



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, March 7, 2023

6:00 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 Healthcare District to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

I. Call to Order

D. Tankersley, Chair

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Healthcare District 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 Healthcare District 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.

NOTE: ALL MEMBERS OF THE SAN GORGONIO MEMORIAL HOSPITAL BOARD OF DIRECTORS ARE INVITED PARTICIPANTS AND MAY ADDRESS THE SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT BOARD OF DIRECTORS AT ANY TIME DURING THIS MEETING.

OLD BUSINESS

III. * **Proposed Action - Approve Minutes**

All

- March 7, 2023, regular meeting

A

NEW BUSINESS

- | | | | |
|-------|---|----------------|---------|
| IV. | *Proposed Action - Approve February 2023 Financial Report <ul style="list-style-type: none">▪ ROLL CALL <ul style="list-style-type: none">• Informational: Measure A Funds Report – February 2023 | M. Kammer | handout |
| V. | * Proposed Action – Provide authorization to declare the existing Siemens Somatom Sensation 64 CT Scanner Model #8377520, Serial Number #55296 as surplus property and authorize the hospital to dispose of the unit as appropriate at fair market value. <ul style="list-style-type: none">▪ ROLL CALL | J. Peleuses | C |
| VI. | * Proposed Action – Approve the Presentation of Women’s Clinic Midwifery Program Forecast and Authorization to Commence Project <ul style="list-style-type: none">▪ ROLL CALL | D. Heckathorne | D |
| VII. | * Proposed Action – Approve First Amendment to the Management Services Agreement between San Geronio Memorial Hospital and the San Geronio Memorial Healthcare District <ul style="list-style-type: none">▪ ROLL CALL | S. Barron | E |
| VIII. | General Information | | |
| | *** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION | D. Tankersley | |
| | <ul style="list-style-type: none">➤ Proposed Action – Approve Medical Staff Credentialing (<i>Health & Safety Code §32155; and Evidence Code §1157</i>) | | |
| IX. | ADJOURN TO CLOSED SESSION
RECONVENE TO OPEN SESSION | | |
| | *** REPORT ON ACTIONS TAKEN DURING CLOSED SESSION | D. Tankersley | |
| X. | Future Agenda Items | | |
| XI. | Adjournment | D. Tankersley | |

***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 Healthcare District 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.

Certification of Posting

I certify that on March 31, 2023, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Geronio Memorial Healthcare District, and on the San Geronio Memorial Hospital website, said time being at least 72 hours in advance of the regular meeting of the Board of Directors

San Geronio Memorial Healthcare District
Board of Directors Regular Meeting
April 4, 2023

(Government Code Section 54954.2).

Executed at Banning, California on March 31, 2023

A handwritten signature in black ink that reads "Ariel Whitley". The signature is written in a cursive, flowing style.

Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BOARD OF DIRECTORS

March 7, 2023

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, March 7, 2023, in Modular C meeting room, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Shannon McDougall, Darrell Petersen, Randal Stevens, Lanny Swerdlow, Dennis Tankersley (Chair)

Members Absent: None

Required Hospital: Steve Barron (CEO), Pat Brown (CNO/COO), Angie Brady (CNO), John Peleuses (VP of Ancillary & Support Services), Annah Karam (CHRO), Margaret Kammer (Controller), Ariel Whitley (Executive Assistant), Dan Heckathorne (CFO), Karan P. Singh, MD (CMO)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
Call To Order	Chair, Dennis Tankersley called the meeting to order at 6:00 pm.													
Public Comment	No public comment.													
OLD BUSINESS														
Proposed Action - Approve Minutes February 7, 2023, regular meeting.	Chair, Dennis Tankersley asked for any changes or corrections to the minutes of the February 7, 2023, regular meeting. There were none.	The minutes of the February 7, 2023, regular meeting will stand correct as presented.												
NEW BUSINESS														
Proposed Action – Approve the January 2023 Financial Report	Margaret Kammer reviewed the January 2023 Finance Report. BOARD MEMBER ROLL CALL: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">McDougall</td> <td style="width: 25%;">Yes</td> <td style="width: 25%;">Petersen</td> <td style="width: 25%;">Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Yes	Petersen	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		M.S.C., (Tankersley/McDougall), the SGMHD Board of Directors approved the January 2023 Financial report as presented.
McDougall	Yes	Petersen	Yes											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<ul style="list-style-type: none"> Informational - Measure A expenditures – January 2023 	<p>Chair Tankersley noted that a copy of the Measure A funds and expenditures – January 2023 was included on the board tablets.</p>													
<p>Proposed Action – Approve entering a 5-year software lease with Premier, Inc., for a budgeting, financial reporting and forecasting system.</p>	<p>The contract calls for a 5-year agreement at a total cost of \$313,880 plus related taxes and travel costs related to installation.</p> <p>It is noted that approval was recommended by the Hospital Board.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="407 684 1214 800"> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Yes</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Yes	Petersen	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Swerdlow/Stevens) the SGMHD Board of Directors voted to approve entering a 5-year software lease with Premier, Inc., for budgeting, financial reporting and forecasting system as presented.</p>
McDougall	Yes	Petersen	Yes											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												
<p>General Information</p>	<p>None.</p>													
<p>Adjourn to Closed Session</p>	<p>Chair, Tankersley reported the items to be reviewed and discussed and/or acted upon during Closed Session will be:</p> <ul style="list-style-type: none"> ➤ Proposed Action – Approve Medical Staff Credentialing. <p>The meeting adjourned to Closed Session at 6:29 pm.</p>													
<p>Reconvene to Open Session</p>	<p>The meeting was reconvened to Open Session at 6:30 pm.</p> <p>At the request of Chair, Tankersley, Ariel Whitley reported on the actions taken/ information received during closed session as follows:</p> <ul style="list-style-type: none"> ➤ Approved Medical Staff Credentialing 													
<p>Future Agenda Items</p>	<p>None.</p>													
<p>Adjournment</p>	<p>The meeting was adjourned at 6:31 pm.</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 Healthcare District 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

TAB B

San Gorgonio Memorial Healthcare District

Measure A analysis of Project Funds Paid by General Category

2/28/2023

	Measure A Project-to-Date	Current Month-Measure A 2/28/2023	District Funds 2/23/2023
Computer Equipment	\$ 5,311,028	\$ -	
Radiology Equipment	\$ 1,526,641	\$ -	
Legal/Regulatory/Bonds	\$ 3,143,910	\$ -	
Architectural (HDR)-ALL PHASE 1 PROJ	\$ 11,756,851	\$ -	
Construction Management-ALL PHASE 1	\$ 12,875,601	\$ -	
Contractors 1-A (HELIPAD/COOLING TOW	\$ 7,814,103	\$ -	
Other	\$ 3,021,460	\$ -	
Contractors 1-B (CENTRAL PLANT)	\$ 20,800,201	\$ -	
Contractors 1-C (ED/ICU)	\$ 28,157,355	\$ -	
Contractors 1-E Dietary Remodel	\$ 5,225,946	\$ -	
Contractors 1-Medley Project	\$ 4,796,620	\$ -	
Previous Expenditures for Measure A-Phase 1	\$ 104,429,717	\$ -	
Contractors, Architect, Mgmt - 2-A Patient Facility prior to 9/01/14	\$ 7,015,575		
Expenditures prior to 9/01/14 all phases	\$ 111,445,293		
Project expenditures using District Funds			
TCU Coversion 0001	\$0.00	\$0.00	\$ 108,612
Medical Records Conversion 0004	\$0.00	\$0.00	\$ 13,618
Pharmacy Conversion 0005	\$0.00	\$0.00	\$ 50,447
CIP Patient Care Facility-0008	\$0.00	\$0.00	\$ 2,100
Project Expenditures using Measure A funds			
TCU Coversion 0001	\$ 539,852.53	\$0.00	
Medical Records Conversion 0004	\$0.00	\$0.00	
Pharmacy Conversion 0005	\$0.00	\$0.00	
CIP Patient Care Facility-0008	\$1,338,416.28	\$0.00	\$0.00
OR Electrical Conversion	\$0.00	\$0.00	\$39,751.00
Other Construction Costs	\$150,247.92	\$0.00	
Other Non-Construction Costs	\$193,576.42	\$0.00	\$5,955.22
Total Expenditures	\$ 113,667,356	\$ -	\$ 220,483

Measure A Project General Obligation Funds
Statement of Funds Flows

PROCEEDS SUMMARY:	
Initial Project Fund transfer from sale of General Obligation Bonds 2006 A to FSA	25,200,349
Initial Project Fund Transfer from sale of General Obligation Bonds 2006 B (08/08/	24,876,964.91
Initial Project Fund from sale of General Obligation Bonds 2006 C (08/14/2009)	57,800,000
Planholder Checks project to date and refunds for overpayments	24,072
HDR Returned payments	139,979
Initial Proceeds	108,041,365
Investment Income	
FSA Inc. (Series 2006 A)	1,762,060
BB&T GIC (Series 2008 B)	1,461,176
Bank of Hemet Series A	1,001
City National Money Market	81
GE Capital (Series 2009 C)	2,638,823
Security Bank Money Market	39,340
Interest Income SUBTOTAL	5,902,482
Total Proceeds Available for Measure A:	\$ 113,943,846

Projected Interest by end of Project>	5,912,351
Total Projected Proceeds Available for Measure A:	\$ 113,953,716

FUND FLOWS:		
Total Measure A Funds Initial Proceeds (from above)		108,041,364.81
Add:	<u>Rate</u>	<u>Interest Income</u>
FSA Inc. (Series 2006 A), FY 07	5.27%	1,030,536.43
FSA Inc. (Series 2006 A), FY 08	5.27%	635,706.73
FSA Inc. (Series 2006 A), FY 09	5.27%	95,817.32
BB&T GIC (Series 2008 B) FY 09	4.94%	680,384
BB&T GIC (Series 2008 B) FY 10	4.94%	648,151
BB&T GIC (Series 2008 B) FY 11	4.94%	132,640
GE Capital (Series 2009 C) FY 10	1.75%	688,722
GE Capital (Series 2009 C) FY 11	1.75%	956,529
GE Capital (Series 2009 C) FY 12	1.75%	591,104.24
GE Capital (Series 2009 C) FY 13	1.75%	293,402.39
GE Capital (Series 2009 C) FY 14	1.75%	109,065.59
Bank of Hemet Series A		1,001
City National Money Market		81
Security Bank Construction funds		1,126
Security Bank Construction Money Market		38,243
Total Interest Income earned	\$	5,902,511
Project Expenditures (from above)	\$	113,667,356
Total Consolidated Funds available:	\$	113,943,846.41
	spent to date	100%

MEASURE A BALANCES:		
	Balances as of 02/28/2023	
Bank of Hemet Series A	4310	-
Security Bank of California Construction Ft	1812	5,990
Security Bank of California Money Market	2509	270,500
Total Balances	\$	276,490
	VARIANCE	\$ (0.00)

TAB C

San Geronio Memorial Hospital and San Geronio Memorial Health Care District

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

Agenda Item for March 28, 2023 Finance Committee and April 4, 2023 Board Meetings

Subject:

Authorization to declare the existing Siemens Somatom Sensation 64 CT Scanner Model #8377520, Serial Number #55296 as surplus property.

Background:

As the hospital will be acquiring two new Canon CT Scanners for the Primary Stroke Center Project, we will not have a need for the existing Siemens Somatom Sensation 64 CT Scanner, serial number #55296.

We request the district declare the above equipment as surplus and authorize the hospital to dispose of the unit as appropriate.

Recommended Action: We request the district declare the above equipment as surplus and authorize the hospital to dispose of the unit as appropriate at fair market value.

TAB D

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

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

Agenda Item for March 28, 2023 Finance Committee and April 4, 2023 Board Meetings

Subject:

Presentation of Women's Clinic Midwifery Program Forecast and Authorization to Commence Project

Opportunity:

San Gorgonio Memorial Hospital has an opportunity to establish a Hospital-based Clinic department (1206d clinic) to better serve the needs of women within the San Gorgonio Memorial Healthcare District.

Program Specifics:

The Certified Nurse Midwives Clinic program will allow many women in the District to receive the following care from the Midwives: prenatal, newborn delivery (in the Hospital's OB Department), and post-partum services, along with basic Gyn services. Establishment of a program such as this will be consistent with the Hospital's Community Needs assessment by expanding and improving its services to members of the District.

Development of this program requires several months of planning, recruiting, and preparation prior to opening the Clinic. The Hospital leadership team is excited about this opportunity and recommends that this program be initiated as soon as feasible. It is anticipated that it could take up to six months to get the program operational.

Prior to the services being opened, many steps will need to be accomplished, including recruitment of two Certified Nurse Midwives, development of Departmental policies and procedures, credentialing by the Medical Staff, approval by the Boards, and individual credentialing of the Midwives by all payers, including Medi-Cal, Medicare, and numerous Health Plans. Additionally, prior to opening, DHCS needs to inspect the entire service and review and approve all these matters along with physical inspection and approval of the clinic site.

Finally, an extensive and targeted marketing program will be developed emphasizing the "availability of Certified Nurse Midwives who can provide all your prenatal and postpartum treatments and who are expected to be available for the delivery of your baby here at SGMH", in addition to "less travel time required to receive your care" will be seen as necessary and strong selling points for the success of this program.

Recommended Action:

To approve the requisite steps outlined above and in the Exhibit for the establishment of a Hospital-based Midwifery Clinic service program.

A packet of program specifics is included as an Exhibit.

Women's Clinic & Midwifery Services

Background & Need

There are approximately 1,300 births per year (2020 & 2021) from the SGMHD zip code areas
SGMH capture was an average of 157 (2020 & 2021) or 12% of the total; (there were 175 births in 2022)

SGMH has an excellent, seismically compliant L&D, OB, and Nursery department.

Community Needs - More patients could avail themselves of SGMH (closer to home)

SGMH medical staff numbers are not positioned to capture significant additional volumes

Certified Nurse Midwives are qualified to work independently and deliver babies in the Hospital

The Hospital has the opportunity to establish a Certified Nurse Midwifery Program and Clinic

Patient studies report that women increasingly desire the care provided via the Certified Nurse Midwifery model

Assumptions - Operational:

SGMH opportunity for annual growth consists of 1,293 births less 267 Kaiser patients, or 1,026.

The forecast model projects 350 additional births (45 from OB physicians), thus capturing 34% more of the 1,026

After the full "ramp-up" year, these 350 births plus the current 175 totals 525 births

The 525 births equals 51% of the 1,026 births available

The 525 births equate to an average of 47 births per month, or 1.44 births per day.

After the "ramp-up" year, the Clinic visits are projected at 6,720, or 560/month, or 32 visits/day

It is anticipated that the Certified Nurse Midwives will also provide certain GYN services

The model includes 2 full-time Certified Nurse Midwives, 2 Medical Assistants, and an Office Manager starting the second year.

The Hospital will rent office space at Dr. Yu's office to house the Women's Clinic

The Hospital's OB services staffing are currently being underutilized, and as such, there is currently capacity to serve a greater number of inpatients before increasing staffing levels

Assumptions – Financial

The Hospital will bill the Midwifery Professional Fees to cover the Clinic operations

GYN services billings (potential additional revenue) are difficult to project and are not included in the model

The patient Payor Mix is projected as follows: Medi-Cal – 35%; Medi-Cal Managed Care – 42%; Insurance – 19%; and Self Pay/Other – 4%.

Clinic and Hospital Combined EBIDA will be \$624K after the first 24 months of operations

Supplemental Fundings are projected to increase by \$622K and are included in the first 2 year's EBIDA, however, the cash will not be completely received until years 3 – 6 of operations.

The peak Cash Flow needs are projected to be \$418K within the first 8 months of operation and will turn positive in the 3rd year of operation.

Prepared March 16, 2023

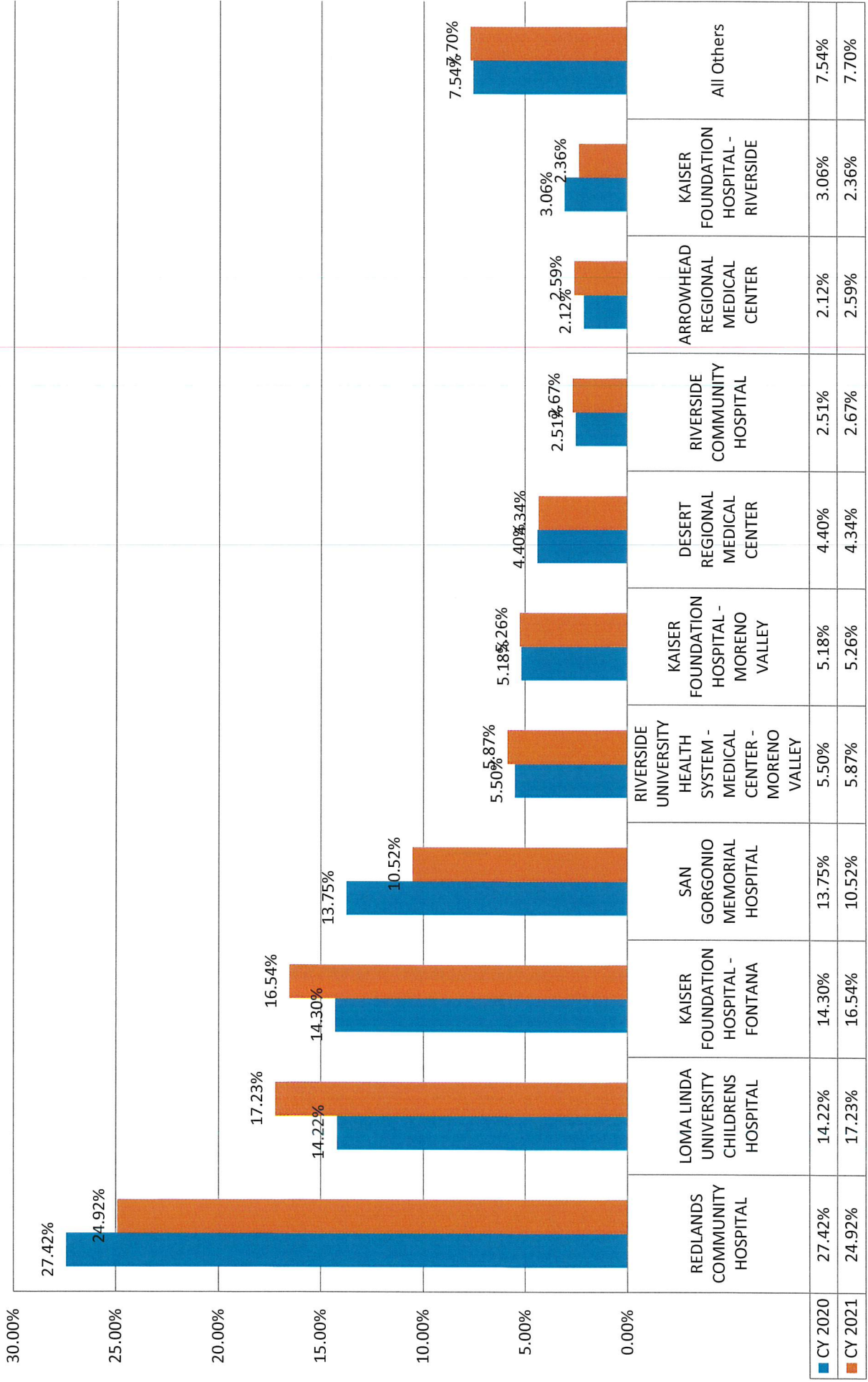
Market Share *(Summary)*

Facility Name	Patient Discharges		% of Market Share		Patient Discharges		% of Market Share	
	2020 & 2021		2020 & 2021		2020 & 2021		2020 & 2021	
	Combined - Average		Combined - Average		Combined - Average		Combined - Average	
REDLANDS COMMUNITY HOSPITAL	338		26.2%		338		33.0%	
LOMA LINDA UNIVERSITY CHILDRENS HOSPITAL	204		15.7%		204		19.8%	
KAISER FOUNDATION HOSPITAL - FONTANA	200		15.4%		-		0.0%	
SAN GORGONIO MEMORIAL HOSPITAL	157		12.1%		157		15.3%	
RIVERSIDE UNIVERSITY HEALTH SYSTEM - MEDICAL CENTER - MOREN	74		5.7%		74		7.2%	
KAISER FOUNDATION HOSPITAL - MORENO VALLEY	68		5.2%		-		0.0%	
DESERT REGIONAL MEDICAL CENTER	57		4.4%		57		5.5%	
RIVERSIDE COMMUNITY HOSPITAL	34		2.6%		34		3.3%	
ARROWHEAD REGIONAL MEDICAL CENTER	31		2.4%		31		3.0%	
KAISER FOUNDATION HOSPITAL - RIVERSIDE	35		2.7%		35		3.4%	
All Others	99		7.6%		99		9.6%	
Grand Total	1,293		100.0%		1,026		100.0%	

Discharge Case Volume & Trend



Percentage of Market Share based upon Discharge Cases

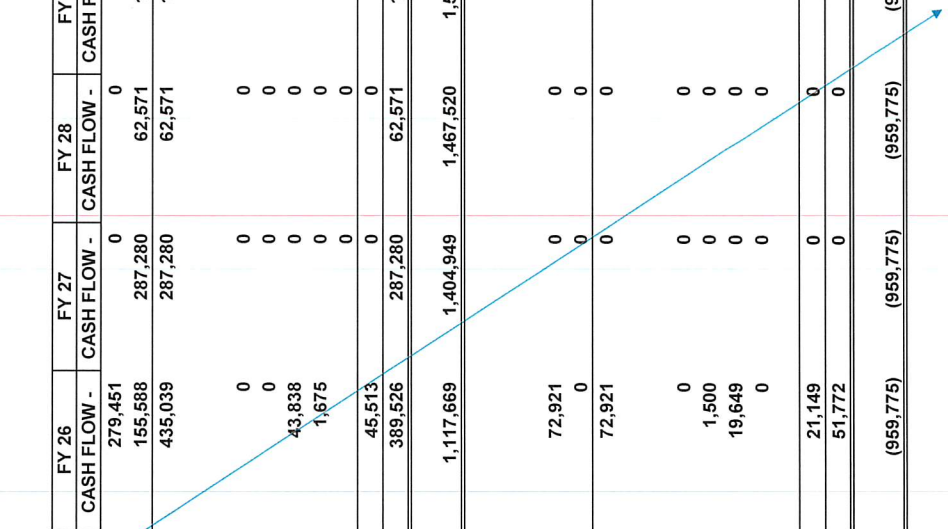


	A	S	V	AK	AN	AO	AP	AQ	AR	AS	AT	AU
2												
3												
4												
5	ADJUSTMENTS TO BUDGET - O/B											
6	Inpatient Revenue	9,969,203		18,564,623		28,533,826						
7	Outpatient Revenue	61,455		114,441		175,896						
8	Total Gross Patient Revenue	10,030,658		18,679,064		28,709,722						
9	New Deliveries	188		350		538						
10												
11	Discounts and Allowances	(8,530,006)		(15,884,554)		(24,414,560)						
12	Bad Debt Expense	0		0		0						
13	Charity Care	0		0		0						
14	Total Deductions From Revenue	(8,530,006)		(15,884,554)		(24,414,560)						
15		-85.04%										
16	Net Patient Revenue	1,500,652		2,794,510		4,295,162						
17												
18	Other Operating Revenue	218,159		403,800		621,959						
19												
20	Grant Income	0		0		0						
21	Total Non- Patient Revenue	218,159		403,800		621,959						
22	Total Operating Revenue	1,718,811		3,198,310		4,917,121						
23												
24	Salaries and Wages	430,665		1,330,950		1,761,614						
25	Market Adjustments (for All Staff)	134,829		134,829		269,658						
26	Fringe Benefits	96,943		366,445		463,388						
27	Contract Labor	0		0		0						
28	Physicians Fees	0		0		0						
29	Purchased Services	58,514		110,618		169,132						
30	Supply Expense	121,895		226,992		348,886						
31	Utilities	0		66		66						
32	Repairs and Maintenance	6,256		11,651		17,907						
33	Insurance Expense	93,889		174,840		268,730						
34	All Other Operating Expenses	978		1,822		2,800						
35	Leases and Rentals	10,796		20,103		30,899						
36	Total Operating Expenses	954,765		2,378,316		3,333,081						
37												
38	EBIDA	764,046		819,994		1,584,040						
39												
40												
41	CLINIC BUDGET											
42												
43												
44	Inpatient Revenue	0		0		0						
45	Outpatient Revenue	398,082		743,151		1,141,233						
46	Total Gross Patient Revenue	398,082		743,151		1,141,233						
47												
48	New Deliveries	259		480		739						
49	Clinic Visits	3,629		6,720		10,349						
50												
51	Discounts and Allowances	0		0		0						
52	Bad Debt Expense	0		0		0						
53	Charity Care	7,531		13,944		21,476						
54	Total Deductions From Revenue	7,531		13,944		21,476						
55												
56	Net Patient Revenue	390,550		729,206		1,119,757						
57												
58	Other Operating Revenue	0		0		0						
59	Grant Income	150,000		0		150,000						
60	Total Non- Patient Revenue	150,000		0		150,000						
61	Total Operating Revenue	540,550		729,206		1,269,757						
62												
63	Salaries and Wages	540,790		555,017		1,095,806						

	A	S	V	AK	AN	AO	AP	AQ	AR	AS	AT	AU
2												
3												
4												
64	Fringe Benefits											
65	Contract Labor											
66	Physicians Fees											
67	Purchased Services											
68	Supply Expense											
69	Utilities											
70	Repairs and Maintenance											
71	Insurance Expense											
72	All Other Operating Expenses											
73	Leases and Rentals											
74	Total Operating Expenses											
75												
76	EBIDA											
77												
78	CLINIC & HOSPITAL EBIDA											
79	COMBINED											
80												
81												
82	CASH FLOW HOSPITAL											
83	PATIENT REVENUES											
84	NON PATIENT REVENUES											
85	TOTAL RECEIPTS											
86	EXPENSES											
87	LABOR											
88	PHYSICIANS											
89	OTHER OPERATING EXPENSES											
90	LEASE AND RENTS											
91	TOTAL EXPENDITURES											
92	CASH SURPLUS (DEFICIT)											
93												
94												
95												
96												
97												
98												
99	CASH FLOW CLINICS											
100	PATIENT REVENUES											
101	GRANT REVENUES											
102	TOTAL RECEIPTS											
103	EXPENSES											
104	LABOR											
105	PHYSICIANS											
106	OTHER OPERATING EXPENSES											
107	LEASE AND RENTS											
108	TOTAL EXPENDITURES											
109	CASH SURPLUS (DEFICIT)											
110												
111												
112												
113												
114												
115	CLINIC & HOSPITAL CASH											
	COMBINED											

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	TOTALS
ADD'L OIB							
FY 24 & 25 COMBINED	135,197	138,754	273,952				
CASH FLOW HOSPITAL							
PATIENT REVENUES	1,230,342	2,785,369	279,451	0	0	0	279,451
NON PATIENT REVENUES	0	0	155,588	287,280	62,571	116,520	621,959
TOTAL RECEIPTS	1,230,342	2,785,369	435,039	287,280	62,571	116,520	901,410
EXPENSES	0	0	0	0	0	0	0
LABOR	662,437	1,832,224	0	0	0	0	0
PHYSICIANS	0	0	0	0	0	0	0
OTHER OPERATING EXPENSES	239,066	524,617	43,838	0	0	0	43,838
LEASE AND RENTS	9,135	20,089	1,675	0	0	0	1,675
TOTAL EXPENDITURES	910,638	2,376,930	45,513	0	0	0	45,513
CASH SURPLUS (DEFICIT)	319,704	408,439	389,526	287,280	62,571	116,520	855,897
CUMULATIVE CASH POSITION			1,117,669	1,404,949	1,467,520	1,584,040	
CASH FLOW CLINICS							
PATIENT REVENUES	319,626	727,211	72,921	0	0	0	72,921
GRANT REVENUES	150,000	150,000	0	0	0	0	0
TOTAL RECEIPTS	469,626	727,211	72,921	0	0	0	72,921
EXPENSES	0	0	0	0	0	0	0
LABOR	675,987	693,837	0	0	0	0	0
PHYSICIANS	16,500	18,000	1,500	0	0	0	1,500
OTHER OPERATING EXPENSES	383,321	251,738	19,649	0	0	0	19,649
LEASE AND RENTS	91,000	78,000	0	0	0	0	0
TOTAL EXPENDITURES	1,166,808	1,041,575	21,149	0	0	0	21,149
CASH SURPLUS (DEFICIT)	(697,183)	(314,364)	51,772	0	0	0	51,772
CUMULATIVE CASH POSITION			(959,775)	(959,775)	(959,775)	(959,775)	
CLINIC & HOSPITAL CASH			157,894	445,174	507,746	624,266	
COMBINED			(283,404)	(283,404)	(283,404)	(283,404)	

ACCUM. X-FOOT
(283,404)



TAB E

FIRST AMENDMENT
TO THE
MANAGEMENT SERVICES AGREEMENT
SAN GORGONIO MEMORIAL HOSPITAL

This First Amendment to the Management Services Agreement (this “**Amendment**”) is entered into as of April 4, 2023 (the “**Amendment Date**”), by and between San Gorgonio Memorial Hospital, a California nonprofit public benefit corporation (“**Manager**”) and San Gorgonio Memorial Healthcare District, a California public agency (the “**District**”). Manager and the District are sometimes hereinafter referred to collectively as “**Parties**” and individually as “**Party**”.

RECITALS

A. The District and Manager entered into Management Services Agreement (the “**Agreement**”) effective as of July 1, 2020 (the “**Effective Date**”), pursuant to which the District retained Manager to provide pharmacy services and turn-key management services in the day-to-day operation of San Gorgonio Memorial Hospital, a 79-bed general acute care hospital owned by the District and located at 600 North Highland Springs Avenue, Banning, California, 92220 (the “**Hospital**”).

B. The Parties acknowledge and agree that Article III. (Financial Management) of the Agreement does not accurately reflect how revenue from governmental and non-governmental payors has been collected and deposited by Manager since the Effective Date, and the Parties wish to amend the Agreement to accurately reflect how Manager has been collecting and depositing such revenue, and to make certain other revisions.

C. Accordingly, as of the Effective Date, Article III. (Financial Management) of the Agreement is hereby amended and restated in its entirety to provide for the collection and deposit of funds received as payment for health care services into a bank account or accounts and to provide for the payment expenses and expenditures as provided in the Agreement from the same account or accounts.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals set forth above are true and correct and are incorporated into this Amendment by this reference.

2. **Incorporation of Defined Terms.** All terms, phrases and words indicated to be defined terms by initial capitalization in this Amendment that are not specifically defined in this Amendment shall have the meaning set forth in the Agreement.

3. **Article III.** The Parties agree to amend and restate Article III (Financial Management) of the Agreement as follows:

3.1. Assignment of Claims. To the extent permitted by law, the District hereby assigns, exclusively to Manager, on the District's behalf, all claims, demands and rights of the District to charge, bill, collect and receive all revenue from patients, insurance companies, Medicare, Medicaid, and other payors. The District agrees to execute any and all documents necessary to secure and perfect Manager's interest in such claims, revenue and accounts receivable.

3.2. Operating Account. Except for taxes and assessments collected by the District, all revenue received, whether collected in the name of the District or Manager, shall be directly deposited in a bank account or accounts (collectively, the "**Operating Account**") established by Manager for the exclusive benefit of the District at such bank as Manager may from time to time designate in its sole and absolute discretion (the "**Bank**"). The District agrees to do all things necessary or desirable by Manager to authorize the deposit of such payments into the Operating Account. If either of the Parties receives any such payments in the form of checks, it will use its best efforts to promptly deposit such checks into the Operating Account. Manager shall designate such persons who shall have authority to write checks upon or otherwise authorize the disbursement of funds from such Operating Account ("**Authorized Signer**"). Manager shall have the sole and exclusive right to designate an Authorized Signer, and to write checks upon and authorize disbursements from such Operating Account, to pay the Hospital Expenses (as defined in Section 4.1 below) and the Management Fee (as defined in Section 4.2 below). Manager agrees that neither Manager nor its agents will encumber, remove, withdraw or authorize the removal or withdrawal of any funds from the Operating Account for any purpose except for Hospital Expenses or the Management Fee unless approved by the District Board.

4. **Transfer of Operating Account Upon Termination.** The Parties agree to add a new Section 5.3 to the Agreement as follows:

5.3 Transfer of Operating Account Upon Termination. Upon any termination or expiration of this Agreement, Manager shall promptly transfer control and ownership of the Operating Account to District. Manager agrees to do all things necessary or desirable by District to authorize and provide for the transfer of the Operating Account.

5. **Renumbering.** The Parties agree to renumber Section 5.6 (Payments Upon Termination) to Section 5.4 and to renumber Section 5.7 (Transition of Management Upon Termination) to Section 5.5.

6. **Governing Law.** This Amendment shall be construed and governed in accordance with the laws of the State of California.

7. **Entire Agreement.** Except as otherwise indicated in this Amendment, there are no other agreements or understandings, written or oral, between the parties, regarding this

Amendment other than as set forth herein. This Amendment shall not be modified or amended except by a written document executed by both parties to this Amendment.

8. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed to be an original, and all of such counterparts shall together constitute one agreement.

9. **Conflicting Provisions.** If there is any conflict or inconsistency between this Amendment and the Agreement, the provisions of this Amendment shall control and govern.

10. **No Other Changes.** Except as set forth in this Amendment, no other modifications are being made to the Agreement, and the Agreement shall remain in full force and effect.

11. **Effective Date.** This Amendment is effective as of the Effective Date, even though the Parties may have executed it after such date.

[Signature page to follow]

IN WITNESS WHEREOF, the parties have executed this Amendment on the dates set forth below, to be effective as of the Effective Date.

MANAGER:

SAN GORGONIO MEMORIAL HOSPITAL

By: _____

Its: _____

Date: _____

DISTRICT:

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT

By: _____

Its: _____

Date: _____