



AGENDA

**REGULAR MEETING OF THE FINANCE COMMITTEE
A COMMITTEE OF THE BOARD OF DIRECTORS**

**Tuesday, May 27, 2025
9:00 AM**

**Administration Boardroom
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) 769-2101. **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

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Finance Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee. 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 Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee 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/Committee 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/Committee’s part; a response will be forthcoming.

OLD BUSINESS

III. * **Proposed Action – Approval of Minutes** S. DiBiasi A
• April 29, 2025, regular meeting

NEW BUSINESS

- IV. * **Proposed Action – Recommend Approval to Hospital Board** D. Heckathorne B
▪ **April 2025 Financial Report (Unaudited)**
▪ **ROLL CALL**
- V. * **Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board** D. Heckathorne C
▪ **Annual Insurance Renewals**
▪ **Professional and General Liability**
▪ **Directors and Officers Liability**
▪ **Employment Practices Liability**
▪ **Auto Liability**
▪ **Workers’ Compensation**
▪ **ROLL CALL**
- VI. CEO Report S. Barron verbal
- VII. Blue Cross Contract and Related Issues - Discussion S. DiBiasi verbal
- VIII. Future Agenda Items
- IX. Next Meeting – June 24, 2025 @ 9:00 AM.
- X. Adjournment S. DiBiasi

*** Requires Action**

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 Committee. Such records shall be available at the Hospital 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 May 23, 2025, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Hospital - Finance Committee, and on the San Gorgonio Memorial Hospital website said time being at least 72 hours in advance of the regular meeting of the Finance Committee (*Government Code Section 54954.2*).

Executed at Banning, California, May 23, 2025



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
April 29, 2025

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, April 29, 2025, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Darrell Petersen, Ron Rader, Steve Rutledge

Members Absent: None

Required Staff: Steve Barron (CEO), Angie Brady (CNE), Daniel Heckathorne (CFO), John Peleuses (VP, Ancillary & Support Services), Ariel Whitley (Executive Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP		
Call To Order	Susan DiBiasi called the meeting to order at 9:02 am.			
Public Comment	No public present.			
OLD BUSINESS				
Proposed Action - Approve Minutes March 25, 2025, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the March 25, 2025, regular meeting. There were none.	The minutes of the March 25, 2025, regular meeting will stand correct as presented.		
NEW BUSINESS				
Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – March 2025	Daniel Heckathorne, CFO, reviewed the Unaudited March 2025 finance report.	M.S.C. (Rader/Petersen), the SGMH Finance Committee voted to recommend approval of the Unaudited March 2025 Financial Report to the Hospital Board of Directors.		
	<p>It was noted that there was a typo on the agenda. It showed the February 2025 Financial Report as the item for approval; however, the March 2025 Financial Report was included as the attachment and was reviewed during the meeting. The March report will be recommended for approval.</p> <p>The month of March resulted in a negative \$1.91M EBIDA compared to budgeted negative EBIDA of \$2.18M. Overall Surplus was a negative \$1.71M compared to the budgeted negative Surplus of \$1.99M.</p> <p>ROLL CALL:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DiBiasi</td> <td style="width: 25%;">Yes</td> <td style="width: 25%;">Petersen</td> <td style="width: 25%;">Yes</td> </tr> </table>		DiBiasi	Yes
DiBiasi	Yes	Petersen	Yes	

AGENDA ITEM	DISCUSSION				ACTION / FOLLOW-UP
	Rader	Yes	Rutledge	Yes	
CEO Report	Motion carried.				
CNE Report	Steve Barron, CEO, briefly reported that he met with California State Treasurer, Fiona Ma and had a productive discussion. He also mentioned the Budget Reconciliation Act.				
Future Agenda Items	<ul style="list-style-type: none"> • Reimbursement process regarding clinic 				
Next Meeting	Angie Brady, CNE, briefly reviewed IEHP and BETA reports resulting in monies earned for P4P programs.				
Adjourment	The next regular Finance Committee meeting will be held on May 27, 2025 @ 9:00 am.				
Adjourment	The meeting was adjourned at 10:07 am.				

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

TAB B



**SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA**

Unaudited Financial Statements

for

TEN MONTHS ENDING APRIL 30, 2025

FY 2025

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements 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

5/22/2025

CFO

San Geronio Memorial Hospital

Financial Report - Executive Summary – 05 22 2025

For the Month of April, 2025 and YTD Ten Months Ended April 30, 2025

Profit/Loss (EBIDA) Summary (MTD) Positive and (YTD) Negative (comparisons to Budget)

Month - The month of April resulted in positive \$1.16M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted positive EBIDA of \$244K. Overall Surplus was \$1.78M compared to the budgeted Surplus of \$435K.

YTD – The ten months ending April 30 resulted in negative \$4.85M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$5.31M. Overall Surplus was negative \$5.90M compared to the budgeted negative Surplus of \$836K.

Monthly Adjustments and Items of Note:

- Inpatient Days, Emergency Visits and Adjusted Patient Days volumes exceeded budget.
- Supplemental Pay for QIP and Directed Hospital Payments significantly helped increase Operating Revenues.
- Prop 13 and Measure A taxes significantly exceeded budget.
- Other items of note are presented in the Extraordinary Items summary immediately following this Executive Summary.

Monthly Workloads – The April inpatient average daily census was 26.8 compared to the budgeted 23.3. Adjusted Patient Days were 16.6% over budget (2,175 vs. 1,865), while Patient Days were 14.9% over (803 vs. 699) budget. Emergency Visits were 6.6% over budget (3,550 vs. 3,329), and Surgeries were 13.3% under budget (91 vs. 105), and were better than the 81 cases the previous April.

YTD Workloads - The inpatient average daily census through April was 25.8 compared to the budgeted 23.2. Adjusted Patient Days were 6.2% over budget (20,712 vs. 19,500), while Patient Days were 11.2% over (7,838 vs. 7,047) budget. Emergency Visits were 6.4% over budget (36,342 vs. 34,166), and Surgeries were 9.0% under budget (987 vs. 1,085), and 976 in the previous year.

Patient Revenues (MTD) Positive Variance (YTD) Positive Variance

Month - Net Patient Revenues in April were \$5.89M, or \$1.13M over budget. Other items of note included the fact that gross Inpatient Revenues were \$2.22M over budget, and gross Outpatient Revenues were \$3.53M over budget. As discussed in the past, Inpatient Revenues pay a much greater percentage of charges compared to Outpatient Revenues.

YTD – Net Patient Revenues through April were \$55.31M, or \$6.88M over budget. Other items of note include the fact that gross Inpatient Revenues were \$21.82M over budget, and gross Outpatient Revenues were \$13.36M over budget. As discussed in the past, Inpatient Revenues generally pay about 16% of charges, compared to Outpatient Revenues which pay under 9% of charges.

Total Operating Revenues (MTD) Positive Variance & (YTD) Positive Variance

Month – Operating Revenue in April was \$1.41M over budget. This is impacted by the Net Patient Revenues being \$1.13M over budget and the Non-Patient Revenues being \$277K over budget.

YTD - Operating Revenue through April was \$7.50M (10.0%) over budget. This is impacted by the Net Patient Revenues being \$6.88M over budget and the Non-Patient Revenues being \$615K over budget.

Operating Expenses (MTD) Negative & (YTD) Negative Variance

Month - Operating Expenses in April were \$8.15M which was over budget by \$497K. Key items that impacted Expenses were: 1) Salaries, Wages, Benefits, and Contract Labor were collectively \$205K under budget while the Adjusted Patient Days were 16.6% over budget; 2) Physician Fees were \$126K over budget due primarily to the new Clinic physicians, and these costs are recoverable from the

Morongo donation; 3) Purchased Services were over budget by \$167K due to a) accounting project fees (\$61K) and b) \$67K for Allscripts and Guidehouse due to the high collections volumes, while Legal fees were \$78K under budget; 3) Supplies were over budget by \$408K, which were impacted by the increase attributable to the Stroke program (Inpatient Days, Observation visits), plus additional supplies in Lab related to conversion to the new equipment. Other Items: Non-Operating Revenues & Expenses: 1) Measure A Tax income projected revenues were over budget by \$555K, and 2) Interest income was \$160K over budget including \$98K earnings in the LAIF account. 2) Interest expenses were over budget by \$74K resulting from booking to the new "normal" for all bonds costs. 3) Donations were under budget (\$173K) due to timing differences for special project reimbursements. (Also see comments on Extraordinary Items report.)

Year-to Date – Operating Expenses through April were \$87.31M which was over budget by \$7.03M (8.8%). Note: Net Operating Revenues were over budget by \$7.50M (10.0%). Key items that impacted Expenses were: 1) Salaries, Wages, Benefits, and Contract Labor were collectively over budget by \$1.46M, which includes a CPSL variance of \$420K and ESL variance of \$241K. The remaining \$799K variance of 1.60% is well under half of the overall Adjusted Patient Day variance of 6.2%; 2) Purchased Services were over budget by \$2.34M due to a) accounting project fees (\$710K), b) Service Agreements (\$474K), c) general purchased services (\$477K), and d) other consulting fees (\$574K); 3) Supplies were over budget by \$2.32M including prostheses (\$528K), drugs (\$709K) and general medical supplies (\$673K); 4) Repairs were over budget by \$379K, which included Plant Operation ongoing maintenance project costs of \$291K; 5) Other Expense was over budget by \$469K including a) Phone/Communications (\$325K), and b) Dues and Subscriptions (\$181K). Other Items: (See "Monthly" comments above: Property Tax Revenues are under budget \$1.40M, although this gap is expected to close by the FYE; Interest and amortization costs are \$1.39M over budget due to litigation (\$207K), LOC (\$838K), and booking to the new "normal" for all bonds costs for the first ten months. Extraordinary Expense reduction for Salary accruals for 2022 – 2024 totaled \$338K.

Balance Sheet/Cash Flow

Patient cash collections in April continued high at \$6.08M compared to March's all-time record of \$7.65M, and \$6.09M in February. Gross Accounts Receivable Days were 50.4 compared to 48.9 Days in March and 56.2 Days in February.

April's operating cash was \$11.29M compared to \$10.28M in March and \$14.98M in February. Cash was impacted by the \$799K re-payment to Medi-Cal for the 2022 Cost report. Accounts Payable climbed to \$13.21M in April, up from \$13.11M in March and \$12.75M in February. The April balance remains at 121 Days at month-end. The Line of Credit balance remained at \$12M, the same as it was as of 6/27/24.

Summary

Positive takeaways:

- 1) The patient workloads continued to be over budget in April.
- 2) April Operating revenues were \$1.41M over budget; Operating Expenses were over by \$497K.
- 3) Cash collections were again a bright spot in April.
- 4) QIP and Directed Hospital Payments income of \$2.46M was significant.

Negative/Challenging takeaways:

- 1) Cost pressures for all items continue to be very challenging.

	A	B	C	D	E	F	G	H	I
1	SGMH APRIL 2025 EXTRAORDINARY ITEMS IMPACTING OVERALL FINANCIAL OUTCOMES								5/22/2025
2									
3	EXPENSE				INCOME				GAIN/(LOSS)
4									
5	EBIDA ITEMS:								
6									
7	SALARIES / BENEFITS/ CONTRACT LABOR & RELATED ITEMS				REVENUES				
8									
9	LABOR AND BENEFITS OVER (UNDER) BUDGET, INCL ANTHEM TRUE-UP		(205,543)		NET PATIENT REVENUES OVER (UNDER) BUDGET		1,133,570		
10									
11									
12	OTHER EXPENSE				SUPPLEMENTAL REVENUES				
13									
14	ACCOUNTING PROJECT		60,637		QIP, DIRECTED HOSP. PYMT PROGRAM (PARTIAL): (THE BUDGET AMOUNT MIRRORED THESE ITEMS)		2,461,282		
15									
16	IGT FEES		50,799						
17					OTHER REVENUES				
18	OTHER EXPENSE - FREIGHT EXPENSES CONVERTED TO CAPITAL		(36,630)						
19					PROP 13 TAXES OVER BUDGET		275,285		
20									
21									
22	EXTRAORDINARY NEGATIVE EXPENSES: EBIDA RELATED		(130,737)		EXTRAORDINARY POSITIVE (NEGATIVE) REVENUES: EBIDA RELATED		3,870,137		4,000,874
23									
24									
25	NON EBIDA ITEMS:								
26									
27	LINE OF CREDIT INTEREST EXPENSE		82,200		INTEREST EARNINGS OVER BUDGET (INCLUDES \$98,417 FROM LAIF ACCOUNT)		160,695		
28									
29					MEASURE A TAX INCOME OVER (UNDER) BUDGET		555,026		
30									
31					GRANT RECEIVABLE FOR WOMENS & FAMILY CLINIC EXPENSES		157,904		
32									
33	EXTRAORDINARY NEGATIVE EXPENSES: NON-EBIDA RELATED		82,200		EXTRAORDINARY POSITIVE (NEGATIVE) REVENUES: NON-EBIDA RELATED		873,625		791,425
34									
35	Note: These variances are not intended to account for all variances, but are meant to highlight key or unusual variations.								

STATISTICS

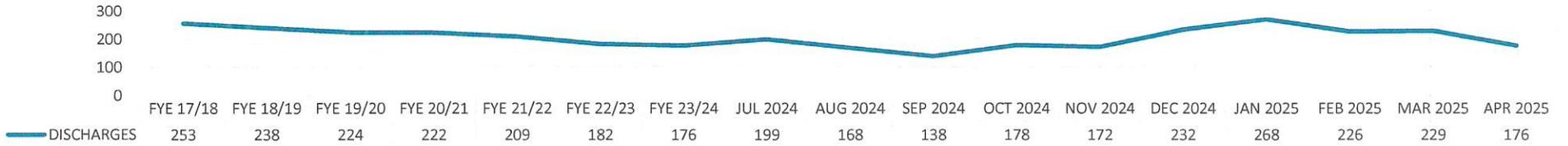
Inpatient Admissions/Discharges (Monthly Average)	Represents number of patients admitted/discharged into and out of the hospital.
Patient Days (Monthly Average)	Each day a patient stays in the hospital is counted as a patient day. This count is normally done at midnight.
Average Daily Census (Inpatient)	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

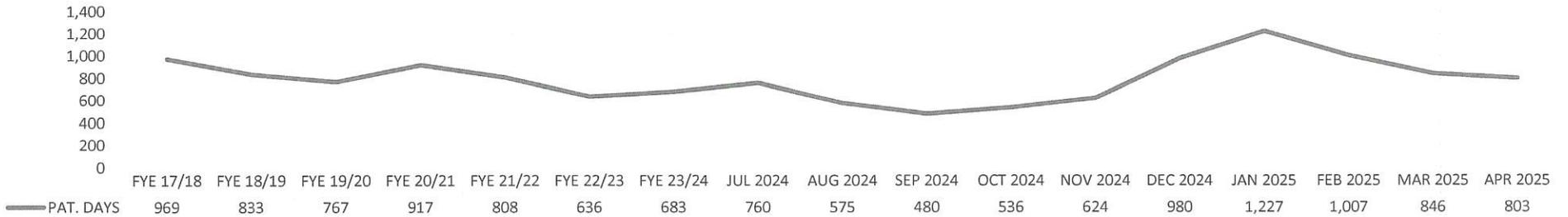
57 Worked FTEs (includes Registry FTEs)	Represents an equivalency of full-time staff worked. One FTE is equivalent of working 40 hours per week, 80 hours per pay period, 173.3 hours per 30 day month, or 2,080 hours in a 52 week year. This calculation divides the number of hours worked by the number of 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.

SAN GORGONIO MEMORIAL HOSPITAL

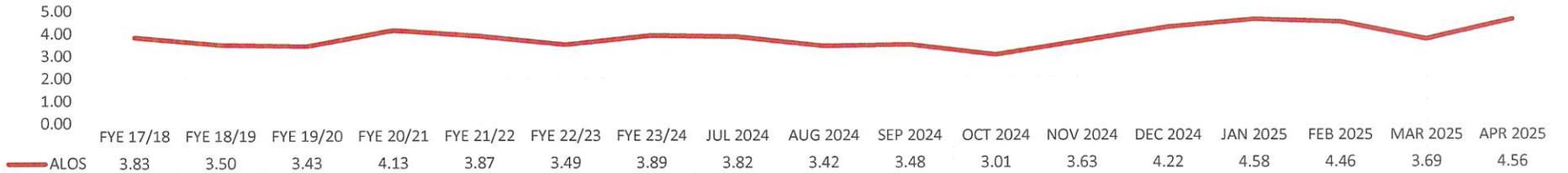
INPATIENT DISCHARGES



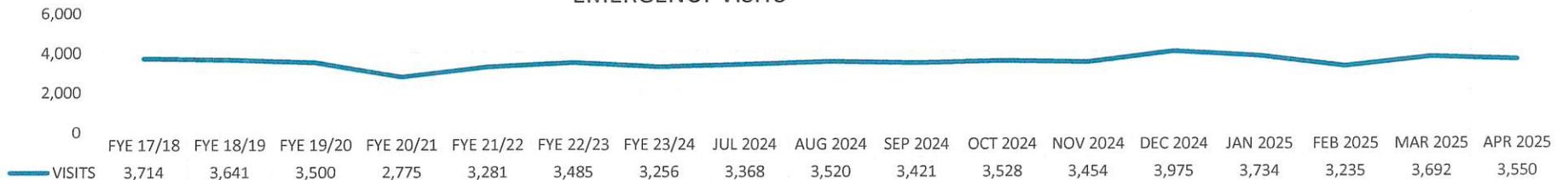
INPATIENT DAYS



AVERAGE LENGTH OF STAY

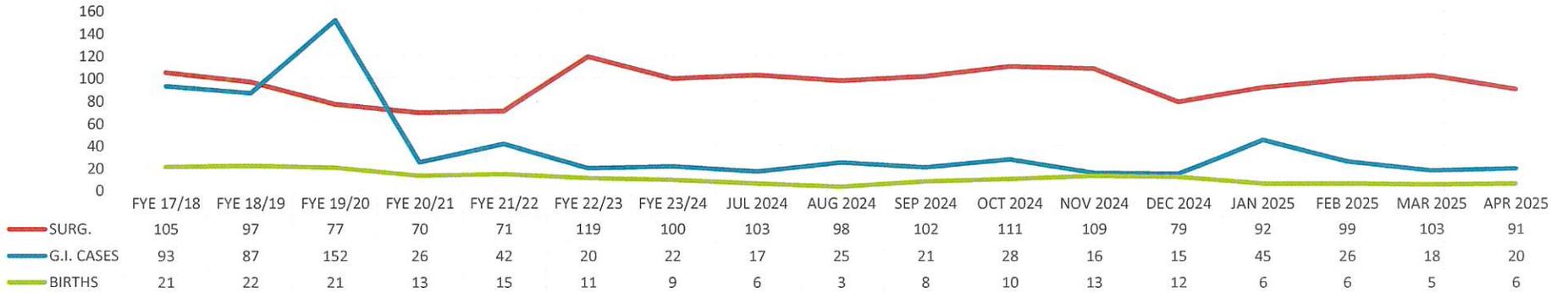


EMERGENCY VISITS

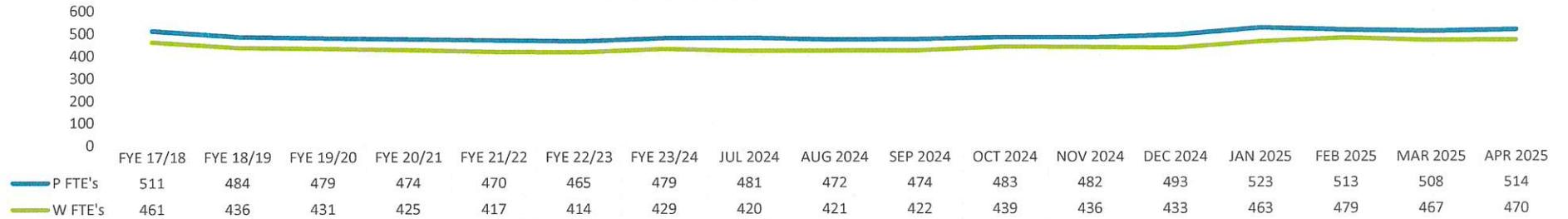


SAN GORGONIO MEMORIAL HOSPITAL

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



PAID & WORKED FTE'S



PAID & WORKED FTE'S / ADJUSTED PATIENT DAY



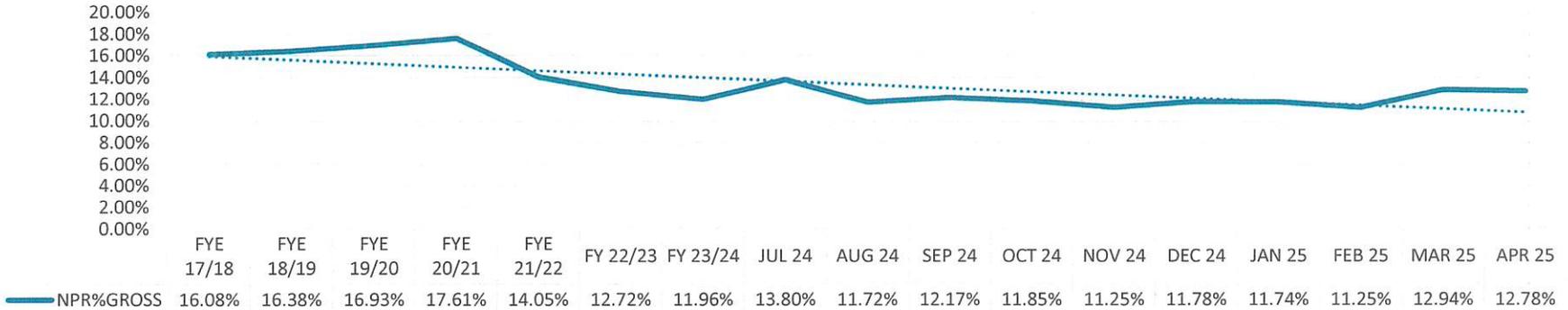
INCOME STATEMENT

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.

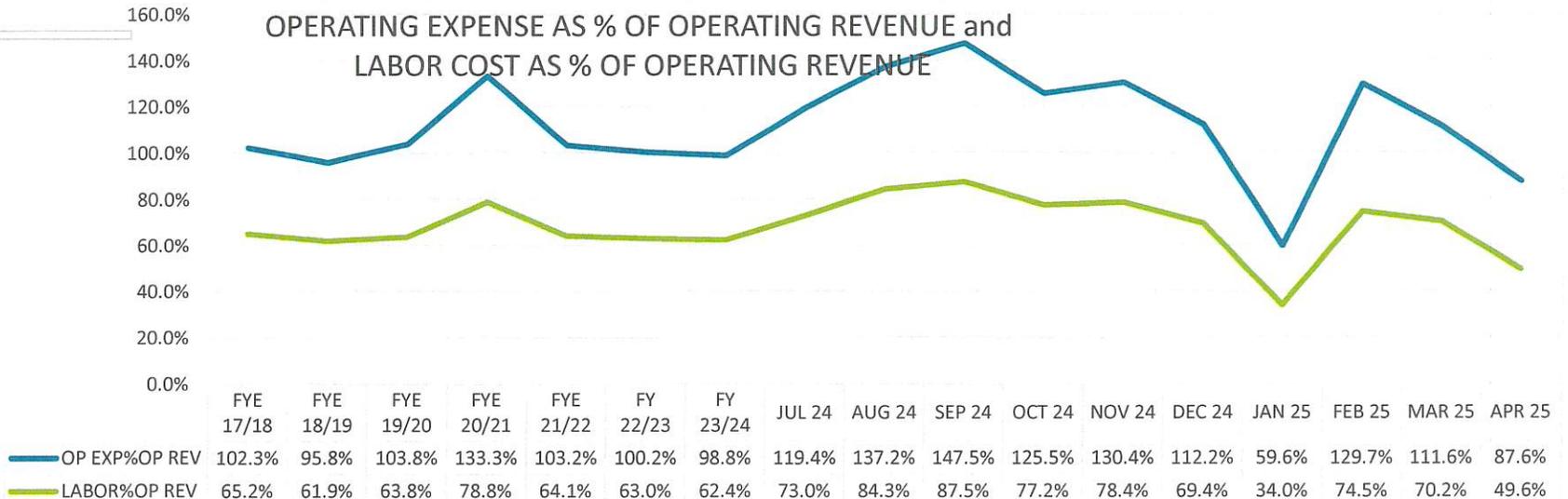
GROSS PATIENT REVENUE (000's)



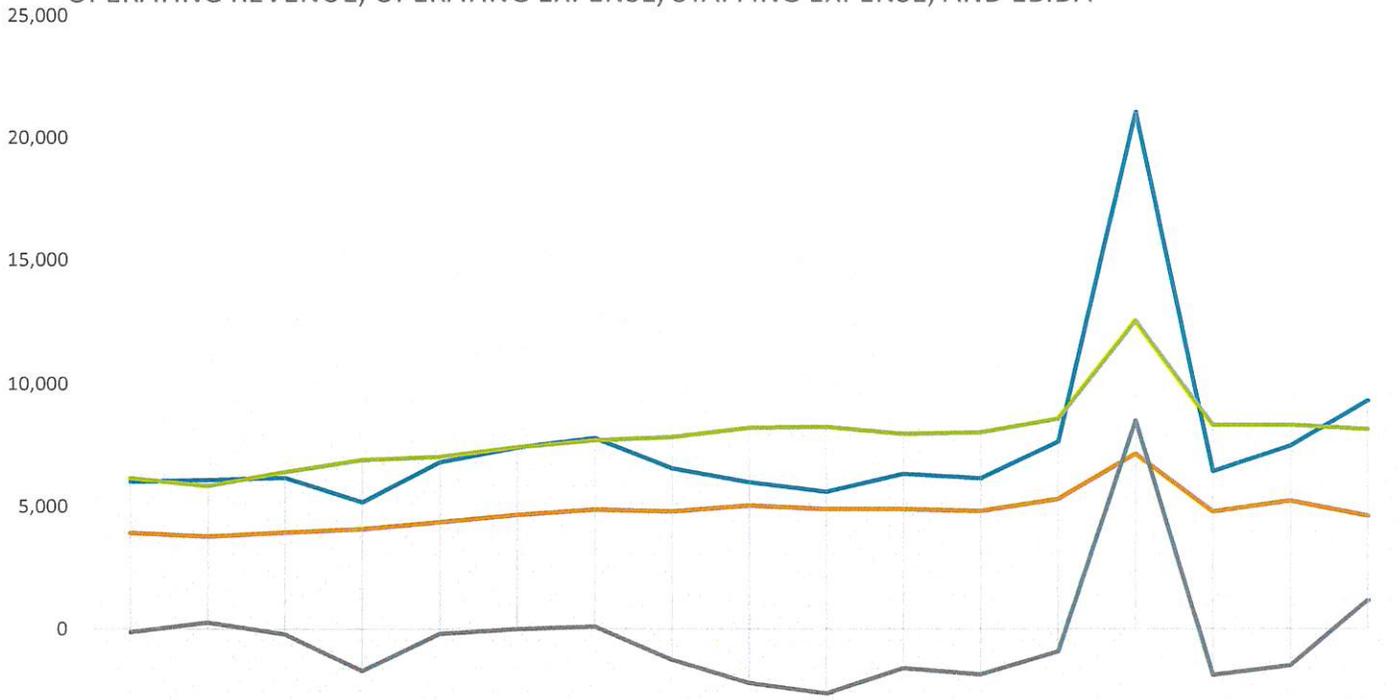
NET PATIENT REVENUE AS % OF GROSS



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



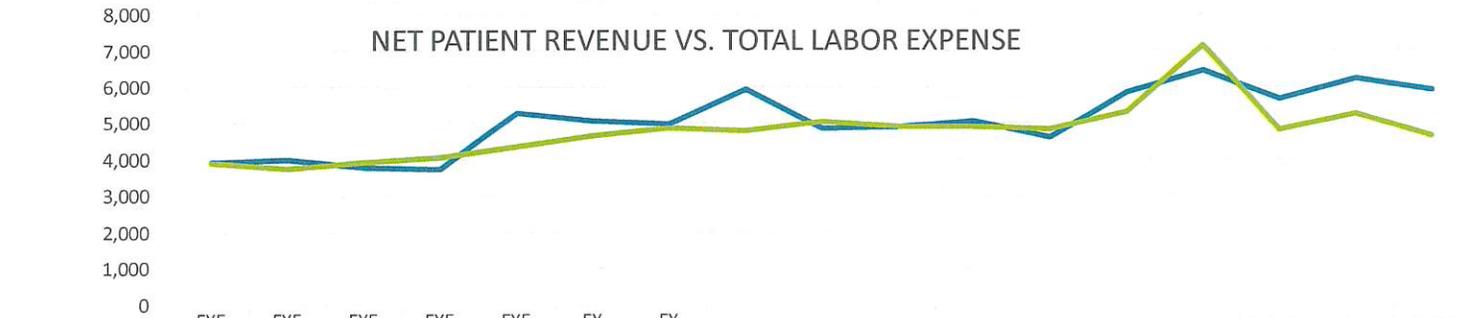
OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	FY 23/24	JUL 24	AUG 24	SEP 24	OCT 24	NOV 24	DEC 24	JAN 25	FEB 25	MAR 25	APR 25
OP REV	6,006	6,069	6,165	5,160	6,791	7,391	7,785	6,554	5,973	5,588	6,331	6,146	7,634	21,039	6,423	7,466	9,307
OP EXP	6,147	5,817	6,398	6,878	7,007	7,403	7,690	7,823	8,197	8,240	7,943	8,017	8,567	12,534	8,330	8,330	8,149
STAFF EXP	3,915	3,755	3,932	4,065	4,354	4,654	4,859	4,781	5,032	4,891	4,889	4,821	5,301	7,145	4,786	5,237	4,615
EBIDA	(141)	252	(233)	(1,719)	(216)	(13)	88	(1,270)	(2,224)	(2,652)	(1,612)	(1,870)	(934)	8,505	(1,907)	(1,513)	1,158

10

NET PATIENT REVENUE VS. TOTAL LABOR EXPENSE

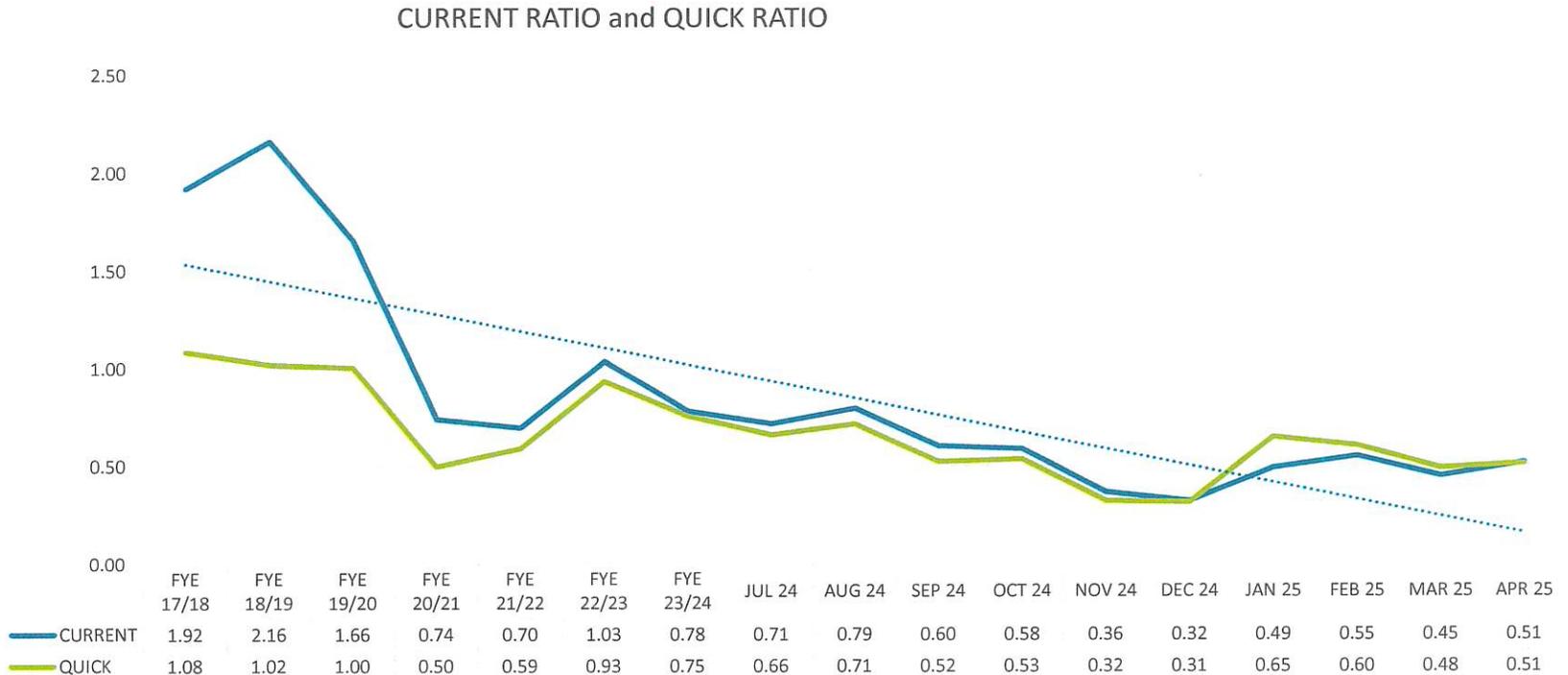
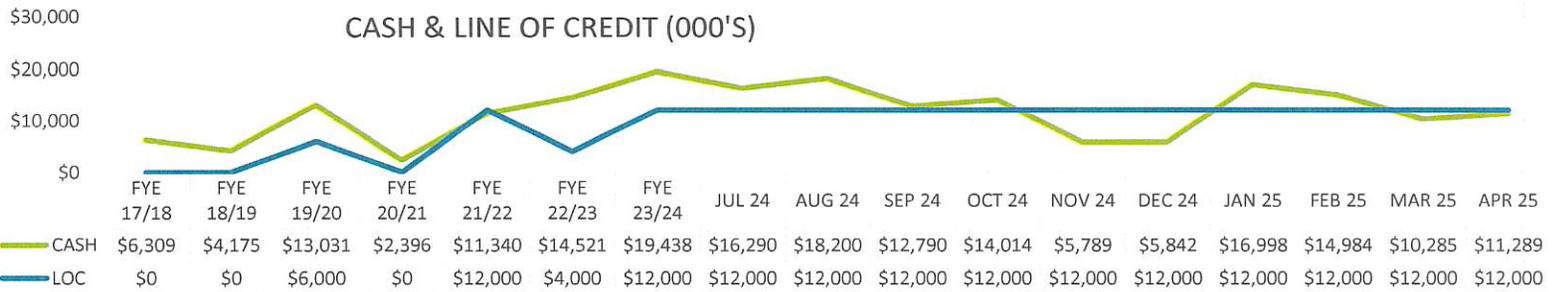


	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	FY 23/24	JUL 24	AUG 24	SEP 24	OCT 24	NOV 24	DEC 24	JAN 25	FEB 25	MAR 25	APR 25
NET PAT REV	3,921	4,003	3,795	3,744	5,275	5,057	4,975	5,933	4,843	4,888	5,042	4,582	5,839	6,444	5,642	6,212	5,890
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,654	4,859	4,781	5,032	4,891	4,889	4,821	5,301	7,145	4,786	5,237	4,615

A	B	H	J	L	N	O	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL - BANNING, CA																05/22/25
2	Month-to- Month FYE June 30, 2025																
3		FYE18/19	FYE19/20	FYE 20/21	FYE 21/22	FYE 22/23	FYE 23/24	FYE 24/25									
4						12	12										
5		MONTHLY AVE.	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL					
6	Gross Patient Revenue																
7	Inpatient Revenue	\$ 7,667,883	\$ 7,401,282	\$ 9,331,371	\$ 16,603,390	\$ 14,171,780	\$ 14,394,934	\$ 15,736,065	\$ 12,978,585	\$ 11,343,753	\$ 13,134,794	\$ 13,498,765	\$ 21,012,906	\$ 26,149,681	\$ 22,508,191	\$ 19,135,305	\$ 17,018,969
8	Inpatient Psych/Rehab Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Outpatient Revenue	16,765,365	15,067,104	11,933,682	20,932,075	25,575,741	27,197,604	27,250,251	28,340,039	28,832,987	29,397,314	26,672,278	28,536,802	28,738,122	27,665,628	28,856,350	29,073,142
10	Long Term Care Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Home Health Revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Total Gross Patient Revenue	24,433,247	22,468,386	21,265,053	37,535,465	39,747,521	41,592,538	42,986,316	41,318,624	40,176,740	42,532,108	40,171,043	49,549,708	54,887,803	50,173,819	47,991,655	46,092,111
13																	
14	Deductions From Revenue																
15	Discounts and Allowances	(19,588,148)	(17,845,730)	(16,635,734)	(31,267,149)	(33,545,205)	(35,678,219)	(35,846,196)	(35,481,321)	(34,341,690)	(36,539,693)	(34,586,001)	(42,546,101)	(47,172,028)	(43,306,637)	(40,631,851)	(39,091,425)
16	Bad Debt Expense	(858,023)	(653,280)	(824,395)	(1,045,570)	(1,047,941)	(884,929)	(902,900)	(915,027)	(887,299)	(913,773)	(911,750)	(1,093,924)	(1,217,289)	(1,170,791)	(1,075,861)	(1,013,112)
17	GI HMO Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Charity Care	(56,168)	(86,517)	(41,362)	(136,947)	(97,443)	(54,157)	(304,487)	(79,514)	(59,402)	(37,044)	(90,884)	(70,909)	(54,758)	(53,922)	(72,041)	(98,008)
19	Total Deductions From Revenue	(20,502,339)	(18,585,527)	(17,501,490)	(32,449,666)	(34,690,589)	(36,617,305)	(37,053,583)	(36,475,862)	(35,288,391)	(37,490,510)	(35,588,635)	(43,710,934)	(48,444,075)	(44,531,350)	(41,779,753)	(40,202,545)
20		-83.9%	-82.7%	-82.3%	-86.5%	-87.3%	-88.0%	-86.2%	-87.8%	-88.1%	-88.3%	-88.3%	-88.3%	-88.8%	-88.8%	-87.1%	-87.2%
21	Net Patient Revenue	3,930,908	3,882,859	3,763,563	5,085,799	5,056,932	4,975,233	5,932,733	4,842,762	4,888,349	5,041,598	4,582,408	5,838,774	6,443,728	5,642,469	6,211,902	5,889,566
22																	
23	Non- Patient Revenues																
24	Supplemental Revenues	1,485,337	1,157,326	869,707	501,407	941,881	1,994,148	1,863	456,322	0	688,364	886,132	901,973	14,035,474	123,501	571,089	2,509,186
25	Grants & Other Op Revenues	205,590	750,434	505,190	725,066	986,421	341,356	155,927	210,965	236,825	138,092	214,649	157,336	159,126	149,697	180,700	191,150
26	Clinic Net Revenues	22,382	15,743	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Tax Subsidies Measure D/H	196,524	199,469	209,744	229,405	213,402	242,508	275,536	275,536	275,536	275,536	275,536	234,116	127,016	234,116	234,116	254,116
28	Tax Subsidies Prop 13	115,388	114,061	142,552	146,104	189,707	218,100	187,570	187,570	187,570	187,570	187,570	501,557	273,234	273,234	267,822	462,822
29	Tax Subsidies County Suplmt Funds	16,159	9,064	16,163	25,561	2,308	13,938	0	0	0	0	0	0	0	0	0	0
30	Non-Patient Revenues	2,041,381	2,246,097	1,743,355	1,627,542	2,333,719	2,810,051	620,896	1,130,393	699,931	1,289,562	1,563,887	1,794,982	14,594,850	780,548	1,253,727	3,417,274
31																	
32	Total Operating Revenue	5,972,289	6,128,956	5,506,919	6,713,341	7,390,651	7,785,284	6,553,629	5,973,155	5,588,280	6,331,160	6,146,295	7,633,756	21,038,578	6,423,017	7,465,629	9,306,840
33																	
34	Operating Expenses																
35	Salaries and Wages	2,941,226	3,104,224	3,125,159	3,420,974	3,634,721	3,922,586	3,881,210	4,088,361	3,772,762	3,876,666	3,820,657	4,282,985	5,897,621	3,711,393	4,180,993	3,690,090
36	Fringe Benefits	702,477	752,708	856,889	830,599	938,301	816,313	804,480	846,161	997,929	872,378	793,327	842,793	1,023,309	820,250	857,373	777,667
37	Contract Labor	106,628	59,516	114,886	99,977	81,255	135,922	95,193	97,944	120,476	139,462	206,866	175,406	224,009	254,836	198,896	147,624
38	Physicians Fees	246,631	331,858	350,783	330,533	299,739	425,458	493,000	493,346	499,543	499,724	511,622	524,193	529,032	582,981	590,946	652,687
39	Purchased Services	513,857	691,337	772,336	892,521	863,657	968,088	1,043,230	1,293,644	1,245,762	1,163,016	1,259,698	1,232,903	1,258,493	1,076,951	1,154,464	1,093,576
40	Supply Expense	685,518	751,025	903,883	995,446	953,253	781,620	903,033	922,372	965,112	849,416	884,389	1,067,720	1,294,367	1,042,627	1,566,884	1,233,058
41	Utilities	75,471	80,680	92,287	111,192	93,037	104,674	94,413	93,552	140,902	121,798	98,661	109,893	131,956	119,125	107,105	110,195
42	Repairs and Maintenance	58,325	58,592	139,712	77,524	76,806	101,283	138,080	115,791	112,020	108,211	130,835	127,006	122,307	115,325	44,614	112,695
43	Insurance Expense	85,267	103,277	110,683	112,745	119,548	127,300	205,682	144,611	144,611	144,611	144,611	144,611	144,611	144,611	145,119	145,618
44	All Other Operating Expenses	70,922	160,745	148,752	101,142	151,928	114,358	128,607	76,293	157,065	187,658	136,114	120,715	331,297	370,318	67,035	52,131
45	IGT Expense	58,743	109,484	172,366	0	91,499	120,769	0	0	0	0	0	1,468,003	1,446	5,067	50,799	0
46	Leases and Rentals	76,150	79,233	79,424	37,952	99,514	90,298	113,244	101,454	103,964	103,500	121,156	(60,865)	108,677	89,794	60,145	82,476
47	1206 (b) CLINIC	98,810	94,628	34,096	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Total Operating Expenses	5,720,023	6,377,306	6,901,255	7,010,605	7,403,258	7,708,667	7,900,172	8,273,529	8,260,146	7,998,559	8,107,936	8,567,360	12,533,682	8,329,657	8,978,641	8,148,616
49																	
50	EBIDA	252,266	(248,351)	(1,394,337)	(297,264)	(12,606)	76,617	(1,346,543)	(2,300,374)	(2,671,866)	(1,667,399)	(1,961,641)	(933,604)	8,504,896	(1,906,640)	(1,513,012)	1,158,224
51																	
52	Interest, Depreciation, and Amortization																
53	Depreciation Expense	497,808	506,497	494,721	472,317	495,039	547,393	425,836	425,836	420,499	422,924	422,924	424,587	446,644	441,432	467,391	475,253
54	Interest & Amortization Expense	418,193	422,094	447,994	391,606	484,663	438,303	497,974	613,476	987,446	606,377	575,531	506,078	559,537	548,251	469,083	523,436
55	Total Interest, Depr, & Amort.	916,000	928,591	942,715	863,923	979,702	985,697	923,810	1,039,312	1,407,945	1,029,301	998,455	930,665	1,006,181	989,683	936,474	998,689
56																	
57	Non-Operating Revenue:																
58	Contributions & Other	7,745	27,759	7,121	25,068	132,587	483,520	17,816	64,649	162,095	44,748	65,209	96,256	929,795	455,332	827,915	333,248
59	Tax Subsidies for GO Bonds - M-A	692,457	666,966	598,410	616,059	660,979	1,074,156	400,000	400,000	400,000	400,000	400,000	400,000	733,333	733,333	733,344	1,283,333
60	Total Non Operating Revenue/(Expense)	700,202	694,725	605,531	641,127	793,566	1,557,676	417,816	464,649	562,095	444,748	465,209	496,256	1,663,128	1,188,665	1,561,259	1,616,581
61																	
62	Total Net Surplus/(Loss)																

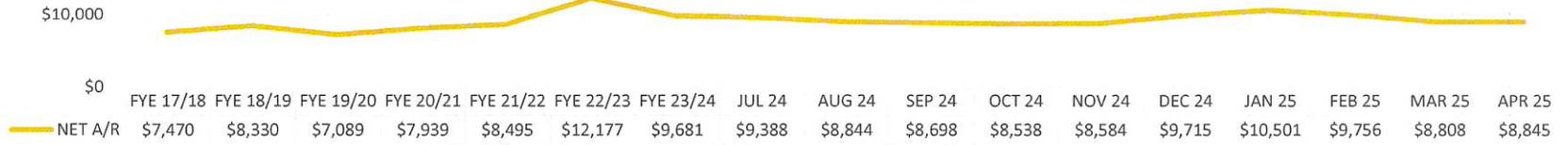
BALANCE SHEET (Period End)

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.
12 Quick Ratio	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.

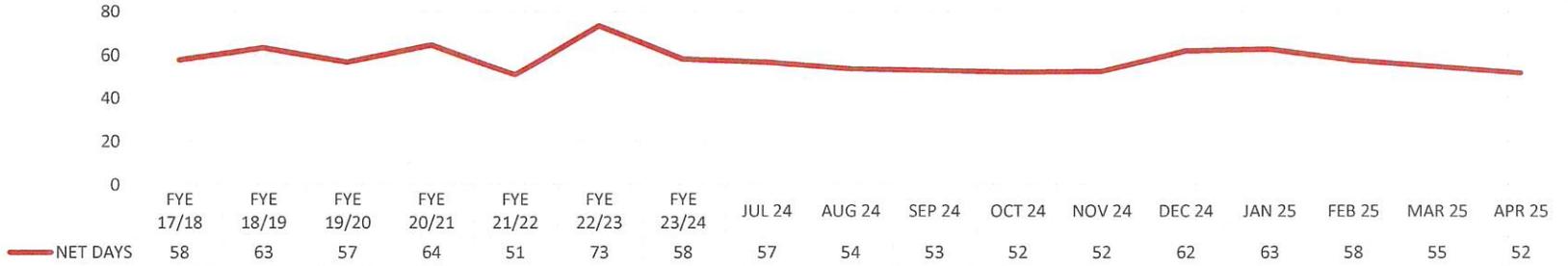


13

NET ACCOUNTS RECEIVABLE (000'S)



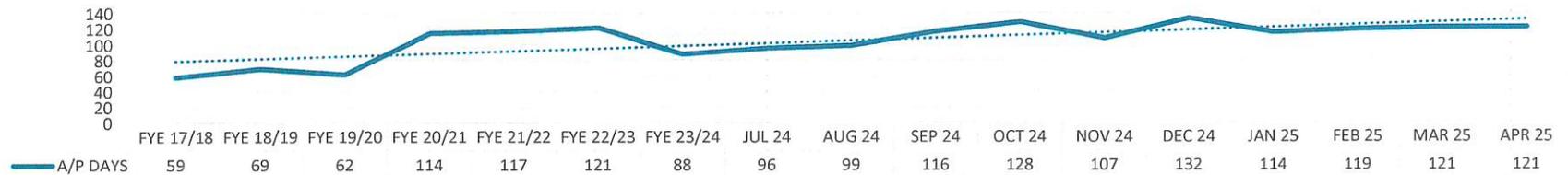
AVE. DAYS OF COLLECTIONS IN NET A/R



ACCOUNTS PAYABLE (000'S)



AVERAGE DAYS IN ACCOUNTS PAYABLE



14

**SAN GORGONIO MEMORIAL HOSPITAL
KEY WORKLOAD INDICATORS**

		FY24	FY 25	FY 25	FY 24	FY 25	FY 25	FY 24
		04/30/24	04/30/25	04/30/25	04/30/24	04/30/25	04/30/25	6/30/2024
		ACTUAL	ACTUAL	BUDGET	10 MOS. YTD ACTUAL	10 MOS. YTD ACTUAL	10 MOS. YTD BUDGET	YR END TOTAL
[1]	Total Acute Patient Days	589	803	699	6,743	7,838	7,047	8,195
[2]	Average Daily Census	19.6	26.8	23.3	22.1	25.8	23.2	22.4
[3]	Average Acute Length of Stay	3.8	4.6	3.8	3.9	4.0	3.7	3.9
[4]	Patient Discharges	155	176	182	1,726	1,981	1,892	2,107
[5]	Adjusted Patient Days	1,770	2,175	1,865	19,380	20,712	19,500	23,679
[6]	Observation Count	371	403	325	3,285	3,736	3,333	4,109
[7]	Total Emergency Room Visits	3,479	3,550	3,329	34,822	36,342	34,166	42,119
[8]	Average ED Visits Per Day	116	118	111	114	120	112	115
[9]	Total Surgeries (Excluding G.I.'s)	81	91	105	976	987	1,085	1,197
[10]	Deliveries/Births	12	6	8	100	76	98	112

EMERGENCY VISITS (ACTUAL AND BUDGETED) HAVE BEEN REVISED BASED ON TOTAL COUNT OF ALL ACUITY LEVELS ASSIGNED, I.E. ONE PER EACH PATIENT TREATED.

15

	A	B	C	D	E	F	G	H	I	J	K
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL										05/22/25
2	INCOME STATEMENT		APRIL 2025 BUDGET	APRIL 2025 ACTUAL	VARIANCE APRIL ACTUAL TO BUDGET	VARIANCE PER CENTAGE		APRIL 2025 YTD BUDGET	APRIL 2025 YTD ACTUAL	VARIANCE APRIL YTD ACTUAL TO BUDGET	VARIANCE PER CENTAGE
3	NET INCOME		435,200	1,776,116	1,340,916	308.1%		(835,637)	(5,895,379)	(5,059,742)	-605.5%
4	EBIDA		244,458	1,158,224	913,766	373.8%		(5,314,266)	(4,853,374)	460,892	8.7%
5											
6	NET OPERATING REVENUE		7,896,011	9,306,840	1,410,829	17.9%		74,964,039	82,460,339	7,496,300	10.0%
7	NET PATIENT REVENUE		4,755,996	5,889,566	1,133,570	23.8%		48,432,509	55,314,289	6,881,780	14.2%
8	OTHER OPERATING REVENUE		3,140,015	3,417,274	277,259	8.8%		26,531,530	27,146,050	614,520	2.3%
15											
16	TOTAL OPERATING EXPENSE		7,651,553	8,148,616	(497,063)	-6.5%		80,278,305	87,313,713	(7,035,408)	-8.8%
29											
30	NON-OPERATING REVENUE & EXPENSE										
31	TOTAL NON-OPERATING REVENUE & EXPENSE		1,073,555	1,616,581	543,026	50.6%		13,246,060	9,218,510	(4,027,550)	-30.4%
37	TOTAL INTEREST & DEPRECIATION		882,813	998,689	(115,876)	-13.1%		8,767,431	10,260,515	(1,493,084)	-17.0%

16

	A	B	C	D	E	F
1	SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly					5/22/2025
2	BALANCE SHEET	Jun 24 Act YTD	Feb 25 Act YTD	Mar 25 Act YTD	Apr 25 Act YTD	Var Mar 25 Act
3						
4	TOTAL ASSETS **	124,601,132	114,867,011	111,988,444	113,763,392	1,774,948
5	CURRENT ASSETS	30,111,600	22,463,518	17,561,174	20,295,057	2,733,883
17	ASSETS WITH LIMITED USE	17,839,022	16,282,772	17,639,560	17,136,475	(503,085)
18	NET PROPERTY, PLANT, AND EQUIPMENT	75,270,332	74,780,256	75,450,602	74,998,110	(452,492)
25	OTHER ASSETS	1,380,178	1,340,465	1,337,108	1,333,750	(3,358)
26						
27	TOTAL LIABILITIES & FUND BALANCE **	124,601,044	114,866,992	111,988,427	113,763,338	(1,774,911)
28	TOTAL LIABILITIES	155,470,638	152,519,767	150,529,429	150,528,224	1,205
29	CURRENT LIABILITES	38,624,095	41,161,976	39,371,353	39,569,863	(198,510)
41	LONG TERM LIABILITIES	116,846,543	111,357,791	111,158,076	110,958,361	199,715
43	NET ASSETS					
44	NET ASSETS - UNRESTRICTED	(30,869,594)	(37,652,775)	(38,541,002)	(36,764,886)	(1,776,116)
48	** Slight Variances Due to "Rounding"					

21

	A	B	C	D	E	F
1	SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly					5/22/2025
2	BALANCE SHEET	Jun 24 Act YTD	Feb 25 Act YTD	Mar 25 Act YTD	Apr 25 Act YTD	Var Mar 25 Act
3						
4	TOTAL ASSETS **	124,601,132	114,867,011	111,988,444	113,763,392	1,774,948
5	CURRENT ASSETS	30,111,600	22,463,518	17,561,174	20,295,057	2,733,883
6	CASH & EQUIVALENTS	19,438,107	14,878,152	10,284,527	11,289,455	1,004,928
7	NET PATIENT ACCOUNTS RECEIVABLE	9,681,423	9,756,468	8,807,562	8,845,351	37,789
8	HOSPITAL ACCOUNTS RECEIVABLE	89,675,653	93,406,524	84,538,266	83,643,084	(895,182)
9	LESS: ALLOWANCE FOR BAD DEBTS	(79,994,230)	(83,650,056)	(75,730,704)	(74,797,733)	932,971
10	OTHER CURRENT ASSETS	992,070	(2,171,102)	(1,530,915)	160,251	1,691,166
11	TAXES RECEIVABLE	2,078,826	(111,023)	983,760	2,043,758	1,059,998
12	MISC RECEIVABLE	(2,631,352)	(2,769,786)	(2,515,918)	(2,669,050)	(153,132)
13	DUE FROM 3RD PARTIES	(1,204,471)	(2,325,833)	(2,509,099)	(1,689,501)	819,598
14	INVENTORIES	2,075,663	2,611,147	2,175,271	2,128,941	(46,330)
15	PREPAID EXPENSES	673,404	424,393	335,071	346,103	11,032
16						
17	ASSETS WITH LIMITED USE	17,839,022	16,282,772	17,639,560	17,136,475	(503,085)
18	NET PROPERTY, PLANT, AND EQUIPMENT	75,270,332	74,780,256	75,450,602	74,998,110	(452,492)
19	PROPERTY, PLANT, AND EQUIPMENT	173,509,280	176,449,887	177,587,624	177,610,385	22,761
20	LAND & LAND IMPROVEMENTS	4,828,182	4,861,325	4,861,325	4,861,325	0
21	BUILDINGS & BUILDING IMPROVEMENTS	132,533,755	133,770,074	133,741,548	133,741,548	0
22	FIXED EQUIPMENT	31,756,880	32,401,557	32,980,844	32,986,667	5,823
23	CONSTRUCTION IN PROGRESS	4,390,463	5,416,931	6,003,907	6,020,845	16,938
24	LESS: ACCUMULATED DEPRECIATION	(98,238,948)	(101,669,631)	(102,137,022)	(102,612,275)	(475,253)
25	OTHER ASSETS	1,380,178	1,340,465	1,337,108	1,333,750	(3,358)
26						
27	TOTAL LIABILITIES & FUND BALANCE **	124,601,044	114,866,992	111,988,427	113,763,338	(1,774,911)
28	TOTAL LIABILITIES	155,470,638	152,519,767	150,529,429	150,528,224	1,205
29	CURRENT LIABILITIES	38,624,095	41,161,976	39,371,353	39,569,863	(198,510)
30	ACCOUNTS PAYABLE	9,381,110	12,751,106	13,115,622	13,206,741	(91,119)
31	PAYROLL PAYABLES	4,653,853	6,352,209	6,734,981	6,720,624	14,357
32	SALARIES & WAGES PAYABLE	909,057	1,887,284	1,571,163	1,818,030	(246,867)
33	PAYROLL TAXES & DEDUCTIONS PAYABLE	847,813	362,198	1,138,829	1,142,968	(4,139)
34	ACCRUED PTO & SICK DAYS PAYABLE	2,896,983	4,102,727	4,024,989	3,759,626	265,363
35	LINE OF CREDIT	12,065,351	12,254,660	12,339,600	12,421,800	(82,200)
36	OTHER CURRENT LIABILITIES	12,523,781	9,804,001	7,181,150	7,220,698	(39,548)
37	ACCRUED INTEREST PAYABLE	1,969,785	669,543	1,069,863	1,092,652	(22,789)
38	OTHER CURRENT LIABILITIES	4,166,440	3,798,715	594,062	589,408	(4,654)
39	DEBT - CURRENT	6,387,556	5,335,743	5,517,225	5,538,638	21,413
40						
41	LONG TERM LIABILITIES	116,846,543	111,357,791	111,158,076	110,958,361	199,715
42						
43	NET ASSETS					
44	NET ASSETS - UNRESTRICTED	(30,869,594)	(37,652,775)	(38,541,002)	(36,764,886)	(1,776,116)
45	NET ASSETS - BEGINNING OF PERIOD	(35,868,911)	(30,869,507)	(30,869,507)	(30,869,507)	0
46	CURRENT YEAR NET GAIN/(LOSS)	4,999,317	(6,783,268)	(7,671,495)	(5,895,379)	1,776,116
47						
48	** Slight Variances Due to "Rounding"					

19

	B	C	D	E	F	G	H		
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL								
2						(UNAUDITED)	(UNAUDITED)		
3						Current Month	Y-T-D		
4						4/30/2025	4/30/2025		
5	BEGINNING CASH BALANCES								
6		Cash: Beginning Balances- Hospital				\$	8,265,028	\$ 18,067,421	
7		Cash: Beginning Balances- District					2,019,499	1,370,686	
8		Cash: Beginning Balances Totals				\$	10,284,527	\$ 19,438,107	
9									
10	Receipts								
11			Patient Collections			\$	6,081,256	\$ 57,561,563	
12			Tax Subsidies/Measure D/Prop 13				716,938	\$ 5,177,679	
13			Misc Tax Subsidies				-	\$ -	
14			Donations/Grants/Loans				333,248	\$ 2,332,740	
15			Supplemental Funding (Rate Range, Etc.)				2,509,186	\$ 20,048,904	
16			Draws/(Paydown) of LOC Balances				-	\$ -	
17			Other Revenues/Receipts/Transfers				191,150	\$ 10,696,886	
18	TOTAL RECEIPTS						\$	9,831,778	\$ 95,817,772
19									
20	Disbursements								
21			Wages, Benefits, & Contract Labor			\$	4,615,381	\$ 50,273,215	
22			Other Operating Costs				3,533,235	\$ 35,279,705	
23			Capital Spending				22,761	\$ 4,654,965	
24			Debt Service Payments (Excl.G/O Bonds)				86,000	\$ 823,775	
25			Other - Changes in Accounts Payable, IGT's, Etc.				569,473	\$ 12,934,764	
26	TOTAL DISBURSEMENTS						\$	8,826,850	\$ 103,966,424
27									
28	TOTAL CHANGE in CASH						\$	1,004,928	\$ (8,148,652)
29									
30	ENDING CASH BALANCES								
31		Ending Balances- Hospital				\$	9,442,354	\$ 9,269,956	
32		Ending Balances- District					1,847,101	2,019,499	
33		Ending Balances- Totals				\$	11,289,455	\$ 11,289,455	
34									
35									
36									
37	LOC Current Balances					\$	12,000,000	\$ 12,000,000	
38	LOC Interest Expense Incurred						82,200	\$ 838,300	
39	5/22/2025								
40									

20

TAB C

San Geronio Memorial Hospital and San Geronio Memorial Health Care District

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

Agenda Items for May 27, 2025 and June 3, 2025 Meetings

Subject:

Annual Liability Insurance Renewals with BETA; Professional & General, Directors and Officers, Employment Practices, and Auto, plus Worker's Compensation Insurance.

Annual Insurance Renewals:

- 1) Professional and General Liability
- 2) Directors and Officers Liability
- 3) Employment Practices Liability
- 4) Auto Liability
- 5) Workers' Compensation

The District's broker for these coverages is Jim Sprague, Vice President of James+Gable Insurance Brokers. Jim and his team work on the District's behalf with the BETA Healthcare Group, a Risk Management Authority Public Agency. SGMHCD has been insured with BETA for many years, and has benefited from competitive premiums, comprehensive coverages, and excellent customer service from a firm which specializes in District, Public Agency, and Non-Profit Healthcare providers.

BETA continues to have an extensive Quality Improvement and Performance program which is customized especially for Hospitals, and the favorable results of such programs have resulted in the overall competitive and comprehensive product. Their Workers' Compensation program is specifically designed for hospital workers and has an excellent overall track record in this arena.

The renewal premiums are provided in the Attachment.

Recommendations: That the respective insurance coverages be renewed with BETA as presented for Board action in order to "bind" coverage prior to the renewal date of July 1st.



 **SAN GORONIMO**
MEMORIAL HOSPITAL

2025
Insurance Renewal Proposals

JAMES & GABLE
INSURANCE BROKERS

2025 Insurance Renewals

Executive Summary

Line of Coverage	Carrier	Policy Term	Limits	Deductible	2024-2025 Expiring	2025-2026 Renewals
Professional & General Liability	BETA	7/1/25 - 7/1/26	\$20M/\$30M	\$25,000	\$1,164,485	\$1,215,031
Directors & Officers Liability	BETA	7/1/25 - 7/1/26	\$10M	\$50,000	\$181,116	\$190,172
Employment Practices Liability	BETA	7/1/25 - 7/1/26	\$10M	\$100,000	Incl. w/ D&O	Incl. w/ D&O
Auto Liability	BETA	7/1/25 - 7/1/26	\$20M	\$500	\$57,466	\$67,397
Workers' Compensation	BETA	7/1/25 - 7/1/26	Statutory	\$0	\$663,860	\$694,785
TOTAL GROSS PREMIUM					\$2,066,927	\$2,167,385
Liability Dividend					-\$47,477	\$0
<u>Workers' Comp Dividend</u>					<u>-\$46,038</u>	<u>\$0</u>
Total Dividends					-\$93,515	\$0
TOTAL NET PREMIUM					\$1,973,412	\$2,167,385

Insured Entities

San Gorgonio Memorial Hospital
 San Gorgonio Memorial Hospital Foundation
 San Gorgonio Memorial Healthcare District

NOTES

- Professional Liability carriers are charging higher rates due to changes in the Medical Injury Compensation Reform Act (MICRA) as follows:
 - 2022 law limited claim recovery of non-economic damages to \$250,000
 - A 2022 bill increased that limit to \$350,000 for non-death cases and \$500,000 for wrongful death cases effective date January 1, 2023, followed by incremental increases over 10 years to \$750,000 for non-death cases and \$1,000,000 for wrongful death cases. Currently \$430,000 non-death and \$600,000 wrongful death.
 - Actuarial estimates on the increase in ultimate annual claims costs are between 4.7% and 17%
- BETA rate updates (minimum change for all members):
 - PL/GL: 3% increase, D&O/EPL: 5% increase, Auto: FLAT, WC: 2% decrease
 - BETA rates continue to be more than 15% to 20% lower than the standard market
 - BETA Council approved a 13% reduction in dividends due to claims experience in the pool and rising reinsurance costs

2025 Insurance Renewals

Professional Liability & General Liability

Census Data & OBEs

	7/1/23 to 7/1/24 Estimated		7/1/24 to 7/1/25 Estimated		7/1/25 to 7/1/26 Estimated	
	Census	OBEs	Census	OBEs	Census	OBEs
Acute Care Beds	8,226	22.5	8,372	22.9	9,713	26.6
Cribs & Bassinets	278	1.4	201	1.0	392	1.9
Emergency Visits	22,859	68.1	25,486	76.0	25,901	77.2
Non-Urgent ER Visits	19,314	13.1	16,868	11.4	18,285	12.4
Outpatient Visits	7,559	4.7	6,979	4.4	15,219	9.5
Reference Labs	888	0.1	10,459	1.5	11,689	1.7
Counseling	13,290	5.2	15,249	5.9	18,710	7.3
Outpatient Surgeries	1,113	5.8	945	4.9	573	3.0
Inpatient Surgeries	559	5.7	551	5.6	823	8.3
Vaginal Deliveries	96	4.6	87	4.1	158	7.5
C-Sections Deliveries	48	2.3	26	1.2	48	2.3
		133.4		139.0		157.7
						13.5%

NOTES

- Overall census increasing 13.5%

2025 Insurance Renewals

Professional Liability & General Liability

Claim Development

Policy Year	Total Incurred As of 5/1/24	Total Incurred As of 5/1/25	Total Claims	Open Claims
2002	\$2,411,379	\$2,411,379	3	0
2003	\$668,965	\$668,965	5	0
2004	\$0	\$0	1	0
2005	\$1,080	\$1,080	2	0
2006	\$579,405	\$579,405	4	0
2007	\$1,111,785	\$1,111,785	6	0
2008	\$539,729	\$539,729	8	0
2009	\$3,034,503	\$3,034,503	6	0
2010	\$6	\$6	6	0
2011	\$92,245	\$92,245	9	0
2012	\$65,983	\$65,983	4	0
2013	\$714,171	\$714,171	13	0
2014	\$138,797	\$138,797	4	0
2015	\$2,532,277	\$2,532,277	7	0
2016	\$306,722	\$306,722	6	0
2017	\$150,804	\$150,804	3	0
2018	\$65,000	\$65,000	2	0
2019	\$236,595	\$237,295	3	0
2020	\$11,819	\$11,819	2	0
2021	\$20,180	\$20,180	2	0
2022	\$110,000	\$360,000	5	2
2023	\$0	\$100,000	1	1
2024	-	\$40,000	1	1
	\$12,791,444	\$13,182,144	103	4
		\$390,700		

NOTES

- SGMH has a 10-year loss ratio (2014-2023) of 45%

2025 Insurance Renewals

Professional Liability & General Liability

	7/1/24 – 7/1/25 Expiring	7/1/25 – 7/1/26 Renewal (Initial)	7/1/25 – 7/1/26 Renewal (Final)
Carrier	BETA	BETA	BETA
Limits	\$20M/\$30M	\$20M/\$30M	\$20M/\$30M
Deductible	\$25,000	\$25,000	\$25,000
Gross Premium	\$1,164,485	\$1,348,375	\$1,215,031
<u>Performance Dividend</u>	<u>-\$47,477</u>	<u>-\$34,896</u>	<u>\$0</u>
Net Premium	\$1,117,008	\$1,313,479	\$1,215,031

NOTES

- BETA also quoted a \$50K deductible option; see following page for premium and a total cost of risk analysis
- Initial worst-case scenario was 3% rate increase plus 13.5% census increase, which equals \$1,348,375 gross premium.
- Final renewal premium and 4.5% increase is attributable to the following factors:
 - 13.5% census increase
 - 7.9% base rate decrease negotiated for favorable loss experience
 - 6% OB Risk Management Initiative Credit
 - 6% ED Risk Management Initiative Credit (up from 4% last year)
 - 8% HEART Risk Management Initiative Credit (up from 6% last year)
- SGMH did not qualify for the Performance Dividend this year. BETA has new eligibility criteria this year that require a loss ratio of 75% or less for all years with BETA. The current SGMH loss ratio for all years is 76.6%.
- OB Risk Management Initiative Credit: 6% (\$73,787)
ED Risk Management Initiative Credit: 6% (\$39,404); up from 4% last year
HEART Risk Management Initiative Credit: 8% (\$89,328); up from 6% last year
- 2024-2025 Risk Management Resource Funds: \$8,987 remaining as of 5/14/25
2025-2026 Risk Management Resource Funds: \$10,273

2025 Insurance Renewals

Professional Liability & General Liability

Deductible Options & Total Cost of Risk Analysis

Deductible	Gross Premium
\$25,000	\$1,215,031
\$50,000	\$1,158,530

-\$56,501

Total Cost of Risk			\$25K Deductible			\$50K Deductible			Savings vs. \$25K Deductible
Policy Year	Claims	Total Incurred	Premium	Deductible Exposure	Total Cost of Risk	Premium	Deductible Exposure	Total Cost of Risk	
2015-2016	9	\$2,532,277	\$1,215,031	\$76,040	\$1,291,071	\$1,158,530	\$126,040	\$1,284,570	\$6,501
2016-2017	4	\$306,722	\$1,215,031	\$26,929	\$1,241,960	\$1,158,530	\$51,929	\$1,210,459	\$31,501
2017-2018	3	\$150,804	\$1,215,031	\$50,000	\$1,265,031	\$1,158,530	\$100,000	\$1,258,530	\$6,501
2018-2019	2	\$65,000	\$1,215,031	\$25,000	\$1,240,031	\$1,158,530	\$50,000	\$1,208,530	\$31,501
2019-2020	3	\$237,295	\$1,215,031	\$50,722	\$1,265,753	\$1,158,530	\$100,722	\$1,259,252	\$6,501
2020-2021	2	\$11,819	\$1,215,031	\$11,819	\$1,226,850	\$1,158,530	\$11,819	\$1,170,349	\$56,501
2021-2022	2	\$20,180	\$1,215,031	\$20,180	\$1,235,211	\$1,158,530	\$20,180	\$1,178,710	\$56,501
2022-2023	5	\$360,000	\$1,215,031	\$50,000	\$1,265,031	\$1,158,530	\$100,000	\$1,258,530	\$6,501
2023-2024	1	\$100,000	\$1,215,031	\$25,000	\$1,240,031	\$1,158,530	\$50,000	\$1,208,530	\$31,501
2024-2025	1	\$40,000	\$1,215,031	\$25,000	\$1,240,031	\$1,158,530	\$40,000	\$1,198,530	\$41,501
	32	\$3,824,098	\$12,150,310	\$360,689	\$12,510,999	\$11,585,300	\$650,689	\$12,235,989	\$275,010

2025 Insurance Renewals

Professional Liability & General Liability

Competitive Marketing

AWAC	Cannot match BETA's coverage structure (limits)
Chubb	Cannot match BETA's coverage structure (limits)
Coverys	Cannot match BETA's coverage or premium
Hudson	Could only write \$10M limits; not competitive on premium
Ironshore/Liberty Mutual	Declined – cannot compete with BETA's premium
Markel	Declined – cannot compete with BETA's premium
MedPro	Indication – \$1.3M for \$10M limit
Physicians Insurance	Declined –cannot compete with BETA's premium
ProAssurance/NORCAL	Cannot match BETA's coverage structure (limits)
The Doctors Company	Cannot match BETA's coverage structure (limits)

2025 Insurance Renewals

Directors & Officers Liability / Employment Practices Liability

	7/1/24 – 7/1/25 Expiring	7/1/25 – 7/1/26 Renewal Option 1	7/1/25 – 7/1/26 Renewal Option 2
Carrier	BETA	BETA	BETA
Limits	\$10M	\$10M	\$10M
D&O Deductible	\$50,000	\$50,000	\$50,000
EPL Deductible	\$100,000	\$100,000	\$150,000
Premium	\$181,116	\$190,172	\$175,682

Premium & Claim History

Policy Year	Paid Premium	Total Incurred As of 5/1/24	Total Incurred As of 5/1/25	Total Claims	Open Claims
2014	\$50,939	\$0	\$0	0	0
2015	\$50,939	\$4,220	\$4,220	1	0
2016	\$60,412	\$0	\$0	0	0
2017	\$69,479	\$169,512	\$169,512	4	0
2018	\$83,833	\$2,318	\$2,318	5	0
2019	\$113,175	\$2,655	\$2,655	5	0
2020	\$126,759	\$323,183	\$323,183	5	0
2021	\$136,898	\$20,000	\$20,000	1	1
2022	\$143,743	\$0	\$0	0	0
2023	\$172,492	\$0	\$0	3	0
2024	\$181,116	-	\$0	0	0
	\$1,189,785	\$521,888	\$521,888	24	1

Increased limit from \$5M to \$10M in 2014

NOTES

- Premium increase is due to a 5% base rate increase being applied to all BETA members this year
- BETA provided a second renewal option with a \$150K EPL deductible for \$175,682 (\$14,490 less than same-as-expiring option with \$100K EPL deductible)
- **SGMH 10-year D&O/EPL loss ratio dropped to 44% this year**; 2013 policy year with \$585K claim dropped out of 10-year experience period

2025 Insurance Renewals

Automobile Liability

	7/1/24 – 7/1/25 Expiring	7/1/25 – 7/1/26 Renewal
Carrier	BETA	BETA
Limits	\$20M	\$20M
Comprehensive Deductible	\$250	\$250
Collision Deductible	\$500	\$500
Premium	\$57,466	\$67,397

Schedule of Covered Vehicles

No.	VIN	Year/Make/Model	Type
1	1FBAX2CM9HKA89498	2017 Ford Transit T350	PT
2	1FMNE11W09DA21495	2009 Ford Econoline Wagon	PT
3	1FMZK1YM0FKA38349	2015 Ford Transit Van	PT
4	1FMZK1YM3FKA71801	2015 Ford Transit Van	PT
5	1FMZK1YM4GKA25802	2016 Ford Transit Van	PT
6	1GBDV13L56D173758	2006 Chevy Van	PP
7	1GCEC14T9YE117288	2000 Chevrolet SSLVE Reg Cab	PP
8	1GNDM19X94B102183	2004 Chevrolet Astrovan	PP
9	4T1BE32K34U278993	2004 Toyota Camry	PP
10	KNDNB4H37N6067947	2022 Kia Carnival	PT

NOTES

- BETA's base rate is flat but facultative (excess) rate is increasing 35% this year
- Added 2004 Toyota Camry (\$2,200 annual premium)

2025 Insurance Renewals

Workers' Compensation

	7/1/24 – 7/1/25		7/1/25 – 7/1/26	7/1/25 – 7/1/26
	Expiring	Projected at Audit	Renewal (Worst Case)	Renewal (Final)
Experience Modification Factor	0.90	0.90	1.16	1.16
Annual Payroll	\$43,231,044	\$43,939,155	\$45,116,289	\$45,116,289
Net Rate	\$1.54	\$1.54	\$1.94	\$1.54
Assessments/Taxes/Fees	N/A	N/A	N/A	N/A
Total Premium	\$663,860	\$674,734	\$875,096	\$694,785
Performance Dividend	-\$46,038	-\$46,038	\$0	\$0
Net Premium	\$617,822	\$628,696	\$875,096	\$694,785

NOTES

- SMGH does not qualify for dividend this year
- Worst-case renewal applying the full impact of the ExMod change would produce a net rate of \$1.94 and premium of \$875,096, or \$180,311 higher.
- ExMod increasing by 29%; rate is flat
- 2024-2025 Audit Projections:
 - Based on most recent 941s (Q3 2024, Q4 2024, & Q1 2025)
 - Projected Payroll at Audit in August: \$43,939,155
 - Projected Additional Premium in August: \$10,874
- 2024-2025 CARE Funds: \$7,400 remaining as of 5/14/25
2025-2026 CARE Funds: approx. \$7,700

2025 Insurance Renewals

Workers' Compensation

Experience Modification Factor Calculation

Policy Term	Payroll	ExMod	Total Incurred As of 4/30/24	Total Incurred As of 4/30/25	No. of Claims	Open Claims
7/1/15 - 7/1/16	\$31,434,653	0.88	\$993,338	\$1,026,838	40	3
7/1/16 - 7/1/17	\$34,636,445	0.82	\$205,546	\$205,546	27	0
7/1/17 - 7/1/18	\$33,638,906	1.29	\$72,312	\$72,312	18	0
7/1/18 - 7/1/19	\$33,047,449	1.34	\$136,297	\$213,162	16	2
7/1/19 - 7/1/20	\$33,125,198	1.18	\$68,021	\$68,021	15	0
7/1/20 - 7/1/21	\$36,293,950	0.78	\$547,916	\$672,355	22	3
ExMod Experience Period	7/1/21 - 7/1/22	0.67	\$176,584	\$176,584	18	2
	7/1/22 - 7/1/23	0.71	\$307,688	\$295,259	13	3
	7/1/23 - 7/1/24	0.77	\$516,797	\$669,870	30	9
	7/1/24 - 7/1/25	0.90	-	\$101,328	25	5
			\$3,024,498	\$3,501,275	224	27

NOTES

- ExMod increasing from 0.90 to 1.16 this year due to the addition of the 2023-2024 policy year into the experience period, which developed since last year
- Conduct quarterly claims reviews with the goal of claims resolutions