the meeting and a majority of the directors approve the reduction in number of directors.

## **ARTICLE 6 OFFICERS**

### **Section 6.01 Number and Titles**

The Officers of this Corporation shall be a Chair of the Board, a Vice Chair, a Secretary, and a Treasurer. This Corporation may also have, at the Board's discretion, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair of the Board. The Board shall also appoint a Chief Executive Officer and a Chief Financial Officer of the Corporation who shall be salaried employees of the Corporation.

### **Section 6.02 Other Officers**

The Board may appoint and may authorize the Chair of the Board, or other officer, to appoint such additional officers that the Corporation may require. Each Officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in these Bylaws or determined by the Board.

### **Section 6.03 Qualification, Election, and Term of Office**

The Officers of the Corporation, except those appointed under Section 6.02 of these Bylaws, shall be elected by majority vote of the Directors present at the annual organizational meeting of the Board of Directors. No more than two (2) Officers of the Corporation may be Directors of the District serving as ex officio Directors. Each such Officer shall hold office until the next organizational meeting, or until his removal, death, or resignation. The Officers shall hold their respective offices at the pleasure of the Board of Directors and shall be subject to removal by the Board of Directors at any time.

### **Section 6.04 Removal and Resignation**

Any Officer may be removed, either with or without cause, by majority vote of the Directors then in office, at any regular or special meeting of the Board of Directors, and such Officer shall be removed should he cease to be qualified for the office as herein required. Subject to the terms of any written employment agreement between an officer and the Corporation, any Officer may resign at any time by delivering written notice to the Board of Directors or to the Chair or to the Secretary of the Corporation. Acceptance by the Board of Directors of any such resignation shall not be necessary to make it effective.

### **Section 6.05 Vacancies**

Any vacancy caused by the death, resignation, removal, disqualification, or the like, of an Officer shall be filled by majority vote of the Board of Directors for the unexpired portion of the term.

### **Section 6.06 Duties of Chair**

The Chair of the Board shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time.

### **Section 6.07 Duties of Vice Chair**

If the Chair is absent or disabled, the Vice Chair shall perform all duties of the Chair. When so acting, the Vice Chair shall have all powers of and be subject to all restrictions on the Chair. The Vice Chair shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

### **Section 6.08 Duties of Secretary**

The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and Committees of the Board. The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date.

The Secretary shall give, or cause to be given, notice of all meetings of the Board and of Committees of the Board required by these Bylaws or the California Corporations Code. The Secretary shall keep the Corporate Seal in safe custody and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

### **Section 6.09 Duties of Treasurer**

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's properties and transactions. The Treasurer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

The Treasurer shall deposit or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the Chair of the Board, to the Chief Executive Officer, and to the Board, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe. If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Corporation of all of its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Treasurer on his or her death, resignation, retirement or removal from office.

### **Section 6.10 Duties of Chief Executive Officer**

Subject to such supervisory powers as the Board may give to the Chair of the Board, if any, and subject to the control of the Board, the Chief Executive Officer (“CEO”) shall be the General Manager of the Corporation and shall supervise, direct, and control the Corporation’s activities, affairs, and officers. The Chief Executive Officer shall have such other powers and duties as the Board or these Bylaws may prescribe. The authority and responsibility of the CEO shall include

- a. carrying out all policies established by the Board.
- b. development, and submission to the Board for approval, of a strategic plan for the organization and operation of the Hospital.
- c. preparation of an annual budget showing the expected receipts and expenditures of the Corporation.
- d. selection, employment, control and discharge of employees, and development and maintenance of personnel policies and practices for the Hospital.
- e. maintenance of physical properties in a good state of repair and operating condition.
- f. supervision of all business affairs to ensure that funds are collected and expended to the best possible advantage.
- g. cooperation with the Medical Staff and with all those concerned with the rendering of professional services to the end that high quality care shall be rendered to the patients.
- h. presentation to the Board of periodic reports reflecting the services provided by the Hospital and the financial activities of the Corporation and preparation and submission of such special reports as may be required by the Board.
- i. attendance at all meetings of the Board and committees thereof.

### **Section 6.11 Execution of Contracts**

The Board may authorize any officer or officers, agent or agents, including but not limited to the Chief Executive Officer, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances and may be established by the Bylaws, Resolutions or the adoption of specific policies and procedures from time to time; provided, however, that unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by a contract or engagement, or to pledge its credit, or to render it liable for any purpose or any amount.

## ARTICLE 7 COMMITTEES

### Section 7.01 Committees of the Board

The committees of the Board may be standing or special. Standing committees shall be the Finance Committee, the Human Resources Committee, and the Community Planning Committee, and other standing committees may also be authorized by the approval of the Board of Directors (collectively, “standing committees”).

For special committees, the Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one (1) or more special Committees (“special committees”). Each special committee will have a minimum of three (3) and a maximum of five (5) members who may be Directors and persons who are not Directors who serve at the pleasure of the Board. No more than two (2) members of any special committee may be Directors of the District serving as *ex officio* Directors.

Except as otherwise provided in these Bylaws, all committee member appointments (including the appointment of Committee Chairs) shall be made by the Chair of the Board. The Chair of each Committee must be a member of the Board of Directors. A committee member shall serve his or her designated term unless he or she resigns, is removed or otherwise disqualified to serve, and all committee member terms shall terminate with the reorganization of the Board of Directors at the annual organizational meeting. Committee members shall not be entitled to compensation.

Each committee member shall be entitled to one (1) vote, to be exercised in person. Neither cumulative, substitute, nor proxy voting shall be allowed. A majority of the committee members shall constitute a quorum. All matters submitted to the committee for determination shall be decided by a minimum of a majority of a quorum of committee members.

Except as otherwise provided in these Bylaws, meetings of the committee may be called at any time by the Board Chair or the Chair of the committee. Meetings of all committees shall be open to the public in accordance with the Ralph M. Brown Act, Government Code Section 54950, et seq. and subject to the other terms of said Act as set forth in Section 4.15 of these Bylaws. A summary of all committee meetings including but not limited to all action of such committees shall be reported to the Board of Directors at the next regular or special meeting thereof.

Except as otherwise specifically described herein, the following Sections of these Bylaws pertaining to the Board of Directors shall pertain to members of committees: Section 4.17 Ethics Training and Sexual Harassment Avoidance Training Requirements, Section 4.18 Conflicts of Interest and Other Policies, Section 4.19 Confidentiality: Public Statements, and Section 4.20 Appropriation of Business Opportunity and Confidential Information.

All committees shall be advisory and no committee shall have the power to bind the Board, except when specifically authorized by the Board. The Board may delegate management of certain activities of the Corporation to any such committee as specified in the Board resolution, provided that the activities and affairs of the Corporation shall be managed and all corporate powers shall

be exercised under the ultimate direction of the Board and provided further that no committee, regardless of Board resolution, may:

- a. Take any final action on any matter that, under the California Nonprofit Public Benefit Corporation Law, also requires approval of the members or of the Board of Directors or approval of a majority of all members or of the Board of Directors;
- b. Fill vacancies on the Board or on any Committee that has the authority of the Board;
- c. Fix compensation of the Directors for serving on the Board or on any Committee;
- d. Amend or repeal Bylaws or adopt new Bylaws;
- e. Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable;
- f. Create any other Committees of the Board or appoint the members of the Committees of the Board;
- g. Expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or
- h. Approve any contract or transaction to which the Corporation is a party and in which one (1) or more of its Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

#### **Section 7.02 Executive Committee**

The Executive Committee of the Board of Directors, shall consist of the Board Chair, the Board Vice Chair, the Board Secretary, the Board Treasurer and one (1) Director to be selected via a vote held by the Directors of the District serving as ex officio Directors. Each member of the Executive Committee must be a Director. No more than two (2) members of the Executive Committee may be Directors of the District serving as ex officio Directors.

The Executive Committee shall be delegated all powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, except those powers reserved to the Board of Directors as a whole pursuant to Section 7.01. The Executive Committee shall meet quarterly to conduct its business, at a time and place to be designated by the members, or as otherwise provided by an appropriate resolution. The Executive Committee shall also hold special meetings on the call of the Chair.



### **Section 7.03 Finance Committee**

The Finance Committee shall consist of a minimum of three (3) and a maximum of five (5) members of the Board of Directors, together with the Chief Executive Officer and the Chief Financial Officer. No more than two (2) members of the Finance Committee may be Directors of the District serving as *ex officio* Directors. The Finance Committee shall meet monthly, and shall be responsible for advising the Board for the management of all funds of the Corporation. It shall review and submit to the Board each year a proposed budget showing the expected receipts and income for the ensuing year. It shall make recommendations on all major capital expenditures, and significant hospital rate changes. It shall review and make recommendations to the Board of Directors with respect to all salary and wage adjustments, and for overall budget projections. It shall recommend a written plan for annual operations and for a three-year capital expenditure plan, which shall be updated annually.

### **Section 7.04 Human Resources Committee**

The Human Resources Committee shall consist of a minimum of three (3) and a maximum of five (5) members of the Board of Directors, together with the Chief Executive Officer and the Director of Human Resources. No more than two (2) members of the Human Resources Committee may be Directors of the District serving as *ex officio* Directors. The Human Resources Committee shall meet bi-monthly for the purpose of determining the changing personnel requirements of the Hospital, reviewing and analyzing potential modifications to the Hospital's wage and benefit plans, and generally making recommendations to the full Board of Directors regarding personnel matters within the Hospital.

### **Section 7.05 Community Planning Committee**

The Community Planning Committee shall consist of a minimum of three (3) and a maximum of five (5) members of the Board of Directors in addition to the Chief Executive Officer. No more than two (2) members of the Community Planning Committee may be Directors of the District serving as *ex officio* Directors. Community Planning Committee shall meet quarterly for the purpose of determining proposed long range goals for the Hospital and recommendations for methods whereby such goals may be accomplished. Areas of planning shall include, but shall not be limited to, potential expansion, contraction or modification of services rendered by the Hospital, determining and seeking methods of accomplishing marketing goals for the Hospital, including but not limited to those relating to advertising, community involvement, physician recruitment, patient relations and insurance and other third party payment programs (such as HMOs, PPOs and employer groups). All recommendations shall be presented to the Board of Directors for approval or action.

### **Section 7.06 Ad Hoc Committees**

Ad hoc committees may be appointed by the Chair of the Board, with the concurrence of the majority of the Board and in such numbers and for such special tasks as circumstances warrant. Such special Committees shall limit their activities to the accomplishment of the task for which created and appointed, and shall have no power to act except such as is specifically conferred by

action of the Board. Upon completion of the tasks for which appointed, each such special committee shall stand discharged.

## **ARTICLE 8 MEDICAL STAFF**

### **Section 8.01 Organization**

The Board shall cause to be created a Medical Staff organization, to be known as the Medical Staff of San Gorgonio Memorial Hospital, whose membership shall be comprised of all duly licensed physicians, dentists, psychologists and podiatrists who are privileged to attend patients in the Hospital. Membership in this Medical Staff organization shall be a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the Medical Staff Bylaws. No applicant to the Medical Staff shall be denied Medical Staff membership on the basis of sex, race, creed, color or national origin, or on the basis of any other criterion lacking professional justification.

### **Section 8.02 Medical Staff Bylaws, Rules and Regulations**

- a. **Purpose.** The Medical Staff organization shall propose and adopt by vote bylaws, rules and regulations for its internal governance (“Medical Staff Bylaws”) which shall be effective when approved by the Board. These Medical Staff Bylaws shall create an effective administrative unit to discharge the functions and responsibilities assigned to the Medical Staff by the Board. The Medical Staff Bylaws, rules and regulations shall state the purposes, functions and policies by which the Medical Staff exercises its responsibilities. The Board of Directors will review and approve the Medical Staff Bylaws annually.
- b. **Procedure.** The Medical Staff shall have the initial responsibility to formulate, adopt and recommend to the Board Medical Staff Bylaws and amendments thereto which shall be effective when approved by the Board. If the Medical Staff fails to exercise this responsibility in good faith and in a reasonable, timely and responsible manner and after written notice from the Board to such effect including a reasonable period of time for response, the Board may resort to its own initiative in formulating or amending Medical Staff Bylaws. In such event, staff recommendations and views shall be carefully considered by the Board during its deliberation and in its actions.

### **Section 8.03 Medical Staff Membership and Clinical Privileges**

- a. **Responsibilities of the Medical Staff Members.** Each member of the Medical Staff shall have appropriate authority and responsibility for the care of his/her patients, subject to such limitations as are contained in these Bylaws, and in the Medical Staff Bylaws, and subject, further, to limitations attached to his/her appointment. The attending physician shall be responsible for preparation of a complete and legible medical record for each patient. Its contents shall be pertinent and current. This record shall include, at a minimum: identification data; chief complaint; past history; family history; history of present illness;

physical examination; special reports such as necessary consultations; clinical laboratory reports and radiology reports and others; provisional diagnosis; appropriate consents; medical and surgical treatment; operative report; pathological findings; progress notes; final diagnosis; condition on discharge; discharge summary and autopsy report when applicable. The CEO shall arrange for all administrative assistance to receive appointment applications to the Medical Staff, and further to provide for necessary administration support to process all materials pertinent to the application of any potential member of the Medical Staff. All applications for and appointments to the Medical Staff shall be in writing and addressed to the Medical Staff Office. The application shall contain full information concerning the applicant's education, licensure, practice, previous hospital experience, and any unfavorable history with regard to licensure and hospital privileges. This information shall be verified by the appropriate body within the Medical Staff. Upon appointment, the applicant will agree in writing to follow the Bylaws, rules and regulations of the Corporation and of the Medical Staff, and all other approved policies of the Medical Staff and the Corporation. All applications shall be reviewed by the Medical Staff prior to being submitted to the Governing Body for approval. When an appointment is not renewed or when privileges have been proposed to be reduced, altered, suspended, or terminated, the staff member shall be afforded the opportunity of a hearing in accordance with the Fair Hearing Plan then in effect. It is the Board of Directors' policy that: (1) only a member of the Medical Staff with admitting privileges shall admit patients to the Hospital; (2) only an appropriately licensed practitioner with clinical privileges shall be directly responsible for a patient's diagnosis and treatment within the area of his privileges; (3) each patient's general medical condition shall be the responsibility of a physician member of the Medical Staff; (4) each patient admitted to the Hospital shall receive a baseline history and physician examination by a physician who is either a member of, or approved by, the Medical Staff; and (5) direct medical care of patients provided by Allied Health Personnel shall be under the appropriate degree of supervision by a licensed practitioner with clinical privileges.

- b. **Delegation to the Medical Staff.** The Board shall delegate to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges and corrective action, and shall require that the Medical Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board to take informed action.
- c. **Action by the Board.** Final action on all matters relating to Medical Staff membership status, clinical privileges and corrective action shall be taken by the Board after considering the Medical Staff recommendations, provided that the Board shall act in any event if the Medical Staff fails to adopt and submit any such recommendation within the time period set forth in the Medical Staff Bylaws. Such Board action without a Medical Staff recommendation shall be based on the same kind of documented investigation and evaluation of current

ability, judgment and character as is required for Medical Staff recommendation, and shall be taken only after written notice to the Medical Executive Committee.

- d. **Criteria for Board Action.** In acting on matters of Medical Staff membership status, the Board shall consider the Medical Staffs recommendations and the extent of applicant's utilization of this Hospital, the Hospital's and the community's needs, and such additional criteria as are set forth in the Medical Staff Bylaws. No aspect of membership status nor any specific clinical privileges shall be limited or denied to a practitioner on the basis of sex, race, creed, color, or national origin, nor on the basis of any other criterion unrelated to: (i) good patient care at the Hospital, (ii) professional qualifications, (iii) the Hospital's purposes, needs and capabilities, or (iv) community needs.
- e. **Terms and Conditions of Medical Staff Membership and Clinical Privileges.** The terms and conditions of membership status in the Medical Staff, and the exercise of clinical privileges, shall be as specified in the Medical Staff Bylaws or as more specifically defined in the notice of individual appointment. At a minimum, however, each member of the Medical Staff shall (1) exhibit the skill necessary to allow him to appropriately carry out his duties and (2) carry such malpractice insurance as may be determined to be appropriate from time to time by the Board of Directors. Additionally, each member of the Medical Staff having active staff privileges shall provide on-call back-up coverage within his field of specialty to the Hospital's Emergency Room, pursuant to such back-up call schedule as may be adopted by his Service of the Medical Staff. If no other back-up call coverage schedule is adopted by a Service, Emergency Room back-up call coverage for such Service shall be scheduled on the basis of alphabetical order by last name within such Service, rotating among all active staff physicians within the Service, each being responsible for 24 hour back-up coverage.
- f. **Ethics.** The Principles of Ethics of the appropriate National Association as now in effect or as may be hereinafter amended by that association shall govern the professional conduct of the members of the Medical Staff.
- g. **Procedure.** The procedure to be followed by the Medical Staff and the Board in acting on matters of membership status, clinical privileges, and corrective action shall be specified in the Medical Staff Bylaws. However, each member of the Medical Staff shall be required to obtain and maintain, at his or her own expense, malpractice insurance in such amount as may be determined to be appropriate from time to time by the Board of Directors.
- h. **Fair Hearing Plan.** The Board shall require that any adverse recommendation made by the Medical Executive Committee or any adverse action taken by the Board of Directors with respect to a practitioner's staff appointment, reappointment, Service affiliation, staff category, admitting prerogative or clinical privileges, shall, except under circumstances for which specific

provision is made in the Medical Staff Bylaws, be accomplished in accordance with the Fair Hearing Plan then in effect. Such plan shall provide for procedures to assure fair treatment and afford an opportunity for presentation of all pertinent information. For the purposes of this Section an “adverse recommendation” of the Medical Executive Committee and “adverse action” of the Board shall be defined in the Fair Hearing Plan. The Fair Hearing Plan shall provide for an appeals procedure whereby any applicant for Medical Staff Membership feels a decision of the Medical Staff has been unjust shall have recourse to a hearing by a joint committee composed of Directors and Medical Staff Members. The appellant in such a case shall have the opportunity to present any and all evidence and testimony bearing upon his qualifications for appointment to the Medical Staff. Following such presentation of evidence, the Committee shall present evidence in support of its findings. Failure of an applicant to request a hearing within the time frames set forth in the Fair Hearing Plan shall constitute a waiver of the applicant’s rights to a hearing under the Fair Hearing Plan.

## **ARTICLE 9 QUALITY OF PROFESSIONAL SERVICES**

### **Section 9.01 Board Responsibility**

The Board shall require, after considering the recommendations of the Medical Staff, and the other health care professional staffs providing patient care services, the conduct of specific review and evaluation activities to assess, preserve and improve the overall quality and efficiency of patient care in the Hospital. The Board, through the CEO, shall provide whatever administrative assistance is reasonably necessary to support and facilitate the implementation and the ongoing maintenance and operation of these review and evaluation activities.

### **Section 9.02 Accountability to Board**

The Medical Staff and the other health care professionals providing patient care services shall conduct and be accountable to the Board for conducting activities that contribute to the preservation and improvement of the quality, safety and efficiency of patient care provided in the Hospital. These activities include:

- a. Review and evaluation of the quality of patient care (generally on a retrospective basis) through a valid and reliable patient care review procedure.
- b. Ongoing monitoring and evaluation of patient care practices through the defined functions of the Medical Staff, the other professional services, and the Hospital administration.
- c. Delineation of clinical privileges for members of the Medical Staff commensurate with individual credentials and demonstrated ability and judgment and assignment of patient care responsibilities to other health care professionals consistent with individual qualification and demonstrated ability.

- d. Review of utilization of the Hospital's resources to provide appropriate allocation of those resources to patients in need of them.
- e. Such other measures as the Board may, after considering the advice of the Medical Staff, the other professional services and the Hospital administration, deem necessary for the preservation and improvement of the quality, safety and efficiency of patient care.

### **Section 9.03 Documentation**

The Board shall require, receive, consider and act upon the findings and recommendations emanating from the activities required by Article 8. All such findings and recommendations shall be in writing, and shall be supported and accompanied by appropriate documentation upon which the Board can take informed action.

## **ARTICLE 10 BOARD OF DIRECTORS INITIATION OF PEER REVIEW**

### **Section 10.01 Basic Policy**

It is the policy of this Hospital that peer review be performed by members of the Medical Staff, inasmuch as only licentiates who possess the same or similar education, training and experience have the requisite expertise to insure an efficient, fair and responsive peer review system. Notwithstanding the foregoing, however, in those instances in which the Medical Staffs failure to investigate or to initiate disciplinary action is contrary to the weight of the evidence, the Board of Directors shall have the authority to direct the Medical Executive Committee to initiate an investigation or disciplinary action, but only after consultation with the Chief of Staff. No action shall be taken in an unreasonable manner. In the event the Medical Staff fails to take action in response to a direction from the Board of Directors, the Board of Directors shall have the authority to take action against a member of the Medical Staff. Such action shall be taken only after written notice to the Medical Staff and shall fully comply with the procedures and rules applicable to peer review proceedings established by Sections 809.1 through 809.6, inclusive, of the Business and Professions Code of the State of California.

### **Section 10.02 Suspension of Privileges**

When no person authorized by the Medical Staff is available to summarily suspend or restrict clinical privileges, the Board of Directors, or its designee, may immediately suspend the clinical privileges of a member of the Medical Staff if the failure to summarily suspend those privileges is likely to result in an imminent danger to the health of any individual; provided the Board of Directors has, before the suspension, made reasonable attempts to contact the Medical Executive Committee. A suspension by the Board of Directors which has not been ratified by the Medical Executive Committee within two working days, excluding weekends and holidays, shall terminate automatically.

## **ARTICLE 11 INDEMNIFICATION**

### **Section 11.01 Right of Indemnity**

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding”, as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is, or was, a person described in that section. “Expenses”, as used in these Bylaws, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

### **Section 11.02 Approval of Indemnity**

On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

### **Section 11.03 Advancement of Expenses**

To the fullest extent permitted by law, and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Sections 11.01, 11.02 or 11.03 of this Article in defending any proceeding covered by those sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

### **Section 11.04 Insurance**

The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, and employees.

### **Section 11.05 Other Fiduciary Positions**

This Article does not apply to any proceeding against any trustee, investment manager or other fiduciary of an employee benefit plan in such person’s capacity as such, even though such person may also be covered by the first sentence of Section 1 of this Article 11. This Corporation shall have power to indemnify such trustee, investment manager or other fiduciary to the extent permitted by subsection (f) of Section 5140 of the California Corporations Code.

### **Section 11.06 Provisions Not Exclusive**

The indemnification and advancement of expenses provided by this Article 11 of these Bylaws shall not be deemed exclusive of any rights to which those seeking indemnification or expense advancement may be entitled under any agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, or employee and agent, and shall inure to the benefit of the heirs, executors and administrators of such person.

### **Section 11.07 Contractual Rights of Non-Directors and Non-Officers**

Nothing contained in this Article 11 shall affect any right to indemnification to which persons other than Directors of the Corporation, or any of its subsidiaries, may be entitled by contract or otherwise.

## **ARTICLE 12 CORPORATE RECORDS, REPORTS, AND SEAL**

### **Section 12.01 Minutes of Meetings**

The Corporation shall keep at its principal office, or at such other place as the Board of Directors may order, a book of the minutes of all meetings of Directors with the time and place of holding, whether regular or special, and, if special how authorized, the notice given and the names of those Directors and presenting staff present.

### **Section 12.02 Books of Account**

The Corporation shall keep and maintain adequate and correct accounts of its properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

### **Section 12.03 Annual Report**

The Corporation shall cause an annual report or statement to be sent to the Board of Directors not later than 120 days after the close of the fiscal year in accordance with the provisions of Sections 1500 and 1501. Such report shall contain a balance sheet as of the end of the fiscal year, an income statement and a statement of changes in financial position for such fiscal year, all prepared according to generally accepted accounting procedures, and accompanied by any report thereon of an independent accountant, or if there is no such report, a certificate of the Chief Financial Officer or Chief Executive Officer that such statements were prepared without audit from the books and records of the Corporation. The report shall also provide any information required by California Corporations Code Section 6322.

### **Section 12.04 Maintenance of Records and Inspection by Directors**

The Corporation shall keep at its principal executive office the original or a copy of the Articles of Incorporation, Bylaws, and other records of the Corporation. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every



kind and the physical properties of the Corporation and each subsidiary corporation. This inspection by a Director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extract of documents.

**Section 12.05 Corporate Seal**

The Board of Directors shall provide a corporate seal consisting of two concentric circles with the words “San Gorgonio Memorial Hospital”, and the words and figures, “INCORPORATED May 8, 1990, CALIFORNIA.”

**ARTICLE 13  
HOSPITAL AUXILIARY AND FOUNDATION**

The Hospital Auxiliary shall be an integral part of this Corporation, and shall have no separate existence as a corporation or other unincorporated association. The Bylaws of the Hospital Auxiliary shall be approved by the Board of Directors of the Hospital. The Hospital Foundation shall be a separate and independent corporation existing for the benefit of the Hospital.

**ARTICLE 14  
EFFECTIVE DATE & AMENDMENT**

**Section 14.01 Effective Date**

These Bylaws shall become effective immediately upon their adoption and shall supersede and replace all previous Bylaws of the Corporation. Amendments to these Bylaws shall become effective immediately upon their adoption.

**Section 14.02 Amendment**

Except as otherwise provided herein or by law, the Board may, after lawful notice to all Directors then in office, adopt, amend or repeal these Bylaws upon the majority vote of the Directors, provided a quorum is present.

## CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of SAN GORGONIO MEMORIAL HOSPITAL, and that the above Amended and Restated Bylaws, consisting of 28 pages, are the Bylaws of this Corporation as adopted by the Corporation's Board of Directors on January 3, 2023,, that they supersede all previous versions of the Bylaws for the Corporation.

Executed on January 3, 2023,, at Banning, California.

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Ron Rader, Secretary

**TAB G**

# **San Geronio Memorial Hospital Board**

## **Standing Committee Assignments for 2022**

### **Finance Committee**

Susan DiBiasi (C), Ehren Ngo, Ron Rader, Steve Rutledge, Siri Welch

### **Human Resources Committee**

Susan DiBiasi, Joel Labha, Ron Rader (C), Steve Rutledge, Siri Welch

### **Community Planning Committee**

Susan DiBiasi, Joel Labha, Ron Rader, Steve Rutledge (C), Dennis Tankersley, Siri Welch

### **Executive Committee**

Susan DiBiasi (C), Ron Rader, Steve Rutledge  
Healthcare District representative – Ehren Ngo

Note: (C) indicates Committee Chair

TAB H



## 2022 SLATE OF OFFICERS

POSITION

NAME

Chair

Susan DiBiasi

Vice Chair

Steve Rutledge

Secretary

Ron Rader

Treasurer

Ehren Ngo

**TAB I**



## **2023 Environment of Care Plans**

For Hospital Board approval

January 3, 2023

- 2022 Annual Evaluation Utilities Management Plan
- 2023 Environment of Care/Safety Committee Plan
- 2023 Environment of Care - Materials Management Plan
- 2023 Hazardous Materials and Waste Management Plan
- 2023 Environmental Safety and Security Management Plan
  - 2023 Utilities Management Plan



**San Gorgonio Memorial Hospital  
Environment of Care/Safety Committee  
Life Safety (Fire Safety) Plan  
January 1, 2023, to December 31, 2023**

**I. PURPOSE**

San Gorgonio Memorial Hospital's Fire Safety Plan provides a method to effectively maintain a fire-safe environment.

**II. OBJECTIVE**

The objective of the San Gorgonio Memorial Hospital's Fire Safety Plan is to minimize the potential for harm to patients, visitors and associates through inspection, testing, surveillance, education, and response preparedness.

**III. SCOPE**

The scope of the Fire Safety Plan addresses San Gorgonio Memorial Hospital's Main Hospital and Behavioral Health Center.

**IV. GOAL**

To maintain compliance to all applicable National Fire Protection Association standards and ensure the fail-safe operation of all fire detection, containment, and suppression systems.

**V. AUTHORITY**

San Gorgonio Memorial Hospital's Chief Executive Officer has final authority and responsibility for the assurance of a comprehensive Fire Safety Plan to the Board of Directors. The Chief Executive Officer delegate the monitoring of the Fire Safety Plan to the Safety Committee and the Safety Officer. The EOC/ Safety Committee is responsible for ensuring that the Fire Safety is compatible with Federal, State and Local requirements.

## VI. ELEMENTS OF THE PLAN

Protect patients, visitors, associates and property from fire, smoke, and other products of combustion.

- The San Geronio Memorial Hospital fire protection program is designed to limit the development and spread of fire through maintenance of a smoke-free facility; emergency response education, training, and performance evaluation; facility flammability control; fire safety inspection and monitoring; and maintenance and testing of fire protection and life safety systems.
- Elements of the fire protection program are inspected annually by the vendor of record and tri annually by our accrediting organization.

Inspect, test, and maintain fire protection and life safety systems, equipment, and components on a regular basis.

- Elements of the facility fire detection and suppression systems are inspected, tested and maintained in accordance to applicable National Fire Protection Association standards:

### NFPA 72

Supervisory Signal Devices-tested annually  
Tamper Switches and Water Flow-tested quarterly  
Occupant Alarm Notification-tested quarterly with each day, evening, and night shift fire drills  
Off Premises Emergency Response Notification-event driven, tested annually

### NFPA 25

Riser systems-main drain test, annually  
Fire Department Connections-inspected quarterly  
Kitchen Detection/Suppression Systems-tested semi-annually

### NFPA 10

Manual Fire Extinguishers are:  
Clearly identified  
Inspected monthly  
Maintained annually

#### NFPA 90A

All fire and smoke dampers are operated (with fusible links removed where applicable) every six years to verify they fully close.

All automatic smoke detection shutdown devices for air handling equipment are tested at least annually.

#### NFPA 80

Fire/smoke doors are tested for proper operation annually and with each quarterly, day, evening, and night shift fire drills where observable.

- Elements of the facility fire detection and suppression systems are inspected and tested annually by vendor of record and tri annually by accrediting organization.

Report and investigate fire protection of deficiencies, failures, and user Errors.

- Fire protection deficiencies, failures and user errors are reported to and investigated, as appropriate, by the Safety Officer / Plant Operations Director for immediate resolution and are reported, as applicable, to the EOC/Safety Committee.

Review proposed acquisitions of bedding, window draperies, and other curtains, furnishings, decorations, wastebaskets, and other items for fire Safety.

- All proposed acquisitions to furnish or decorate the facility are reviewed, as applicable to Life Safety Code, by Materials Management to ensure that compliance to mandated fire retardant ratings.
- Wastebaskets, and other items as appropriate, are made of non-combustible materials and are labeled as required to verify UL or FM approval.

### **EVALUATION**

- The Fire Safety Plan's scope, program objectives and performance standards measures will be evaluated annually for effectiveness by the EOC/Safety Committee. The annual evaluation is submitted to Administration and the Board of Directors.

The criteria used to measure the effectiveness of the Life Safety Plan are:

1. A summary of non-complying factors related to Life Safety Codes, with action plan recommendation.
2. Preventative maintenance completion rates.
3. Fire drill completion rates.
4. General orientation and annual update training compliance rates.

### **EDUCATION & TRAINING**

- Fire prevention training of all San Geronio Memorial Hospital staff is provided by the employee's Department Director/Nurse Manager, the Safety Officer/designee.
- The Safety Officer/designee presents fire prevention training at new employee orientation.
- The Safety Officer and the EOC/Safety Committee coordinate annual organization wide fire prevention education at employee annual safety fair.

### **MONITORING OF PERFORMANCE**

- In an effort to improve the Fire Safety Plan, the Goals and Performance Standards Measures, as approved by the EOC/Safety Committee, will be monitored on an ongoing basis and annually by the Safety Officer and the EOC/Safety Committee. Performance measurements address: staff fire prevention knowledge, skills, and level of participation in fire drill exercises, and the monitoring and inspection of related fire prevention programs. The results of the fire prevention performance monitoring are reported to Administration and Department Directors/Managers on a quarterly basis, and annually to the Board of Directors.

### **EMERGENCY PROCEDURES**

- Established emergency procedures (RACE) are evaluated through fire drills. Fire Drills to assess staff knowledge of:

Use, function, and transmission of fire alarm systems

Containment of smoke and fire  
Horizontal transfer to refuge areas

Fire extinguishments (PASS)  
Specific fire-response duties

- The San Geronio Memorial Hospital life safety orientation and education programs address:

Specific roles and responsibilities of staff, physicians, and other licensed independent practitioners at the fire's point of origin.

Specific roles and responsibilities of other personnel who must participate in the fire plan, such as volunteers, students, and physicians.

Use and function of fire alarm systems.

Specific roles and responsibilities in preparing for building evacuation.

Location and proper use of equipment to evacuate or transport patients to areas of refuge.

Building compartmentalization features and procedures for containing fire and smoke.

In accordance with Life Safety Code NFPA 101, use of interim life safety measures is utilized to evaluate various deficiencies and hazards prior to the onset of building renovation or construction. Written criteria are established to address each of the interim life safety measures and are approved by the Safety Officer / Director of Plant Operations, and the responsible managing architect.

All renovation and construction areas where interim life safety measures have been activated are monitored daily for hazard surveillance, infection control and contractor compliance to the measures identified for the duration of the activation.

# **San Gorgonio Memorial Hospital Environment of Care Medical Equipment Management Plan FY 2023**

## **I. PURPOSE**

San Gorgonio Memorial Hospitals Medical Equipment Management Plan provides for the safe and reliable operation of medical equipment used in the treatment of patients throughout San Gorgonio Memorial Hospital. The Medical Equipment Management Plan will ensure that the equipment provides accurate, reliable information to the clinicians. It is safe for patients, operators and visitors, and is utilized to its fullest capacity in order to optimize patient care.

## **II. OBJECTIVE**

The objective of San Gorgonio Memorial Hospitals Medical Equipment Management Plan is to ensure the safe, hazard-free operation of equipment through risk-based preventive maintenance and management of equipment problems, recalls, failures and user errors.

## **III. SCOPE**

The scope of the Medical Equipment Management Plan addresses the Main Hospital of San Gorgonio Memorial Hospital and the Behavioral Health Center.

## **IV. GOAL**

To identify life support equipment as part of the hospital equipment inventory, and reduce potential injuries for patients and/ or associates. This is done through equipment risk assessment, completion of preventive maintenance, equipment inventory, responding to product safety alerts, hazards and recalls, and staff education

## **V. AUTHORITY**

San Gorgonio Memorial Hospital Chief Executive Officer has final authority and responsibility for the assurance of a comprehensive Medical Equipment Management Plan to the Board of Directors. The Chief Executive Officer delegates the monitoring of the Medical Equipment Management Plan to the Director of Materials Management, who then reports to the Environment of Care Committee. The EOC/Safety Committee is responsible for ensuring that the Medical Equipment Management Plan is compatible with all Federal, State and Local requirements.

## VI. ELEMENTS OF THE PLAN

Equipment selection and acquisition:

- Selection is based on the efficacy, safety, acceptability, serviceability, and standardization of equipment. Equipment replacement include, but not limited to, submitting planned capital equipment requests based on depreciation of equipment, schedules, monitoring approved capital equipment, hazard/product recalls, and reactively replacing based on inability to further maintain.
- A recommendation for new or replacement equipment may be originated by any department.
  - The recommendation is a multi-disciplinary process that may include other pertinent parties as necessary, e.g. Materials Management, medical staff, risk management, and end users. This process may include developing a list of potential vendors, developing and implementing an evaluation tool, defining bid document specifications, attending vendor presentations, conducting technical evaluations, participating in clinical trials, making site visits and final evaluation of bid response documents. Utilizing facility GPO contracted vendors.
- The Materials Management Department shall be made aware of any disposables/ consumables required in conjunction with equipment so that availability and cost are addressed prior to equipment acquisition. The user and the Materials Management Department are responsible for coordinating the arrival of new equipment, installation, and removal of old equipment, along with Bio-Medical Company.
- Establishment of risk criteria to identify, evaluate, and take inventory of equipment to be included in the management program before the equipment is used. The risk criteria address: equipment function, the physical risks associated with use, and equipment incident history. Contracted Bio-Medical Company shall be on site twice per month as per agreement will also be responsible for:
- All equipment included in the Biomedical Department inventory database for San Gorgonio Memorial Hospital shall be included in this program and kept in Materials Management; a web site database with equipment inventory will be made accessible via computer.
- Prior to placing any new, rental, leased, demo, borrowed or loaner medical equipment into service, the Engineering Department performs an electrical

safety/ground check. All new equipment purchased must first be inspected by contracted Bio-Medical Company which will perform safety, operational and functional check and is responsible for the initial incoming inspection, risk assessment, and assignment of inspection interval for preventive/routine maintenance.

- Equipment will be added to equipment inventory listing. A unique number is assigned to each piece of equipment and is recorded in the central database by Bio-Medical Company.
- The Materials Management Department maintains a current and accurate inventory of medical equipment for which they are responsible. This inventory includes a minimum of the reference number, manufacturer, model number, description, serial number, assigned location of the equipment, and Bio-Medical ID code.
- The Materials Management Department shall maintain and make available upon request an inventory list and equipment history.
- Monitor and act on equipment safety alerts, hazard notices and recalls.
- All medical equipment recalls, alerts, and hazard notices are addressed in accordance with all applicable policies, procedures, and governing agencies (e.g. Economic Cycle Research Institute (ECRI, Food and Drug Administration (FDA), and Manufacturer).
- Monitor and report all incidents, in which a medical device is connected to death, serious injury or serious illness of any individual, as required by the Safe Medical Devices Act (SMDA) of 1990. Any medical equipment device related incidents are to be reported immediately and coordinated through Risk Management or Administration when the Risk Management Director is not available.
- All incidents in which a medical device may have caused or contributed to the death, serious injury, or serious illness of a patient are addressed and reported per Safe Medical Devices Act (SMDA) requirements.
- Report and investigate equipment management problems, failures, and user errors.
- Any associate, upon becoming aware of a potential patient incident either involving a medical device or resulting from user error, will act in accordance with the Medical Equipment Management Plan including, but not limited to:



- Immediately notify a supervisor and other pertinent personnel (Risk Management, Safety Officer, etc.) as appropriate.
- Complete a quality review report via Verge Incident Report System.
- Impound equipment and all consumables/disposables pending investigation and release.
- All occurrences of incident, abuse, operator error and “could not duplicate” shall be reported to the Safety Officer for review and action as necessary.
- Utilize maintenance strategies appropriate to equipment identified the inventory to ensure safe operation.
- Establish intervals for the inspection, testing and maintenance of equipment to minimize clinical and physical risks based on criteria such as manufacturers’ recommendations, risk levels, and current organization experience.
- The Materials Management Department shall complete a risk assessment for each type of device in the Medical Equipment Management Plan. Risk and preventive maintenance frequency shall be established using a weighted scoring system as follows:

Equipment function (34%)  
Physical Risks (33%)  
Maintenance requirements (33%)

- The Contracted Bio-Medical Company shall perform inspections, testing, and maintenance as determined by the risk assessment or per manufacturer recommendations and Economic Cycle Research Institute (ECRI) procedures. Will be responsible for equipment level of services graphs each month and provided to EOC/Safety Committee meetings on a regular basis. These measures will evaluate performance level of Bio-Medical Company.
- A review annually shall be conducted to determine if any preventive maintenance program needs to be adjusted to any item in the equipment inventory.

The Medical Equipment Plan consists of the following overlapping programs:

Risk Management program  
Infection Control Committee  
Employee Orientation  
Education Program  
Performance Improvement Committee

Emergency Preparedness Plan

Medical Equipment Management Plan  
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Patient Safety Program  
Safety Program  
Life Safety Plan  
Utility Systems Plan

## **EVALUATION**

The Medical Equipment Management Plans scope, program objectives and performance standards measures will be evaluated annually for effectiveness by the EOC/Safety Committee.

The annual evaluation is submitted to Administration and the Board of Directors for review.

The criteria used to measure the effectiveness of the Medical Equipment Plan are:

1. The effectiveness of the preventative maintenance procedures.
2. The completion of the preventative maintenance schedules.
3. Staff response capability and their understanding of training.
4. Status of compliance with employee training and orientation.

## **EDUCATION & TRAINING: EQUIPMENT MAINTAINERS**

- Emergency procedures that address: equipment disruption or failure; when and how to perform emergency clinical interventions when medical equipment fails; the availability of backup equipment; and how to obtain repair services by Bio-Medical Company and/or direct manufacturer.
- Service providers meet minimum educational and/or experience requirements upon employment.
- The Biomedical service is responsible for the technical and engineering support of the majority of medical equipment at San Gorgonio Memorial Hospital. The Engineering Department supports, maintains records on electrical safety performed on all in-coming equipment to include rental, and hospital own equipment. The Engineering department will have a working knowledge of equipment maintenance through service schools, seminars, and on-the-job/cross training.

- The Engineering Department maintains documentation of training/ education provided and received. Training/education content includes, but is not limited to:
  - Participate in the development of area specific Medical Equipment Management related policies and procedures as necessary.
  - Development, provision, and documentation of department/job specific Medical Equipment Management training as required.
  - Maintain appropriate Medical Equipment Management procedural knowledge regarding policies, practices, procedures, and safety emergency plans affecting their area(s) of responsibility and clinical interventions in the event of failure.
  - Processes for requesting backup medical equipment and equipment repair or service as needed.
  - Orientation and annual skills performance checks administered according to clinical user group needs ensuring that a level of competence is maintained.

#### **EDUCATION & TRAINING: EQUIPMENT USERS**

- The Materials Management and Engineering Department, in coordination with vendor representatives and clinical staff, as appropriate, ensures that training of users is addressed prior to placing new types of equipment into service.
- The Materials Management and Engineering Department work together to ensure training as requested or in response to suspected operator error.
- Users are assigned the responsibility and accountability for establishing and documenting appropriate internal policies and procedures establishing safe practices for their areas of operation including, but not limited to:
  - Capabilities, limitations, and special applications of equipment.
  - Basic operating and safety procedures for equipment use.
  - Processes for reporting medical equipment problems, failures, and operator errors.

- Processes for reporting incidents and adverse patient outcomes.

Medical Equipment Management Plan  
Page 7 of 7

- The Safety Officer presents safe medical equipment practices at new associate orientation.
- The Safety Officer and the EOC/Safety Committee Chairperson coordinate annual organization wide medical equipment safety education programs, updates.

### **PRODUCT EVALUATION COMMITTEE**

- The Product Evaluation Committee meets as needed when new products are being considered and involving the end users.

### **MONITORING OF PERFORMANCE**

- In an effort to improve the Medical Equipment Management Program, the Goals and Performance Measures, as approved by the Environment of Care Committee, will be monitored on an ongoing basis and annually by the Safety Officer and the EOC/Safety Committee. Performance measurements address: staff knowledge, monitoring and inspection activities, emergency and incident reporting, and preventive maintenance and testing of equipment. The results of medical equipment performance monitoring are reported to Administration and Department Directors/Managers on a quarterly basis, and annually to the Board of Directors.

**San Gorgonio Memorial Hospital  
Environment of Care  
2023 Hazardous Materials and Waste Management Plan**

**I. PURPOSE**

San Gorgonio Memorial Hospital's Hazardous Materials and Waste Management Plan is designed to provide a safe, functional, supportive, and effective environment for patients, associates, and others utilizing the facility through the coordination, management, control, safe handling, storage and disposal of hazardous material and waste that is in accordance with Federal, State and Local regulations.

**II. GOAL & OBJECTIVE**

It is the goal of the Hazardous Materials and Waste Management Plan to:

1. Identify materials and waste that require special handling  
The EPA has published listing of known hazardous substances with an identification number assigned to each. Also, the State of California has a "Director's List" of hazardous substances. These lists are incomplete. The basic designations should be used when determining what is and what is not hazardous waste.
  
2. Implement a process to minimize the risks that are associated with unsafe use of Hazardous Material and improper disposal of Hazardous Waste. Training employees regarding hazardous wastes, including identification of hazardous wastes, the hazardous effect, safe handling procedures, use of personal protective equipment and emergency procedures.

**III. SCOPE**

The scope of the Hazardous Materials and Waste Management Plan is organization wide in scope, and applies to all care settings, departments, and services.

**IV. AUTHORITY**

The Hazardous Materials and Waste Management Plan is authorized by the Chief Executive Officer (CEO) and the hospital governing board. The EOC/Safety Committee has been charged with the responsibility to develop, implement, and evaluate this plan on at least an annual basis.

**V. ELEMENTS OF THE PLAN**

- Development and maintenance of a written management plan describing the processes it implements to effectively manage hazardous materials and waste.

**San Gorgonio Memorial Hospital  
Environment of Care  
2023 Hazardous Materials and Waste Management Plan**

- Creation and maintenance of an inventory that identifies hazardous materials and waste used, stored, or generated using criteria consistent with applicable law and regulation.
- Establish and implement processes for selecting, handling, storing, transporting, using, and disposing of hazardous materials and waste from receipt or generation through use and/or final disposal; including managing the following:
  - Hazardous chemicals and waste
  - All hazardous wastes will be approximately labeled with written information that explains what the material is. Its strength (if applicable) and the type of hazards it represented (if not obvious). All hazardous wastes will be packaged, labeled, placarded, and marked according to the Department of Transportation Regulations. These regulations are found in the code of Federal Regulations at 49CFR parts 172, 173, 178 and 179. These regulations specify packaging requirements for regulated materials, labeling requirements according to hazard category and all necessary placarding for use when transporting hazardous wastes. Labels must be clear and undamaged. Labels, when required, will be printed on, or affixed to the surface of the package near the proper shipping name.

When two or more different labels are required, they will be displayed next to each other.

When two or more packages containing compatible hazardous wastes are packaged within the same over pack, the outside container will be labeled as required for each class of material contained therein.

Certain hazardous wastes can be stored in bags without labels, provided a universally accepted coloring system is used. For example, all infectious wastes would be disposed of in red bags.

- Chemotherapeutic materials and waste
- Radioactive materials and waste
- Infectious and regulated medical waste
- Provision of adequate and appropriate space and equipment for safe handling and storage of hazardous materials and waste
- Biohazardous waste is removed from specific pickup area in each department. It is then transported to the locked biohazardous holding area to await pick up from "Waste Hauler".
- Hazardous wastes which cannot be legally disposed of by incineration, chemical neutralization or through the sewage system, will be stored in approved drums and containers in specially designated areas that are accessible only to authorized personnel.

**San Gorgonio Memorial Hospital  
Environment of Care  
2023 Hazardous Materials and Waste Management Plan**

- Hazardous wastes will be stored on site for a maximum of 90 days. In rare cases a 30-day extension is allowed by obtaining a treatment storage and handling permit from the California Department of Health Services.

Hazardous wastes will be segregated by class and separated by space.

Lists of incompatible chemicals (i.e., acids and bases) will be readily available for personnel who handle waste chemical storage.

- Minimizes risks associated with selecting, handling, storing, transporting, using, and disposing of hazardous gases and vapors, including monitoring levels of hazardous gases and vapors to determine that they are in safe range.

- Flammable will be kept in a flammable liquid storage cabinet.

Irritants and highly volatile materials will be kept in ventilated storage under slightly negative pressure.

Ignitable or reactive wastes will be stored at least 15 meters (50 feet) from the property line.

If a container is holding a hazardous waste that is stored near any incompatible substance, it will be separated by means of a dike, berm, wall, or other device.

- Identification and implementation of emergency procedures that include the specific precautions, procedures, and protective equipment used during hazardous materials and waste spills or exposures.
- Any hazardous material spill or exposure will be safely contained and cleaned up in accordance with policies and procedures, with notifications made to the appropriate municipal, state, and federal agencies and/or emergency response agencies as required.
  - Maintenance of documentation, including required permits, licenses, manifests, and safety data sheets as required by law and regulation
  - Department of Environmental Health- Annually
  - Medical Waste Management Annually
  - Dot Training – Annually
  - Manifests – Daily
  - Safety Data Sheets are changed when a new product is implemented
  - Proper labeling of hazardous materials and waste

**San Gorgonio Memorial Hospital  
Environment of Care  
2023 Hazardous Materials and Waste Management Plan**

- Biohazardous waste is labeled with the hazardous symbol

**VI. EVALUATION**

The scope, goals and objectives, and plan elements of the Hazardous Materials and Waste Management Plan will be evaluated annually for effectiveness by the EOC/Safety Committee. The annual evaluation is submitted to the EOC/Safety Committee for review and include the following criteria:

1. The number of potential spills/exposure incidents.
2. The number and type of potential improperly segregated waste disposal.
3. The number and type of potential deficiencies during Riverside County Environmental Health Survey.

**VII. EDUCATION & TRAINING**

- All associates will receive education in Hazardous material and waste management at new hire orientation by the Safety Officer and thereafter by their Department Director, immediate Supervisor, the Infection Control Practitioner and/or Employee Health Nurse.
- The EOC/Safety Committee in coordination with the Safety Officer will provide annual organization-wide safety education, which will include hazardous material and waste management.

**VIII. MONITORING OF PERFORMANCE**

- The Hazardous Material and Waste Management Program Performance Standards will be monitored on an on-going basis and reported quarterly to the EOC/Safety Committee, and will include the following:
  - Associate knowledge of hazardous material and waste management.
  - Monitoring and inspection activities.
  - Emergency and incident reporting.
  - Equipment and hazardous environmental monitoring and/or testing.
  - Emergency response procedures performed satisfactorily in the event of a potential spill to include the following: use of appropriate Personal Protective Equipment (PPE); containment and cleaned-up; and appropriate initiation of notifications in alignment with Federal, State and Local regulatory requirements.



**San Gorgonio Memorial Hospital  
Environment of Care  
2023 Hazardous Materials and Waste Management Plan**

# San Gorgonio Memorial Hospital Environmental Safety and Security Management Plan 2023

## SCOPE

The Security Management Plan describes the methods of providing security for people, equipment and other materials through risk assessment and management for San Gorgonio Memorial Hospital, as well as associated off site locations. Security protects individuals and property against harm or loss, including workplace violence, theft, infant abduction, and unrestricted access to medications.

The program applies to the Behavioral Health Center and all other associated clinics and off-site facilities related to San Gorgonio Memorial Hospital.

## FUNDAMENTALS

- A. A visible security presence in the hospital helps reduce crime and increases the feeling of security by patients, visitors and staff.
- B. The assessment of risks to identify potential problems is key to reducing crime, injuries, and other incidents.
- C. Analysis of security incidents provides information to assist with predicting and preventing crime, injury, and other incidents from occurring.
- D. Training hospital associates is critical to ensuring their appropriate performance. Associates are trained to recognize and report either potential or actual incidents to ensure a timely response.
- E. Associates in sensitive or high-risk areas receive training about the protective measures designed for those areas and their responsibilities in the protection of patients, visitors, associates and property.
- F. Violence in the workplace awareness; please refer to Policy Stat "Workplace Violence", Code of Conduct policies.

## OBJECTIVES

The Objectives for the Security Management Plan are developed from information gathered during routine and special risk assessment activities, annual evaluation of the previous year's plan, performance measures, Security Incident Reports and environmental tours. The Objectives for Security to fulfill this plan are:

- Conduct and document adequate security rounds on all shifts.
- Respond to emergencies and requests for assistance in a timely fashion.
- Maintain and expand current electronic security protection devices, including card access, surveillance cameras, and alarm systems.

# **San Gorgonio Memorial Hospital Environmental Safety and Security Management Plan 2023**

## **ORGANIZATION & RESPONSIBILITY**

The Hospital Board receives regular reports of the activities of the Security Management Plan from the Environment of Care Committee (EOC), which is responsible for the physical environment issues. The board reviews reports and, as appropriate, communicate concerns about identified issues and regulatory compliance. The board also provides financial and administrative support to facilitate the ongoing activities of the Security Management Plan.

The Chief Executive Officer or other designated leader collaborates with the Director of Security to establish operating and capital budgets for the Security Management Plan.

The Director of Security, in collaboration with the committee, is responsible for monitoring all aspects of the Security Management Plan. The Director of Security advises the committee regarding security issues which may necessitate changes to policies and procedures, orientation or education, or expenditures of funds.

Department leaders are responsible for orientating new associates to their departments, as appropriate, to job and tasks specific to security procedures. They are also responsible for the investigation of incident occurring in their departments. When necessary, the Director of Security provides directors with assistance in developing department security plans or policies and assists in investigations as necessary.

Associates are responsible for learning and following job and task-specific procedures for secure operations.

# San Gorgonio Memorial Hospital Environmental Safety and Security Management Plan 2023

## PERFORMANCE ACTIVITIES

The performance measurement process is one part of the evaluation of the effectiveness of the Security Management Plan. Performance measures have been established to measure at least one important aspect of the plan.

The performance measures for the plan are:

<b>Security Management Plan Performance Measures</b>			
<b>Performance Standard</b>	<b>Performance Indicator</b>	<b>Justification for the measure</b>	<b>Source of Data</b>
Security will conduct monthly panic alarm testing for all devices monitored by the Centurion Elite system. An alarm should sound and register on appropriate monitoring devices.	Percentage of properly working panic alarms. (Needs Improvement 0-95%, Threshold 96-97%, Target 98-100%)	Associate and patient safety and timely response	Panic Alarm Binder-Director of Security's office
Security will enforce smoking policy and track the number of contacts for non-compliance	Informational	Enforcement of hospital no-smoking policy	Daily Activity Reports
Number of reported security restraint incident, which are evaluated for compliance with established security procedures	% of reports evaluated (0-60% needs improvement, threshold 80-90%, Target 100%)	Annual risk reporting	Security Department Reports

## PROCESSES FOR MANAGING SECURITY RISKS

### Management Plan

The Director of Security develops and maintains the Security Management Plan. The scope, objectives, performance, and effectiveness of the plan are evaluated on an annual basis.

# **San Gorgonio Memorial Hospital Environmental Safety and Security Management Plan 2023**

## **Security Risk Assessment**

The Director of Security manages the security risk assessment process for the organization and offsite facilities. The Director of Security is designated to manage risk, coordinate risk reduction activities in the physical environment, collect deficiency information, and disseminate summaries of actions and results. The Director of Security ensures compliance with applicable codes and regulations.

The assessment of the hospital identifies security risks associated with the environment of care. Risks are identified from internal sources such as ongoing monitoring of the environment, result of root cause analysis, results of annual proactive risk assessment, and from credible external sources such as Sentinel Event Alerts.

The risk assessment is used to evaluate the impact of the environment of care on the ability of the hospital to perform clinical and business activities. The impact may include disruption of normal functions or injury to individuals. The assessment evaluates the risk from a variety of functions, including structure of the environment, the performance of everyday tasks, workplace violence, theft, infant abduction, and unrestricted access to medications.

## **Use of Risk Assessment Results**

Where the identified risks are not appropriately handles, action is taken to eliminate or minimize the risk. The actions may include creating new programs, processes, procedures, or training programs. Monitoring programs may be developed to ensure the risks have been controlled to achieve the lowest potential for adverse impact on the security of patients, associates, and visitors.

## **Identification Program**

The Director of Security coordinated the identification program. All supervisory personnel manage enforcement of the identification program.

Hospital administration maintains policies for identification of patient, associates, visitors, and vendors. All associates are required to display and identification badge on their upper body while on duty. Identification badges are displayed on the individual with the picture showing. Associates who fail to properly display their identification badges are counseled individually by their directors.

Visitors to patients are also expected to have identification. Visitors and vendors entering the facility are expected to stop at the entrance desks so that a visitor identification pass is issued. The Security Officer assist in the enforcement of visitor identification policies.

# San Gorgonio Memorial Hospital

## Environmental Safety and Security Management Plan

### 2023

The Purchasing Department provides vendor identification. Contract identification is provided by Security.

#### **Sensitive Areas**

The Director of Security works with leadership to identify security sensitive areas by utilizing risk assessment and analysis of incident reports.

The following areas are currently designated as security sensitive areas:

- Business Office
- Emergency Department
- Human Resources
- Pharmacy
- OB/GYN
- Behavioral Health

Associates are reminded during their annual in-service about those areas of the facility that have been designated as sensitive. Associates assigned to work in sensitive area receive department level education on an annual basis that focuses on special precautions or responses that pertain to their areas.

#### **Security Incident Procedures**

The Director of Security coordinates the development of organization-wide written security policies and procedures and provides assistance to departments in the development of departmental security procedures, as requested. These policies and procedures include infant and pediatric abduction, workplace violence, and other events that are caused by individuals from either inside or outside the organization. Organization-wide security policies and procedures are available online to all departments and associates. Department directors are responsible for ensuring enforcement of security policies and procedures. Each associate is responsible for following security policies and procedures. Organization-wide and departmental security policies and procedures are reviewed at least every three years. Additional interim reviews may be performed on an as needed basis. The Director of Security coordinated the triennial and interim reviews of organization-wide procedures with department directors and other appropriate associates.

#### **Security Department Response**

Upon notification of a security incident, the Director of Security or designee assesses the situation and implements the appropriate response procedures. The Director of Security notifies Administration, if necessary, to obtain additional support. Security incidents that occur in the Emergency Department are managed initially by the posted

# **San Gorgonio Memorial Hospital Environmental Safety and Security Management Plan 2023**

Officer in accordance with the policies and procedures for this area. The Director of Security is notified about the incident as soon as possible.

Security incidents that occur in the departments are managed according to departmental or facility-wide policy. The Director of Security or designee is notified about any significant incident that occurs in a department as soon as possible. Additional support is provided by the Security Department, as well as public law enforcement if necessary.

Following any security incident, a written "Security Department Report" is completed by the Security Officer responding to the incident. The report is reviewed by the appropriate Security Supervisor and Director of Security. Any deficiencies identified in the report are corrected.

## **Evaluating the Management Plan**

On an annual basis the Director of Security evaluates the scope, objectives, performance, and effectiveness of the plan to manage the utility system risks to associates, visitors, and patients.

## **REFERENCES**

1. CIHQ Standards CE-3, CE-4
2. CMS Conditions of Participation for Acute Care Hospitals – §482.41

# **San Gorgonio Memorial Hospital Environment of Care Utilities Management Plan 2023**

## **I. PURPOSE**

San Gorgonio Memorial Hospital's Utilities Management Plan provides a method to effectively maintain a safe and comfortable environment of care through continuous evaluation, improvement, and maintenance of utility systems.

## **II. OBJECTIVE**

The objective of San Gorgonio Memorial Hospital's Utilities Management Plan is to establish and maintain utility systems within the facility that promote a safe, controlled environment; reduce the potential for organization-acquired illness; minimize the risk of utility failures; and ensure operational reliability.

## **III. SCOPE**

The scope of the Utilities Management Plan addresses San Gorgonio Memorial Hospital's Main Hospital.

## **IV. GOAL**

To reduce the potential for utility service disruptions or malfunctions; to reduce any resulting risk of injury to patient care and staff; and to prolong equipment life through inspection, testing, preventive maintenance, and staff education.

## **V. AUTHORITY**

San Gorgonio Memorial Hospital's Chief Executive Officer has final authority and responsibility for the assurance of a comprehensive Utilities Management Plan to the Board of Directors. The Chief Executive Officer delegates the monitoring of the Utilities Management Plan to the EOC/Safety Committee and the Safety Officer. The EOC/Safety Committee is responsible for ensuring that the Utilities Management Plan is compatible with Federal, State and Local requirements.

## **VI. ELEMENTS OF THE PLAN**

Promote a safe, controlled, comfortable environment of care.



- San Gorgonio Memorial Hospital promotes a safe, controlled, comfortable environment of care through management of preventive maintenance of utility systems that maintain life support; the prevention and control of infection; environmental support; and equipment support.
- Such systems include electrical distribution, emergency power, horizontal transport, heating, ventilating and air conditioning, plumbing, boiler, and steam utilization, piped gas and vacuum systems, communication systems, and information systems.

Reduce the potential for hospital-acquired illness.

- Reducing the potential for hospital-acquired illness is accomplished through management of building utilities that address infection control, including air handling and environmental automation systems, domestic hot/cold water, steam distribution, hot water heating, and chilled water distribution.

Assess and minimize risks of utility failures.

- The risk of utility failure is minimized through the inspection, testing, and maintenance of critical operating components, and through the education of users and maintainers of utility systems.

Ensure the operational reliability of utility systems.

- Operational reliability of utility systems is accomplished through the completion and review of scheduled preventive maintenance; the ongoing assessment and scheduled upgrade of utility system components; and through the review and investigation of problems, failures, unscheduled outages or user errors to determine cause and corrective action necessary to minimize recurrence.

Establish risk criteria for identifying, evaluating, and inventorying of critical Operating components.

- Risk criteria used to prioritize maintenance of critical operating components address: threat to general patient safety, life threat to patient safety, the risk of treatment delays due to equipment failure or lack of capacity and the potential discomfort to patients, visitors, staff or danger to life or health as a result of equipment failure, accidental discharge or lack of capacity.

Maintenance strategies for all inventoried critical components.

- Maintenance strategies of inventoried critical components are established utilizing predictive maintenance records, interval-based inspections, metered maintenance, and corrective maintenance histories.

Intervals for inspection, testing and maintenance of inventoried critical Components.

- Intervals for inspection, testing and maintenance to minimize clinical or physical risk are established based on manufacturers' recommendations, risk levels identified, and health care system experience.

Inspection, testing and maintenance of critical components of piped gas medical Systems.

- Medical gas system master signal panels and area alarms are inspected and tested annually. Automatic pressure switches, main and area shutoff valves, connectors, and outlets are inspected and tested annually.

Medical gas pipe systems are tested when installed, modified, or repaired.

- Medical gas systems are initially certified upon installation and are re-certified in the event of modification or repair. The certification and re-certification process shall include cross-connection testing, piping purity testing, and pressure testing.

Maintain accessibility to and clear labeling of medical gas system main supply valve and area shutoff valves.

- Medical gas system main shutoff and area shutoff valves are readily accessible and clearly labeled in the event of scheduled or emergency shut down.

Manage pathogenic agents in cooling towers, domestic hot water, and other Aerosolizing systems.

- The potential for growth of and exposure to pathogenic agents is minimized through the treatment and maintenance of hospital cooling towers, and scheduled cleaning and disinfecting of aerosolizing water systems (sinks, showers and drinking fountains), respiratory treatment equipment, and decorative fountains.

Install and maintain appropriate pressure relationships, air exchange rates and filtration efficiencies for ventilation systems that serve areas specially designed to control airborne contaminants.

- Specially designed areas to control airborne contaminants: operating rooms, special procedure rooms, delivery rooms, negative isolation rooms, laboratories and sterile supply rooms are tested annually to ensure air exchange rates and filtration efficiencies, or as required to ensure proper isolation pressure relationships are maintained.

Develop and maintain utility system operating plans.

- Utility system operating plans are maintained to help ensure equipment reliability and to reduce the risk of malfunction or failure.

Map the distribution of utility systems and label controls.

- Blueprints and single-line drawings are maintained to identify how utility systems are distributed, and all controls points are clearly labeled to facilitate partial or complete emergency shutdown.

Investigate utility systems management problems, failures, user errors or reported incidents.

- Reports of utility system failures, problems and/or user errors are reviewed and investigated by the Plant Operations Director for corrective action, reviewed by the Safety officer, and reported to the EOC/Safety Committee.

## **EDUCATION & TRAINING**

- Plant Operations Supervision is responsible for ensuring the orientation, education, and annual evaluation of staff responsible for maintaining utility systems.
- The Safety Officer presents appropriate staff response to utility system failures at new employee orientation; and, department level utility system user training is provided by the employee's Department Director/Nurse Manager, Plant Operations representative.
- The Safety Officer and EOC/Safety Committee coordinate annual organization wide utility systems education.

## **MONITORING OF PERFORMANCE**

In an effort to improve the Utilities Management Program, the Goals and Performance Standards Measures, as approved by the EOC/Safety Committee, will be monitored on an ongoing basis and annually by the Safety Officer.

The EOC/Safety Committee. Performance measurements address: user utility systems knowledge, completion of preventive

Maintenance, monitoring, testing and inspection of identified critical components, and review and investigation of emergency and incident reporting. The results of the utility systems performance monitoring are reported to Administration and Department Directors/Managers on a quarterly basis, and annually to the Board of Directors.

Emergency procedures for utility system disruptions or failures.

- Emergency procedures are maintained that address specific procedures to follow in the event of utility disruption; the identification and procurement, if applicable, of alternative sources; instructions for shutoff of malfunctioning systems and how to obtain repair; and when and how to perform emergency clinical intervention.

## **EVALUATION**

- The Utility Systems Management Plan's scope, program objectives and performance standards measures will be evaluated annually for effectiveness by the EOC/Safety Committee. The annual evaluation is submitted to Administration and the Board of Directors for review.

The criteria used to measure the effectiveness of the Utility Plan are:

1. The effectiveness of current preventative maintenance procedures.
2. Evaluation of incident reporting procedures (quality review reports).
3. Status of compliance with employee training and orientation.

## **EMERGENCY POWER SOURCE**

San Geronio Memorial Hospital provides and tests reliable emergency power systems that have:

An adequately sized, designed, and fueled emergency power source

San Geronio Memorial Hospital maintains and routinely tests two (2) emergency power generators to service its acute patient care facilities

and support services. Sufficient fuel storage is maintained on campus to provide a minimum of ninety-six (96) hours of service.

Provide reliable emergency power and stored energy power systems as required by occupancy classification.

- San Geronio Memorial Hospital maintains emergency power generators and stored energy systems to provide electricity to the following systems when normal power is interrupted:

- Alarm systems
- Exit route and exit signs illumination
- Emergency communication systems

Provide reliable emergency power systems for hospital services and patients served.

- San Geronio Memorial Hospital maintains emergency power generators to provide electricity to the following areas when normal power is interrupted:

- Blood storage units
- Emergency/Urgent care areas
- Medical air compressors
- Medical and surgical vacuum systems
- Operating rooms
- Postoperative recovery rooms
- Patient and special care units
- Obstetrical delivery rooms
- Newborn nurseries
- Air Conditioning Units
- Food Storage Units
- Pharmacy Supply Units

**TAB J**

REGULAR MEETING OF THE  
SAN GORGONIO MEMORIAL HOSPITAL  
BOARD OF DIRECTORS

FINANCE COMMITTEE  
Tuesday, December 27, 2022

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, December 27, 2022, in Classroom B, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi, Ron Rader, Steve Rutledge, Dennis Tankersley, Siri Welch

Members Absent: None

Required Staff: Steve Barron (CEO), Pat Brown (CNO/COO), Daniel Heckathorne (CFO), Margaret Kammer (Controller), Annah Karam (CHRO), Ariel Whitley (Executive Assistant), Angela Brady (ED Director), Karan P. Singh, MD (CMO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Call To Order</b>	Susan DiBiasi called the meeting to order at 9:04 am.	
<b>Public Comment</b>	No public present.	
<b>OLD BUSINESS</b>		
<b>Proposed Action - Approve Minutes November 29, 2022, regular meeting</b>	Susan DiBiasi asked for any changes or corrections to the minutes of the November 29, 2022, regular meeting. There were none.	<b>The minutes of the November 29, 2022, regular meeting will stand correct as presented.</b>
<b>NEW BUSINESS</b>		
<b>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – November 2022</b>	<p>Daniel Heckathorne, CFO, reviewed the Unaudited November 2022 finance report as included in the committee packets.</p> <p>The month of November resulted in negative \$1.33M EBIDA compared to budgeted EBIDA loss of \$1.26M. Adjustments and items of note include:</p> <ul style="list-style-type: none"> <li>• Surgery visits again were quite high.</li> <li>• Emergency visits were high at 4,006 (including some record daily visits).</li> <li>• Deductions from Revenues were increased by \$327K for 5 months’ activities related to the true-up of O/P vs. I/P collection ratios and Medicare Sequestration payment</li> </ul>	<b>M.S.C. (Rader/Rutledge), the SGMH Finance Committee voted to recommend approval of the Unaudited November 2022 Financial report to the Hospital Board of Directors.</b>

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
	<p>reductions.</p> <ul style="list-style-type: none"> <li>• An accrual of \$427K was made to Non-Patient Revenues for HQAF Supplemental Funding.</li> <li>• Total Operating Expenses were \$875K below budget.</li> </ul> <p>It was noted that approval is recommended to the Hospital Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 611 1214 724"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of Resolution No. 2023-01, a resolution approving the form and authorizing the execution and delivery of a first amendment to line of credit with First Foundation Public Finance, a Delaware Statutory Trust and a wholly-owned subsidiary of First Foundation Bank and approving certain other actions.</b></p>	<p>Daniel Heckathorne reviewed and explained Resolution No. 2023-01, a resolution approving the form and authorizing the execution and delivery of a first amendment to line of credit with First Foundation Public Finance, a Delaware Statutory Trust and a wholly owned subsidiary of First Foundation Bank and approving certain other actions.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 1146 1214 1260"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Rader/Welch), the SGMH Finance Committee voted to recommend approval of Resolution No. 2023-01, a resolution approving the form and authorizing the execution and delivery of a first amendment to line of credit with First Foundation Public Finance, a Delaware Statutory Trust and a wholly owned subsidiary of First Foundation Bank and approving certain other action to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												



AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping.</b></p>	<p>The Finance Committee is recommending that SGMH replaces the Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping.</p> <p>A Purchase Order to secure this price is required to be generated before December 30, 2022, and will include the language “Subject to final Board approval”.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 737 1214 852"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Rutledge/Welch), the SGMH Finance Committee voted to recommend approval of the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												
<p><b>Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board of the renewal of the 3M Software Coding Agreement.</b></p>	<p>SGMH has been using 3M coding software for many years. This software facilitates the coding needed for each medical chart. The coding is then used for billing purposes and reporting purposes. The current agreement expires on January 6, 2023.</p> <p>It was noted that approval is recommended to the Hospital Board and Healthcare District Board.</p> <p><b>ROLL CALL:</b></p> <table border="1" data-bbox="386 1283 1214 1398"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Rader</td> <td>Yes</td> </tr> <tr> <td>Rutledge</td> <td>Yes</td> <td>Tankersley</td> <td>Yes</td> </tr> <tr> <td>Welch</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	DiBiasi	Yes	Rader	Yes	Rutledge	Yes	Tankersley	Yes	Welch	Yes	Motion carried.		<p><b>M.S.C. (Tankersley/Welch), the SGMH Finance Committee voted to recommend approval of the renewal of the 3M Software Coding Agreement to the Hospital Board and Healthcare District Board.</b></p>
DiBiasi	Yes	Rader	Yes											
Rutledge	Yes	Tankersley	Yes											
Welch	Yes	Motion carried.												
<p><b>Future Agenda Items</b></p>	<ul style="list-style-type: none"> <li>Grant from Raul Ruiz’s Office</li> </ul>													
<p><b>Next Meeting</b></p>	<p>The next regular Finance Committee meeting will be held on January 31, 2023.</p>													
<p><b>Adjournment</b></p>	<p>The meeting was adjourned 10:02 am.</p>													

In accordance with The Brown Act, *Section 54957.5*, all reports, and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Ariel Whitley, Executive Assistant



**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**

**Unaudited Financial Statements**

**for**

**FIVE MONTHS ENDING NOVEMBER 30, 2022**

**FY 2023**

**Certification Statement:**

To the best of my knowledge, I certify for the hospital that the attached financial statements, except for the uncertainty of IGT revenue accruals, do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Note: Because these reports are prepared for internal users only, they do not purport to conform to the principles contained in U.S. GAAP.

Certified by:

*Daniel R. Heckathorne*

**Daniel R. Heckathorne**

CFO

# San Gorgonio Memorial Hospital

## Financial Report - Executive Summary

For the Month of November, 2022 and Five Months Ended November 30, 2022 (Unaudited)

### **Profit/Loss (EBIDA) Summary (MTD) Negative and (YTD) Negative**

The month of November resulted in negative \$1.33M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA loss of \$1.26M.

**YTD** – The YTD November results were a negative \$5.77M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted EBIDA loss of \$6.68M.

**Month** – Adjustments and Items of note:

- The November Surgery visits again were quite high.
- The Emergency visits were also very high at 4,006 (including some record daily visits).
- Deductions from Revenues were increased by \$327K for 5 months' activities related to the true-up of O/P vs. I/P collection ratios and Medicare Sequestration payment reductions.
- An accrual of \$427K was made to Non-Patient Revenues for HQAF Supplemental Funding.
- Total Operating Expenses were \$875K below budget (see comments below)
- An accrual estimate for \$75K was made to Purchased Services for annual audit fees.
- An accrual estimate for \$150K was made to Other Expenses for November election fees.

November's inpatient average daily census was 23.5. Adjusted Patient Days were 3.7% under budget (1,819 vs. 1,889) which includes the Patient Days which were 26% below budget (704 vs. 949). Emergency Visits were 26% over budget (4,006 vs. 3,177), and overall Surgeries were over budget, but the final numbers are still being validated against the budgeted 119.

**YTD** - Inpatient average daily census was 21.4. Adjusted Patient Days were 7.6% under budget (8,870 vs. 9,597) and Patient Days were 32% below budget (3,271 vs. 4,821). Emergency Visits were 12.6 % over budget (18,365 vs. 16,313), and overall Surgeries are still being validated compared to the budgeted 611.

### **Patient Revenues (MTD) Negative (YTD) Negative**

**Month** - The Net Patient Revenue in November was \$969K (21.6%) below budget. This is impacted by the "true-ups" to Deductions from Revenue discussed above, plus a low volume of Inpatient Days, again being somewhat offset by the high Outpatient revenues. The Residency Program recovery was \$76K and is included in the Deductions from Revenues. Managed care rate increases negotiated a year ago were estimated at \$178K for the month.

**YTD** – Net Patient Revenues were \$2.8M (11%) below budget. This is impacted by the Deductions from Revenues which were increased by \$327K for 5 months' activities related to the true-up of O/P vs. I/P collection ratios and Medicare Sequestration payment reductions. Also, the biggest impact relates to the low count of Inpatient Days, which is somewhat offset by the high Outpatient revenues and the \$165K Residency Program recovery. Managed care rate increases negotiated a year ago are estimated at \$903K combined for the five months.

### **Total Operating Revenues (MTD) Negative & (YTD) Negative**

**Month** – Operating Revenue in November was \$948K below budget. This was impacted by the negative variances in Net Patient Revenues offset by a favorable \$21K variance in Other Income.

**YTD** - Operating Revenue was \$2.89M below budget. This was impacted by the \$2.79M negative variance in Net Patient Revenues for the five months and a \$101K negative variance in Other Income.

### **Operating Expenses (MTD) Positive & (YTD) Positive**

**Month** - Operating Expenses in November were \$6.83M and were under budget by \$874K. Key items that impacted overall Expenses were as follows: 1) Salaries and Wages, Benefits, and Contract Labor

were collectively \$362K below budget, primarily impacted by the lower inpatient workloads. 2) Physician fees were under budget by \$73K primarily due to reversal of over-accrued anesthesia fees back in August; 3) Purchased Services were \$153K below budget due to Altera (Allscripts) , Guidehouse, and other service agreements being under budget; 4) Supplies were under budget by \$363K, which can be attributed to a) much lower than expected Inpatient Admissions, b) no covid surges thus far, and c) not experiencing the full impact of inflation which is expected to accelerate over the remainder of the year. Large variances included Drugs (\$203K), Medical Supplies (\$57K), and Non-Medical Supplies (\$45K); 5) Other Expense had a negative variance of \$90K which included the \$150K accrual for the November election.

**YTD – Operating Expenses** were \$34.6M and were under budget by \$3.8M. Key items that impacted overall Expenses were as follows: 1) Salaries, Benefits, and Contract Labor were a combined \$1.14M under budget which was impacted by the PTO Flex-Down variance during the summer months along with the much lower than expected Patient Days workloads; 2) Physician fees were \$323K under budget and some of the major variances are related to the Residency Program (\$252K), Anesthesia fees (\$46K) and Physician On-Call costs (\$46K) all being lower than expected ; 3) Purchased Services showed a favorable variance of \$899K due to legal fees variance (\$212K), Allscripts/Navigant (\$435K), Dialysis (\$116K), along with various other Service Agreements being lower than expected; 4) Supplies were under budget by \$1.49M, and large favorable variances, as in the current month, can be attributable to a) much lower than expected Inpatient Admissions, b) no covid surges thus far, and c) not experiencing the full impact of inflation which is expected to accelerate over the remainder of the year; 5) Utilities were under budget by \$82K which is due to “monthly historical allocation methodology” and some avoidance to date of inflationary costs to these areas (which we don’t think have fully materialized. Note: Although there has been great success in controlling expenses and there are some significant favorable variances, it is good to remember that there may be some expenses which have not fully materialized in the first 5 months of the year, and this could have some impact on future months’ expenses.

### **Balance Sheet/Cash Flow**

Patient cash collections in November were \$4.27M compared to \$5.89M in October. The Gross A/R Days increased from 70.1 in November compared to 64.1 in October. This was impacted by some I/T system down-time along with the Thanksgiving holiday time.

Cash balances were \$3.98M compared to \$3.3M in October. Again, the major factor causing the low Cash balance was that the Line of Credit, which was paid down to -0- starting on September 16, and it was not accessed until early November for \$2M. The Accounts Payable increased slightly to \$11.6M in November compared to \$10.1M in October (there was a delay in the last A/P run of November of \$830K due to the Controller’s illness, and these payments went out the first week of December). Other notable activity on the Balance Sheet included accrual of the HQAF Receivable (\$427K).

### **Concluding Summary**

#### **Positive takeaways:**

- 1) Total Emergency Visits and Surgeries were over budget.
- 2) Operating Expenses were \$874K under budget.

#### **Negative takeaways:**

- 1) Inpatient Days are less than expected.
- 2) EBIDA was \$73K below budget.

# San Gorgonio Memorial Hospital

## Financial Report - Executive Summary

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### **Operating Expenses (MTD) Positive & (YTD) Positive**

**Month** - Operating Expenses in November were \$6.83M and were under budget by \$874K. Key items that impacted overall Expenses were as follows: 1) Salaries and Wages, Benefits, and Contract Labor

were collectively \$362K below budget, primarily impacted by the lower inpatient workloads. 2) Physician fees were under budget by \$73K primarily due to reversal of over-accrued anesthesia fees back in August; 3) Purchased Services were \$153K below budget due to Altera (Allscripts) , Guidehouse, and other service agreements being under budget; 4) Supplies were under budget by \$363K, which can be attributed to a) much lower than expected Inpatient Admissions, b) no covid surges thus far, and c) not experiencing the full impact of inflation which is expected to accelerate over the remainder of the year. Large variances included Drugs (\$203K), Medical Supplies (\$57K), and Non-Medical Supplies (\$45K); 5) Other Expense had a negative variance of \$90K which included the \$150K accrual for the November election.

**YTD** – Operating Expenses were \$34.6M and were under budget by \$3.8M. Key items that impacted overall Expenses were as follows: 1) Salaries, Benefits, and Contract Labor were a combined \$1.14M under budget which was impacted by the PTO Flex-Down variance during the summer months along with the much lower than expected Patient Days workloads; 2) Physician fees were \$323K under budget and some of the major variances are related to the Residency Program (\$252K), Anesthesia fees (\$46K) and Physician On-Call costs (\$46K) all being lower than expected ; 3) Purchased Services showed a favorable variance of \$899K due to legal fees variance (\$212K), Allscripts/Navigant (\$435K), Dialysis (\$116K), along with various other Service Agreements being lower than expected; 4) Supplies were under budget by \$1.49M, and large favorable variances, as in the current month, can be attributable to a) much lower than expected Inpatient Admissions, b) no covid surges thus far, and c) not experiencing the full impact of inflation which is expected to accelerate over the remainder of the year; 5) Utilities were under budget by \$82K which is due to “monthly historical allocation methodology” and some avoidance to date of inflationary costs to these areas (which we don’t think have fully materialized. Note: Although there has been great success in controlling expenses and there are some significant favorable variances, it is good to remember that there may be some expenses which have not fully materialized in the first 5 months of the year, and this could have some impact on future months’ expenses.

### **Balance Sheet/Cash Flow**

Patient cash collections in November were \$4.27M compared to \$5.89M in October. The Gross A/R Days increased from 70.1 in November compared to 64.1 in October. This was impacted by some I/T system down-time along with the Thanksgiving holiday time.

Cash balances were \$3.98M compared to \$3.3M in October. Again, the major factor causing the low Cash balance was that the Line of Credit, which was paid down to -0- starting on September 16, and it was not accessed until early November for \$2M. The Accounts Payable increased slightly to \$11.6M in November compared to \$10.1M in October (there was a delay in the last A/P run of November of \$830K due to the Controller’s illness, and these payments went out the first week of December). Other notable activity on the Balance Sheet included accrual of the HQAF Receivable (\$427K).

### **Concluding Summary**

#### **Positive takeaways:**

- 1) Total Emergency Visits and Surgeries were over budget.
- 2) Operating Expenses were \$874K under budget.

#### **Negative takeaways:**

- 1) Inpatient Days are less than expected.
- 2) EBIDA was \$73K below budget.

**STATISTICS**

Inpatient Admissions/Discharges (Monthly Average)

Represents number of patients admitted/discharged into and out of the hospital.

Patient Days (Monthly Average)

Each day a patient stays in the hospital is counted as a patient day. This count is normally done at midnight.

Average Daily Census (Inpatient)

Equals the average number of inpatients in the hospital on any given day or month.

Average Length of Stay (Inpatient)

Represents that average number of days that inpatients stay in the hospital.

Emergency Visits (Monthly Average)

Represents the number of patients who sought services at the emergency room.

Surgery Cases - Excluding G.I. (Monthly Average)

Equals the number of patients who had a surgical procedure(s) performed.

G.I. Cases (Monthly)

Number of patients who had a gastrointestinal exam performed.

Newborn Deliveries (Monthly)

Number of babies delivered.

**PRODUCTIVITY**

Worked FTEs ( includes Registry FTEs)

Represents an equivalency of full-time staff worked. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours worked by the number of hours in the respective work period (40, 80, etc.) Example: 340 hours worked in an 80 hour pay period = 4.25 FTE's

Worked FTEs per APD

Divides the Total Worked FTE's by the daily average of the Adjusted Patient Days.

Paid FTEs ( includes Registry FTEs)

Represents an equivalency of full-time staff paid. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours paid (includes all hours paid consisting of worked hours, PTO hours, sick pay, etc.) by the number of hours in the respective work period (40, 80, etc.) Example: 500 hours paid in an 80 hour pay period = 6.25 FTE's.

Paid FTEs per APD

Divides the Total Paid FTE's by the daily average of the Adjusted Patient Days.

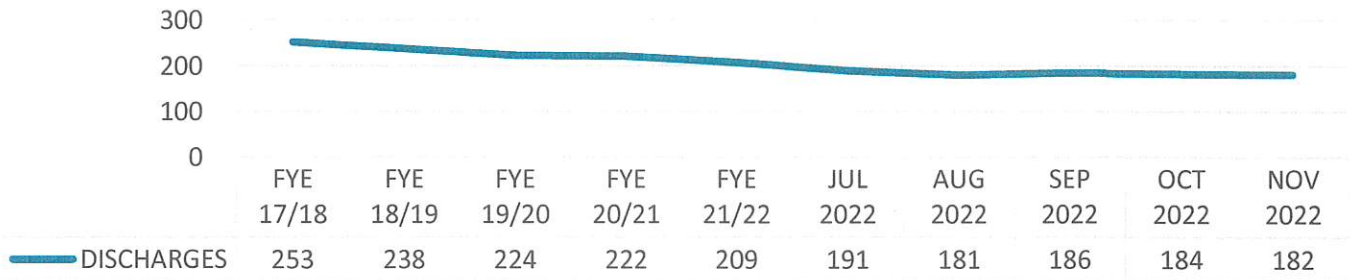
**ADJUSTED PATIENT DAYS**

This is a blend of total patient days stayed in the hospital for a month, plus an equivalency factor (based on average inpatient revenue per patient day) applied to the outpatient revenues in order to account for outpatient workloads.

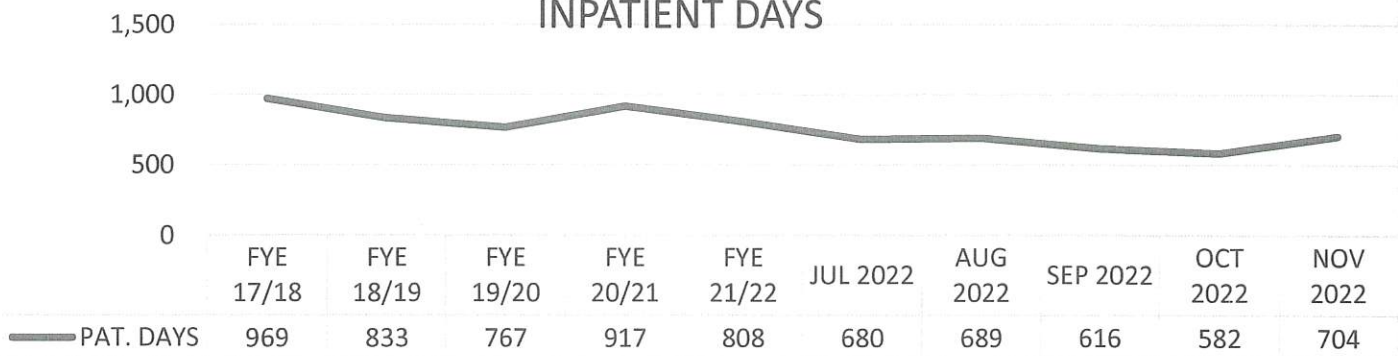
3-A

# SAN GORGONIO MEMORIAL HOSPITAL

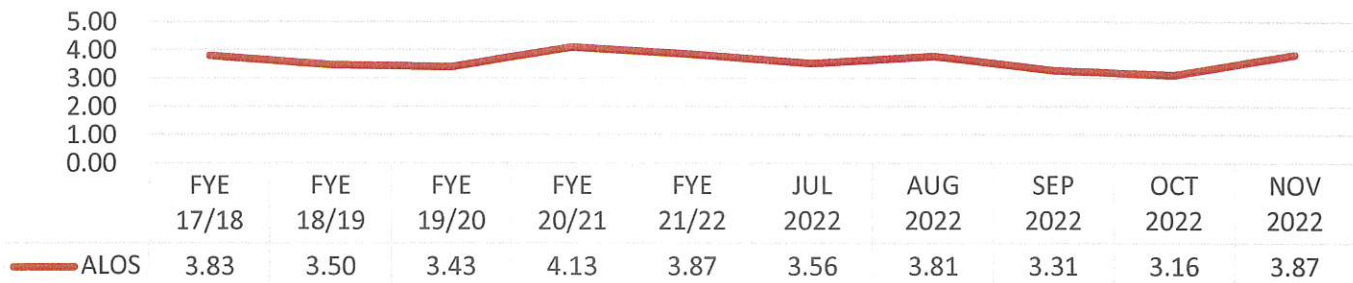
## INPATIENT DISCHARGES



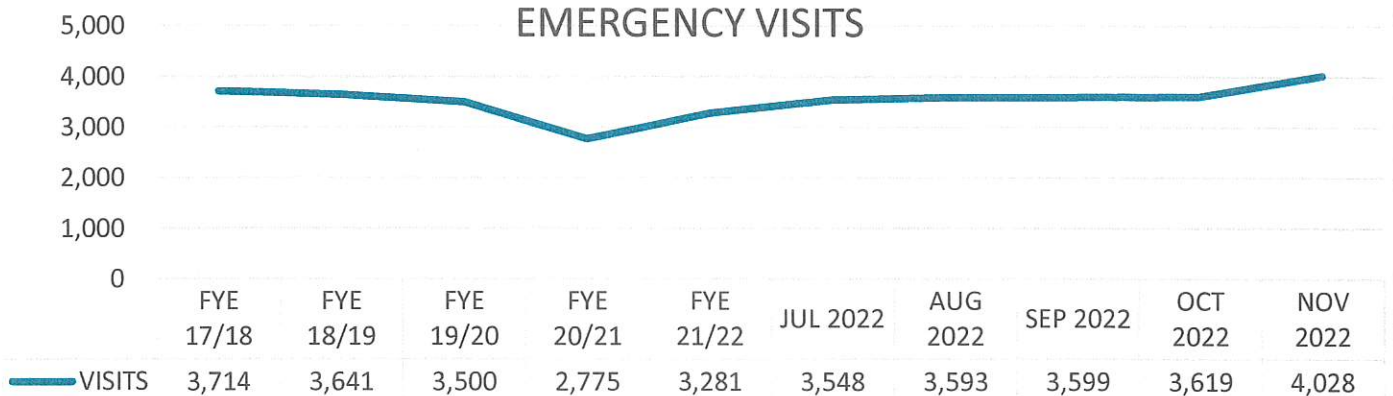
## INPATIENT DAYS



## AVERAGE LENGTH OF STAY



## EMERGENCY VISITS

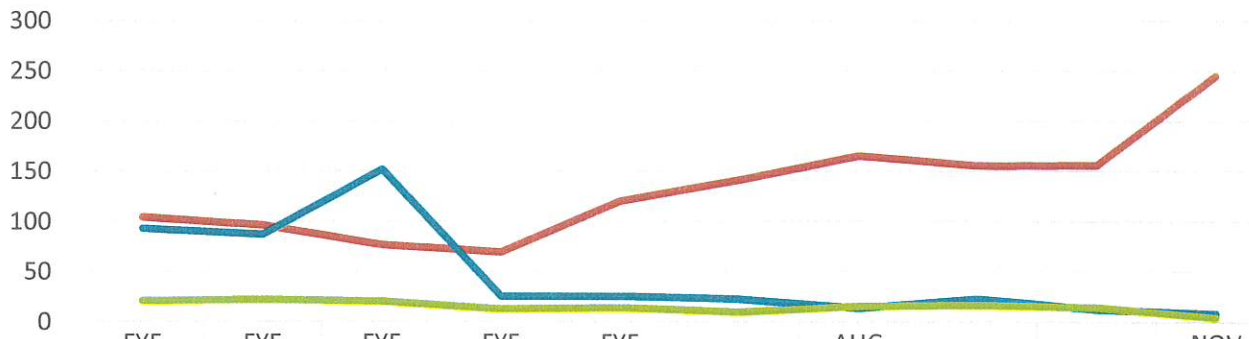


3-B



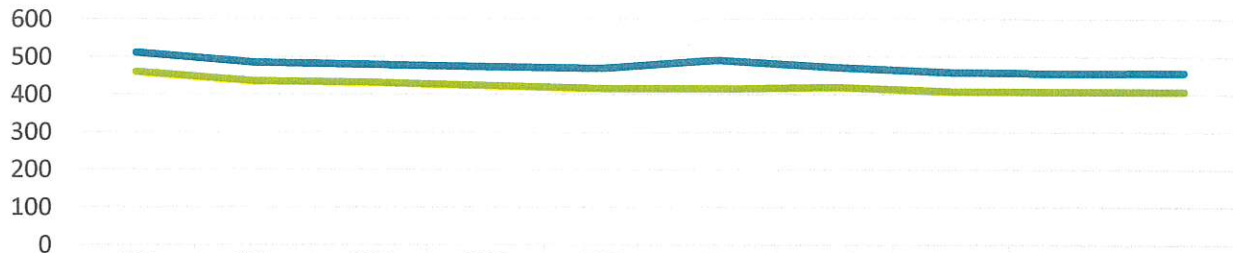
# SAN GORGONIO MEMORIAL HOSPITAL

## SURGERY CASES, G.I. CASES, N/B DELIVERIES



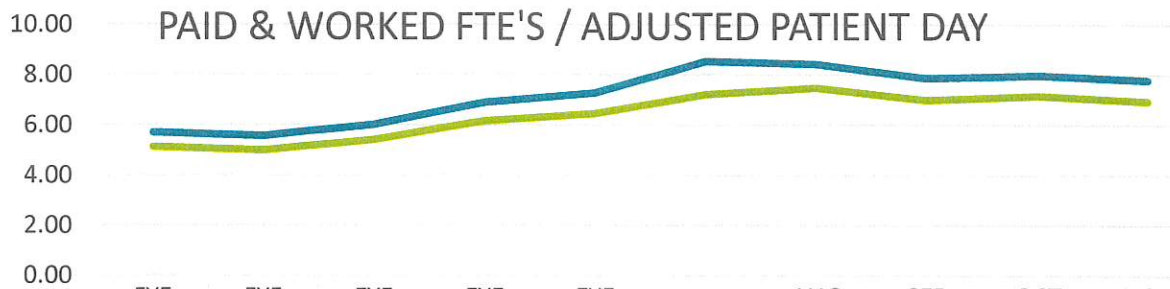
	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022
— SURG.	105	97	77	70	121	142	166	156	157	246
— G.I. CASES	93	87	152	26	26	23	14	23	13	9
— BIRTHS	21	22	21	13	15	10	16	17	15	5

## PAID & WORKED FTE'S



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022
— P FTE's	511	484	479	474	470	491	473	459	457	458
— W FTE's	461	436	431	425	417	416	419	409	409	409

## PAID & WORKED FTE'S / ADJUSTED PATIENT DAY



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022
— PFTES/APD	5.69	5.55	6.01	6.89	7.27	8.54	8.43	7.85	7.99	7.80
— WFTES/APD	5.13	5.00	5.41	6.18	6.45	7.22	7.48	6.99	7.16	6.96

3-C

## INCOME STATEMENT

Gross Patient Revenue (000's) (Monthly Ave.)

Represents total charges (before discounts and allowances) made for all patient services provided.

Net Patient Revenue (NPR) (000's) (Monthly Ave.)

Equals the sum of all (patient) charges for services provided that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.

NPR as % of Gross

Reflects the percentage of Gross Patient Revenues (charges) that are expected to be collected. Calculated by dividing Net Patient Revenue by the Gross Patient Revenue.

Total Operating Revenue (000's) (Monthly Ave.)

This reflects all Revenues available for payment of Operating Expenses. This includes Net Patient Revenue plus all other forms of miscellaneous Revenues.

Salaries, Wages, Benefits & Contract Labor (000's)  
(Monthly Ave.)

Represents the total staffing expenses of the Hospital

SWB + Contract Labor as % of Total Operating Revenue

Identifies what portion the Operating Revenues are spent on staffing costs.

Total Operating Expense (TOE) (000's)(Monthly Ave.)

Operating Expense reflects all costs needed to fund the Hospital's business operations.

TOE as % of Total Operating Revenue

Identifies the relationship that Operating Expenses have to the Total Operating Revenues.

EBIDA (000's)(Monthly Average)

Earnings Before Interest, Depreciation, and Amortization. This reflects the difference between Net Operating Revenues and Total Operating Expense. This is a quick measurement of the Hospital's ability to meet its financial obligations and have additional funds for equipment replacement and future growth of the organization.

EBIDA as % of NPR

This measurement is a gauge of the surplus (or deficit) of funds available for operations and future growth.

Net Patient Revenue vs. Total Labor Expense

This measurement illustrates that Net Patient Revenues basically only cover Total Labor Expense, and that all of the Other Revenues and Supplemental Incomes are necessary to cover the remaining operational Expenses and EBIDA required to operate the Hospital.

Operating Revenues (Normalized), Expenses, Staffing Expenses, and EBIDA (Normalized)

This graph illustrates the "normalization" of Operating Revenues and EBIDA, by reallocating proportionate Supplemental Revenues and related Expenses into the current month and YTD results.

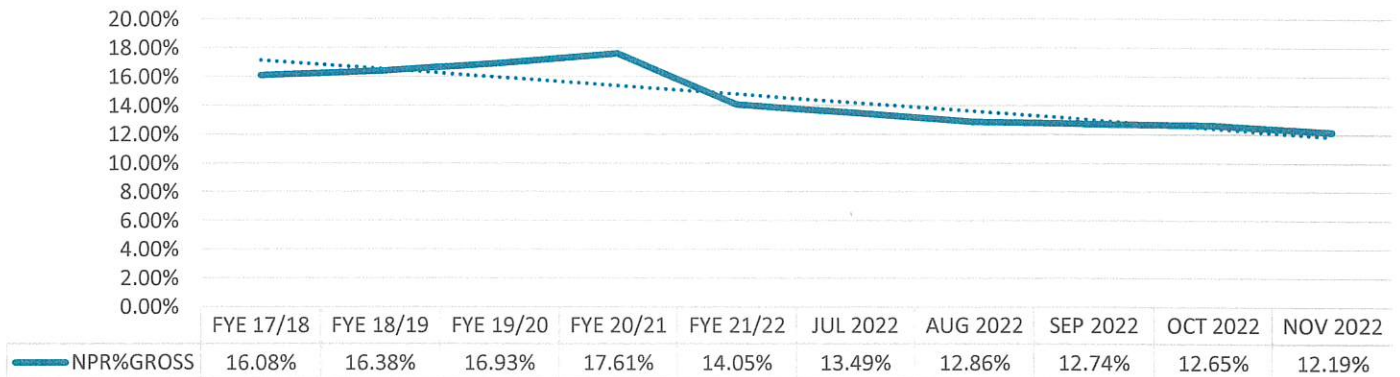
W  
F

# SAN GORGONIO MEMORIAL HOSPITAL

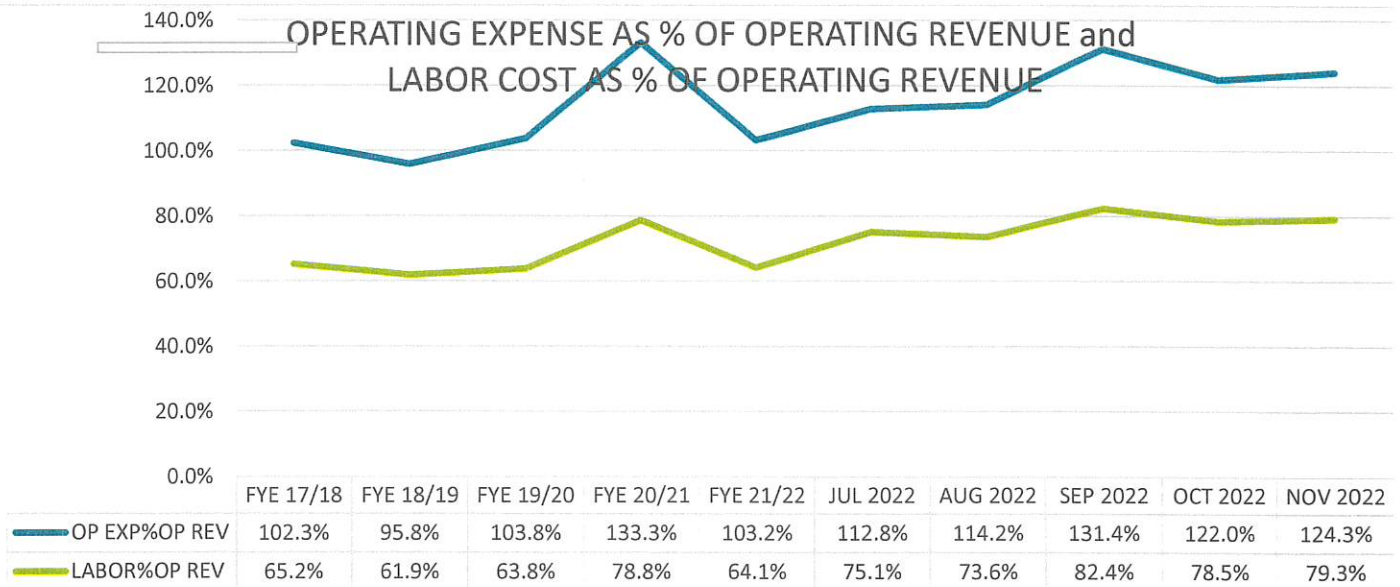
## GROSS PATIENT REVENUE



## NET PATIENT REVENUE AS % OF GROSS

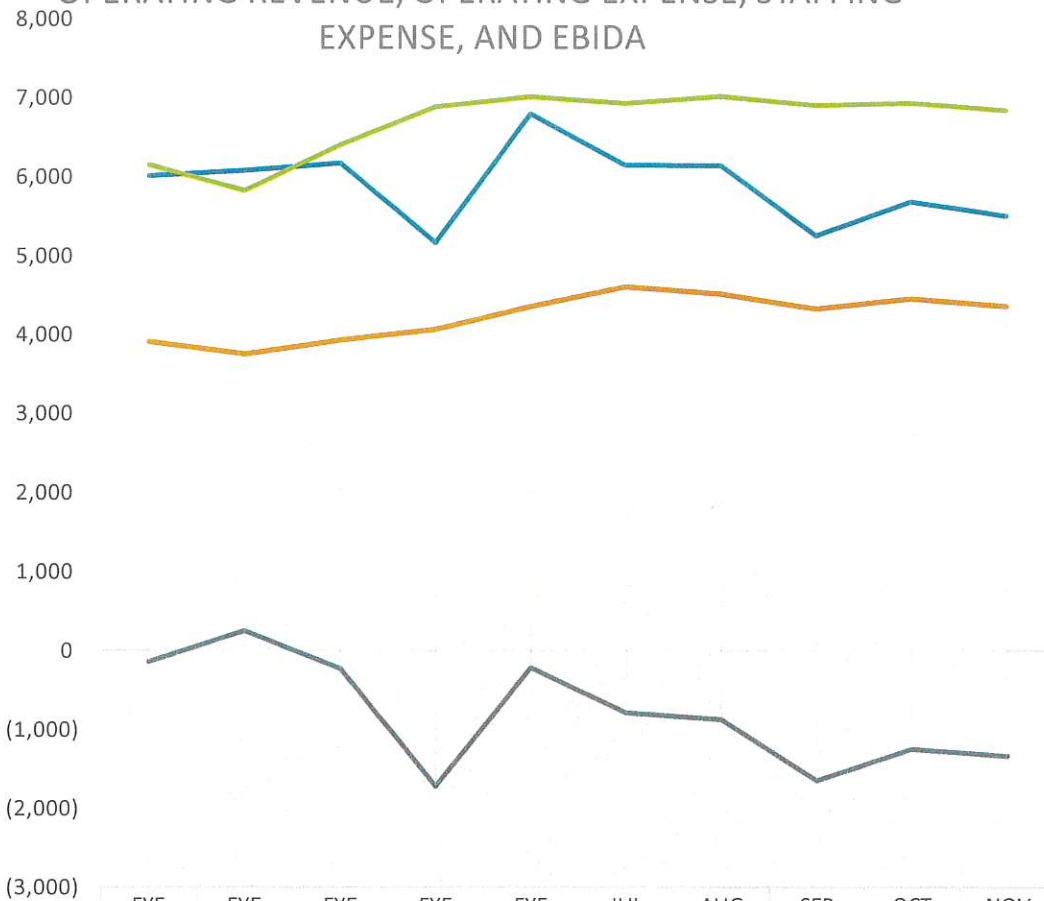


## OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE



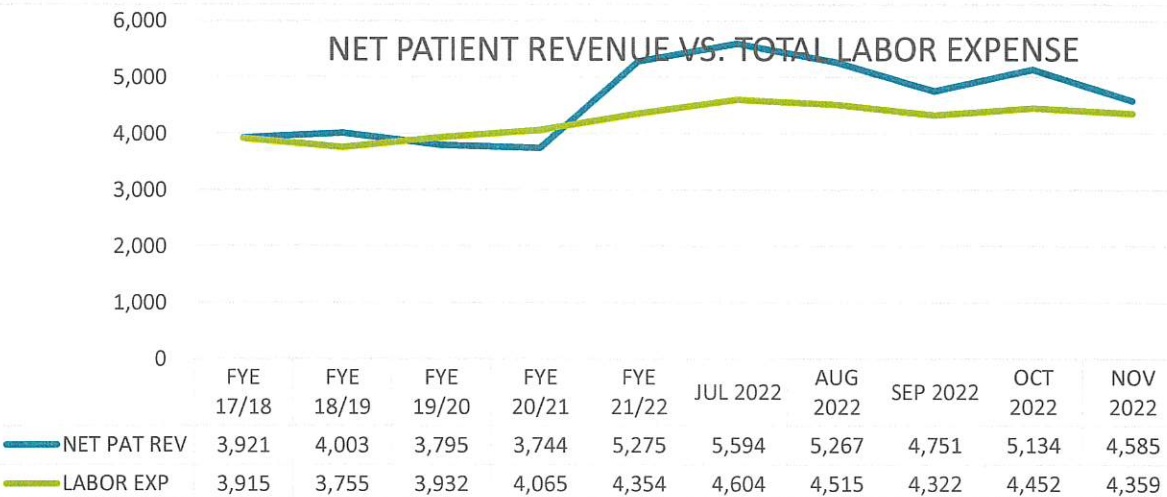
# SAN GORGONIO MEMORIAL HOSPITAL

## OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



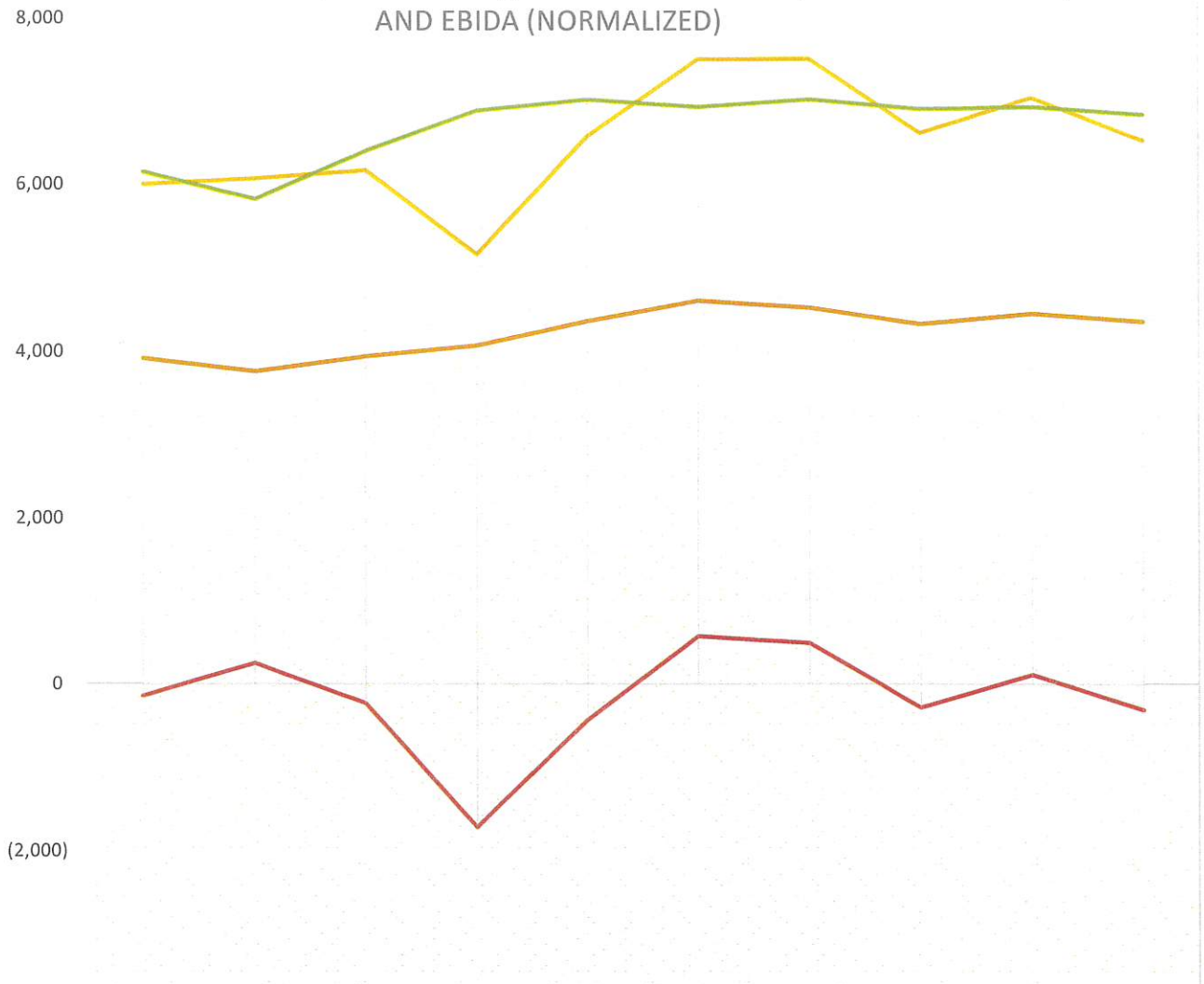
	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022
OP REV	6,006	6,069	6,165	5,160	6,791	6,132	6,137	5,246	5,674	5,499
OP EXP	6,147	5,817	6,398	6,878	7,007	6,920	7,010	6,893	6,923	6,834
STAFF EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359
EBIDA	(141)	252	(233)	(1,719)	(216)	(788)	(873)	(1,648)	(1,249)	(1,335)

## NET PATIENT REVENUE VS. TOTAL LABOR EXPENSE



# SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE (NORMALIZED), OPERATING EXPENSE, STAFFING EXPENSE,  
AND EBIDA (NORMALIZED)



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	JUL 2022	AUG 2022	SEP 2022	OCT 2022	NOV 2022
REV NORMAL	6,006	6,069	6,165	5,160	6,569	7,494	7,499	6,608	7,037	6,525
OP EXP	6,147	5,817	6,398	6,878	7,007	6,920	7,010	6,893	6,923	6,834
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,604	4,515	4,322	4,452	4,359
EBIDA NORMAL	(141)	252	(233)	(1,719)	(438)	574	489	(285)	113	(308)

**SAN GORGONIO HEALTHCARE DISTRICT & HOSPITAL - BANNING, CA**  
**Month-to Month FYE June 30, 2023**

**Statement of Revenue and Expense**

	FYE17/18	FYE18/19	FYE19/20	FYE 20/21	FYE 21/22	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23	FYE 22/23
	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.
<b>Gross Patient Revenue</b>															
Inpatient Revenue	\$ 8,652,325	\$ 7,667,883	\$ 7,401,282	\$ 9,331,371	\$ 16,603,390	\$ 14,034,706	\$ 15,786,344	\$ 13,463,161	\$ 13,156,157						
Inpatient Psych/Rehab Revenue	0	0	0	0	0	0	0	0	0						
Outpatient Revenue	15,730,069	16,765,365	15,067,104	11,933,682	20,832,075	25,546,568	25,684,830	27,481,674	24,122,862						
Long Term Care Revenue	0	0	0	0	0	0	0	0	0						
Home Health Revenue	0	0	0	0	0	0	0	0	0						
<b>Total Gross Patient Revenue</b>	<b>24,382,394</b>	<b>24,433,247</b>	<b>22,468,386</b>	<b>21,265,053</b>	<b>37,635,465</b>	<b>39,581,274</b>	<b>41,471,174</b>	<b>40,944,835</b>	<b>37,279,018</b>	<b>0</b>	<b>40,581,924</b>	<b>37,629,419</b>	<b>\$ 197,906,370</b>	<b>\$ 197,906,370</b>	<b>\$ 197,906,370</b>
<b>Discounts and Allowances</b>	<b>(19,635,639)</b>	<b>(19,588,148)</b>	<b>(17,845,730)</b>	<b>(16,635,734)</b>	<b>(31,267,149)</b>	<b>(33,468,783)</b>	<b>(34,966,058)</b>	<b>(34,797,135)</b>	<b>(30,986,845)</b>	<b>124,810</b>	<b>(34,683,286)</b>	<b>(32,035,399)</b>	<b>(167,343,914)</b>	<b>(167,343,914)</b>	<b>(167,343,914)</b>
Bad Debt Expense	(806,002)	(858,023)	(653,280)	(824,395)	(1,045,570)	(903,403)	(883,157)	(813,947)	(1,113,485)		(734,463)	(971,962)	(4,517,014)	(4,517,014)	(4,517,014)
GI HMO Discounts	0	0	0	0	0	0	0	0	0		0	0	0	0	0
Charity Care	(80,410)	(56,168)	(86,517)	(41,362)	(136,847)	(117,834)	(28,117)	(66,596)	(427,789)		(29,952)	(36,715)	(589,169)	(589,169)	(589,169)
<b>Total Deductions From Revenue</b>	<b>(20,522,051)</b>	<b>(20,502,339)</b>	<b>(18,955,527)</b>	<b>(17,507,490)</b>	<b>(32,449,666)</b>	<b>(34,490,019)</b>	<b>(35,877,331)</b>	<b>(35,677,679)</b>	<b>(32,526,120)</b>	<b>124,810</b>	<b>(35,447,702)</b>	<b>(33,044,076)</b>	<b>(172,450,097)</b>	<b>(172,450,097)</b>	<b>(172,450,097)</b>
<b>Net Patient Revenue</b>	<b>3,860,343</b>	<b>3,930,908</b>	<b>3,882,859</b>	<b>3,763,563</b>	<b>5,085,799</b>	<b>5,091,255</b>	<b>5,593,843</b>	<b>5,267,156</b>	<b>4,750,899</b>	<b>124,810</b>	<b>5,134,222</b>	<b>4,585,343</b>	<b>\$ 25,456,273</b>	<b>\$ 25,456,273</b>	<b>\$ 25,456,273</b>
<b>Non-Patient Revenues</b>															
IGT/DSH Revenues	1,530,975	1,485,337	1,157,326	869,707	501,407	0	0	0	0		0	0	0	0	0
Grants & Other Op. Revenues	193,507	205,590	750,434	505,190	725,066	269,824	136,873	468,018	93,358		138,568	512,304	1,349,122	1,349,122	1,349,122
Clinic Net Revenues	20,106	22,382	15,743	0	0	0	0	0	0		0	0	0	0	0
Tax Subsidies Measure D	174,852	196,524	199,469	209,744	229,405	246,994	246,994	246,994	246,994		246,994	246,994	1,234,969	1,234,969	1,234,969
Tax Subsidies Prop 13	105,376	116,388	114,061	114,061	146,104	154,500	154,500	154,500	154,500		154,500	154,500	772,500	772,500	772,500
Tax Subsidies County Supplmt Funds	16,858	16,159	9,064	16,163	25,561	0	0	0	0		0	0	0	0	0
<b>Non-Patient Revenues</b>	<b>2,041,675</b>	<b>2,041,381</b>	<b>2,245,097</b>	<b>1,743,355</b>	<b>1,627,542</b>	<b>671,318</b>	<b>538,367</b>	<b>869,512</b>	<b>494,852</b>	<b>0</b>	<b>540,062</b>	<b>913,798</b>	<b>\$ 3,356,591</b>	<b>\$ 3,356,591</b>	<b>\$ 3,356,591</b>
<b>Total Operating Revenue</b>	<b>5,902,018</b>	<b>5,972,289</b>	<b>6,128,956</b>	<b>5,506,919</b>	<b>6,713,341</b>	<b>5,762,573</b>	<b>6,132,210</b>	<b>6,136,668</b>	<b>5,245,751</b>	<b>124,810</b>	<b>5,674,284</b>	<b>5,499,141</b>	<b>\$ 28,812,864</b>	<b>\$ 28,812,864</b>	<b>\$ 28,812,864</b>
<b>Operating Expenses</b>															
Salaries and Wages	3,000,485	2,941,226	3,104,224	3,125,159	3,420,974	3,480,941	3,566,637	3,581,670	3,344,149		3,505,628	3,406,624	17,404,707	17,404,707	17,404,707
Fringe Benefits	784,204	702,477	752,708	856,889	830,599	898,837	898,552	868,467	904,958		895,221	926,984	4,494,183	4,494,183	4,494,183
Contract Labor	130,625	106,628	59,516	114,886	99,977	70,363	138,575	64,443	72,561		50,991	25,244	351,813	351,813	351,813
Physicians Fees	211,630	246,631	331,858	350,783	330,533	300,598	273,621	277,977	293,059		308,777	291,979	1,502,988	1,502,988	1,502,988
Purchased Services	513,857	513,857	772,336	892,521	863,256	829,624	848,417	848,417	1,003,052		802,604	890,157	4,316,279	4,316,279	4,316,279
Supply Expense	699,167	685,518	751,025	903,883	995,446	808,174	888,902	888,902	823,019		895,128	735,602	4,040,866	4,040,866	4,040,866
Utilities	74,205	75,471	80,680	92,287	111,192	107,253	104,925	97,819	113,507		99,363	120,651	536,265	536,265	536,265
Repairs and Maintenance	53,574	56,325	58,592	139,712	77,524	85,707	74,098	124,767	51,558		111,348	66,765	428,537	428,537	428,537
Insurance Expense	86,537	86,537	103,277	110,683	112,745	128,076	137,478	127,547	133,709		119,141	122,505	640,380	640,380	640,380
All Other Operating Expenses	68,163	70,922	160,745	148,752	101,142	94,249	97,102	53,610	47,279		84,177	189,078	471,246	471,246	471,246
IGT Expense	217,249	58,743	109,484	172,366	0	0	0	0	0		0	0	0	0	0
Leases and Rentals	57,507	76,150	79,233	79,424	37,952	78,636	101,241	76,060	106,555		51,072	58,251	393,179	393,179	393,179
1206 (b) CLINIC	80,927	98,810	94,628	34,096	0	0	0	0	0		0	0	0	0	0
<b>Total Operating Expenses</b>	<b>6,045,502</b>	<b>5,720,023</b>	<b>6,377,306</b>	<b>6,901,255</b>	<b>7,010,605</b>	<b>6,916,089</b>	<b>6,920,067</b>	<b>7,009,680</b>	<b>6,893,407</b>	<b>0</b>	<b>6,923,449</b>	<b>6,833,839</b>	<b>\$ 34,580,443</b>	<b>\$ 34,580,443</b>	<b>\$ 34,580,443</b>
<b>EBIDA</b>	<b>(143,485)</b>	<b>252,266</b>	<b>(248,351)</b>	<b>(1,394,337)</b>	<b>(297,264)</b>	<b>(1,153,516)</b>	<b>(787,858)</b>	<b>(873,012)</b>	<b>(1,647,656)</b>	<b>124,810</b>	<b>(1,249,165)</b>	<b>(1,334,698)</b>	<b>\$ (5,767,579)</b>	<b>\$ (5,767,579)</b>	<b>\$ (5,767,579)</b>
<b>Interest, Depreciation, and Amortization</b>															
Depreciation and Amortization	512,466	497,808	506,497	494,721	472,317	447,168	550,044	406,450	406,450		446,580	426,319	2,235,842	2,235,842	2,235,842
Interest Expense	432,490	418,193	422,094	447,994	391,606	444,779	427,682	571,834	409,794		394,794	419,794	2,223,897	2,223,897	2,223,897
<b>Total Interest, Depr. &amp; Amort.</b>	<b>944,956</b>	<b>916,000</b>	<b>928,591</b>	<b>942,715</b>	<b>863,923</b>	<b>891,948</b>	<b>977,726</b>	<b>978,283</b>	<b>816,243</b>	<b>0</b>	<b>841,374</b>	<b>846,112</b>	<b>4,459,739</b>	<b>4,459,739</b>	<b>4,459,739</b>
<b>Non-Operating Revenue:</b>															
Contributions & Other	14,354	7,745	27,759	7,121	25,068	279,742	1,387,913	2,599	3,065		2,068	3,065	1,398,710	1,398,710	1,398,710
Tax Subsidies for GO Bonds - M-A	652,487	692,457	666,966	598,410	616,059	627,353	627,353	627,353	627,353		627,353	627,353	3,136,766	3,136,766	3,136,766
<b>Total Non Operating Revenue/(Expense)</b>	<b>666,841</b>	<b>700,202</b>	<b>694,725</b>	<b>605,531</b>	<b>641,127</b>	<b>907,095</b>	<b>2,015,266</b>	<b>629,952</b>	<b>630,418</b>	<b>0</b>	<b>629,421</b>	<b>630,418</b>	<b>4,535,475</b>	<b>4,535,475</b>	<b>4,535,475</b>
<b>Total Net Surplus/(Loss)</b>	<b>(421,599)</b>	<b>36,467</b>	<b>(482,217)</b>	<b>(1,731,521)</b>	<b>(620,060)</b>	<b>(1,138,369)</b>	<b>249,682</b>	<b>(1,221,343)</b>	<b>(1,833,481)</b>	<b>124,810</b>	<b>(1,461,118)</b>	<b>(1,550,393)</b>	<b>\$ (5,691,843)</b>	<b>\$ (5,691,843)</b>	<b>\$ (5,691,843)</b>
Change in Interest in Foundation	0	0	0	0	0	0	0	0	0		0	0	0	0	0
Extra-ordinary Loss	0	0	(689,574)	(650)	(284,792)	0	0	0	0		0	0	0	0	0
<b>Increase/(Decrease in Unrestricted Net, \$)</b>	<b>(421,599)</b>	<b>\$ 36,467</b>	<b>(1,171,791)</b>	<b>(1,732,171)</b>	<b>(804,852)</b>	<b>(1,138,369)</b>	<b>249,682</b>	<b>(1,221,343)</b>	<b>(1,833,481)</b>	<b>124,810</b>	<b>(1,461,118)</b>	<b>(1,550,393)</b>	<b>\$ (5,691,843)</b>	<b>\$ (5,691,843)</b>	<b>\$ (5,691,843)</b>
<b>Total Profit Margin</b>	<b>-7.1%</b>	<b>0.6%</b>	<b>-7.9%</b>	<b>-31.4%</b>	<b>-7.7%</b>	<b>-19.8%</b>	<b>4.1%</b>	<b>-19.9%</b>	<b>-35.0%</b>	<b>-25.7%</b>	<b>-25.7%</b>	<b>-28.2%</b>	<b>-19.8%</b>	<b>-19.8%</b>	<b>-19.8%</b>
<b>EBIDA %</b>	<b>-2.4%</b>	<b>4.2%</b>	<b>-4.1%</b>	<b>-25.3%</b>	<b>-4.4%</b>	<b>-20.0%</b>	<b>-12.8%</b>	<b>-14.2%</b>	<b>-31.4%</b>	<b>-22.0%</b>	<b>-22.0%</b>	<b>-24.3%</b>	<b>-20.0%</b>	<b>-20.0%</b>	<b>-20.0%</b>

Note: Variances in the FYE 22/23 monthly columns are explained in the respective monthly financial reports.

Estimated Value of Supplemental Accruals (Updated 12/21/22)  
Estimated EBIDA if Supplementals were Accrued Monthly (Updated 12/21/22)

1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273	1,362,273
574,415	489,261	(285,383)	124,810	113,108	(308,490)	707,720									

3-H

**SAN GORGONIO HEALTHCARE DISTRICT & HOSPITAL - BANNING, CA**  
**5 Year Monthly Averages and 12 Rolling Months Ended 11/30/2022**

	FYE17/18	FYE18/19	FYE19/20	FYE 20/21	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22	FYE 21/22
	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.
<b>Gross Patient Revenue</b>																		
Inpatient Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inpatient Psych/Rehab Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outpatient Revenue	15,730,069	16,765,365	15,067,104	11,933,682	20,932,075	21,397,485	17,754,388	18,699,730	22,781,003	22,348,929	21,153,874	23,646,523	25,672,092	24,753,736	24,122,862	27,374,507	23,068,968	23,068,968
Long Term Care Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Home Health Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Gross Patient Revenue</b>	<b>24,382,394</b>	<b>24,433,247</b>	<b>22,468,386</b>	<b>21,265,063</b>	<b>37,635,465</b>	<b>38,978,936</b>	<b>46,934,926</b>	<b>34,723,457</b>	<b>35,334,409</b>	<b>33,853,172</b>	<b>35,866,167</b>	<b>41,465,303</b>	<b>40,994,836</b>	<b>40,581,924</b>	<b>37,279,019</b>	<b>0</b>	<b>40,581,924</b>	<b>37,629,419</b>
<b>Deductions From Revenue</b>																		
Discounts and Allowances	(19,635,639)	(19,868,148)	(17,845,730)	(16,635,734)	(31,267,149)	(38,941,080)	(38,941,080)	(28,951,935)	(29,655,536)	(27,674,758)	(25,569,751)	(36,229,684)	(34,966,068)	(34,797,135)	(30,865,845)	124,810	(34,683,286)	(32,035,399)
Bad Debt Expense	(606,002)	(655,023)	(655,280)	(623,395)	(1,045,570)	(1,744,778)	(1,661,127)	(1,097,242)	(1,432,016)	(1,207,361)	(1,104,565)	2,536,474	(683,197)	(913,947)	(1,113,465)	0	(734,463)	(971,962)
GI/HMO Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Charity Care	(80,410)	(56,169)	(86,517)	(41,362)	(136,947)	(23,772)	(177,653)	(29,837)	(22,283)	(25,690)	(887,352)	(69,144)	(28,117)	(66,596)	(427,789)	(29,952)	(96,715)	(66,715)
<b>Total Deductions From Revenue</b>	<b>(20,522,051)</b>	<b>(20,592,339)</b>	<b>(18,585,527)</b>	<b>(17,501,490)</b>	<b>(32,449,666)</b>	<b>(33,283,504)</b>	<b>(40,779,789)</b>	<b>(30,079,014)</b>	<b>(30,895,200)</b>	<b>(29,132,464)</b>	<b>(28,561,688)</b>	<b>(33,752,355)</b>	<b>(35,877,337)</b>	<b>(35,677,679)</b>	<b>(32,528,120)</b>	<b>124,810</b>	<b>(35,447,702)</b>	<b>(33,044,076)</b>
<b>Net Patient Revenue</b>	<b>3,860,343</b>	<b>3,930,908</b>	<b>3,882,859</b>	<b>3,763,573</b>	<b>5,085,799</b>	<b>5,695,431</b>	<b>6,155,137</b>	<b>4,644,443</b>	<b>5,905,378</b>	<b>6,201,945</b>	<b>5,291,484</b>	<b>3,113,812</b>	<b>5,587,972</b>	<b>5,317,157</b>	<b>4,750,899</b>	<b>124,810</b>	<b>5,134,222</b>	<b>4,585,343</b>
<b>Non-Patient Revenues</b>																		
IGT/DISH Revenues	1,530,975	1,485,337	1,157,326	869,707	501,407	6,016,888	0	0	0	0	0	2,657,264	136,873	468,018	93,358	0	138,568	512,304
Grants & Other Op Revenues	193,507	205,590	750,434	505,190	725,065	51,070	257,227	1,025,766	1,404,234	404,979	0	0	0	0	0	0	0	0
Clinic Net Revenues	20,106	22,382	15,743	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Subsidies Measure D	174,882	196,524	199,469	209,744	228,405	233,333	233,333	233,333	233,333	233,333	233,333	186,194	246,994	246,994	246,994	154,500	246,994	246,994
Tax Subsidies Prop 13	105,376	116,368	114,061	144,562	146,104	150,000	150,000	150,000	150,000	150,000	150,000	103,245	154,500	154,500	154,500	154,500	154,500	154,500
Tax Subsidies County Supplmt Funds	16,858	15,159	5,064	25,361	25,361	0	0	0	0	0	0	306,127	0	0	0	0	0	0
<b>Total Non-Patient Revenues</b>	<b>2,041,675</b>	<b>2,041,391</b>	<b>2,246,097</b>	<b>1,743,355</b>	<b>1,627,542</b>	<b>6,451,291</b>	<b>6,451,291</b>	<b>1,409,059</b>	<b>1,787,567</b>	<b>788,312</b>	<b>1,604,364</b>	<b>3,253,430</b>	<b>538,367</b>	<b>869,512</b>	<b>494,852</b>	<b>0</b>	<b>540,062</b>	<b>913,798</b>
<b>Total Operating Revenue</b>	<b>5,902,018</b>	<b>5,972,299</b>	<b>6,128,956</b>	<b>5,506,919</b>	<b>6,713,341</b>	<b>12,146,722</b>	<b>6,795,697</b>	<b>6,053,542</b>	<b>7,692,944</b>	<b>6,990,257</b>	<b>6,895,848</b>	<b>6,387,242</b>	<b>6,126,339</b>	<b>6,186,669</b>	<b>5,245,751</b>	<b>124,810</b>	<b>5,674,284</b>	<b>5,499,141</b>
<b>Operating Expenses</b>																		
Salaries and Wages	3,000,485	2,941,226	3,104,224	3,125,159	3,420,974	3,541,554	3,869,331	3,024,051	3,443,890	3,522,753	3,245,290	3,566,637	3,581,670	3,344,149	3,344,149	3,505,628	3,406,624	3,406,624
Fringe Benefits	784,204	702,477	759,708	858,889	830,599	755,181	1,176,355	886,002	785,019	790,636	790,636	888,552	868,467	904,968	904,968	885,221	926,984	926,984
Contract Labor	130,625	106,628	106,628	114,886	99,377	108,418	114,375	116,508	145,598	145,598	138,575	138,575	138,575	50,991	50,991	50,991	50,991	50,991
Physicians Fees	211,630	246,331	331,858	350,633	330,533	398,313	293,242	318,078	273,621	273,621	318,078	318,078	277,977	291,979	291,979	308,777	308,777	308,777
Purchased Services	581,239	513,857	691,337	772,336	892,231	877,171	935,575	892,328	1,036,315	966,521	948,217	929,624	948,217	945,477	945,477	802,604	802,604	802,604
Supply Expense	699,187	685,518	751,025	903,883	995,468	1,044,298	931,908	1,024,948	1,145,590	1,145,590	1,026,266	883,784	888,903	895,128	895,128	735,602	735,602	735,602
Utilities	74,205	75,471	80,680	92,287	111,192	145,701	135,515	130,260	102,218	114,367	99,273	104,925	104,925	99,363	99,363	120,651	120,651	120,651
Repairs and Maintenance	53,574	56,325	57,712	77,024	66,592	77,024	66,592	77,024	66,592	66,592	77,024	66,592	66,592	66,592	66,592	66,592	66,592	66,592
Insurance Expense	86,537	85,267	103,277	110,683	112,745	129,887	130,590	119,650	122,460	119,650	122,460	120,427	137,478	127,547	137,478	119,141	122,605	122,605
All Other Operating Expenses	66,153	70,922	160,745	148,752	101,142	75,944	154,765	50,537	67,757	75,734	194,597	208,464	97,102	53,610	53,610	84,177	189,078	189,078
IGT Expense	217,249	58,743	109,484	172,366	37,952	76,968	72,138	0	0	0	0	0	0	0	0	0	0	0
Leases and Rentals	57,507	76,150	79,233	79,424	34,096	34,096	0	0	0	0	0	0	0	0	0	0	0	0
1206 (b) CLINIC	80,927	98,810	94,628	34,096	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>6,045,502</b>	<b>5,720,023</b>	<b>6,377,306</b>	<b>6,801,255</b>	<b>7,010,605</b>	<b>7,078,738</b>	<b>7,808,187</b>	<b>6,427,676</b>	<b>7,382,712</b>	<b>8,097,148</b>	<b>6,618,763</b>	<b>6,307,616</b>	<b>6,920,067</b>	<b>7,009,680</b>	<b>6,893,407</b>	<b>0</b>	<b>6,923,449</b>	<b>6,833,839</b>
<b>EBIDA</b>	<b>(143,485)</b>	<b>252,266</b>	<b>(248,351)</b>	<b>(1,394,337)</b>	<b>(297,264)</b>	<b>5,067,984</b>	<b>(1,012,491)</b>	<b>(374,133)</b>	<b>310,232</b>	<b>(1,106,891)</b>	<b>277,085</b>	<b>(793,729)</b>	<b>(823,011)</b>	<b>(1,647,656)</b>	<b>(1,647,656)</b>	<b>124,810</b>	<b>(1,249,165)</b>	<b>(1,334,698)</b>
<b>Interest, Depreciation, and Amortization</b>																		
Depreciation and Amortization	512,466	497,808	506,487	494,721	472,317	504,865	504,865	504,865	504,865	504,865	504,865	504,865	504,865	504,865	504,865	446,580	446,580	426,319
Tax Subsidies for GO Bonds - M-A	432,480	418,193	422,084	447,984	391,606	374,425	353,735	591,013	393,056	374,425	452,092	159,730	427,682	571,834	409,794	394,794	419,794	419,794
Interest Expense	944,586	916,000	925,591	942,715	863,923	879,290	898,600	1,095,878	897,921	879,290	966,957	274,016	977,726	978,283	810,243	0	841,374	846,112
<b>Total Non Operating Revenue/(Expense)</b>	<b>14,354</b>	<b>7,745</b>	<b>27,769</b>	<b>7,121</b>	<b>25,068</b>	<b>4,381</b>	<b>963</b>	<b>186,373</b>	<b>9,437</b>	<b>183,295</b>	<b>52,869</b>	<b>(175,971)</b>	<b>1,387,913</b>	<b>2,589</b>	<b>3,065</b>	<b>0</b>	<b>2,068</b>	<b>3,065</b>
Contributions & Other	652,487	692,457	666,966	598,410	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966	613,966
Tax Subsidies for GO Bonds - M-A	666,841	700,202	694,725	605,531	641,127	618,347	614,928	800,339	623,403	797,260	666,835	463,113	2,015,266	629,952	630,418	0	629,421	630,418
<b>Total Non Operating Revenue/(Expense)</b>	<b>(421,599)</b>	<b>36,467</b>	<b>(482,217)</b>	<b>(1,731,521)</b>	<b>(620,060)</b>	<b>4,807,040</b>	<b>(1,296,162)</b>	<b>(669,672)</b>	<b>35,714</b>	<b>(1,188,921)</b>	<b>(13,037)</b>	<b>248,723</b>	<b>243,811</b>	<b>(1,171,342)</b>	<b>(1,633,481)</b>	<b>124,810</b>	<b>(1,461,118)</b>	<b>(1,550,393)</b>
Change in Interest in Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extraordinary Loss on Financing	0	0	0	(650)	(284,792)	(650)	(284,792)	(650)	(284,792)	(650)	(284,792)	(650)	(284,792)	(650)	(284,792)	(650)	(284,792)	(650)
<b>Increase/(Decrease) in Unrestricted Net</b>	<b>(421,599)</b>	<b>36,467</b>	<b>(421,599)</b>	<b>(1,731,521)</b>	<b>(620,060)</b>	<b>4,807,040</b>	<b>(1,296,162)</b>	<b>(669,672)</b>	<b>35,714</b>	<b>(1,188,921)</b>	<b>(13,037)</b>	<b>248,723</b>	<b>243,811</b>	<b>(1,171,342)</b>	<b>(1,633,481)</b>	<b>124,810</b>	<b>(1,461,118)</b>	<b>(1,550,393)</b>
<b>Total Profit Margin</b>																		

**BALANCE SHEET (Period End)**

Cash (000's)

Represents all unrestricted cash in the bank at each month-end.

Days Cash on Hand

Calculated by dividing amount of Cash on Hand by the historical average daily amount of cash requirements to cover operating expenses.

Accounts Receivable - Net (000's)

Equals the sum of all (patient) accounts that are due to the hospital, less estimated adjustments for discounts and other contractual disallowances for which the patients may be entitled.

A/R Days - Net

This measures the average number of days it takes to collect payment of the Net Accounts Receivable. Lower values are desired.

Current Ratio (Current Assets/Current Liabilities)

A measure that illustrates the ability for the hospital to pay its obligations that come due over the course of the next year. The greater the Current Assets as compared to the Current Liabilities, the stronger position the organization is in to pay its upcoming obligations. Desired position is greater than 1:00 to 1:00, preferably at least 1:25 to 1:00 or greater.

Quick Ratio

3-1

This measures the Cash + Net Accounts Receivable compared to the Current Liabilities. Desired ratio is greater than 1:00 : 1:00.

Accounts Payable (000's)

Reflects payment obligations of the Hospital as of a point in time. Excludes Loans, Payroll and other Debt obligations. Lower values are desired.

Accounts Payable Days

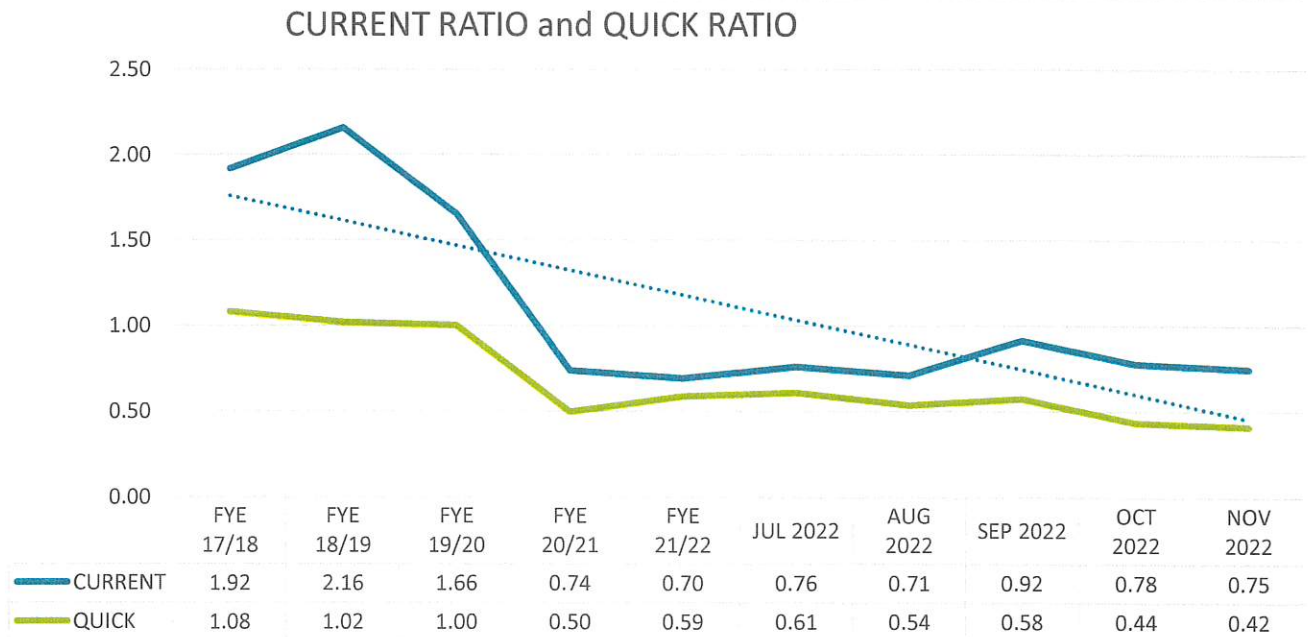
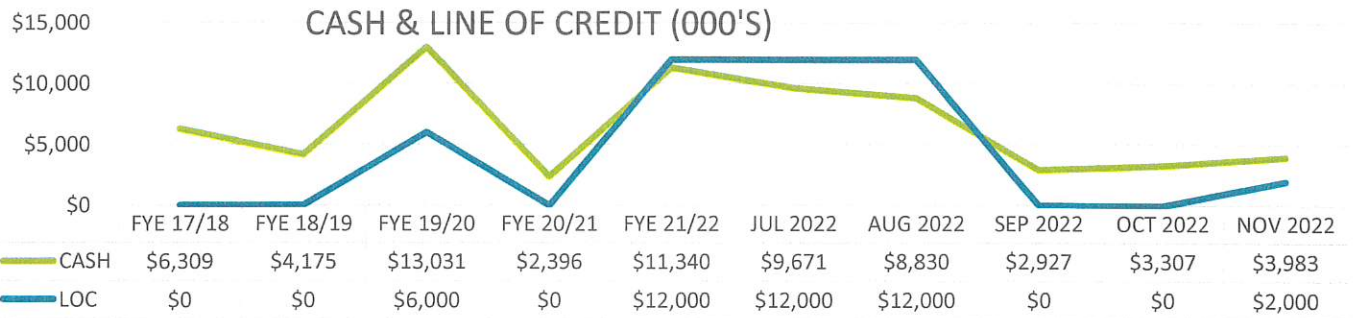
Reflects the average number of days that it takes to pay routine bills. Lower numbers are desired. Calculated by dividing the Accounts Payable amount by the historical average daily cost of routine expenses.

Line of Credit Balance (000's)

The amount that is currently borrowed from a lending institution as of a given point in time.



# SAN GORGONIO MEMORIAL HOSPITAL



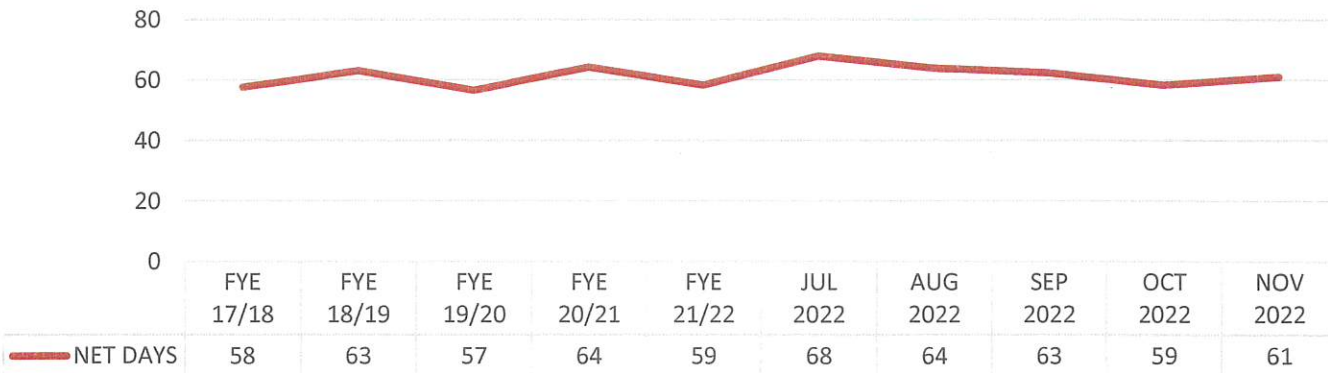
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# SAN GORGONIO MEMORIAL HOSPITAL

## NET ACCOUNTS RECEIVABLE (000'S)



## AVE. DAYS OF COLLECTIONS IN NET A/R



## ACCOUNTS PAYABLE (000'S)



## AVERAGE DAYS IN ACCOUNTS PAYABLE



3-L

**SAN GORGONIO MEMORIAL HOSPITAL**  
**EXECUTIVE FINANCIAL SUMMARY**  
**FIVE MONTHS ENDING NOVEMBER 30, 2022**

<b>STATEMENT OF REVENUE AND EXPENSES - MONTH &amp; YTD</b>						
REF LINE#	11/30/22 ACTUAL	11/30/22 BUDGET	YTD ACTUAL	YTD BUDGET	YTD DIFFERENCE	
	<b>Revenue:</b>					
[1]	\$ 37,629,419	\$ 42,552,364	\$ 197,906,370	\$ 216,411,557	\$ (18,505,187)	
[2]	(33,044,076)	(36,998,335)	(172,450,098)	(188,165,038)	15,714,940	
[3]	<b>4,585,343</b>	<b>5,554,030</b>	<b>25,456,272</b>	<b>28,246,519</b>	<b>(2,790,247)</b>	
[4]	-	-	-	-	-	
[5]	913,798	893,094	3,356,591	3,457,277	(100,686)	
[6]	<b>5,499,141</b>	<b>6,447,123</b>	<b>28,812,863</b>	<b>31,703,797</b>	<b>(2,890,933)</b>	
	<b>Total Operating Revenues</b>					
	4,333,608	4,643,900	21,898,890	23,017,077	1,118,188	
[7]	25,244	76,517	351,813	373,913	22,100	
	291,979	365,231	1,502,988	1,826,155	323,167	
	890,157	1,042,961	4,316,279	5,214,806	898,527	
[8]	1,207,380	1,484,709	6,171,080	7,414,874	1,243,794	
[9]	735,602	1,098,493	4,040,866	5,530,674	1,489,808	
[10]	557,250	481,530	2,469,607	2,422,598	(47,009)	
[11]	-	-	-	-	-	
[12]	<b>\$ 6,833,839</b>	<b>\$ 7,708,633</b>	<b>\$ 34,580,443</b>	<b>\$ 38,385,223</b>	<b>\$ 3,804,780</b>	
					<b>0</b>	
[13]	<b>\$ (1,334,698)</b>	<b>\$ (1,261,509)</b>	<b>\$ (5,767,579)</b>	<b>\$ (6,681,426)</b>	<b>\$ 913,847</b>	
					<b>0</b>	
[14]	846,112	1,061,344	4,459,739	5,033,211	573,472	
[15]	630,418	1,092,982	4,535,475	5,464,908	(929,433)	
[16]	<b>\$ (1,550,393)</b>	<b>\$ (1,229,872)</b>	<b>\$ (5,691,843)</b>	<b>\$ (6,249,729)</b>	<b>\$ 557,886</b>	
	<b>TOTAL NET SURPLUS (LOSS)</b>					

**SAN GORGONIO MEMORIAL HOSPITAL**  
**EXECUTIVE FINANCIAL SUMMARY**  
**FIVE MONTHS ENDING NOVEMBER 30, 2022**

**BALANCE SHEET**

	YTD 11/30/2022	Prior FYE 6/30/2022
<b>ASSETS</b>		
[1] Current Assets	\$ 23,338,532	\$ 23,401,085
[2] Assets Whose Use is Limited	8,809,050	12,704,494
[3] Property, Plant & Equipment (Net)	72,909,899	73,514,801
[4] Other Assets	592,272	503,000
[5] <b>Total Unrestricted Assets</b>	<b>105,649,752</b>	<b>110,123,380</b>
[6] Restricted Assets	0	0
[7] <b>Total Assets</b>	<b>\$ 105,649,752</b>	<b>\$ 110,123,380</b>
<b>LIABILITIES AND NET ASSETS</b>		
[8] Current Liabilities	\$31,057,880	\$33,649,575
[9] Long-Term Debt	111,775,965	105,323,946
[10] Other Long-Term Liabilities	2,231,628	2,231,626
[11] <b>Total Liabilities</b>	<b>\$ 145,065,473</b>	<b>\$ 141,205,147</b>
[12] Net Assets	\$ (39,415,721)	\$ (31,081,767)
[13] <b>Total Liabilities and Net Assets</b>	<b>\$ 105,649,752</b>	<b>\$ 110,123,380</b>

**KEY STATISTICS AND RATIOS**

	10/31/22 ACTUAL FY 23	11/30/22 ACTUAL FY 23	11/30/22 BUDGET FY 23	2023 YTD FY 23	2022 YR END TOTAL FY 22
[1] Total Acute Patient Days	582	704	949	3,271	9,689
[2] Average Daily Census	18.8	23.5	31.6	21.4	26.5
[3] Average Acute Length of Stay	3.2	3.9	4.1	3.5	3.9
[4] Patient Discharges	184	182	234	931	2,502
[5] Observation Days	239	249	233	1,266	2,775
[6] Total Emergency Room Visits	3,619	4,028	3,177	18,387	39,374
[7] Average ED Visits Per Day	117	134	106	120	108
[9] Total Surgeries	157	246	119	867	1,446
[10] Deliveries/Births	15	5	15	63	175

**Statement of Revenue and Expense**  
**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**  
**FIVE MONTHS ENDING NOVEMBER 30, 2022**

	DISTRICT ONLY	CURRENT MONTH			
		FY 23	FY 23	Positive	Percentage
		ACTUAL	CUR MO BUD	(Negative)	
ACTUAL	ACTUAL	ACTUAL	Variance	Variance	
	11/30/22	11/30/22	11/30/22		
<b>Gross Patient Revenue</b>					
[1] Inpatient Revenue	\$ -	\$ 14,560,451	\$ 20,860,976	\$ (6,300,524)	-43.3%
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	-
[3] Outpatient Revenue	-	23,068,968	\$ 21,691,389	1,377,579	6.0%
[4] Long Term Care Revenue	-	-	-	-	-
[5] Home Health Revenue	-	-	-	-	-
[6] Total Gross Patient Revenue	\$ -	\$ 37,629,419	\$ 42,552,364	\$ (4,922,946)	-13.1%
<b>Deductions From Revenue</b>					
[7] Discounts and Allowances	-	(32,035,399)	\$ (35,422,754)	\$ 3,387,355	-10.6%
[8] Bad Debt Expense	-	(971,962)	\$ (1,498,486)	526,524	-54.2%
[9] Prior Year Settlements	-	-	\$ -	-	-
[10] Charity Care	-	(36,715)	\$ (77,094)	40,380	-110.0%
[11] Total Deductions From Revenue	-	(33,044,076)	(36,998,335)	\$ 3,954,259	-12.0%
[12]		87.8%	-86.9%		
[13] Net Patient Revenue	\$ -	\$ 4,585,343	\$ 5,554,030	\$ (968,687)	-21.1%
<b>Non Patient Operating Revenues</b>					
[14] IGT/DSH Revenues	-	-	\$ -	\$ -	0.0%
[15] Grants & Other Op Revenues	-	512,304	\$ 480,350	31,954	6.2%
[16] Clinic Net Revenues	-	-	\$ -	-	-
[17] Tax Subsidies Measure D	246,994	246,994	\$ 246,994	(0)	0.0%
[18] Tax Subsidies Prop 13	154,500	154,500	\$ 154,500	-	0.0%
[19] Tax Subsidies County Supplemental Funds	-	-	\$ 11,250	(11,250)	0.0%
Non- Patient Revenue	\$ 401,494	\$ 913,798	\$ 893,094	\$ 20,704	2.3%
<b>Total Operating Revenue</b>	\$ 401,494	\$ 5,499,141	\$ 6,447,123	\$ (947,983)	-17.2%
<b>Operating Expenses</b>					
[20] Salaries and Wages	-	3,406,624	3,724,600	\$ 317,976	9.3%
[21] Fringe Benefits	-	926,984	919,300	(7,684)	-0.8%
[22] Contract Labor	-	25,244	76,517	51,273	203.1%
[23] Physicians Fees	-	291,979	365,231	73,252	25.1%
[24] Purchased Services	2,147	890,157	1,042,961	152,804	17.2%
[25] Supply Expense	-	735,602	1,098,493	362,892	49.3%
[26] Utilities	-	120,651	120,716	65	0.1%
[27] Repairs and Maintenance	8,000	66,765	75,564	8,799	13.2%
[28] Insurance Expense	-	122,505	122,979	474	0.4%
[29] All Other Operating Expenses	150,565	189,078	99,325	(89,753)	-47.5%
[30] Supplemental and Grant Expense	-	-	0	-	0.0%
[31] Leases and Rentals	-	58,251	62,946	4,695	8.1%
[32] Clinic Expense	-	-	0	-	0.0%
[33] Total Operating Expenses	\$ 160,712	\$ 6,833,839	\$ 7,708,633	\$ 874,793	12.8%
[34] <b>EBIDA</b>	\$ 240,782	\$ (1,334,698)	\$ (1,261,509)	\$ (73,189)	5.5%
<b>Interest Expense and Depreciation</b>					
[35] Depreciation	406,450	426,319	589,143	\$ 162,824	38.2%
[36] Interest Expense and Amortization	355,607	419,794	472,201	52,407	12.5%
[37] Total Interest & depreciation	762,056	846,112	1,061,344	215,232	25.4%
<b>Non-Operating Revenue:</b>					
[38] Contributions & Other	2,538	3,065	466,744	(463,679)	-15127.5%
[39] Tax Subsidies for GO Bonds - M-A	627,353	627,353	626,237	1,116	0.2%
[40] Total Non Operating Revenue/(Expense)	629,891	630,418	1,092,982	\$ (462,563)	-73.4%
[41] Total Net Surplus/(Loss)	\$ 108,616	\$ (1,550,393)	\$ (1,229,872)	\$ (320,521)	20.7%
[42] Extra-ordinary loss on Financing	-	-	-	-	-
[43] Increase/(Decrease in Unrestricted Net Assets	\$ 108,616	\$ (1,550,393)	\$ (1,229,872)	\$ (320,521)	20.7%
[44] Total Profit Margin	27.05%	-28.19%	-19.08%		
[45] EBIDA %	59.97%	-24.27%	-19.57%		

**Statement of Revenue and Expense**  
**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**  
**FIVE MONTHS ENDING NOVEMBER 30, 2022**

	YEAR-TO-DATE				
	DISTRICT ONLY			Positive (Negative) Variance	Percentage Variance
	Actual 11/30/22	Actual 11/30/22	Budget 11/30/22		
<b>Gross Patient Revenue</b>					
[1] Inpatient Revenue	\$ -	\$ 73,078,750	\$ 105,025,389	\$ (31,946,639)	-43.7%
[2] Inpatient Psych/Rehab Revenue	-	-	-	-	-
[3] Outpatient Revenue	-	124,827,620	\$ 111,386,169	13,441,451	10.8%
[4] Long Term Care Revenue	-	-	-	-	-
[5] Home Health Revenue	-	-	-	-	-
[6] <b>Total Gross Patient Revenue</b>	<b>\$ -</b>	<b>\$ 197,906,370</b>	<b>\$ 216,411,557</b>	<b>\$ (18,505,187)</b>	<b>-9.4%</b>
<b>Deductions From Revenue</b>					
[7] Discounts and Allowances	-	(167,343,914)	\$ (180,151,998)	\$ 12,808,084	7.7%
[8] Bad Debt Expense	-	(4,517,014)	\$ (7,620,956)	3,103,942	68.7%
[9] Prior Year Settlements	-	-	\$ -	-	-
[10] Charity Care	-	(589,169)	\$ (392,084)	(197,085)	-33.5%
[11] <b>Total Deductions From Revenue</b>	<b>-</b>	<b>(172,450,098)</b>	<b>(188,165,038)</b>	<b>\$ 15,714,940</b>	<b>9.1%</b>
[12] <b>Net Patient Revenue</b>		87.1%	-86.9%		
[13] <b>Net Patient Revenue</b>	<b>\$ -</b>	<b>\$ 25,456,272</b>	<b>\$ 28,246,519</b>	<b>\$ (2,790,247)</b>	<b>-11.0%</b>
<b>Non Patient Operating Revenues</b>					
[14] IGT/DSH Revenues	-	-	\$ -	\$ -	0.0%
[15] Grants & Other Op Revenues	-	1,349,122	\$ 1,393,558	(44,436)	-3.3%
[16] Clinic Net Revenues	-	-	\$ -	-	-
[17] Tax Subsidies Measure D	1,234,969	1,234,969	\$ 1,234,969	(0)	0.0%
[18] Tax Subsidies Prop 13	772,500	772,500	\$ 772,500	-	0.0%
[19] Tax Subsidies County Supplemental Funds	-	-	\$ 56,250	(56,250)	0.0%
[19] <b>Non- Patient Revenue</b>	<b>\$ 2,007,469</b>	<b>\$ 3,356,591</b>	<b>\$ 3,457,277</b>	<b>\$ (100,686)</b>	<b>-3.0%</b>
<b>Total Operating Revenue</b>	<b>\$ 2,007,469</b>	<b>\$ 28,812,863</b>	<b>\$ 31,703,797</b>	<b>\$ (2,890,933)</b>	<b>-10.0%</b>
<b>Operating Expenses</b>					
[20] Salaries and Wages	-	17,404,707	\$ 18,436,062	\$ 1,031,355	5.9%
[21] Fringe Benefits	-	4,494,183	\$ 4,581,015	86,833	1.9%
[22] Contract Labor	-	351,813	\$ 373,913	22,100	6.3%
[23] Physicians Fees	-	1,502,988	\$ 1,826,155	323,167	21.5%
[24] Purchased Services	6,159	4,316,279	\$ 5,214,806	898,527	20.8%
[25] Supply Expense	-	4,040,866	\$ 5,530,674	1,489,808	36.9%
[26] Utilities	8,909	536,265	\$ 618,530	82,265	15.3%
[27] Repairs and Maintenance	49,416	428,537	\$ 377,818	(50,718)	-11.8%
[28] Insurance Expense	-	640,380	\$ 614,894	(25,486)	-4.0%
[29] All Other Operating Expenses	159,363	471,246	\$ 496,623	25,377	5.4%
[30] Supplemental and Grant Expense	-	-	\$ -	-	0.0%
[31] Leases and Rentals	-	393,179	\$ 314,732	(78,447)	-20.0%
[32] Clinic Expense	-	-	\$ -	-	0.0%
[33] <b>Total Operating Expenses</b>	<b>\$ 223,847</b>	<b>\$ 34,580,443</b>	<b>\$ 38,385,223</b>	<b>\$ 3,804,780</b>	<b>11.0%</b>
[34] <b>EBIDA</b>	<b>\$ 1,783,622</b>	<b>\$ (5,767,579)</b>	<b>\$ (6,681,426)</b>	<b>\$ 913,847</b>	<b>-15.8%</b>
<b>Interest Expense and Depreciation</b>					
[35] Depreciation	2,175,842	2,235,842	\$ 2,874,288	\$ 638,446	28.6%
[36] Interest Expense and Amortization	1,735,325	2,223,897	\$ 2,158,923	(64,974)	-2.9%
[37] <b>Total Interest &amp; depreciation</b>	<b>3,911,167</b>	<b>4,459,739</b>	<b>5,033,211</b>	<b>573,472</b>	<b>12.9%</b>
<b>Non-Operating Revenue:</b>					
[38] Contributions & Other	1,395,664	1,398,710	\$ 2,333,721	(935,011)	-66.8%
[39] Tax Subsidies for GO Bonds - M-A	3,136,766	3,136,766	\$ 3,131,187	5,579	0.2%
[40] <b>Total Non Operating Revenue/(Expense)</b>	<b>4,532,430</b>	<b>4,535,475</b>	<b>5,464,908</b>	<b>(929,433)</b>	<b>-20.5%</b>
[41] <b>Total Net Surplus/(Loss)</b>	<b>\$ 2,404,884</b>	<b>\$ (5,691,843)</b>	<b>\$ (6,249,729)</b>	<b>\$ 557,886</b>	<b>-9.8%</b>
[42] Extra-ordinary loss on Financing	-	-	\$ -	-	-
[43] <b>Increase/(Decrease in Unrestricted Net Assets)</b>	<b>\$ 2,404,884</b>	<b>\$ (5,691,843)</b>	<b>\$ (6,249,729)</b>	<b>\$ 557,886</b>	<b>-9.8%</b>
[44] <b>Total Profit Margin</b>	<b>119.80%</b>	<b>-19.75%</b>	<b>-19.71%</b>		
[45] <b>EBIDA %</b>	<b>88.85%</b>	<b>-20.02%</b>	<b>-21.07%</b>		

**Balance Sheet - Assets**

**SAN GORGONIO MEMORIAL HOSPITAL**

**BANNING, CALIFORNIA**

**FIVE MONTHS ENDING NOVEMBER 30, 2022**

		ASSETS				
		DISTRICT ONLY				
		Current Month 11/30/2022	Current Month 11/30/2022	Prior Month 10/31/2022	Positive/ (Negative) Variance	Prior Year End 6/30/2022
<b>Current Assets</b>						
[1]	Cash and Cash Equivalents	2,077,409	\$3,983,464	\$3,306,606	\$ 676,858	\$ 11,340,002
[2]	Gross Patient Accounts Receivable	\$0	\$88,863,121	\$82,740,982	\$ 6,122,139	77,594,807
[3]	Less: Bad Debt and Allowance Reserves	\$0	(\$79,943,069)	(\$74,220,043)	\$ (5,723,025)	(\$69,099,845)
[4]	Net Patient Accounts Receivable	\$0	\$8,920,053	\$8,520,939	\$ 399,114	8,494,961
[5]	Taxes Receivable	\$5,836,289	\$5,836,289	\$5,136,355	\$ 699,935	1,178,859
[6]	Other Receivables (includes advances)	660,465	\$579,481	\$449,019	\$ 130,462	738,141
[7]	Inventories	\$0	\$2,354,710	\$2,270,526	\$ 84,184	2,297,204
[8]	Prepaid Expenses	126,169	\$3,007,735	\$3,051,852	\$ (44,116)	1,197,395
[9]	Due From Third Party Payers-DSH	\$0	(\$1,769,774)	(\$1,332,477)	\$ (437,297)	(1,845,477)
[10]	Malpractice Receivable	\$0	\$0	\$0	\$ -	-
[11]	Supplemental Receivables	\$0	\$426,574	\$0	\$ 426,574	-
	<b>Total Current Assets</b>	<b>8,700,332</b>	<b>23,338,532</b>	<b>21,402,819</b>	<b>\$ (736,481)</b>	<b>\$ 23,401,085</b>
<b>Assets Whose Use is Limited</b>						
[12]	Cash					
[13]	Investments					
[14]	Bond Reserve/Debt Retirement Fund	\$8,809,050	\$8,809,050	\$8,439,726	\$ 369,323	12,704,494
[15]	Trustee Held Funds					
[16]	Funded Depreciation					
[17]	Board Designated Funds					
[18]	Other Limited Use Assets					0
	<b>Total Limited Use Assets</b>	<b>8,809,050</b>	<b>8,809,050</b>	<b>8,439,726</b>	<b>\$ (223,324)</b>	<b>\$ 12,704,494</b>
<b>Property, Plant, and Equipment</b>						
[19]	Land and Land Improvements	4,828,182	4,828,182	4,828,182	\$ -	\$ 4,828,182
[20]	Building and Building Improvements	129,281,491	129,281,491	129,281,491	\$ -	129,281,491
[21]	Equipment	27,112,216	27,112,216	27,060,543	\$ 51,674	26,856,789
[22]	Construction In Progress	2,082,369	2,082,369	1,862,472	\$ 219,898	1,694,007
[23]	Capitalized Interest					
[24]	Gross Property, Plant, and Equipment	163,304,259	163,304,259	163,032,688	\$ 271,572	162,660,469
[25]	Less: Accumulated Depreciation	(\$90,394,360)	(\$90,394,360)	(\$89,987,911)	\$ (406,450)	(89,145,667)
[26]	<b>Net Property, Plant, and Equipment</b>	<b>72,909,899</b>	<b>72,909,899</b>	<b>73,044,777</b>	<b>\$ (475,050)</b>	<b>\$ 73,514,801</b>
<b>Other Assets</b>						
[27]	Unamortized Loan Costs	\$627,385	\$592,272	\$594,861	\$ (2,589)	\$ 614,440
[28]	Assets Held for Future Use		\$0	\$0	\$ -	485
[29]	Investments in Subsidiary/Affiliated Org.	\$28,967,972	\$0	\$0	\$ -	(111,925)
[30]	Other					
[31]	<b>Total Other Assets</b>	<b>29,595,356</b>	<b>592,272</b>	<b>594,861</b>	<b>\$ (2,589)</b>	<b>\$ 503,000</b>
[32]	<b>TOTAL UNRESTRICTED ASSETS</b>	<b>120,014,636</b>	<b>105,649,752</b>	<b>103,482,183</b>	<b>\$ 2,167,569</b>	<b>\$ 110,123,381</b>
<b>Restricted Assets</b>						
		0	0	0	0	0
[33]	<b>TOTAL ASSETS</b>	<b>\$120,014,636</b>	<b>\$105,649,752</b>	<b>\$103,482,183</b>	<b>\$ 2,167,569</b>	<b>\$ 110,123,381</b>



**Balance Sheet - Liabilities and Net Assets**  
**SAN GORGONIO MEMORIAL HOSPITAL**  
**BANNING, CALIFORNIA**  
**FIVE MONTHS ENDING NOVEMBER 30, 2022**

	DISTRICT ONLY	LIABILITIES AND FUND BALANCE			
	Current Month 11/30/2022	Current Month 11/30/2022	Prior Month 10/31/2022	Positive/ (Negative) Variance	Prior Year End 6/30/2022
<b>Current Liabilities</b>					
[1] Accounts Payable	\$ 506,662	\$ 11,607,919	\$ 10,172,892	\$ (1,435,027)	\$ 10,600,622
[2] Notes and Loans Payable (Line of Credit)	-	2,000,000	0	\$ (2,000,000)	12,000,000
[3] Accounts Payable- Tax advance	-	-	-	\$ -	-
[4] Accrued Payroll Taxes	-	7,536,546	7,417,886	\$ (118,660)	5,597,527
[5] Accrued Benefits	-	-	-	\$ -	-
[6] Accrued Benefits Current Portion	-	-	-	\$ -	-
[7] Other Accrued Expenses	-	-	-	\$ -	-
[8] Accrued GO Bond Interest Payable	1,615,481	1,615,481	1,248,544	\$ (366,936)	2,526,756
[9] Lease Liabilities	-	1,946,599	1,929,972	\$ (16,627)	4,259
[10] Due to Third Party Payers (Settlements)	-	3,417,500	3,417,500	\$ -	-
[11] Advances From Third Party Payers	-	-	-	\$ -	-
[12] Current Portion of LTD (Bonds/Mortgages)	2,335,000	2,335,000	2,335,000	\$ -	2,335,000
[13] Current Portion of LTD (Leases)	-	-	-	\$ -	-
[14] Other Current Liabilities	-	598,834	593,374	-	585,411
<b>Total Current Liabilities</b>	<b>4,457,143</b>	<b>31,057,880</b>	<b>27,115,169</b>	<b>\$ 791,861</b>	<b>33,649,575</b>
<b>Long Term Debt</b>					
[15] Bonds/Mortgages Payable (net of Cur Portion)	99,542,891	\$99,996,548	\$ 101,877,891	\$ 1,881,343	\$ 103,030,598
[16] Leases Payable (net of current portion)	\$11,779,417	\$11,779,417	\$11,793,043	\$ 13,626	\$2,293,348
[17] <b>Total Long Term Debt (Net of Current)</b>	<b>111,322,308</b>	<b>111,775,965</b>	<b>113,670,934</b>	<b>\$ 313,358</b>	<b>105,323,946</b>
<b>Other Long Term Liabilities</b>					
[18] Deferred Revenue	-	-	-	\$ -	-
[19] Accrued Pension Expense (Net of Current)	-	-	-	\$ -	-
[20] Other-Bridge Loan	0	2,231,628	2,231,628	\$ -	2,231,628
[21] <b>Total Other Long Term Liabilities</b>	<b>0</b>	<b>2,231,628</b>	<b>2,231,628</b>	<b>0</b>	<b>2,231,628</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 115,779,451</b>	<b>\$ 145,065,473</b>	<b>\$ 143,017,731</b>	<b>\$ (2,047,742)</b>	<b>\$ 141,205,148</b>
<b>Net Assets:</b>					
[22] Unrestricted Fund Balance	1,830,302	(33,723,878)	\$ (37,490,905)	\$ (3,767,028)	\$ (25,347,940)
[23] Temporarily Restricted Fund Balance	-	-	-	-	-
[24] Restricted Fund Balance	-	-	-	-	-
[25] Net Revenue/(Expenses)	2,404,884	(5,691,843)	(2,044,642)	3,647,201	(5,733,827)
[26] <b>TOTAL NET ASSETS</b>	<b>4,235,186</b>	<b>(39,415,721)</b>	<b>\$ (39,535,547)</b>	<b>\$ (119,827)</b>	<b>\$ (31,081,767)</b>
[27] <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 120,014,637</b>	<b>\$ 105,649,752</b>	<b>\$ 103,482,184</b>	<b>\$ (2,167,569)</b>	<b>\$ 110,123,381</b>
	\$ 0	\$ 0	\$ 0	(\$0) 0	\$ -

# Statement of Cash Flows

## SAN GORGONIO MEMORIAL HOSPITAL BANNING, CALIFORNIA FIVE MONTHS ENDING NOVEMBER 30, 2022

		CASH FLOW	
		Current Month 11/30/2022	
<b>HEALTHCARE SYSTEM CASH FLOW</b>			
<b>BEGINNING CASH BALANCES</b>			
[1]	Cash: Beginning Balances- HOSPITAL	\$	1,229,197
[2]	Cash: Beginning Balances- DISTRICT		2,077,409
[3]	Cash: Beginning Balances TOTALS	\$	3,306,606
<b>Receipts</b>			
[4]	Pt Collections	\$	4,229,230
[5]	Tax Subsidies Measure D/Prop 13		-
[6]	Misc Tax Subsidies		-
[7]	Donations/Grants		421,730
[8]	IGT & other Supplemental (Net)		-
[9]	Draws/(Paydown) of LOC Balances		2,000,000
[10]	Other Misc Receipts/Transfers		229,905
	<b>TOTAL RECEIPTS</b>	<b>\$</b>	<b>6,880,865</b>
<b>Disbursements</b>			
[11]	Payroll/ Benefits	\$	4,333,608
[12]	Other Operating Costs		3,307,449
[13]	Capital Spending		0
[14]	Debt serv payments (Hosp onlyw/ LOC interest)		-
[15]	Other (increase) in AP /other bal sheet		(1,435,027)
[16]	<b>TOTAL DISBURSEMENTS</b>	<b>\$</b>	<b>6,204,007</b>
[17]	<b>TOTAL CHANGE in CASH</b>	<b>\$</b>	<b>676,858</b>
<b>ENDING CASH BALANCES</b>			
[18]	Ending Balances- HOSPITAL	\$	1,906,055
[19]	Ending Balances- DISTRICT		2,077,409
[20]	Ending Balances- TOTALS	\$	3,983,464
<b>ADDITIONAL INFO</b>			
[21]	LOC CURRENT BALANCES	\$	2,000,000
			\$80,000

**TAB K**

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for December 27, 2022 Finance Committee and January 3, 2023 Board Meetings

**Subject:**

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LINE OF CREDIT WITH FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK, AND APPROVING CERTAIN OTHER ACTIONS

San Gorgonio Memorial Healthcare District & Hospital have been accessing the Operating Line of Credit since January 7, 2021. Key terms of the LOC include the following:

- 1) Total amount available for revolving LOC: \$12 million
- 2) Interest Rate: Prime plus 50 basis points (.50%), with a minimum rate of 3.75%
- 3) 30 Day -0- Balance requirement during each 12-month period
- 4) Budgeted Debt service Coverage Ratio of at least 1:50 : 1:00
- 5) Debt Service Coverage Ratio of at least 1.25 : 1.00 (waived for FY 2021 and FY 2022)
- 6) Days Cash on Hand Ratio of at least 50 Days (waived for FY 2021 and FY 2022)
- 7) Current Expiration Date: January 6, 2023

Recommended Action: To approve the Resolution providing for the renewal of the First Foundation Public Finance Line of Credit based on the same terms listed above, except with a 12- month (vs. 24 month) expiration date.

A copy of the FIRST AMENDMENT TO LINE OF CREDIT is included in the packet.

**SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT**

**RESOLUTION NO. 2023-01**

**RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LINE OF CREDIT WITH FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK, AND APPROVING CERTAIN OTHER ACTIONS**

RESOLVED, by the Board of Directors (the "Board") of the San Gorgonio Memorial Healthcare District (the "District"), as follows:

WHEREAS, the District has issued its San Gorgonio Memorial Healthcare District (Riverside County, California) Revenue Bonds, Series 2021, in the aggregate principal amount of up to \$2,350,000 (the "2021 Bonds") pursuant to an Indenture of Trust, dated as of January 1, 2021 (as amended and supplemented, the "Indenture"), by and between the District and U.S. Bank National Association, as trustee;

WHEREAS, pursuant to the Line of Credit dated January 7, 2021 (the "Original Agreement"), between the District and First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (formally referred to as First Foundation Public Finance Trust), including its successors and permitted assigns (the "Bank"), the Bank provided a revolving taxable credit facility in the aggregate principal amount of up to twelve million dollars (\$12,000,000) (the "Credit Facility"), for the purpose of providing capital to the District for working capital purposes of the District, such Credit Facility is secured by gross revenues of the District on a parity with the 2021 Bonds; and

WHEREAS the Bank is willing to amend the Original Agreement pursuant to the First Amendment to Line of Credit (the "Amendment") to (i) extend the Termination Date of the Original Agreement from January 6, 2023 to January 5, 2024, and (ii) make certain additional changes to the Original Agreement on the terms and conditions set forth therein.

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

*Section 1.* The Amendment, in the form presented to this meeting, is hereby approved. The Chair of the Board, the Vice Chair of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District or their designees, are hereby authorized and directed, for and in the name of the District, to execute and deliver the Amendment, with such changes, additions and deletions therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Agreement.

*Section 2.* The Chair of the Board, the Vice Chair of the Board, the Secretary of the Board, the Assistant Secretary of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District or their designees are hereby authorized and directed, for and in the name of the District, to execute and deliver any other documents as may be deemed necessary or appropriate to approve the Amendment, such approval to be conclusively evidenced by the execution and delivery of such documents.

*Section 3.* The Secretary or the Assistant Secretary of the Board is hereby authorized and directed to attest the signature of the Chair of the Board, the Vice Chair of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District, or the designee thereof, as may be required in connection with the execution and delivery of the Amendment and such other documents referenced above in accordance with this resolution.

*Section 4.* This resolution shall take effect immediately upon its passage.

\* \* \* \* \*

PASSED AND ADOPTED this 3rd day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

By \_\_\_\_\_  
Chair, Board of Directors  
San Gorgonio Memorial Healthcare District

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the San Gorgonio Memorial Healthcare District held on the 3rd day of January 2023.

By \_\_\_\_\_  
Secretary, Board of Directors  
San Gorgonio Memorial Healthcare District

## FIRST AMENDMENT TO LINE OF CREDIT

This First Amendment to Line of Credit (this “Amendment”) is dated as of January 6, 2023, by and between SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT, a local health care district organized and existing under the Constitution and laws of the State of California (including its successors, the “Borrower”), and FIRST FOUNDATION PUBLIC FINANCE, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (and formally referred to as First Foundation Public Finance Trust) (including its successors and assigns, the “Lender”).

### WITNESSETH:

A. The Borrower and the Lender previously executed the Line of Credit dated as of January 7, 2021 (the “Original Agreement”), pursuant to which the Lender agreed to provide a line of credit in the initial aggregate principal amount of up to \$12,000,000 (the “Original Line of Credit”), and the Borrower executed a promissory note in the amount thereof (the “Original Line of Credit Note”) to evidence amounts due and owing under the Original Line of Credit.

B. The Borrower and the Lender have agreed (i) to extend the Termination Date of the Original Line of Credit from January 6, 2023 to January 5, 2024, and (ii) make certain additional changes to the Original Line of Credit as set forth in this Amendment.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

### **Section 1. Amendments.**

The Original Agreement is hereby amended as follows:

(a) Section 1.1 of the Original Agreement is hereby amended by the addition of the following definitions which are to be situated therein by alphabetical order:

““First Amendment” means the First Amendment to Line of Credit dated January 6, 2023, by and between the Borrower and the Lender.”

““First Amendment Effective Date” means January 6, 2023.”

(b) Section 2.6 of the Original Agreement is hereby amended by deleting “January 6, 2023” therein and replacing it with “January 5, 2024”.

(c) The Original Agreement and the Original Line of Credit Note are hereby amended by replacing all references to “First Foundation Public Finance Trust” with “First Foundation Public Finance.”

## Section 2. Conditions to Delivery of This Amendment.

The amendments to the Original Agreement provided for in Section 1 hereof shall become effective on the date hereof; *provided*, that each of the following conditions shall be fulfilled to the satisfaction of the Lender:

(a) The Lender shall have received:

(i) executed counterparts of this Amendment, signed by an authorized representative of the Borrower and the Lender, and

(ii) all other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Lender and the execution and delivery hereof and thereof by the Lender shall constitute conclusive evidence that all such legal matters have been completed to the satisfaction of the Lender.

(b) The representations and warranties of the Borrower contained in Article IV of the Original Agreement shall be true and correct in all material respects with the same effect as though made on and as of the date hereof (except (i) to the extent a representation or warranty relates specifically to an earlier date, in which case, such representation and warranty shall have been true and correct as of such earlier date, (ii) as otherwise previously disclosed in writing to the Lender or otherwise waived by the Lender, and (iii) to the extent a representation or warranty relates specifically to financial statements that were not prepared in accordance with GAAP, such financial statements were otherwise provided to and accepted by the Lender);

In addition to the foregoing representations, the Borrower hereby represents and warrants as follows:

(i) the execution, delivery and performance by it of this Amendment are within its respective powers, have been duly authorized by all necessary action and do not contravene any law or any contractual restriction binding on or affecting it,

(ii) it has performed, and is in compliance with, all agreements and conditions set forth in the Agreement that it is required to satisfy in connection with the execution, delivery and performance of the Amendment on and prior to the date hereof and the Original Agreement, as amended by this Amendment, constitute the legal, valid and binding obligations of it and are enforceable against it in accordance with their terms, and

(iii) no further authorization, approval or other action by, and no notice to or filing is required for its due execution, delivery and performance of this Amendment.

(c) There shall not have occurred any material adverse change in the financial condition or operations of the Borrower since the date of the most recent financial information provided to the Lender pursuant to the Original Agreement, except as otherwise disclosed by the Borrower to the Lender. On or prior to the date hereof, (i) there shall not have occurred a change in the laws, rules, guidelines or regulations (or the interpretation or administration thereof) applicable to the Borrower which materially adversely affects the ability of the Borrower to perform its obligations under the Agreement, or the other Loan Documents, as determined by



the Lender in its sole discretion, and (ii) no law, regulation, ruling or other action of the United States or the State of California or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Lender from fulfilling its obligations under this Amendment. No event has occurred which constitutes a Default or an Event of Default under the Agreement.

(d) The Lender shall have received such other approvals, opinions, certificates, instruments and documents as it may reasonably request.

(e) The Borrower shall pay all costs and expenses incurred by the Lender in connection with this Amendment by the Lender's counsel Nixon Peabody LLP, in the amount of \$5,000 pursuant to an invoice provided by such counsel, which such invoice shall be paid no later than 15 days after the receipt thereof.

### **Section 3. Miscellaneous**

(a) The parties hereto acknowledge and confirm that, from and after the date hereof, any reference in the Original Agreement, or Related Documents to the "Agreement" shall mean and refer to, collectively, the Original Agreement, as amended hereby.

(b) Except as provided in this Amendment, the Original Agreement shall remain in full force and effect and unaffected hereby except, as set forth herein, from and after the date hereof.

(c) This Amendment and the Original Agreement, as amended hereby, shall be subject to Section 7.13 of the Original Agreement.

(d) This Amendment may be executed by the parties in counterparts, each such counterpart shall be deemed an original, and all such counterparts taken together shall constitute one and the same binding instrument. A facsimile signature to this Amendment or a signature transmitted electronically shall count as an original signature.

(e) If any provision of this Amendment shall be held invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

(f) The parties hereto shall perform any further acts and execute and deliver any further documents which may be reasonably necessary or otherwise required in furtherance of the transactions contemplated hereby.

*[Signatures follow.]*

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above.

SAN GORGONIO MEMORIAL HEALTHCARE  
DISTRICT

By: \_\_\_\_\_  
Steven Barron  
Chief Executive Officer

[Signatures continue on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above.

FIRST FOUNDATION PUBLIC FINANCE

By: \_\_\_\_\_  
Trevor Mael  
Director of Public Finance

[End of signature pages.]

**TAB L**

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District  
To: Finance Committee, Board of Directors, and District Board

Agenda Item for December 27, 2022, Finance Committee and January 3, 2023 Board Meetings

**Subject:**

Replacement of current Acudose Automated Medication Dispensing Cabinets (ADCs) with Omnicell Automated Dispensing Cabinets –

San Gorgonio Memorial Healthcare District & Hospital have been using the current Acudose automated medication dispensing (ADCs) cabinets since 2007. The ADCs are a standard of care for patient safety for dispensing medications in a hospital setting. Our ADCs are currently supported and serviced under a contract with Omnicell. Omnicell is known as the industry leader for hospital pharmacy automation, and is currently used by JFK Hospital, Eisenhower Health, Desert Regional Medical Center, Redlands Hospital and Loma Linda University Medical Center in our surrounding area. Our ADCs are at the end of life and our service contract expires on December 31, 2022. A new service agreement will start on Jan 1, 2023, and we will be credited for any time remaining if we were to purchase Omnicell ADCs.

We have researched three different vendors, and the Omnicell system is best suited for SGMH. Not only is the price differential slightly better than the Pyxis system, but the Omnicell system is highly respected as illustrated by the number of regional Hospitals which use that system and have an expected life of at least 10 years. Finally, a third vendor was reviewed, however, it only has installed its system at one surgery hospital in California, and we don't feel comfortable being only the second California hospital and only general acute care hospital installation for that vendor. We intend to finance this project with funds from Measure A. Measure A balance is \$276,296 and the check from the trust fund was \$305,010.88 for a total of \$581,306.88 available for the purchase.

**Omicell:** SGMH currently has a contract in place for service and support with Omnicell for existing ADC. The pricing we have right now is the best in the past 2 years and the quote will expire at the end of the calendar year. The total amount due for the PO would be equipment, annual server subscription, Windows annual license and shipping. The service agreement will begin when our new equipment is installed. The invoice will be sent upon shipping of equipment.

<b>Omicell Equipment Costs</b>	
(Like to like replacement of existing equipment)	
Equipment Purchase	\$562,831.60
Shipping	\$16,738.33
Taxes	\$43,619.45
Total Equipment Cost	\$623,489.38
<b>Omicell Annual Estimate Service and Support Expenses</b>	
* (This items is not new, these fees are currently in place and necessary for current ADC operation)	
Windows 10 Software Licensing	\$4,800
Cloud Hosted Server	\$13,440
*System Maintenance and Support	\$20,796
Total Annual Service and Support	\$39,036

**Recommended Action:** To approve the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping. Annual support and licensing fees will be \$39,036. A Purchase Order to secure this price is required to be generated before December 30, 2022, and will include the language “Subject to final Board approval”. Funding applied toward this equipment purchase will come from remaining Measure A Funds (\$276,296) and a check from the donated trust fund (\$305,010.88) for a total amount of \$581,306.88. The remaining funding of \$41,992.50 will come from the Hospital’s Capital Equipment budget.

# XT Automated Dispensing Cabinets and Drawers

No other medication dispensing system offers more cabinet choices to meet the needs of acute and post-acute care sites. The scalable Omnicell® XT Automated Dispensing System can easily be expanded with additional cabinets, and drawers can be added or changed on-site as clinical needs evolve. Medications and supplies can be combined in a single cabinet, promoting convenience and saving space.



# XT Automated Dispensing Cabinets



One-Cell Cabinet  
Height: 77.5"  
Width: 26.5"  
Depth: 27.0"



Two-Cell Cabinet  
Height: 77.5"  
Width: 51.5"  
Depth: 27.0"



Three-Cell Cabinet  
Height: 77.5"  
Width: 76.5"  
Depth: 27.0"



Half-Height Cabinet  
Height: 53.3"  
Width: 26.5"  
Depth: 27.0"



Quarter-Height Cabinet  
Height: 25.4"  
Width: 26.5"  
Depth: 27.0"



# Omnicell XT Cabinet Drawers

## Metal Locking Lid Drawers

Durable metal locking lids keep medications secure. All drawers include Guiding Lights.



6-Bin Double-Deep Wide

Largest locked bin in the industry—fits IV bags and other bulky items.

**Bins:**  
Double Deep Wide  
Height: 4.0"  
Width: 10.1"  
Length: 6.3"



10-Bin

Larger bin fits up to three 60 mL PCA units.

**Bins:**  
5 Extended-Wide      5 Long  
Height: 1.7"          Height: 1.7"  
Width: 6.6"            Width: 13.8"  
Length: 3.4"            Length: 3.4"



15-Bin Double-Deep Narrow

Accommodates medium-sized bulkier items such as 100 mL premixed bags.

**Bins:**  
Double Deep Narrow  
Height: 3.8"  
Width: 3.5"  
Length: 6.6"



18-Bin

Securely stores a variety of items, including prefilled syringes.

**Bins:**  
Extended  
Height: 1.7"  
Width: 6.6"  
Length: 2.6"



27-Bin

Larger bin accommodates prefilled syringes and other larger items.

**Bins:**  
18 Standard          9 Extended  
Height: 1.7"          Height: 1.7"  
Width: 2.9"            Width: 6.6"  
Length: 2.6"            Length: 2.6"



36-Bin

Securely stores oral solids, vials, and small par level items.

**Bins:**  
Standard  
Height: 1.7"  
Width: 2.9"  
Length: 2.6"

## Open Configurable Drawers

Greater configurability and brighter Guiding Lights than previous generation.



24-Bin Double-Deep

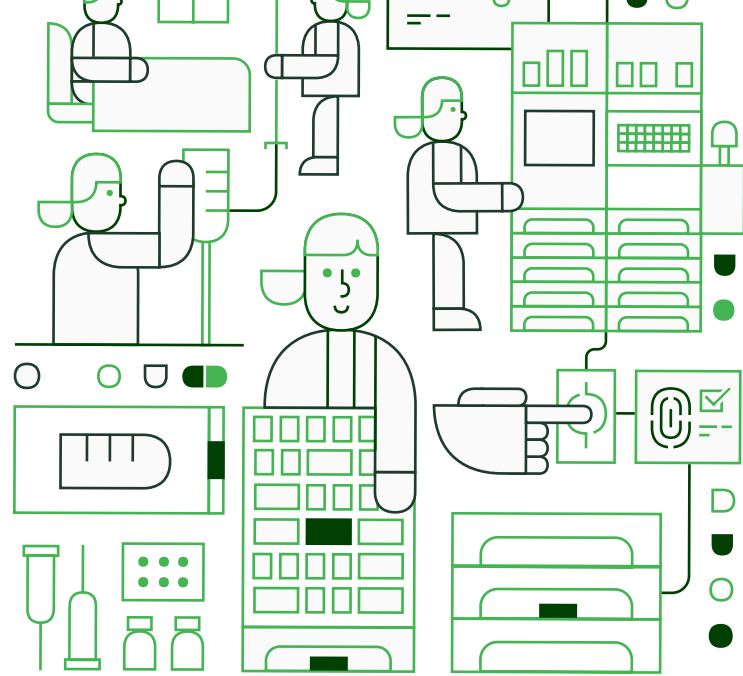
Double-deep drawer can be configured to include up to 24 bins.



48-Bin

Drawer can be configured to include up to 48 bins.

# XT Auxiliary Cabinets



One-Cell Auxiliary Cabinet

Height: 77.5"  
Width: 26.5"  
Depth: 27.0"



Two-Cell Auxiliary Cabinet

Height: 77.5"  
Width: 51.5"  
Depth: 27.0"



Three-Cell Auxiliary Cabinet

Height: 77.5"  
Width: 76.5"  
Depth: 27.0"

Are you ready to make medication management easier?  
Learn more about the XT series at [omnicell.com](https://www.omnicell.com).

**TAB M**

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for December 27, 2022 Finance Committee and January 3, 2023 Board Meetings

**Subject:**

Renewal of 3M Software Coding Agreement –

San Gorgonio Memorial Healthcare District & Hospital have been using the 3M coding software for many years. This is the software that facilitates the coding needed for each medical chart. This coding is then used for billing purposes and reporting purposes for each patient's medical record.

3M is known as the industry leader for this software, and they work closely with CMS as their product is customized to facilitate the coding and gathering all of the specific services and treatments that are provided to each patient. The current agreement expires on January 6, 2023.

Recommended Action: To approve the renewal of the 3M software agreement for a 3-year term, at a price of \$71,996.97 for the first year. We anticipate moving this software to be "cloud based" in the near future, which will enhance access and ease of use for our external providers such as Guidehouse.

Copies of the supporting documents are included in the packet.



# MASTER SOFTWARE AND SERVICES AGREEMENT

### SIGNATURE PAGE

THIS MASTER SOFTWARE AND SERVICES AGREEMENT ("Agreement") between **3M Health Information Systems, Inc.** ("3M") having an office at 575 West Murray Boulevard, Murray, Utah 84123-4611 and **San Gorgonio Memorial Hospital** ("Client") with offices at **600 N Highland Springs Ave, Banning, CA 92220-3046** (collectively the "Parties" or individually the "Party") shall be effective as of the date last signed ("Effective Date").

The Parties acknowledge that the agreements(s) listed below, shall be terminated as of **January 6, 2023**, with the exception of any Services being contracted for (but not yet completed and invoiced) under the agreement(s) below which were not added to this Agreement ("Outstanding Services"). Such Outstanding Services under the agreement(s) below shall not be cancelled and shall continue to be completed and invoiced under the agreement(s) they were originally contracted for, and such agreement(s) will be extended to the extent necessary to complete such Outstanding Services. After the completion of any such Outstanding Services, the agreement(s) below shall terminate in their entirety.

DESCRIPTION OF AGREEMENT	DATED	AGREEMENT NUMBER (IF APPLICABLE)
Software License Agreement	January 6, 2005	99-1641

REMIT ALL PAYMENTS DUE UNDER THIS AGREEMENT TO: 3M Health Information Systems Dept. 0881 PO Box 120881 Dallas, TX 75312-0881	ACH AND WIRE TRANSFERS TO: JPMorganChase 1 Chase Manhattan Plaza New York NY 10081 Beneficiary A/C Name: 3M Health Information Systems, Inc. ABA # 021000021 Account # 192825864 Swift address: CHASUS33 (for International Use)
--	--

WRITTEN NOTICES UNDER THIS AGREEMENT SHALL BE SENT TO: San Gorgonio Memorial Hospital 600 N Highland Springs Ave Banning, CA 92220-3046	3M HEALTH INFORMATION SYSTEMS 575 West Murray Boulevard Murray, UT 84123-4611
Attention: Email Address:	Attention: Pricing and Contract Director With copy to: Legal

To indicate acceptance and agreement to be bound by the terms and conditions of this Agreement, the Parties have executed this Agreement on the date(s) indicated below.

**SAN GORGONIO MEMORIAL HOSPITAL**

**3M HEALTH INFORMATION SYSTEMS, INC.**

BY:	BY: <i>John C. Mathison</i> <sup>SA</sup>
NAME:	NAME: John C. Mathison
TITLE:	TITLE: HIS Operations
DATE:	DATE: December 15, 2022

Please email or fax a purchase order in the amount of **\$71,996.97**, this signed Agreement and applicable Tax-Exempt forms to:  
**hisilverspringcontractrequests@mmm.com** or **(651) 732-8469**

ISSUE DATE / BY:	GPO:	BATCH NUMBER:	CLIENT SITE ID:	AGREEMENT NUMBER:	CLIENT EMR:
12/13/22 CM	*****	039699	2930109	039699-22 MSSA	
REVISION DATE / BY:	VERSION: MSSA				
12/15/2022 TA					

## GENERAL TERMS AND CONDITIONS

### 1. DEFINITIONS

- 1.1. **"3M Information"** means all items, information, and data (technical and non-technical and tangible and intangible), provided by 3M or 3M Personnel, any 3M Product, Deliverables or Results of a 3M Product(s) in connection with this Agreement, and any ideas, input, and feedback provided by Client to 3M or 3M Personnel.
- 1.2. **"3M Personnel"** means 3M's employees, agents, contractors, and subcontractors.
- 1.3. **"3M Product"** means any item listed on a Schedule.
- 1.4. **"Agreement"** means the General Terms and Conditions, and all exhibits, Appendices, Schedules, SOW's, and other attachments.
- 1.5. **"Appendix"** means the document so titled, attached to the Agreement and includes terms and conditions unique to a class of 3M Products.
- 1.6. **"Authorized Site"** means an entity that meets the requirements of Section 2.2.
- 1.7. **"Authorized User"** means an Authorized Site's employees and contingent workers (individuals hired by Client through a temporary staffing agency for a period not to exceed twelve months that supplements Client's employee workforce or serves as a temporary replacement of an employee position, and Client is responsible for the training and day-to-day direction of the individual) and, if applicable, an admitting physician (a licensed physician who has the privilege to admit patients at an Authorized Site) and a consulting physician (a licensed physician who provides medical consultation at an Authorized Site, or to an admitting physician).
- 1.8. **"Client Applications"** means Client developed software.
- 1.9. **"Client Data"** means all information provided by Client to 3M under this Agreement.
- 1.10. **"Client Equipment"** means the central processing unit(s), any peripheral equipment and all interconnecting cables and wires physically located at the Authorized Sites.
- 1.11. **"Client Portal"** means any proprietary secure electronic gateway provided by 3M to a collection of digital files, Consulting Services, Deliverables, Results, and other information accessible over the internet through a web browser.
- 1.12. **"Consulting Services"** means services identified on a Schedule attached to the Consulting Services Appendix.
- 1.13. **"Deliverables"** or **"Results"** means any report, file, document, presentation, analysis, analytics, recommendation, suggestion, methodologies, Software output or other work product that 3M delivers to Client or may make available to Client through the use of a 3M Product.
- 1.14. **"Documents"** means written reference, technical and hardware specifications, and operations and/or user manuals for 3M Products.
- 1.15. **"Implementation and Training"** or **"I&T"** means implementation (installation) and training services for a specific 3M Product.
- 1.16. **"Interface"** means enabling the communication between a non-3M Product and a 3M Product.
- 1.17. **"Intellectual Property Rights"** means all intellectual property rights throughout the world, including but not limited to registered or unregistered copyrights, trade secrets, patents, patent applications, designs, know-how, registered or unregistered trademarks and service marks, and trade names.
- 1.18. **"License Start Date"** or **"Go-Live"** means with respect to: (a) Software to be installed on 3M equipment or by 3M on Client Equipment - the date on which 3M has completed all I&T tasks and the respective module(s) of Software are made available to Client for productive use; or (b) Software to be installed by Client on Client Equipment - seven (7) days after the date on which such Software is made available to Client (without regard to actual Client installation).
- 1.19. **"Perpetual Software"** means Software identified on a Schedule attached to the Perpetual Software Appendix.
- 1.20. **"Schedule"** means the document so titled and attached to the respective Appendix, which lists each 3M Product to be provided, the Authorized Site(s), and the associated fees.
- 1.21. **"Services"** means Implementation and Training, Support Services, or Consulting Services.
- 1.22. **"Software"** means any and all (a) 3M owned computer program(s) with incorporated Third-Party Content, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form and whether embodied in software or otherwise, including application programming interfaces, architecture, records, schematics, computerized databases, software implementations of algorithms, software tool sets, software models, (b) databases, libraries and compilations, including any and all data and

collections of information or data, each to the extent relating to or otherwise used in support or for the benefit of, or embodied within, any of the items in (a) above, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, and (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, which are licensed under this Agreement and are identified on the applicable Schedule.

1.23. **“Software as a Service” or “SaaS”** means the cloud infrastructure including hosting, maintenance, and support of the servers, databases and code that constitute the services environment, including, without limitation, system administration, system management, and system monitoring activities for such SaaS products.

1.24. **“Support Services”** means 3M’s maintenance and support of 3M Products as further defined in Section 3.1.3.

1.25. **“SOW”** means a statement of work or scope of work document so titled that describes the 3M Product and sets forth project specific details.

1.26. **“Territory”** means the United States of America, its territories and protectorates.

1.27. **“Third-Party Content”** means all non-3M owned software, algorithms, rules, analytical tools, materials, and content incorporated into, or distributed by 3M for use in combination with the 3M Product.

1.28. **“Update”** means a modification to Software provided by 3M to each customer licensing the Software without an additional or increased fee.

1.29. **“Use Rights”** means the limited rights to specific 3M Information granted by 3M.

## 2. OWNERSHIP; RESTRICTIONS; USE; SERVICES

2.1. **Ownership.** 3M, and its suppliers, are the sole and exclusive owners of all Intellectual Property Rights in and to the 3M Information. Client obtains no ownership interest in the 3M Product or 3M Information by virtue of providing 3M with Client Data under this Agreement.

2.2. **Authorized Site.** A facility is an Authorized Site if it is (a) Controlled by Client, and (b) has been added to the applicable Schedule. “Controlled” means Client possessing more than fifty percent (50%) of the voting stock or similar ownership interest. The Controlled requirement may be waived by 3M on a facility-by-facility basis.

2.2.1. **“Access Site”** means an Authorized Site that accesses the Software and is identified on the applicable Schedule as an “ACCESS” site.

2.2.2. **“Host Site”** means a Third-Party Contractor authorized by 3M to host the Software on behalf of Client and is identified on the applicable Schedule as a “HOST” site.

2.2.3. **“Install Site”** means the Authorized Site’s physical location where the Software has been installed and which is listed on the applicable Schedule as an “INSTALL” site.

2.3. **Use Rights.** Use Rights to 3M Information are found in the applicable Appendix and are specific to the 3M Product(s) added to the applicable Appendices Schedule(s). Any Use Rights not explicitly granted in this Agreement are reserved by 3M.

2.4. **Restrictions.** Including any additional Restrictions on the applicable Appendices, the Use Rights granted in this Agreement do not permit access or use of 3M Information in any manner not specifically authorized in this Agreement. Client shall not, and shall not permit Authorized Users to:

- (a) download, attempt to download, or make extra copies of the 3M Information, provided however, Client may make: (i) one (1) copy of the Software (non SaaS) for archival purposes and such number of backup copies of the Software (non SaaS) and/or Results as are consistent with Client’s normal periodic backup procedures with all such copies remaining subject to the terms of this Agreement, and (ii) reproduce or copy any portion of the Documents into machine-readable or printed form for its internal use and only as required to exercise its rights hereunder;
- (b) sublicense, lease, lend, transfer, redistribute, or permit any third-party to have access to, or the use of, the 3M Information;
- (c) process transactions of any entity or facility that has not been specifically listed as an Authorized Site under the applicable Schedule, including using the Software or Results in a service bureau or any other manner to provide a service or analytics for a third-party;
- (d) disassemble, decrypt, decompile, reverse-engineer, disclose, or use any means to discover the source code, methodologies, or other trade secrets embodied in any 3M Information;
- (e) create derivative works based upon 3M Information;

- (f) engage in any activity or introduce any device, software or routine that interferes with or disrupts the Software, Support Portal (as defined in Section 3.1.3), Client Portal, or the servers or networks which are connected to such;
- (g) remove the Software (non SaaS) from the installation site without 3M's written consent, which shall not be unreasonably withheld; ~~however, during any period of Client Equipment malfunction causing the Software (non-SaaS) to be inoperative, Client may use the Software (non SaaS) on alternate Client Equipment if Client promptly notifies 3M in writing of the new location (upon correction of the Client Equipment malfunction, Client shall immediately delete Software from the alternate Client Equipment and certify in writing to 3M such deletion is complete);~~
- (h) modify or otherwise alter the 3M Information;
- (i) remove the trademarks, trade names or any notice of 3M or 3M's suppliers from any 3M information;
- (j) use, allow access to, or distribute Results or Deliverables that is not permitted in the applicable Appendix;
- (k) create or offer a "wrapper," which is software that hides the underlying Software or Client Portal by any means;
- (l) use or access any 3M Information for benchmarking, consulting, or data analytics.

**2.5. Third-Party Access to or Use of 3M Information.** Client is prohibited from providing or allowing a third-party to view, use, execute, or display 3M Information, or create and/or maintain an Interface using 3M Information, unless the third-party has executed a 3M prepared confidentiality agreement and is listed as a limited license Authorized Site on the applicable Schedule.

**2.6. Suspension.** 3M may temporarily suspend portions of its performance in the event (a) of a denial of service attack or other attack on the Software; (b) 3M determines there is a reasonable likelihood of risk to 3M, 3M Products, or 3M customers if performance is not suspended; (c) 3M determines it is prudent to do so for legal or regulatory reasons; or (d) Client is in breach of the Agreement, subject to the cure period set forth in Section 8.2 (with the exception of a breach of 3M intellectual property, for which no cure period shall apply). 3M Shall endeavor to provide Client notice of any suspension under this section. Any suspension shall only be to the extent and duration necessary to investigate and remediate the adverse condition. If a suspension occurs as a result of items (a)-(c) above which last more than five (5) consecutive days, if Client submits a written request for a credit within thirty (30) days of the end of such suspension, 3M will provide a pro-rated credit for the term of the suspension for the suspended 3M Products, to be applied on a future invoice.

**2.7. Verification.** Upon thirty (30) day notice, and no more than once every twelve (12) months, during Client's regular business hours, Client shall allow 3M, or a third-party designated by 3M, to inspect and audit applicable books and records to verify Client's compliance with its obligations under this Agreement. In addition to other available remedies, the cost of any audit conducted by a third-party shall be paid for by Client if the audit reveals a violation of 3M's Intellectual Property Rights, or unauthorized release or use of 3M Information. Consistent with 3M's efforts to ensure its business operations are conducted in compliance with applicable laws, 3M's audit rights of Section 9.12 Compliance with Laws, shall apply during the Term, and will survive three years thereafter.

**2.8. Third-Party Content.** Client agrees to comply with Exhibit B (Third-Party Content Terms and Conditions) which contain flow-down provisions for Third-Party Content that may be incorporated in 3M Products and are contractually required by the Third-Party Content providers. 3M may by written notice, modify the contents of Exhibit B, that do not result in Client incurring additional fees, as may be required by its contracts with Third-Party Content providers by sending Client written notice of the contractually required changes to Exhibit B.

**2.9. Use of Client Data.** When Client Data is uploaded, submitted, stored, or otherwise sent to 3M through or in connection with a 3M Product, Client gives 3M the right to use, aggregate, and modify Client Data; to develop, enhance, deliver, and support the 3M Product(s) and their underlying technologies, in compliance with the terms of the Business Associate Agreement between the Parties. This right is subject to all applicable laws restricting the use of the applicable types of Client Data.

### 3. ADDITIONAL OBLIGATIONS

#### 3.1. 3M's Obligations.

**3.1.1. Security.** 3M is responsible for the security of, access to, and use of Client Data, and the security of any 3M Product that is installed or stored on 3M equipment.

**3.1.2. Implementation and Training.** When I&T for a module of Software is added to a Schedule, 3M will contact Client and establish a mutually agreed upon I&T plan. 3M agrees to reasonably cooperate with Client including, but not limited to: (i) adhering to the I&T plan; (ii) providing constant and informative communication; and (iii) providing the necessary personnel, equipment (if any is required by be provided by 3M), and technical resources contemplated and required.

**3.1.3. Support.** Support Services shall be provided as set forth on 3M's website at <https://support.3Mhis.com> as updated from time to time ("Support Portal). Updates and the notifications of Updates for Software installed on Client Equipment, as well as updates to



Documents are provided through the Support Portal. Updates to Software installed on 3M equipment are performed by 3M. Support Services do not apply if Client: (a) is in breach of the Agreement; (b) fails to place a Support Service request as set forth in the Support Portal; (c) fails to provide 3M reasonable access to Client's Equipment, data, and qualified Client personnel; and (d) has not installed the most recent Software Update.

**3.1.4. Access.** To the extent required by law, 3M and applicable subcontractors, shall make available upon written request to the Secretary of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement and such books, documents and records necessary to verify the cost of services furnished to Client by 3M.

### 3.2. Client Obligations.

**3.2.1. General.** Client is responsible for: (a) ensuring Authorized Sites and Authorized Users adhere to the requirements of the Agreement; (b) its business decisions and any medical care it provides; (c) accuracy of Client Data, (d) verifying the accuracy of the Results of the 3M Product(s), (e) any Interfaces not created by 3M, (e) the acquisition and maintenance of Client Equipment and any non-3M software; (f) installing Updates on Client Equipment, and testing and running a commercially reasonable software security scan on all Updates before releasing the Update into its production environment; (g) performing routine backups (e.g., incremental backups performed daily, and full backups performed weekly) of its data and providing 3M with only copies of Client's original data set; (h) provide a list of Client Applications upon request; (i) reasonably cooperating with requests made by 3M; (j) delays or deficiencies caused by special requests made by Client or a government authority (authorized to regulate or supervise Client); and (k) installing all Software for which it has not added I&T to the applicable Schedule. Reasonable cooperation entails but is not limited to: (i) adhering to the I&T plan; (ii) providing constant and informative communication; and (iii) providing the necessary access, data, personnel, facilities, equipment, and technical resources contemplated and required.

**3.2.2. Security.** Client is responsible for: (a) security of, access to, and use of 3M Information; and (b) within fifteen (15) calendar days of discovery, notifying 3M of unauthorized use, disclosure of, or access to 3M Information.

## 4. CONFIDENTIAL INFORMATION

**4.1. Protected Health Information.** The Parties will comply with the applicable provisions of HIPAA and the HITECH Act, and when exchange of protected health information ("PHI") is reasonably anticipated, will enter into a business associate agreement that will be the controlling document as it relates to use, disclosure, confidentiality, and notifications relating to PHI. Unless explicitly contracted for otherwise, PHI delivered to 3M does not constitute a "designated record set" as defined under 45 CFR § 164.501.

**4.2. Confidential Information.** For the purposes of this Agreement, "Confidential Information" means any business, technical, or personnel information that a Party ("Disclosing Party") discloses to the other Party ("Receiving Party") that: (a) if disclosed in writing, is marked "confidential" or "proprietary" at the time of disclosure; (b) if disclosed orally, is identified as "confidential" or "proprietary" at the time of disclosure, or is later summarized in writing by the Disclosing Party to the Receiving Party; or (c) if not so identified or marked as stated previously, information that would be reasonably understood to be confidential due to the nature of the information or the circumstances in which it was disclosed. At all times, this Agreement, 3M Information, and pricing information are Confidential Information.

**4.3. Confidential Treatment.** Each Party will: (a) keep the Disclosing Party's Confidential Information confidential; (b) use the Disclosing Party's Confidential Information only as authorized or necessary to perform its obligations under this Agreement, and (c) protect the Disclosing Party's Confidential Information by using the same degree of care, but not less than a reasonable degree of care, to prevent the unauthorized disclosure or use of Confidential Information as the Receiving Party uses to protect its own confidential information of a like nature. 3M's privacy standards for confidentiality of contact information of Client personnel (i.e. Personal Information) are found in the 3M Global Privacy policy. Neither Party acquires rights to the other Party's Confidential Information, and a Receiving Party shall hold harmless the Disclosing Party and its personnel, from any unauthorized use or disclosure by the Receiving Party, or its suppliers, of the Disclosing Party's Confidential Information.

**4.4. Disclosures Required by Law.** The Receiving Party may release Confidential Information as required to comply with applicable law, regulation, valid court order, or other binding requirement of a competent governmental authority, provided that in any such case, where permitted by applicable law: (a) the Receiving Party will immediately notify the Disclosing Party in writing of any such requirement (and in any event, prior to disclosure of Confidential Information); (b) the Receiving Party provides all reasonable assistance to the Disclosing Party in any attempt by the Disclosing Party to limit or prevent the disclosure of Confidential Information; and (c) the Receiving Party agrees to furnish only that portion of the Confidential Information that is legally required to be furnished and, in consultation with the Disclosing Party, to use all reasonable efforts to ensure, to the extent possible, that the information is maintained in confidence by the party to whom it is furnished.

**4.5. Exceptions.** A Party's Confidential Information does not include information that: (a) is made available to the public by the Disclosing Party; (b) was known to the Receiving Party without an obligation of confidentiality prior to its receipt from the Disclosing Party as evidenced by the Receiving Party's written records; (c) is received by the Receiving Party from a third-party who is not subject to an obligation of confidentiality and without breach of any agreement or violation of law to the Disclosing Party and without breach of any agreement or violation of law; or (d) is

independently developed by the Receiving Party without reference to Confidential Information received hereunder. The Parties agrees that the existence of a copyright notice shall not cause or be construed to cause the Software or Documents to be a published copyrighted work or in the public domain. A Party's information that would otherwise be Confidential Information, but for a breach of an agreement or violation of law, shall remain the Disclosing Party's Confidential Information.

## 5. WARRANTIES; INDEMNIFICATION

### 5.1. 3M Warranties and Indemnification.

5.1.1. **Debarment/Exclusion from Participation Warranty.** 3M warrants to Client that upon the Effective Date, neither it nor any of its officers, directors, or employees performing 3M's obligations under the Agreement (collectively "3M Participant") is excluded from participation in any applicable Federal or State health benefits program. Upon discovery that a 3M Participant is excluded, 3M will immediately remove the 3M Participant from involvement with this Agreement. REMOVAL OF A 3M PARTICIPANT FOR EXCLUSION IS CLIENT'S SOLE REMEDY, UNLESS 3M ITSELF IS THE EXCLUDED PARTICIPANT, IN WHICH CASE CLIENT'S REMEDY IS TERMINATION OF THE AGREEMENT AND A PRORATED CREDIT OF PREPAID FEES.

5.1.2. **Software Performance Warranty.** Software shall perform in substantial accordance with the Documents; however, 3M does not represent or warrant the operation of the Software will be uninterrupted, error-free, or that immaterial non-conformance between the Software and Documents can be corrected. Upon receipt of written notice from Client that Software fails to meet this warranty, 3M shall provide Support Services in accordance with the terms of the Agreement. IF 3M IS UNABLE TO REMEDY A BREACH OF THIS WARRANTY, CLIENT'S REMEDY SHALL BE TO TERMINATE THE 3M PRODUCT THAT FAILS TO MEET THE WARRANTY AND RECEIVE A PRORATED CREDIT OF APPLICABLE PREPAID ANNUAL FEES.

5.1.3. **Services Warranty.** 3M warrants to Client that Services will be performed in a workman-like manner, using generally recognized commercial practices and standards. Provided 3M receives written notice of breach of this warranty from Client within thirty (30) days after the Service was performed, CLIENT'S REMEDY IS, AT 3M'S OPTION TO EITHER: (A) RE-PERFORM THE SERVICES IN A MANNER CONSISTENT WITH THIS WARRANTY; OR (B) REFUND TO CLIENT ANY AMOUNTS PAID FOR THE SERVICES THAT FAIL TO MEET THIS WARRANTY AND TERMINATE THE SERVICES GIVING RISE TO THE CLAIM WITHOUT FURTHER OBLIGATION ON THE PART OF EITHER PARTY.

5.1.4. **Hardware Warranty.** Any warranty for Hardware is provided by the manufacturer of the Hardware. "Hardware" means tools, machinery, and other tangible equipment.

5.1.5. **Disabling Code Warranty.** 3M warrants to Client that after using reasonable, industry-standard, up-to-date anti-virus technology, the 3M Product does not contain viruses, worms, trojan horses, spyware, ransomware, trap doors, time bombs, or other similar devices and techniques. Nothing prevents the inclusion of technical protection measures in the 3M Product for purposes of preventing unauthorized use, are not considered Disabling Code. IF 3M IS UNABLE TO REMEDY A BREACH OF THIS WARRANTY, CLIENT'S REMEDY SHALL BE TO TERMINATE THE 3M PRODUCT THAT FAILS TO MEET THE WARRANTY AND RECEIVE A PRORATED CREDIT OF APPLICABLE PREPAID ANNUAL FEES.

5.1.6. **3M Indemnification.** 3M shall indemnify, defend and hold Client harmless from any liability for any damages, cost or expense actually and finally awarded against Client, or any settlement made by 3M, that is caused by or resulting from any third-party claim, action, suit or proceeding that a specific 3M Product licensed under this Agreement infringes or misappropriates such third-party's U.S. patent, trademark, copyright or trade secret ("Infringement Claim"). Client shall give 3M prompt notice of any Infringement Claim and provide 3M with a copy of any pleadings or claim. The selection of counsel, the conduct of the defense of any lawsuit and any settlement shall be within the sole control of 3M. Client shall reasonably cooperate with 3M in 3M's defense and settlement of an Infringement Claim. In the event that use of the 3M Product is enjoined or, in 3M's opinion, likely to be enjoined, 3M will, at its option and expense, either: (a) procure for itself, or Client, as applicable, the right to continue using the relevant 3M Product; (b) replace or modify the same so that the relevant 3M Product is comparable and non-infringing, or (c) terminate the alleged infringing 3M Product, require Client to cease all further access to and use of the relevant 3M Product and in such case, 3M will provide Client pro-rated credit of prepaid fees, except with respect to Perpetual Software, a credit in an amount equal to the unamortized portion (based on straight-line depreciation over a five-year period) of the license fee. 3M shall have no obligation or liability under this Section in the event any Infringement Claim results solely from licensure of the 3M Product in combination with any item not furnished by 3M such liability would not have occurred from the licensure of the 3M Product itself. THIS SECTION STATES CLIENT'S REMEDY FOR ANY ALLEGED INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED.

### 5.2. Client Warranties and Indemnifications.

5.2.1. **Client Data Use.** Client represents and warrants that Client has all rights and permissions necessary to grant 3M the use rights set forth in Section 2.9, Use of Client Data.

**5.2.2. Client Indemnification.** To the extent permitted by law, Client shall indemnify, defend and hold 3M harmless from any liability for any damages, cost or expense actually and finally awarded against 3M, or any settlement made by Client, that is caused by or resulting from any third-party claim, action, suit or proceeding related to any of Client's obligations or responsibilities in Section 2.9 and 3.2.

**5.3. Exclusions**

**5.3.1. Warranty Exclusions.** THE WARRANTIES SET FORTH IN THIS AGREEMENT DO NOT APPLY IF: (A) THE 3M PRODUCT IS USED, IN WHOLE OR IN PART, WITH COMPUTER EQUIPMENT, INTERFACE(S) OR OTHER SOFTWARE OTHER THAN THOSE RECOMMENDED IN WRITING BY 3M FOR USE WITH THE 3M PRODUCT; (B) ANYONE OTHER THAN 3M OR 3M PERSONNEL IN ANY WAY MAINTAINS, ATTEMPTS TO MAINTAIN, MODIFIES OR ATTEMPTS TO MODIFY THE 3M PRODUCT OR ANY PART THEREOF IN ANY MANNER, EXCEPT FOR THOSE ELEMENTS OF THE 3M PRODUCT THAT ARE SPECIFIED IN THE DOCUMENTS AS BEING USER-DEFINABLE; (C) THE 3M PRODUCT IS USED IN ANY MANNER OTHER THAN AS SPECIFIED IN THE DOCUMENTS; (D) CLIENT FAILS TO USE ANY UPDATE, NEW OR CORRECTED VERSIONS OF THE 3M PRODUCT OR ANY COMPONENT THEREOF MADE AVAILABLE BY 3M; (E) CLIENT FAILS TO FOLLOW ANY WRITTEN DIRECTIONS OR TO PERFORM ANY PROCEDURES PRESCRIBED BY 3M IN WRITING; (F) ANY ABUSE, MISUSE, ACCIDENT OR NEGLIGENCE, IN EACH CASE OTHER THAN BY 3M OR 3M PERSONNEL SHALL HAVE OCCURRED IN RELATION TO THE 3M PRODUCT; (G) THE NON-CONFORMANCE OF THE 3M PRODUCT WITH THE WARRANTY IS CAUSED BY CIRCUMSTANCES OTHER THAN BY THE 3M PRODUCT ITSELF, OR BY 3M OR 3M'S PERSONNEL; OR (H) MODIFICATIONS TO THE 3M PRODUCT MADE BY 3M AT CLIENT'S REQUEST UNLESS 3M HAS AGREED TO WARRANT SUCH MODIFICATIONS IN WRITING.

**5.3.2. Third-Party Content.** IF 3M RECEIVES A WARRANTY ON THE THIRD-PARTY CONTENT, TO THE EXTENT ALLOWABLE, SUCH WARRANTY SHALL BE PASSED THROUGH TO CLIENT, OTHERWISE, ALL THIRD-PARTY CONTENT IS PROVIDED "AS-IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

**5.3.3. Disclaimer.** EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 5, 3M AND ITS SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING.

**6. LIMITATIONS OF LIABILITY**

**6.1. RESTORATION OF CLIENT DATA.** ALL CLIENT DATA SENT TO 3M IS TO BE A COPY OF CLIENT'S ORIGINAL DATA SET. IF CLIENT DATA IS LOST DUE TO 3M'S NEGLIGENT ACT OR OMISSION, OR BREACH OF WARRANTY, CLIENT'S EXCLUSIVE REMEDY SHALL BE FOR 3M TO USE COMMERCIALY REASONABLE EFFORTS TO RECOVER THE LOST CLIENT DATA SINCE CLIENT'S LAST REQUIRED BACKUP.

**6.2. EXCLUDED DAMAGES.** EXCEPT FOR A BREACH OF 3M'S INTELLECTUAL PROPERTY RIGHTS, NEITHER CLIENT, NOR 3M AND ITS SUPPLIERS SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSS, BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY EVEN IF 3M OR ITS SUPPLIERS OR CLIENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE (EXCEPT FOR LOSS OF PROFITS OR REVENUE TO 3M ARISING FROM CLIENT'S FAILURE TO PAY AMOUNTS DUE UNDER THIS AGREEMENT), EQUIPMENT USE, DATA OR INFORMATION OF ANY KIND. 3M AND ITS SUPPLIERS SHALL NOT HAVE ANY LIABILITY ARISING FROM ANY INTERRUPTION OR LOSS OF USE OF THE 3M PRODUCT, NOR FROM THE UNAVAILABILITY OF, OR CLIENT'S INABILITY TO OBTAIN OR ACCESS, MEDICAL OR OTHER DATA.

**6.3. MAXIMUM LIABILITY.** 3M'S AND ITS SUPPLIERS' MAXIMUM CUMULATIVE ANNUAL LIABILITY FOR ALL DAMAGES, COSTS OR EXPENSES OF ANY TYPE OR NATURE BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY IS LIMITED TO TWO (2) TIMES THE FEES PAID TO 3M FOR THE 3M PRODUCT GIVING RISE TO THE LIABILITY, IN THE YEAR LIABILITY AROSE. ALL OTHER LIABILITIES NOT SPECIFICALLY LINKED TO A 3M PRODUCT IS LIMITED TO THE FEES PAID IN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE LIABILITY. 3M AND ITS SUPPLIERS MAXIMUM CUMULATIVE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED FIVE MILLION DOLLARS (\$5,000,000). THIS SECTION DOES NOT APPLY TO ANY NON-INFRINGEMENT INDEMNIFICATION OBLIGATIONS OR BREACH OF UNSECURED PROTECTED HEALTH INFORMATION.

**7. FEES; AND INVOICING**

7.1. **Payment of Fees.** All fees and other charges are payable in U.S. dollars, are due upon date of the invoice, and are delinquent thirty (30) days after the date of the invoice ("Payment Period"). During the Payment Period, Client may dispute an invoiced item that Client reasonably believes is incorrect, and for which Client intends to withhold payment, provided that, within the Payment Period, Client: (a) gives 3M a written notice detailing the specific items and amount in dispute and the basis of the dispute (or the invoiced item shall be deemed undisputed), and (b) pays all undisputed amounts in full.

7.2. **Late Payment; Suspension.** If Client becomes thirty (30) days delinquent on any undisputed fees, upon written notice to Client, 3M may suspend its obligations under the Agreement until such past due charges are brought current. All delinquent fees are subject to a late payment charge at a rate up to one percent (1%) per month calculated daily.

7.3. **Delays and Additional Expenses.** If Client delays or postpones a scheduled event with less than seven (7) day notice, Client shall pay to 3M all reasonably incurred and nonrefundable expenses associated with the delayed or postponed event, and a rescheduling fee calculated to represent one (1) day's fees for the canceled event. If business travel and miscellaneous expense are not included in the quoted fees, they will be billed to Client without mark-up, and will be incurred in accordance with 3M policies. If the delivery of a scheduled event, Services, or Consulting Services is delayed at Client's request, the entire schedule may be extended at 3M's discretion, it being understood that any such extension may exceed the delay requested by Client.

7.4. **Taxes.** Quoted fees do not include applicable taxes, duties, or amounts levied in place of taxes (collectively "Taxes"). 3M will invoice Client all applicable Taxes unless Client provides 3M a tax-exempt form. Client is not responsible for paying 3M's personal property taxes on the 3M Products nor taxes based on 3M's net income.

## 8. TERM AND TERMINATION

8.1. **Term of the Agreement.** The Agreement begins on the Effective Date and ends upon the termination of the last Schedule.

8.2. **Termination for Cause.** Either Party may terminate the Agreement if: (a) the other Party has failed to take reasonable steps to cure a breach of this Agreement within thirty (30) days after receiving written notice describing the breach; (b) the other Party becomes insolvent; or (c) either Party ceases to conduct business relevant hereunder. In the event Client terminates a 3M Product due to a material breach of a performance warranty by 3M, Client's remedy is for 3M to a refund to Client (i) for Perpetual Software, the unamortized portion of the pre-paid license fee based on straight-line depreciation over a five-year period, (ii) for Software other than Perpetual Software, the unused portion of the current year's pre-paid fee for the Software, or (iii) for Services, the actual fees paid to 3M for the Service not yet performed.

8.3. **Obligations upon Termination.** Upon termination of this Agreement or a Use Right for a specific 3M Product, each Party shall immediately cease use of the other Party's Confidential Information as it relates to the Use Right that was terminated, or all Confidential Information if the entire Agreement has terminated. Within fifteen (15) days of termination, Client shall: (a) certify that the relevant Software has been de-installed, or if the applicable Software requires 3M to assist in the de-installation have scheduled with 3M a date acceptable to 3M for 3M to de-install the Software; and (b) returned or destroyed all applicable Documents. Within ninety (90) days of the termination of the Agreement, the Parties will have destroyed all the other Party's Confidential Information, or Confidential Information related to the Use Right terminated, except those copies necessary to comply with legal obligations and items for which a perpetual license has been issued. IN THE EVENT CLIENT DOES NOT COMPLY WITH THE TERMINATION PROVISIONS, CLIENT IS IN BREACH OF 3M INTELLECTUAL PROPERTY RIGHTS, AND 3M MAY ELECT TO EITHER: (I) DEEM 3M PRODUCT(S) TO BE IN USE BY CLIENT AND CONTINUE TO INVOICE FOR THE FULL LIST PRICE AND THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT; OR (II) SEEK ALL REMEDIES AT LAW TO ENSURE CLIENT HAS DE-INSTALLED THE SOFTWARE AND DESTROYED THE DOCUMENTS.

8.4. **Divestiture of Authorized Sites.** In the event an Authorized Site is divested, subject to 3M's right of approval, the Parties shall honor the Transition Period. "Transition Period" means a period of time the divested site is to remain an Authorized Site on this Agreement, which shall end the earlier of the date the divested site (a) has an active license for the relevant 3M Products under another agreement with 3M, (b) six (6) months following the date of divestiture, or (c) the divested site's notice to 3M it wishes to terminate all 3M Products under this Agreement. Upon conclusion of the Transition Period, the Use Rights for the divested site will terminate, and 3M will issue a prorated refund to Client applicable prepaid and unused fees.

## 9. GENERAL PROVISIONS

9.1. **Entire Agreement.** This Agreement represents the final, complete, exclusive and fully integrated agreement between the Parties with respect to its subject matter and supersedes any understanding, discussions, negotiations, representation or warranty of any kind made prior to or simultaneous with the execution of this Agreement, and no ancillary agreement or obligations are binding on 3M or 3M Personnel unless added to this Agreement by amendment. Terms or conditions found on a purchase order(s) or any other Client prepared document are specifically rejected and do not form any part of this Agreement. A failure or delay in enforcing any right or remedy under this Agreement shall not be construed as a waiver of any existing or future right or remedy.

9.2. **Amendments.** Any changes to the Agreement must be done through a 3M prepared amendment executed by both Parties, or 3M may, at its option, acknowledge and accept a written request from Client for changes, by returning to Client a numbered amendment letter prepared and signed by 3M (having the same effect as a fully executed amendment).

9.3. **Interpretation, Priority.** The headings and captions contained in this Agreement are for convenience only and shall not constitute a part hereof. In the event of any conflict of terms, the more specific parts of the Agreement prevail over more general; as such, any conflict shall be resolved in the following order of priority unless specifically stated otherwise (the more specific and controlling document listed first): Schedule, SOW, Appendix, Exhibit, and the Agreement's General Terms and Conditions.

9.4. **Assignment.** Client shall not assign or otherwise transfer this Agreement, including but not limited to, an acquisition or change of control of Client (e.g. merger, sale, voting membership) without 3M's prior written consent, which shall not be unreasonably withheld, and any attempt to do so shall be void.

9.5. **Force Majeure.** A Party shall not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, government orders or any other force majeure event. Notwithstanding the foregoing, if such force majeure event precludes payment of fees or the fulfillment of an obligation hereunder, the Parties will work together in good faith to come to a mutually agreeable resolution. In the event of any such delay, all performance obligations shall be tolled to the extent necessary under the circumstances.

9.6. **Announcements; Trade Name.** Neither Party may use the other Party's trade name or logo, or issue an announcement concerning this Agreement to the trade press or industry consultants without prior written consent.

9.7. **Notices.** All required legal notices shall be given to the address listed on the cover page of the Agreement, by authorized personnel in writing and delivered by personal delivery, certified or registered mail, overnight carrier, or to a designated email address. Any change of address or representative shall be promptly communicated in writing to the other Party. All other correspondence can be addressed to the parties' representatives listed on Exhibit D. If Exhibit D is not completed or the designated party's representative is not reachable, such notices may be delivered to the address on the cover page of the Agreement. Both Parties may also utilize email as acceptable written notice to the other Party except a notice of breach of contract must be sent via the methods described above.

9.8. **Governing Law.** This Agreement and any questions, claims, disputes or litigation concerning or arising from its creation, performance or termination, shall be governed by the laws of the State of Delaware, without giving effect to the conflicts of laws doctrines of any state.

9.9. **Dispute Resolution.** The parties shall attempt in good faith to resolve any controversy, claim or dispute (cumulatively, "Dispute") arising from or relating to this Agreement by negotiations between representatives of the parties. Prior to any litigation, the parties agree that "C-Level" executive from each party will discuss with one another to seek a resolution ("C-Level Meeting"), and if the C-Level Meeting doesn't resolve the Dispute, the Dispute shall undergo mediation using a mediator with a background in the industry and subject matter of the Dispute (mediation costs shall be shared equally). In the event of litigation both parties hereby waive any right of trial by jury. Nothing herein shall preclude a Party from taking any action necessary to preclude imminent and irreparable harm, nor diminish a Party's obligation to minimize damages.

9.10. **No Third-Party Beneficiaries.** Unless stated otherwise the Parties expressly acknowledge and agree that no third-party is intended to be nor shall be considered a beneficiary of any provision of this Agreement.

9.11. **Insurance.** The Parties shall each maintain insurance policies appropriate to its obligations under this Agreement, certificates of which shall be provided to the other Party upon request.

9.12. **Compliance with Laws.** Each Party shall comply with the provisions of all applicable federal, state, county and local laws, ordinances, regulations and orders pertaining to the performance of its obligations under this Agreement including, but not limited to the Deficit Reduction Act of 2005, the Federal False Claims Act, the U.S. Foreign Corrupt Practices Act, and other federal and state laws addressing anti-kickback, anti-bribery, self-referral, fraud, waste, and whistleblower protections for those reporting violations of such laws. If one Party believes that the other may not comply with one of the foregoing, it shall so notify the other Party, which will promptly look into the matter and take measures necessary to remedy any non-compliance. Notwithstanding any other provision in this Agreement, this Agreement is not intended to designate 3M as a delegated entity or First Tier, Downstream, or Related Entity (FDR) under this Agreement or applicable Centers for Medicare & Medicaid Services (CMS) rules. Each Party will observe its own standards of business conduct that are generally consistent with 3M's Code of Conduct and underlying Principles which are located on 3M's website <http://www.3m.com/>.

9.13. **Independent Contractors.** Nothing contained in this Agreement shall be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture, or any other fiduciary relationship.

9.14. **Injunctive Relief.** The Parties agree that a breach of the Agreement may cause immediate and irreparable harm to the damaged party and that monetary damages will not be adequate to fully compensate the damaged Party. Therefore, each Party is entitled to seek injunctive relief for a threatened, anticipated, or actual breach of the Agreement.

9.15. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is deemed or rendered void, invalid, or unenforceable, in any jurisdiction in which this Agreement is performed, then that part will be severed from the remainder of the Agreement only as to that jurisdiction. Such severance will not affect the validity or enforceability of the remainder of this Agreement unless such severance substantially impairs the value of the whole agreement to any Party.

9.16. **Survival.** Sections 2, 4, 5, 7, 8, and 9 hereof shall survive any termination of any Appendix, and/or 3M Product(s), and/or this Agreement, as applicable.

9.17. **Attachments.** The following are 3M's standard Exhibits and Appendices, which are added only when applicable, based on the 3M Products added by Client on the Agreement:

APPENDICES:

Appendix 1	Annuity Products Additional Terms
Appendix 2	RESERVED
Appendix 3	RESERVED
Appendix 4	RESERVED
Appendix 5	RESERVED
Appendix 6	RESERVED
Appendix 7	RESERVED
Appendix 8	RESERVED
Appendix 9a	RESERVED
Appendix 9b	RESERVED
Appendix 9c	RESERVED
Appendix 10	RESERVED
Appendix 11	RESERVED

EXHIBITS:

- Exhibit A Business Associate Agreement
- Exhibit B Third-Party Content Required Terms
- Exhibit C Network and/or Facility Access and Confidentiality Agreement
- Exhibit D Client Contact Information

\* \* \*

## EXHIBIT A BUSINESS ASSOCIATE AGREEMENT

### Parties:

Executed as an Exhibit to Software License Agreement #O39699-22

San Geronio Memorial Hospital  
600 N Highland Springs Ave  
Banning, CA 92220-3046  
("Covered Entity")

3M Health Information Systems Inc.  
575 West Murray Boulevard  
Murray, UT 84123-4611  
("Business Associate")

The Parties agree that this Business Associate Agreement ("BAA") is executed with 3M Health Information Systems, Inc.'s authorized agent, by way of the Master Software and Services Agreement above, and shall be incorporated by reference into all contracted relationships between the Parties in which the exchange of Protected Health Information is required.

### 1. Purpose:

Whereas, Business Associate may provide certain software and services as set forth in the Software License and/or Services Agreement(s) ("Underlying Agreement(s)") to Covered Entity which may require Covered Entity to disclose certain information to Business Associate, some of which may constitute Protected Health Information ("PHI") and/or Electronic Protected Health Information ("EPHI"). As a result, Business Associate may be considered a Business Associate of Covered Entity as defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder. Furthermore, this BAA applies to all Underlying Agreement(s) between Business Associate and Covered Entity.

Whereas, Business Associate and Covered Entity intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Underlying Agreement(s) in compliance with (i) HIPAA; (ii) Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), also known as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009; and (iii) regulations promulgated thereunder by the U.S. Department of Health and Human Services, including the HIPAA Omnibus Final Rule (the "HIPAA Final Rule"), which amended the HIPAA Privacy and Security Rules (as those terms are defined below) pursuant to the HITECH Act, extending certain HIPAA obligations to business associates and their subcontractors,

Whereas, the purpose of this BAA is to satisfy certain standards and requirements of HIPAA, the Privacy Rule and the Security Rule (as those terms are defined below), and the HIPAA Final Rule, including, but not limited to, Title 45, §§ 164.314(a)(2)(i), 164.502(e) and 164.504(e) of the Code of Federal Regulations ("C.F.R.").

**NOW, THEREFORE**, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

### 2. Definitions.

Terms used in this BAA shall have the same meaning as those terms in the Privacy and Security Rules or the HIPAA Final Rule.

"Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

"Security Rule" shall mean the Security Standards at 45 CFR Part 160 and Part 164, Subparts A and C.

The terms "Protected Health Information" or "PHI" and "Electronic Protected Health Information" or "EPHI" when used in this BAA shall have the same meanings given to such terms in the Privacy and Security Rules, limited to the information that Business Associate creates, receives, maintains or transmits from or on behalf of Covered Entity. Wherever the term PHI is used in this BAA, it shall mean, include and be applicable to EPHI. Wherever the term EPHI is used, it shall mean and be applicable to EPHI only.

### 3. Obligations and Activities of Business Associate: Business Associate agrees, that with respect to PHI, it will:

- a. not use or further disclose PHI other than as permitted or required by this BAA or as Required By Law;
- b. use appropriate safeguards and comply with the Security Rule with respect to Electronic PHI, to prevent use or disclosure of such information other than as provided for by the Underlying Agreement(s) and this BAA;
- c. in accordance with 45 CFR § 164.502(e)(1)(ii) and 45 CFR § 164.308(b)(2), as applicable, enter into a written agreement with any agent or subcontractor that creates, receives, maintains or transmits PHI on behalf of Business Associate for services provided to Covered Entity, providing that the agent agrees to restrictions and conditions that are substantially similar to those that apply through this BAA to Business Associate with respect to such PHI;
- d. report to Covered Entity any use or disclosure of PHI not permitted under this BAA, Breach of Unsecured PHI or Security Incident, without unreasonable delay, and in any event no more than Thirty (30) Days following discovery; provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which notice to Covered Entity by Business Associate shall be required only upon request. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI. Business Associate's notification to Covered Entity of a Breach shall include, to the extent such information is available to Business Associate: (i) the identification of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during the Breach; and (ii) any particulars regarding the Breach that Covered Entity would need to include in its notification, as such particulars are identified in 45 CFR § 164.404;
- e. to the extent Business Associate maintains PHI in a Designated Record Set, make such information available pursuant to 45 CFR § 164.524 upon receipt of a written request of Covered Entity; provided, however, that Business Associate is not required to provide such access where the PHI contained in a Designated Record Set is duplicative of the PHI contained in a Designated Record Set possessed by Covered Entity. If an Individual makes a request for access pursuant to 45 CFR § 164.524 directly to Business Associate, or inquires about his or her right to access, Business Associate shall direct the Individual to his or her healthcare provider;
- f. to the extent Business Associate maintains PHI in a Designated Record Set, make such information available to Covered Entity for amendment pursuant to 45 CFR § 164.526 upon receipt of a written request of Covered Entity. If an Individual submits a written request for amendment pursuant to 45 CFR § 164.526 directly to Business Associate, or inquires about his or her right to amendment, Business Associate shall direct the Individual to his or her healthcare provider. Any amendments to PHI made by Business Associate at the direction of Covered Entity shall be the responsibility of the Covered Entity;
- g. document disclosures of PHI made pursuant to applicable law and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528;
- h. make available to Covered Entity the information collected in accordance with Section 3(g) of this BAA as is in the possession of Business Associate to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. If an Individual submits a written request for an accounting of disclosures pursuant to 45 CFR § 164.528 directly to Business Associate, or inquires about his or her right to an accounting of disclosures of PHI, Business Associate shall direct the Individual to his or her healthcare provider;
- i. make internal practices, books, and records, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health and Human Services (the "Secretary"), in a reasonable time and manner or as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule; and
- j. mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

#### 4. Permitted Uses and Disclosures by Business Associate:

Except as otherwise limited in this BAA, Business Associate may use or disclose PHI:

- a. on behalf of, or to provide services to, Covered Entity, as provided for in the Underlying Agreement(s) and in accordance with the Privacy Rule, provided that such disclosure would not violate the Privacy Rule. To the extent Business Associate is carrying out any of Covered Entity's obligations under the Privacy Rule pursuant to the terms of the Underlying Agreement(s) or this BAA, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligation(s). Business Associate shall request, use and disclose the minimum amount of PHI necessary to accomplish the intended purpose of such request, use or disclosure, in accordance with 45 CFR § 164.514(d), and any amendments thereto;
- b. for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, in the case of disclosure to third parties, Business Associate shall obtain reasonable assurances from the person or entity to whom the



PHI is disclosed that it will remain confidential, be used or further disclosed only as Required by Law or for the purpose for which it was disclosed (which purpose must be consistent with the limitations imposed upon Business Associate pursuant to this BAA), and the person or entity will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached;

- c. to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B); and
- d. to de-identify PHI in accordance with the standards set forth in 45 CFR § 164.514(b), and to use de-identified data solely and exclusively as permitted by applicable law.

**5. Obligations of Covered Entity: Covered Entity shall:**

- a. not transmit Unsecured PHI to Business Associate. Any Secured PHI, as defined under the HITECH Act and guidance promulgated thereunder, transmitted by Covered Entity to Business Associate shall be secured by a technology standard that is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals. Any Electronic PHI disclosed by Covered Entity to Business Associate shall be rendered unusable, unreadable or indecipherable through the use of a technology or methodology specified by the Secretary in guidance issued under the HITECH Act and shall not constitute Unsecured PHI;
- b. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation;
- c. notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the change. Covered Entity shall obtain any consent or authorization that may be required by the HIPAA Privacy Rule, or applicable state law, prior to furnishing Business Associate with PHI;
- d. notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.
- e. not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule, the Security Rule or the HIPAA Final Rule if done by Covered Entity.

**6. Term and Termination**

- a. Term. The Term of this BAA begins on the Effective Date (above) and ends when all Underlying Agreement(s) have expired and PHI provided by Covered Entity to Business Associate is destroyed or returned to Covered Entity, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with Section 6.c.
- b. Breach. Upon either Party's knowledge of a material breach by the other Party of this BAA, such Party shall provide written notice to the breaching Party stating the nature of the breach and providing an opportunity to cure the breach within thirty (30) business days. Upon the expiration of such 30-day cure period, the non-breaching Party may terminate this BAA and, at its election, the Underlying Agreement(s) (which requires compliance with this BAA), if cure is not possible. However, all rights and obligations arising prior to such termination shall remain in effect. All other Agreements between Covered Entity and Business Associate shall remain in effect in accordance with their terms.
- c. Effect of Termination. Upon termination of this BAA, Business Associate shall, if feasible, return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI except as provided for in this BAA. If return or destruction of PHI is not feasible, Business Associate shall: (i) extend the security protections of this BAA to such PHI; and (ii) limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

**7. Miscellaneous**

- a. Cooperation in Investigations. The Parties acknowledge that certain breaches or violations of this BAA may result in litigation or investigations pursued by federal or state governmental authorities of the United States resulting in civil liability or criminal penalties. Each Party shall cooperate in good faith in all respects with the other Party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation, complaint, action or other inquiry, unless such Party is a named adverse party in such litigation or investigation.
- b. HIPAA Final Rule Applicability. Business Associate acknowledges that enactment of the HITECH Act, as implemented by the HIPAA Final Rule, amended certain provisions of HIPAA in ways that now directly regulate, or will on future dates directly regulate, Business Associate



## EXHIBIT B

## THIRD-PARTY CONTENT REQUIRED TERMS

## AMA TERMS AND CONDITIONS

The following terms and conditions apply to Client's use of Software containing Current Procedural Terminology (CPT®) and/or material published in CPT® Assistant (collectively referred to herein as "AMA Editorial Content") in addition to the terms and conditions set forth in the License Agreement ("Agreement"). In the event of a conflict between the terms and conditions in the Agreement and those set forth in this Exhibit B, with respect to Client's use of the AMA Editorial Content, the terms and conditions of this Exhibit B shall control.

**Grant of Rights Restrictions.** Client has a nontransferable, nonexclusive license to use the AMA Editorial Content contained within the Software solely for its internal purposes within the United States. Client is prohibited from publishing, distributing via the Internet or other public computer based information system, creating derivative works (including translations), transferring, selling, leasing, licensing or otherwise making the AMA Editorial Content, or a copy or portion thereof, available to any unauthorized party. Client's access to updated AMA Editorial Content depends upon a continuing contractual relationship between 3M and the AMA. Client shall ensure that anyone with authorized access to the AMA Editorial Content will comply with the provisions of the Agreement, including this Exhibit B. Any printing or downloading of CPT® Assistant from the Software must be solely for Client's internal use, without any modification to the content, and in such a way that all references to the AMA are included.

**Notices.** CPT and CPT Assistant are copyrighted works of the American Medical Association. CPT is a registered trademark of the American Medical Association. The following U.S. Government Rights notice shall apply: U.S. Government Rights. This product includes CPT and/or CPT Assistant which is commercial technical data which was developed exclusively at private expense by the American Medical Association, 515 North State Street, Chicago, Illinois, 60610. The AMA does not agree to license CPT to the Federal Government based on the license in FAR 52.227-14 (Data Rights – General) and DFARS 252.227-7015 (Technical Data – Commercial Items) or any other license provision.

**Backup Rights.** Client may make backup copies of the Software containing AMA Editorial Content for backup or archival purposes only provided that all notices of proprietary rights, including trademark and copyright notices, appear on all backup or archival copies made.

**Warranty Disclaimer.** TO THE FULLEST EXTENT POSSIBLE UNDER APPLICABLE LAW, ALL WARRANTIES (EXPRESS AND IMPLIED) INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING ARE DISCLAIMED WITH RESPECT TO THE AMA EDITORIAL CONTENT. CLIENT'S USE OF THE AMA EDITORIAL CONTENT AS CONTAINED IN THE SOFTWARE IS "AS IS" WITHOUT ANY LIABILITY TO 3M OR THE AMA INCLUDING, WITHOUT LIMITATION, ANY LIABILITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS FOR SEQUENCE, ACCURACY, OR COMPLETENESS OF DATA, OR THAT THE AMA EDITORIAL CONTENT WILL MEET CLIENT'S REQUIREMENTS. THE SOLE RESPONSIBILITY OF THE AMA IS TO MAKE AVAILABLE TO 3M REPLACEMENT COPIES OF THE AMA EDITORIAL CONTENT IF THE DATA IS NOT INTACT. THE AMA DISCLAIMS ANY LIABILITY FOR ANY CONSEQUENCES DUE TO USE, MISUSE, OR INTERPRETATION OF INFORMATION CONTAINED OR NOT CONTAINED IN THE AMA EDITORIAL CONTENT.

**AMA as Third-Party Beneficiary.** The AMA is a third-party beneficiary of those terms and conditions of the Agreement, including this Exhibit B, necessary to protect the rights and interests of the AMA with respect to AMA Editorial Content.

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**EXHIBIT B - 2****THIRD-PARTY CONTENT REQUIRED TERMS**

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**HEALTH FORUM TERMS AND CONDITIONS**

To the extent Client has licensed Software which contains AHA Coding Clinic™ for ICD-9-CM, ICD-9-CM Coding Handbook, Revised Edition, by Faye Brown, and/or AHA Coding Clinic™ for HCPCS, the following terms and conditions apply to Client's use of such Software in addition to the terms and conditions set forth in the Agreement. In the event of a conflict between the terms and conditions in the Agreement and those set forth in this Exhibit B-2, with respect to Client's use of such Software, the terms and conditions of this Exhibit B-2 shall control.

ICD-9-CM Coding Handbook, Revised Edition, by Faye Brown, is copyrighted by Health Forum, LLC, Chicago, Illinois, which licenses its use. No portion of ICD-9-CM Coding Handbook may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior express, written consent of Health Forum, LLC.

ICD-10-CM and ICD-10-PCS Coding handbook (most current year), by Nelly Leon-Chisen, is copyrighted by Health Forum, LLC, Chicago, Illinois, which licenses its use. No portion of ICD-10-CM and ICD-10-PCS Coding Handbook may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior express, written consent of Health Forum, LLC.

It is understood that Health Forum, LLC did not enter the ICD-9-CM Coding Handbook information and data into the computer and therefore Health Forum, LLC is not responsible for the accuracy, completeness or appropriateness of the information.

It is also understood that Health Forum, LLC did not enter the ICD-10-CM and ICD-10-PCS Coding Handbook information and data into the computer and therefore Health Forum, LLC is not responsible for the accuracy, completeness or appropriateness of the information. Health Forum, LLC makes no warranties of merchantability or fitness for a particular purpose.

Health Forum, LLC shall have no liability to anyone including 3M and the Sublicensed Location, for lost profits or indirect or consequential damages. Health Forum, LLC makes no warranties of any kind with respect to 3M, its products or services.

AHA Coding Clinic™ for ICD-9-CM is copyrighted by the American Hospital Association ("AHA"), Chicago, Illinois, which licenses its use. No portion of AHA Coding Clinic™ for ICD-9-CM may be copied without the express, written consent of Health Forum, LLC.

It is understood that AHA did not enter the AHA Coding Clinic™ for ICD-9-CM information and data into the computer and therefore AHA is not responsible for the accuracy, completeness or appropriateness of the information. AHA makes no warranties of merchantability or fitness for a particular purpose. AHA shall have no liability to anyone, including 3M and the Client, for lost profits or indirect or consequential damages. AHA makes no warranties of any kind with respect to 3M, its products or services.

AHA Coding Clinic™ for HCPCS is copyrighted by the American Hospital Association ("AHA"), Chicago, Illinois, which licenses its use. No portion of AHA Coding Clinic™ for HCPCS may be copied without the express, written consent of Health Forum, LLC.

It is understood that AHA did not enter the AHA Coding Clinic™ for HCPCS information and data into the computer and therefore AHA is not responsible for the accuracy, completeness or appropriateness of the information. AHA makes no warranties of merchantability or fitness for a particular purpose. AHA shall have no liability to anyone, including 3M and the Client, for lost profits or indirect or consequential damages. AHA makes no warranties of any kind with respect to 3M, its products or services.

The printing or downloading of ICD-9-CM Coding Handbook, AHA Coding Clinic™ for ICD-9-CM and AHA Coding Clinic™ for HCPCS (collectively, the "HF Documentation") or any portion thereof, is prohibited, other than the printing of an excerpt from HF Documentation on a specific topic without any modification to the excerpt for internal use only by the Authorized Site as long as the source of the excerpt(s) is printed on the printout(s).

The text of HF Documentation is and will remain inaccessible to other programs capable of generating paper printouts of HF Documentation (excluding the print screen functionality of Windows software) by encrypting all files containing source text of HF Documentation.

**EXHIBIT B - 3****THIRD-PARTY CONTENT REQUIRED TERMS****NOTICES****LOINC NOTICE**

Certain Software may include all or a portion of the LOINC® table, LOINC panels and forms file, LOINC document ontology file, and/or LOINC hierarchies file, or is derived from one or more of the foregoing, subject to a license from Regenstrief Institute, Inc. Your use of the LOINC table, LOINC codes, LOINC panels and forms file, LOINC document ontology file, and LOINC hierarchies file also is subject to this license, a copy of which is available at <http://loinc.org/terms-of-use>. The current complete LOINC table, LOINC Users' Guide, LOINC panels and forms file, LOINC document ontology file, and LOINC hierarchies file are available for download at <http://loinc.org>. The LOINC table and LOINC codes are copyright © 1995-2013, Regenstrief Institute, Inc. and the Logical Observation Identifiers Names and Codes (LOINC) Committee. The LOINC panels and forms file, LOINC document ontology file, and LOINC hierarchies file are copyright © 1995-2013, Regenstrief Institute, Inc. All rights reserved. THE LOINC TABLE (IN ALL FORMATS), LOINC PANELS AND FORMS FILE, LOINC DOCUMENT ONTOLOGY FILE, AND LOINC HIERARCHIES ARE PROVIDED "AS IS." ANY EXPRESS OR IMPLIED WARRANTIES ARE DISCLAIMED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. LOINC® is a registered United States trademark of Regenstrief Institute, Inc. A small portion of the LOINC table may include content (e.g., survey instruments) that is subject to copyrights owned by third parties. Such content has been mapped to LOINC terms under applicable copyright and terms of use. Notice of such third-party copyright and license terms would need to be included if such content is included.

**UMLS METATHESAURUS NOTICE**

Some material in the UMLS Metathesaurus is from copyrighted sources of the respective copyright holders. Users of the UMLS Metathesaurus are solely responsible for compliance with any copyright, patent or trademark restrictions and are referred to the copyright, patent or trademark notices appearing in the original sources, all of which are hereby incorporated by reference.

**SNOMED CT**

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**SNOMED COPYRIGHT AND TRADEMARK NOTICE**

Certain Software may include SNOMED Clinical Terms® (SNOMED CT®) which is used by permission of the International Health Terminology Standards Development Organization (IHTSDO). All rights reserved. SNOMED CT® was originally created by The College of American Pathologists. "SNOMED" and "SNOMED CT" are registered trademarks of the IHTSDO. ADDITIONAL LICENSING FOUND AT [https://www.nlm.nih.gov/healthit/snomedct/snomed\\_licensing.html](https://www.nlm.nih.gov/healthit/snomedct/snomed_licensing.html)

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**EXHIBIT B-4**  
**THIRD-PARTY CONTENT REQUIRED TERMS**  
**INTERSYSTEMS CORPORATION LICENSE AND SUPPORT TERMS**

1. These License and Support Terms are part of the License Agreement between InterSystems Corporation ("InterSystems") and the end user customer ("you," the "Customer" or the "End User"), who has signed a Master Software and Services Agreement with 3M Health Information Systems, Inc. (the "Partner"). The License Agreement shall not be binding until an order form (the "Order Form") has been fully executed between Partner and InterSystems.
2. As of the date the Order Form has been fully executed (Partner will execute such Order Form prior to implementation of Customer) (the "Effective Date"), InterSystems hereby grants to you a nontransferable and nonexclusive license (the "License") to use the InterSystems product(s) incorporated into the Partner solution internally within your organization in the conduct of your business, provided that all fees are paid by Partner to InterSystems. You may only use the Licensed Software to run the Partner's solution and to connect the Partner's solution to other applications or systems, but not for any other purpose. No License shall be granted upon the physical delivery of any software to you. For the avoidance of doubt, the "Licensed Software" shall not include any open source or third-party software that may be shipped with, installed with or used in conjunction with InterSystems' proprietary software.
3. You are acquiring the License via the Partner so the Partner will be responsible for paying all fees specified therein to InterSystems.
4. If your use of the Licensed Software is regulated, you agree not to use or implement the Licensed Software in any manner that is outside the scope of intended use or otherwise violates any prohibitions or conditions set forth in a Quality Agreement or otherwise communicated to you by InterSystems.
5. Your License is a subscription License. The term ("License Term") of a subscription License begins on the Effective Date and terminates automatically on the last day of the final period for which InterSystems has received the proper fee.
6. The Licensed Software may only be used on servers operated by you or on your behalf. You may not sublicense the Licensed Software or otherwise make it available to third parties except as explicitly provided herein.
7. Software Update and Technical Assistance ("Product Support") shall be provided in accordance with the standard product terms in effect on the date such Product Support is invoiced. You shall receive all Product Support from the Partner and not from InterSystems directly.
8. InterSystems hereby warrants to you that (i) the Licensed Software will operate substantially in accordance with InterSystems' documentation relating thereto for one year from the Effective Date or the end of the License Term, whichever occurs first, and (ii) all Product Support shall be provided in a manner consistent with industry standards. The foregoing warranties are conditioned upon the use of the Licensed Software strictly in accordance with InterSystems' documentation and instructions, and the absence of any misuse, damage, alteration or modification thereof. INTERSYSTEMS SHALL NOT BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, TITLE, NON-INFRINGEMENT, DESIGN, OPERATION OR FITNESS FOR A PARTICULAR PURPOSE OF THE LICENSED SOFTWARE OR PRODUCT SUPPORT. MOREOVER, The Licensed Software is not a substitute for the skill, knowledge and experience of the individuals who may use the Licensed Software. Your exclusive remedy for a breach of the above warranties shall be for InterSystems to use reasonable efforts to repair, replace or re-perform any non-conforming Licensed Software or Product Support, as applicable. The limited warranty provided in (i) above does not include Product Support and are not a substitute for Product Support. You must direct any warranty claim to the Partner and the Partner will send the claim directly to InterSystems.
9. In the event of a valid claim that any Licensed Software that has not been altered, modified, misused or damaged infringes upon the intellectual property rights of a third party when used in accordance with InterSystems' documentation and instructions, InterSystems shall either (a) modify the Licensed Software, (b) procure a license for you to use the Licensed Software or (c) terminate your License, at InterSystems' sole discretion.
10. InterSystems' liability to you shall in no event exceed the portion of the fee received by InterSystems in respect of the specific Licensed Software or Product Support on account of which such liability arose. In no event shall InterSystems be liable to you for any special, incidental, exemplary, indirect or consequential damages or lost profits.
11. Either party may terminate the License Agreement with 30 days advance written notice upon the other party's breach if the breach is not cured during that period. InterSystems will consult the Partner before terminating the License Agreement. The Partner shall be liable for all fees relating to Licensed Software or Product Support provided prior to termination, and Sections 10, 11, 12, 13, and 14 hereof shall survive termination or expiration of the License Agreement. Your rights to use the Licensed Software cease immediately upon termination or expiration of the License Agreement.
12. The Licensed Software and related documentation are and shall remain the sole property of InterSystems. You agree not to (i) decompile, disassemble, or reverse engineer the Licensed Software or (ii) with the exception of the Partner for the purposes of fulfilling your obligations under your agreement with Partner, disclose to others the Licensed Software or any data or information relating to the Licensed Software. You agree to allow InterSystems or its representatives to audit your use of the Licensed Software upon 5 days advance notice by InterSystems. You agree to provide access to your premises and otherwise cooperate with InterSystems in such audit. Any such audit shall be conducted with the assistance from the Partner.
13. The parties are and shall be independent contractors to one another, and the License Agreement shall not create an agency, partnership or joint venture between the parties. Neither party nor its employees, agents or representatives shall be deemed to be an agent or employee of the other party and each party acknowledges that it is not authorized to bind or in any way commit the other party to any legal, financial or any other obligation.
14. This License Agreement shall be governed by and construed in accordance with the laws of, and the parties agree to submit to exclusive jurisdiction of the Commonwealth of Massachusetts, USA. The English version of the License Agreement shall control unless otherwise required by local law.
15. You agree to comply with all applicable laws, including, but not limited to: U.S. export control or similar laws with respect to the distribution of the Licensed Software, Product Support and technical data; the US Foreign Corrupt Practices Act and any other anti-corruption laws; and applicable data protection laws. Without InterSystems' prior written consent, you may not allow the Licensed Software, Product Support or technical data to be exported to or used in a country or region where a license, permit or special permission is required. InterSystems may, but shall not be required to, apply for such license, permit or permission at your expense.
16. This document sets out all the terms (the "License Agreement") between you and InterSystems relating to your use of the Licensed Software and receipt of Product Support and supersedes any prior understandings between us as well as any purchase orders or similar documents that may be submitted to InterSystems. InterSystems shall have the right to transfer or assign the License Agreement without your consent or prior notice to you. You may not assign the License Agreement without InterSystems' prior written consent. The License Agreement may only be modified or amended by a writing signed by both parties.



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**EXHIBIT D**  
**CLIENT CONTACT INFORMATION**

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Client shall provide the following information:

Send Invoices to:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Email Address for Invoices: \_\_\_\_\_

Accounts Payable Contact:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Contact for installation:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Renewal contact:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email Address: \_\_\_\_\_

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## APPENDIX 1

### ANNUITY PRODUCTS ADDITIONAL TERMS

IN ADDITION TO THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT, THE PROVISIONS OF THIS APPENDIX SHALL ONLY APPLY TO 3M PRODUCTS ADDED UNDER THIS APPENDIX AND IDENTIFIED ON ANY SCHEDULE 1.

- A. **Definitions.** Capitalized terms used herein but not otherwise defined hereunder shall have the meaning ascribed to them in the Agreement.
- A.1. **“Annual Billing Cycle”** means each one-year period, beginning on the first License Start Date unless otherwise set forth on the applicable Schedule.
- A.2. **“Annuity Software”** means Software licensed to Client on an annual or multi-year annual basis, but less than a perpetual basis, which may be installed on Client’s systems, 3M’s systems (SaaS), or a combination of the two.
- A.3. **“Renewal Proposal”** means a 3M-prepared document that sets forth the fees for the first year of any subsequent Renewal Term hereunder invoiced by 3M and due by Client for such Renewal Term.
- B. **Use Rights.** Subject to the Client’s compliance with this Agreement, 3M grants to Client, a non-exclusive, non-transferable and non-sublicensable license during the License Term of each Schedule 1 to (a) install the non-SaaS Annuity Software at the Client’s designated Install Site(s) listed on the applicable Schedule 1 and located within the Territory, and (b) permit Authorized Users to access and use the Annuity Software and Documents solely for processing transactions and using the Results for Client’s healthcare business reimbursement purposes of the Authorized Sites, and (c) permit Client to create an Interface between the Software and Client developed systems (“License”). Third party developed Interfaces and/or interfaces to third party software shall be in accordance with Section 2.5.
- C. **Term of Use Right.** The term of Client’s License to the Annuity Software shall be as set forth on the applicable Schedule 1 (“License Term”). Once the License Start Date for any 3M Product on the applicable Schedule 1 has been established, all other 3M Products listed or added on the same Schedule 1 will share the same License Term, and any 3M Products added will be pro-rated to the next Annual Billing Cycle of the applicable Schedule 1.
- D. **Renewal Term.** Unless otherwise set forth on a Schedule, the License Term for any Schedule 1 shall automatically renew, for a successive License Term of the same duration as the then-current License Term (each a “Renewal Term”), subject to either Parties right to choose not to renew any 3M Product(s) with at least sixty (60) days written Notice prior to the end of the then-current term of the applicable Schedule 1. If timely Notice is not provided, the fees for all the 3M Product(s) listed on the most current version of the Renewal Proposal, will automatically renew for the additional Renewal Term.
- E. **Annuity Software Fees, Invoicing and Payments.** License and I&T fees for each Authorized Site are set forth on the applicable Schedule 1 hereto, and unless otherwise set forth on such Schedule 1, shall be invoiced to Client as set forth below.
- E.1. **Fees; Invoicing.**
- E.1.1. **License Fees.** Annuity Software license fees, set forth on any Schedule 1, will be invoiced to Client on the earlier of: (a) shortly after their License Start Date, or (b) 30 days before the Annual Billing Cycle of each Schedule 1. 3M shall communicate Client’s next Annual Billing Cycle fees for each Schedule 1 by e-mail, U.S. mail, or courier approximately ninety (90) days prior to the end of the Annual Billing Cycle of each Schedule 1. The annual License fee increases during any then-current License Term on any Schedule 1 shall not exceed five percent (5%) of the License fees for the immediately preceding year, unless otherwise set forth on the applicable Schedule 1. The fees for the first year of any Renewal Term will be provided to Client within a Renewal Proposal for any Schedule 1, delivered to Client’s Notice address or the Renewal Contact in Exhibit D. The Renewal Proposal will: (i) reflect 3M’s then-current list fee, less Client’s applicable discounts, and (ii) be superseded by the most recent version of the Renewal Proposal for any Schedule 1 provided to Client.
- E.1.2. **Additional Annuity Software and/or Authorized Sites.** During the License Term, the Parties upon mutual consent, may add new items of Annuity Software and additional Authorized Sites to any Schedule 1. 3M will prorate the first year’s License fees for any additional items of Annuity Software and new Authorized Sites from their License Start Date to the end of the current Annual Billing Cycle of the applicable Schedule 1.

**E.1.3. Invoicing and Payment for Software Installation and Training fees.** Software I&T fees, set forth on any Schedule 1, will be invoiced to Client on or shortly after the License Start Date for the associated item(s) of Annuity Software, unless otherwise set forth on the applicable Schedule 1 or SOW attached to any Schedule 1.

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PROPRIETARY 3M CONFIDENTIAL TRADE SECRET, COMMERCIAL OR FINANCIAL INFORMATION.

Do not release or disclose any information in this document under any Open Records Act, Freedom of Information Act, or equivalent law. Release or disclosure is prohibited without 3M consent. Immediately report any request to 3M.

## SCHEDULE 1-1

### ANNUITY PRODUCTS FEE SCHEDULE

THE ITEMS LISTED HEREUNDER SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE AGREEMENT AND APPENDIX 1.

1. **Term of Schedule 1-1.** The License Term of this Schedule begins on the earlier of (i) the first License Start Date or (ii) January 6, 2023 ('Annual Billing Cycle Date') and continues for three (3) years from the Annual Billing Cycle date.
2. **Itemized Schedule of 3M Products below:**

S/O ITEM	CPU ACTION	SKU	AUTHORIZED SITE(S) PRODUCT DESCRIPTION	SITE TYPE LIST FEE	TOTAL 1 <sup>ST</sup> YR ANNUAL & ONE TIME FEE
337498	-----	--	SAN GORGONIO MEM HOSP--600 N HIGHLAND SPRINGS AVE, BANNING, CA , HI2930109	Install/Access Site	
1.	Delete		CPU Type: Single PC (2-4 Users)		
2.	Add		CPU Type: Web		
3.	Existing	APC	APCfinder Software	\$9,158.00	\$5,115.88
4.	Existing	APRDRGCAS	Advanced Analyzer	\$19,825.00	\$12,854.77
5.	Existing	C&RSNOAA	Coding, Classification, and Reimbursement System without Advanced Analyzer	\$43,913.00	\$27,428.99
6.	Existing	CGS-APC	CGS CMS Medicare APC Groupers with Medicare HOPD & FQHC Reimbursement	\$14,874.00	\$8,180.70
7.	Existing	CONNSFT	Connections Software	\$3,037.00	\$3,037.00
8.	Existing	FINANCECHARGE QUARTER	Finance Charge - Quarterly Billing Cycle <sup>1</sup>	\$2,769.11	\$2,769.11
9.	Existing	RCS APR CAMED	Reimbursement Calculation Software APR Med-Cali	\$2,678.00	\$1,818.50
10.	Existing	S-APR-DRG	S-All Patient Refined DRG Software	\$14,495.00	\$10,792.02
<b>SCHEDULE TOTAL:</b>					<b>\$71,996.97</b>

The Annual Billing Cycle for the above products begins on January 6, 2023

**FEE SUMMARY:**

ANNUAL SOFTWARE LICENSE & SUPPORT FEES:	\$71,996.97
*TOTAL ONE TIME, IMPLEMENTATION & TRAINING FEES:	\$0.00
**CONSULTING SERVICE FEES:	\$0.00
<b>TOTAL THIS SCHEDULE:</b>	<b>\$71,996.97</b>

The fees stated above are guaranteed for a period of sixty (60) days from the Issue Date of this Schedule or December 31, 2023, whichever occurs first, unless this Schedule is fully executed prior to such date. Client acknowledges and agrees the fees shown above include discounts for Client's commitment to a term. 3M reserves the right to rescind the multi-year discount and re-price the 3M Product(s) on this Schedule in the event Client elects a term less than stated above.

In the event Client delays implementation of any module of Software or scheduling of Services, at no fault of 3M, for more than one hundred fifty (150) days from the execution date of being added to this Schedule, 3M may, at its option, increase the price of such 3M Product(s) to the then-current list price or 3M may terminate any such 3M Product(s) from this Schedule.

I&T = Implementation and Training PI = Phone Installed CI = Customer Installed

<sup>1</sup> Quarterly payment are subject to a four percent (4%) finance charge.

3. Notwithstanding the terms and conditions of the above referenced Agreement providing for annual payments by Client, 3M is permitting the Client to make quarterly payments. Client acknowledges that quarterly payments are subject to a finance charge
-

**TAB N**

**SAN GORGONIO MEMORIAL HOSPITAL**

**Medical Staff Services Department**

**M E M O R A N D U M**

**DATE:** December 21, 2022

**TO:** Susan DiBiasi, Chair  
Governing Board

**FROM:** Sherif Khalil, M.D., Chairman  
Medical Executive Committee

**SUBJECT: MEDICAL EXECUTIVE COMMITTEE REPORT**

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At the Medical Executive Committee held this date, the following item was approved, with recommendation for approval by the Governing Board:

**Approval Item(s):**

**Pharmacy & Therapeutics**

**Approval of New Drug – Hospital Formulary**

ANDEXXA® - It is an antidote for the medication's rivaroxaban and apixaban when reversal of anticoagulation is needed due to uncontrolled bleeding. It has not been found to be useful for other factor Xa inhibitors. It is given by injection into a vein.

**Approval of Medical Staff Bylaws Amendment (Additions/Deletions) and 2022 Annual Approval of the Medical Staff Bylaws**

On December 10, 2022, an affirmative vote of a majority of the membership eligible to vote was needed in order to approve bylaws amendments. The majority ballots returned were in favor of the revised amendments as specified below:

ARTICLE	ARTICLE NAME	REVISIONS
		Additions Deletions
Article IV	Categories of the Medical Staff Section 42 (b), Page 11	<p><b><u>Responsibilities &amp; Prerogatives</u></b></p> <p>(b) A medical history and physician examination shall be completed and documented into the medical record for each patient no more than 30 days before or 24 hours after or registration, but prior to surgery or a procedure requiring anesthesia services.</p> <p><b>An updated examination of the patient, including any changes in the patient's condition, must be completed and documented within 24 hours after admission or registration, but prior to surgery or a procedure requiring anesthesia services, when the medical history and physician examination are completed within 30 days before admission or registration.</b></p> <p>The medical history and physical examination including any update thereto must be completed and documented by a practitioner granted privileges by the medical staff to do so.</p>

TAB O

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board Meeting January 3, 2023

	<b>Title</b>	<b>Policy Area</b>	<b>Owner</b>	<b>Workflow Approval</b>
1	Postural Drainage & Percussion-Vibration Procedures & Positions (CPT)	Respiratory Therapy	Hudson, Tracie: Director Nursing Resources	Ariel Whitley for Hospital Board of Directors
2	Transesophageal Echocardiogram	EKG Echo	Garewal, Cheri: Echo Technician	Ariel Whitley for Hospital Board of Directors



**TAB P**

# WE'RE READY WHEN YOU NEED US



**SAN GORGONIO**  
MEMORIAL HOSPITAL

Since 1951 we've provided the best possible healthcare to our community. Whether you're new to the area, or have lived here for generations, San Geronio Memorial Hospital is here to care for you.

600 N. Highland Springs Ave., Banning, CA  
951-845-1121 | [www.sgmh.org](http://www.sgmh.org)

# A Happy Holiday and a Healthy New Year



Since 1951 we've provided the best possible healthcare to our community. Whether you're new to the area, or have lived here for generations, San Geronio Memorial Hospital is here to care for you.



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# Hospital notifies patients of data security incident

San Geronio Memorial Hospital ("SGMH") announced Wednesday, Dec. 7, that it is mailing notification letters to patients whose information was involved in a data security incident.

On Nov. 10, SGMH identified unusual activity within its computer network. SGMH immediately initiated its incident response protocols, which included isolating and shutting off select systems. SGMH also began an investigation with the assistance of a third-party forensic firm. The investigation determined that an unauthorized party accessed SGMH's network between Oct. 29 and Nov. 10, and, during that time, copied some of the documents on its system. On Nov. 14, SGMH learned that some of those documents contained patient

information.

As SGMH's investigation is ongoing, SGMH does not yet know the content of the remaining documents potentially involved in this incident. However, at this time, SGMH has identified documents containing patient names, addresses, dates of birth, medical record numbers, visit ID numbers, and/or clinical information, such as dates of service, provider names, and/or department names. In some instances, patients' Social Security numbers, drivers' license numbers, financial account information, and/or health insurance information may have also been reflected in the documents involved.

On Dec. 7 SGMH began mailing notification letters to individuals whose informa-

tion was contained in the documents initially identified. Upon completion of its ongoing review, SGMH will mail notification letters to additional individuals whose information is contained in the affected documents and for whom it has sufficient contact information. SGMH has also established a dedicated, toll-free call center to answer questions about the incident, available at (855) 504-4431, Monday through Friday, from 6 a.m. to 3:30 p.m. For those whose Social Security numbers and/or drivers' license numbers are identified in the affected documents, SGMH will offer complimentary credit monitoring and identity protection services.

SGMH also notes that it is always a good idea to review

the statements patients receive from their healthcare providers and health insurers. If patients see services that they did not receive, they should contact the provider or insurer immediately. To help prevent something like this from happening

again, SGMH has implemented additional safeguards and technical security measures to further protect and monitor its IT system. Additional information is available on SGMH's website at [sgmh.org](http://sgmh.org).

# WHEN YOU CARE WITH PASSION, YOU HEAL WITH COMPASSION



**SAN GORGONIO**  
MEMORIAL HOSPITAL

Since 1951 we've provided the best possible healthcare to our community. Whether you're new to the area, or have lived here for generations, San Gorgonio Memorial Hospital is here to care for you.

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