



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS Tuesday, December 5, 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.

OLD BUSINESS

- III. ***Proposed Action - Approve Minutes** S. DiBiasi
 o November 7, 2023, Regular Meeting A

NEW BUSINESS

- IV. Hospital Board Chair Monthly Report S. DiBiasi verbal
- V. CEO Monthly Report S. Barron verbal

- VI. December, January, & February Board/Committee Meeting Calendars S. DiBiasi B
- VII. * **Proposed Action – Approve Mission/Vision/Values Statement**
(Review recommended change)
▪ **ROLL CALL** S. Barron C
- VIII. FOR REVIEW – Hospital Bylaws S. DiBiasi D
(Scheduled for approval at January 2024 meeting per Bylaws Section 4.05. i)
- IX. FOR REVIEW – Committee Assignments S. DiBiasi E
(Copy of 2023 Committee Members included as informational)

***** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION** S. DiBiasi

- Proposed Action - Recommend approval to Healthcare District Board - Medical Staff Credentialing
(*Health & Safety Code §32155; and Evidence Code §1157*)
- Quarterly Infection Prevention and Control Report
(*Health & Safety Code §32155*)
- Telephone conference with legal counsel – Potential litigation
(Government Code § 54956.9(d)(1))

X. ADJOURN TO CLOSED SESSION AT APPROXIMATELY 4:30PM

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

XI. RECONVENE TO OPEN SESSION

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

- XII. **2024 Slate of Officers** S. DiBiasi F
(2023 Slate of Officers included in packet for reference)
- * **Proposed Action – Nominate/Approve 2024 Hospital Board Chair**
▪ **ROLL CALL**
 - * **Proposed Action – Nominate/Approve 2024 Hospital Board Vice Chair**
▪ **ROLL CALL**
 - * **Proposed Action – Nominate/Approve 2024 Hospital Board Secretary**
▪ **ROLL CALL**
 - * **Proposed Action – Nominate/Approve 2024 Hospital Board Treasurer**
▪ **ROLL CALL**

XIII. Committee Reports:

- Finance Committee S. DiBiasi/ G
○ November 28, 2023, regular meeting minutes D. Heckathorne
* **Proposed Action – Approve October 2023 Financial Statement (Unaudited)**
(Approval recommended by Finance Committee 11/28/2023)
 - **ROLL CALL**

- * **Proposed Action – Recommend approval to the Healthcare District Board** D. Heckathorne H
 - **District Hospital Leadership Forum (DHLF) Annual Dues Renewal**
 - **ROLL CALL**

- * **Proposed Action – Recommend approval to the Healthcare District Board** D. Heckathorne/ handout
Wipfli, LLP
 - **FYE 23 Financial Audit**
 - **ROLL CALL**

Update regarding Line of Credit Renewal – Informational D. Heckathorne verbal

Update regarding Distressed Hospital Loan Program – Informational D. Heckathorne verbal

- XIV. Chief of Staff Report R. Sahagian, MD I
Chief of Staff
- * **Proposed Action - Approve Recommendations of the Medical Executive Committee**
 - **ROLL CALL**

- XV. * **Proposed Action - Approve Policies and Procedures** Staff J
 - **ROLL CALL**

- XVI. Community Benefit events/Announcements/
and newspaper articles S. DiBiasi K

XVII. Future Agenda Items

XVIII. **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.

San Geronio Memorial Hospital
Board of Directors Regular Meeting
December 5, 2023

I certify that on December 1, 2023, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Geronio Memorial Hospital, 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
(*Government Code Section 54954.2*).

Executed at Banning, California, on December 1, 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 HOSPITAL
BOARD OF DIRECTORS

November 7, 2023

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

Members Present: Susan DiBiasi (Chair), Perry Goldstein, Shannon McDougall, Ron Rader, Steve Rutledge, Randal Stevens, Lanny Swerdlow, Dennis Tankersley

Members Absent: Darrell Petersen

Required Staff: Steve Barron (CEO), Raffi Sahagian, MD (Chief of Staff), Daniel Heckathorne (CFO), Annah Karam (CHRO), Ariel Whitley (Executive Assistant), Angie Brady (CNE), John Peleuses (VP Ancillary and Support Services), Karan P. Singh, MD (CMO),

AGENDA ITEM		ACTION / FOLLOW-UP
Call To Order	Chair, Susan DiBiasi, called the meeting to order at 4:04 pm.	
Public Comment	Diego Rose presented a Public Comment card with the topic, "All Things COVID". He talked about the practice of medicine regarding COVID.	
GENERAL TOPIC		
Hospital Quality Improvement Work Group – Presentation	Dr. Karan P. Singh, MD, gave a brief presentation about improving quality here at SGMH. He presented where we are currently and where we are planning to go in the future.	
OLD BUSINESS		
Proposed Action - Approve Minutes	Chair, Susan DiBiasi, asked for any changes or corrections to the minutes of the October 3, 2023, regular meeting.	The minutes of the October 3, 2023, regular meeting will stand correct as presented.
October 3, 2023, regular meeting.	There we none.	
NEW BUSINESS		
Hospital Board Chair Monthly Report	Chair DiBiasi briefly reported that the annual financial audit report will be presented at next month's board meeting. She also noted that there has been a lot of work going on regarding searching for and securing grants and other additional funding.	
CEO Monthly Report	Steve Barron, CEO, reported that the California Health Facilities Financing Authority (CHFFA) returned the loan documents, and the terms are complicated. We presented changes and followed up with questions.	

AGENDA ITEM		ACTION / FOLLOW-UP																				
	We answered the questions and are waiting for a response. Steve noted that we will likely need to call a special meeting to approve the final loan documents.																					
November, December, and January Board/Committee meeting calendars	Calendars for November, December, and January were included on the board tablets.																					
Bi-Monthly Patient Care Services Report Proposed Action – Appoint the recommended designees as the qualified persons over the Infection Prevention and Control and Antibiotic Stewardship programs.	<p>The Bi-Monthly Patient Care Services Report was included on the board tablets. The proposed action includes recommending Tracie Hudson, RN, and Mida Simms-Bullock, LVN, are over the Infection Prevention and Control Program and Jose Lopez, PharmD, is over the Antibiotic Stewardship Program.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 842 1255 1020"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</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>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Swerdlow/Rader), the SGMH Board of Directors voted to appoint the recommended designees as the qualified persons over the Infection Prevention and Control and Antibiotic Stewardship programs.</p>
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Yes	Motion carried.																				
Proposed Action – Adopt Resolution No. 2023-02	<p>Resolution No. 2023-02 is a resolution of the Board of Directors of the San Geronio Memorial Hospital authorizing Cosmina Maja to execute for and on behalf of the Hospital for the purpose of obtaining state financial assistance provided through the state of California for the Grant Award: FY2023 California State Nonprofit Security Grant Program.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1350 1255 1528"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</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>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Rutledge/Stevens), the SGMH Board of Directors voted to adopt Resolution No. 2023-02 as presented.</p>
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Yes	Motion carried.																				
For Review – Mission/Vision/Values Statement	<p>Steve Barron noted that the current Mission, Vision, and Values Statement is included in the Board packets for review. The Mission, Vision, and Value Statement is scheduled for its annual approval at the December board meeting.</p>																					

AGENDA ITEM		ACTION / FOLLOW-UP																				
<p>Proposed Action – Approve 2024 Meeting Dates</p>	<p>Chair DiBiasi reported that included on the board tablets is a list of suggested meeting dates for 2024.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 438 1255 615"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</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>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Rader/Rutledge), the SGMH Board of Directors approved the 2024 Meeting Dates as presented.</p>
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Yes	Motion carried.																				
<p>For Review – Existing Slate of Officers</p>	<p>Chair DiBiasi noted that the 2023 Slate of Officers was included on the board tablets as informational. The proposed approval for the 2024 Slate of Officers is scheduled for the December 2023 meeting to be effective at the January 2024 board meeting.</p>																					
<p>COMMITTEE REPORTS:</p>																						
<p>Finance Committee</p> <p>Proposed Action – Approve September 2023 Financial Statement (Unaudited).</p>	<p>Dan Heckathorne, CFO, reviewed the Executive Summary of the September 2023 Financial report which was included on the board tablet. A copy of the Finance Committee’s October 31, 2023, meeting minutes were also included on the board tablet. It was noted that the Finance Committee recommends approval of the September 2023 Financial report as presented.</p> <p>It is noted that approval is recommended by the Finance Committee.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="383 1220 1255 1396"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Yes</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</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>	DiBiasi	Yes	Goldstein	Yes	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Swerdlow/Rutledge), the SGMH Board of Directors approved the September 2023 Financial Statement as presented.</p>
DiBiasi	Yes	Goldstein	Yes																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Yes	Motion carried.																				
<p>Proposed Action – Approve Policies and Procedures</p>	<p>There were one hundred seventeen (117) 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 1598 1255 1770"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Absent</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</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>	DiBiasi	Yes	Goldstein	Absent	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Rader/Rutledge), the SGMH Board of Directors approved the policies and procedures as submitted.</p>
DiBiasi	Yes	Goldstein	Absent																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Yes	Motion carried.																				

AGENDA ITEM		ACTION / FOLLOW-UP																				
<p>Chief of Staff Report</p> <p>Proposed Action – Approve Recommendations of the Medical Executive Committee</p>	<p>Raffi Sahagian, 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"> • 2023 Annual Approval of Policies and Procedures listed and provided by the Medical Staff department. • Infection Control and Surveillance Report – Recommend Tracie Hudson, RN, and Mida Simms-Bullock, LVN, are over the Infection Prevention and Control Program and Jose Lopez, PharmD, is over the Antibiotic Stewardship Program. <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="386 709 1252 884"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>Goldstein</td> <td>Absent</td> </tr> <tr> <td>McDougall</td> <td>Yes</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Rader</td> <td>Yes</td> <td>Rutledge</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>	DiBiasi	Yes	Goldstein	Absent	McDougall	Yes	Petersen	Absent	Rader	Yes	Rutledge	Yes	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Tankersley/McDougall), the SGMH Board of Directors approved the Medical Executive Committee recommended approval items as submitted.</p>
DiBiasi	Yes	Goldstein	Absent																			
McDougall	Yes	Petersen	Absent																			
Rader	Yes	Rutledge	Yes																			
Stevens	Yes	Swerdlow	Yes																			
Tankersley	Yes	Motion carried.																				
<p>Community Benefit events/Announcements/and newspaper articles</p>	<p>Miscellaneous information was included on the board tablets.</p>																					
<p>Future Agenda Items</p>	<ul style="list-style-type: none"> • Association of California Healthcare Districts - Presentation 																					
<p>Adjourn to Closed Session</p>	<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"> ➤ Recommend approval to the Healthcare District Board – Medical Staff Credentialing ➤ Telephone conference with legal counsel – Pending litigation ➤ Receive Quarterly Performance Improvement and Risk Management Committee Report ➤ Receive Quarterly Security/Safety & Emergency Preparedness Report ➤ Receive Quarterly Corporate Compliance Report <p>The meeting adjourned to Closed Session at 5:35 pm.</p>																					
<p>Reconvene to Open Session</p>	<p>The meeting adjourned from closed session at 6:12 pm.</p> <p>At the request of Chair DiBiasi, Ariel Whitley reported on the actions taken/information received during the Closed Session as follows:</p> <ul style="list-style-type: none"> ➤ Recommended approval to the Healthcare District Board – Medical Staff Credentialing ➤ Participated in a Telephone conference with legal counsel and gave direction regarding pending litigation. 																					

AGENDA ITEM		ACTION / FOLLOW-UP
	<ul style="list-style-type: none"> ➤ Received Quarterly Performance Improvement and Risk Management Committee Report ➤ Received Quarterly Security/Safety & Emergency Preparedness Report ➤ Received Quarterly Corporate Compliance Report 	
Adjourn	The meeting was adjourned at 6:15 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



December 2023

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2 <i>Calimesa Christmas Light Parade @5:00PM</i> *Medical Staff Christmas Party
3	4	5 4:00 pm Hospital Board Meeting 6:00 pm Healthcare District Board Meeting	6	7	8 <i>Beaumont Chamber Breakfast @7:30 AM</i>	9 <i>Beaumont Blizzard Bash—12PM-5PM and Holiday Light Parade—5PM in Downtown Beaumont</i>
10	11	12 <i>Calimesa Chamber Breakfast @7:30 AM</i>	13	14	15	16
17	18	19	20 <i>Banning Chamber Breakfast @7AM</i>	21	22 9:00 am Finance Committee 10:00 am Executive Committee Meeting	23
24	25 <i>Admin Closed</i> 	26	27	28	29	30
31 <i>New Year's Eve</i>						

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

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



January 2024

Board of Directors Calendar

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

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

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



February 2024

Board of Directors Calendar

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6 4:00 pm Hospital Board Meeting 6:00 pm Healthcare District Board Meeting	7	8	9	10
11	12	13	14 <i>Happy Valentines Day</i>	15	16	17
18	19 Admin Closed. Presidents Day!	20	21	22	23	24
25	26	27 9:00 am Finance Committee	28	29		

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

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

TAB C



Mission

To provide safe, high quality, personalized healthcare services

Vision

Patients trust San Gorgonio Memorial Hospital to provide safe, personalized healthcare services.

Values

We make those we serve our highest priority

We respect privacy and confidentiality

We communicate effectively

We conduct ourselves professionally

We have a sense of ownership

We are committed to each other and to our community

We Care for Our Community

*Safe Care • Quality Care • **Our Care***

Safe, Great, Modern Healthcare

TAB D

**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 Gorgonio 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 agendized 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 Geronio 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.

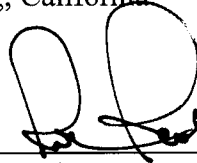
Section 14.02 Amendment

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



Ron Rader, Secretary

TAB E

San Geronio Memorial Hospital Board

Standing Committee Assignments for 2023

Finance Committee

Susan DiBiasi (C), Shannon McDougall, Darrell Petersen, Steve Rutledge

Human Resources Committee

Susan DiBiasi, Perry Goldstein, Ron Rader, Steve Rutledge (C)

Community Planning Committee

Susan DiBiasi, Perry Goldstein, Shannon McDougall, Darrell Petersen, Ron Rader, Steve Rutledge (C), Randal Stevens, Lanny Swerdlow, Dennis Tankersley

Executive Committee

Susan DiBiasi (C), Darrell Petersen, Steve Rutledge
Healthcare District representative – Ron Rader

Note: (C) indicates Committee Chair

TAB F



2023 SLATE OF OFFICERS

<u>POSITION</u>	<u>NAME</u>
Chair	Susan DiBiasi
Vice Chair	Steve Rutledge
Secretary	Ron Rader
Treasurer	Darrell Petersen

TAB G

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HOSPITAL
BOARD OF DIRECTORS

FINANCE COMMITTEE
November 28, 2023

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, November 28, 2023, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Shannon McDougall, Darrell Petersen, Steve Rutledge

Members Absent: None

Required Staff: Steve Barron (CEO), Daniel Heckathorne (CFO), John Peleuses (VP of Ancillary and Support Svs.), Karan P. Singh, MD (CMO), Ariel Whitley (Executive Assistant), Annah Karam (CHRO), Angela Brady (CNE), David Imus (Wipfli, LLP)

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 October 31, 2023, regular meeting	Susan DiBiasi asked for any changes or corrections to the minutes of the October 31, 2023, regular meeting. There were none.	The minutes of the October 31, 2023, regular meeting will stand correct as presented.								
NEW BUSINESS										
Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board – District Hospital Leadership Forum (DHLF) Annual Dues Renewal	<p>San Gorgonio Memorial Healthcare District & Hospital have been members of the DHLF for many years. The DHLF is the group which formally oversees the overall guidance and planning for all matters related to Supplemental Funding on behalf of California Healthcare Districts. DHLF 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 Hospital Board and Healthcare District Board.</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%;">McDougall</td> <td style="width: 25%;">Yes</td> </tr> <tr> <td>Petersen</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	McDougall	Yes	Petersen	Yes	Rutledge	Yes	M.S.C. (McDougall/Petersen), the SGMH Finance Committee voted to recommend approval of the District Hospital Leadership Forum (DHLF) Annual Dues Renewal to the Hospital Board and Healthcare District Board of Directors.
DiBiasi	Yes	McDougall	Yes							
Petersen	Yes	Rutledge	Yes							

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP								
Proposed Action – Recommend Approval to Hospital Board and Healthcare District Board – FYE 22 Financial Audit	<p>Dan Heckathorne, CFO, introduced David Imus of Wipfli, LLP. David presented the draft FYE 23 Financial Audit.</p> <p>No action was taken at this time. The Finance Committee reviewed the draft FYE 23 Financial Audit. The final draft will be presented to the Hospital Board for recommended approval to the Healthcare District Board.</p>									
Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – October 2023	<p>Daniel Heckathorne, CFO, reviewed the Unaudited October 2023 finance report as included in the committee packets.</p> <p>The month of October resulted in negative \$2.17M EBIDA compared to budgeted negative EBIDA of \$566K and a Flex Budget loss of \$2.96M. Adjustments and Items of Note for October include:</p> <ul style="list-style-type: none"> • Patient Days, Adjusted Patient Days, and all key workload volumes were below budget. • The Average Length of Stay was 16% higher than October 2022, yet the overall Case Mix Index was only 4.2% higher than the previous year (1.48 vs. 1.42) <p>ROLL CALL:</p> <table border="1" data-bbox="386 1024 1211 1098"> <tr> <td>DiBiasi</td> <td>Yes</td> <td>McDougall</td> <td>Yes</td> </tr> <tr> <td>Petersen</td> <td>Yes</td> <td>Rutledge</td> <td>Yes</td> </tr> </table> <p>Motion carried.</p>	DiBiasi	Yes	McDougall	Yes	Petersen	Yes	Rutledge	Yes	M.S.C. (Petersen/Rutledge), the SGMH Finance Committee voted to recommend approval of the Unaudited October 2023 Financial report to the Hospital Board of Directors.
DiBiasi	Yes	McDougall	Yes							
Petersen	Yes	Rutledge	Yes							
Update regarding Line of Credit Renewal – Informational	Dan Heckathorne, CFO, gave a brief update regarding the Line of Credit Renewal.									
Update regarding Distressed Hospital Loan Program – Informational	Steve Barron, CEO, and Dan Heckathorne, CFO, gave an update regarding the next steps of the Distressed Hospital Loan Program.									
Future Agenda Items	<ul style="list-style-type: none"> • None 									
Next Meeting	The next regular Finance Committee meeting will be held on December 22, 2023 @ 9:00 am.									
Adjournment	The meeting was adjourned at 10:20 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.



SAN GORGONIO MEMORIAL HOSPITAL
BANNING, CALIFORNIA

Unaudited Financial Statements

for

FOUR MONTHS ENDING OCTOBER 31, 2023

FY 2024

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 Geronio Memorial Hospital

Financial Report - Executive Summary

For the Month of October, 2023 and Four Months Ended October 31, 2023 (Unaudited)

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

The month of October resulted in negative \$2.17M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$566K and a Flex Budget loss of \$2.96M.

YTD – Four months ending in October resulted in negative \$8.51M Earnings before Interest, Depreciation and Amortization (EBIDA) compared to budgeted negative EBIDA of \$3.55M and a Flex Budget loss of \$6.98M.

Note: If the unaccrued Supplemental funds, along with provision for lease principal payments were booked, the YTD EBIDA would be a negative \$3.15M, as compared to the actual negative booked \$8.51M.

Month – Adjustments and Items of Note:

- Patient Days, Adjusted Patient Days and all key workload volumes were below budget.
- The Average Length of Stay was 16% higher than October, 2022, yet the overall Case Mix Index was only 4.2% higher than the previous year (1.48 vs. 1.42).

Month – October's inpatient average daily census was 19.7. Adjusted Patient Days were 2.6% under budget (1,799 vs. 1,847), and Patient Days were 8% below budget (611 vs. 663). Emergency Visits were 3% under budget (3,585 vs. 3,704), and Surgeries were 22% under budget (105 vs. 134).

YTD - Inpatient average daily census was 21.1. Adjusted Patient Days were slightly over budget (7,503 vs. 7,489), Patient Days were 4% below budget (2,594 vs. 2,703). Emergency Visits were 7% under budget (13,942 vs. 14,976), and Surgeries were 15.6% under budget (461 vs. 546). Observation Days were 6.7% higher than the previous year (1,208 vs. 1,132).

Patient Revenues (MTD) Negative Variance (YTD) Negative Variance

Month - Net Patient Revenues in October were \$4.37M, or \$1.16M under the budgeted \$5.53M. Other items of note included the fact that Inpatient Revenues were 2.1% (\$306K) under budget, while Outpatient Revenues were 6.1% (\$1.6M) over budget. As discussed in the past, Inpatient Revenues pay about 16.8% of charges, compared to Outpatient Revenues which pay about 9.7% of charges. This shift to predominantly Outpatient Revenues has a significant unfavorable impact on Net Revenues as compared to budget.

YTD – Net Patient Revenues in October were \$18.11M compared to budgeted \$22.5M (-17.2%). This was impacted by the notes in the previous paragraph, plus the YTD Inpatient Days being 4% below budget, the E/R visits being 7% below budget and Inpatient Surgeries being 28% (45 cases) below budget and Outpatient Surgery cases being 40 (-10%) below budget. Additionally, in July the Outpatient Medi-Cal and Medi-Cal HMO Revenues were a combined \$937K over the "Flex Revenues" budget, and these are among the lowest paying plans in the Hospitals revenue repertoire, thus having minimal positive impact to Net Revenues.

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

Month – Operating Revenue in October was \$1.20M under budget. This is mostly impacted by the Net Patient Revenues being \$1.16M under budget and the Non-Patient Revenues being \$45K under budget.

YTD - Operating Revenue through October was \$4.57M under budget. This is impacted by the Net Patient Revenues being \$4.37M under budget and the Non-Patient Revenues being \$209K under budget.

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

Month - Operating Expenses in October were \$7.61M and were over budget by \$397K. Key items that impacted overall Expenses were as follows: 1) Salaries and Wages, Benefits, and Contract Labor were collectively \$275K over budget and \$256K over the Flex budget. This was driven by a) full-time orientation costs for new grads in the Emergency Department, and b) inadequate flexing to workloads, and c) Contract Labor was over budget by \$93K due to several nurse staffing vacancies in O.B, ICU, and Emergency Departments. 2) Professional Fees were over budget by \$172K due to Legal Fees being \$170K over budget; 3) Supplies were under budget due to low workload volumes and a favorable inventory adjustment to Pharmacy supplies; 4) Repairs and Maintenance were \$55K over budget, of which \$62K related to numerous repairs in the Plant Operations area including A/C work, repairs, and electrical testing.

Year-to Date – Operating Expenses in October were \$29.65M and were over budget by \$386K and over the Flex Budget by \$1.04M. Key items that impacted overall Expenses were as follows: 1) Salaries and Wages, Benefits, and Contract Labor were collectively \$655K over budget and \$962K over the Flex budget. This was driven by the following: a) The \$527K State Mandated California Paid Sick Leave program that was accrued for the had to be accrued for the entire year in July; b) Contract Labor was over budget by \$301K due to several nurse staffing vacancies in the Obstetrics and Emergency Department along with orientation of 2 new grads in the Emergency Department; 2) Purchased Services are \$335K over budget which included Legal Fees exceeding budget by \$337K; 3) Supplies are the most notable item under budget by \$428K, again reflected by lower than anticipated intensities of services, including Surgeries and Emergency visits being under budget; and 4) Other Expenses are \$106K under budget due mostly to certain “seasonal” expenses still waiting to occur.

Balance Sheet/Cash Flow

Patient cash collections in October totaled \$5.24M, compared to \$4.52M in September and \$5.00M in August. Gross Accounts Receivable Days in October dropped to 59.7 compared to 65.6 in September and 66.2 in August.

Cash Balances were \$8.68M compared to \$9.56M in September. Accounts Payable dropped to \$9.83M from \$11.59M in September. Finally, a liability is in place reflecting \$504K for July-October (plus \$1.5M for FY 2022 & 1.51M for FY 2023) payable to Medicare for estimated overpayments for outliers and sequestration funds. The outstanding Line of Credit has held steady at \$4M since June.

Summary

Positive takeaways:

- 1) Patient cash collections are strong.

Negative takeaways:

- 1) Surgeries continue to lag behind budget, and ALOS is up.
- 2) Wages and FTE's are higher than expected and need to be closely monitored.
- 3) October EBIDA, adjusted for pending revised Supplemental Income and reserving for Cash Payments required for Leases was a negative \$1.14M, and the YTD is a negative \$3.15M.

SGMH SEPTEMBER 2023 EXTRAORDINARY ITEMS

11/22/2023

	EXPENSE	INCOME	GAIN/(LOSS)
SALARIES / BENEFITS/ CONTRACT LABOR			
WAGES OVER BUDGET	141,587	(1,159,796)	
CONTRACT LABOR OVER BUDGET DUE TO STAFF VACANCIES	93,282		
LEGAL FEES OVER BUDGET	170,444		
REPAIRS OVER BUDGET	54,832		
OTHER EXPENSE			
OTHER REVENUES			
NET REVENUES UNDER BUDGET			
SUPPLEMENTAL REVENUES RECEIVED		481,713	
BETA DIVIDEND		70,066	
OTHER:			
		(608,017)	
EXTRAORDINARY NEGATIVE EXPENSES	460,145		
EXTRAORDINARY NEGATIVE REVENUES		(1,068,162)	

5

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

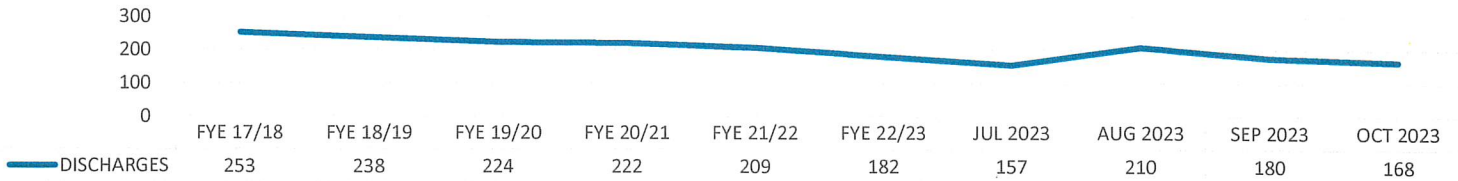
Divides the Total Paid FTE's by the daily average of the Adjusted Patient Days.

ADJUSTED PATIENT DAYS

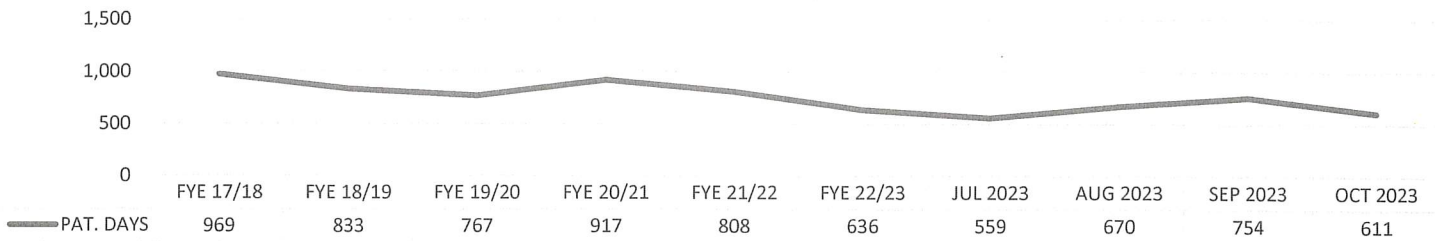
This is a blend of total patient days stayed in the hospital for a month, plus an equivalency factor (based on average inpatient revenue per patient day) applied to the outpatient revenues in order to account for outpatient workloads.

SAN GORGONIO MEMORIAL HOSPITAL

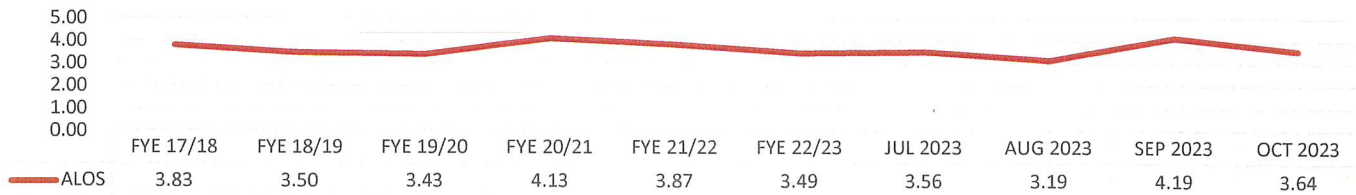
INPATIENT DISCHARGES



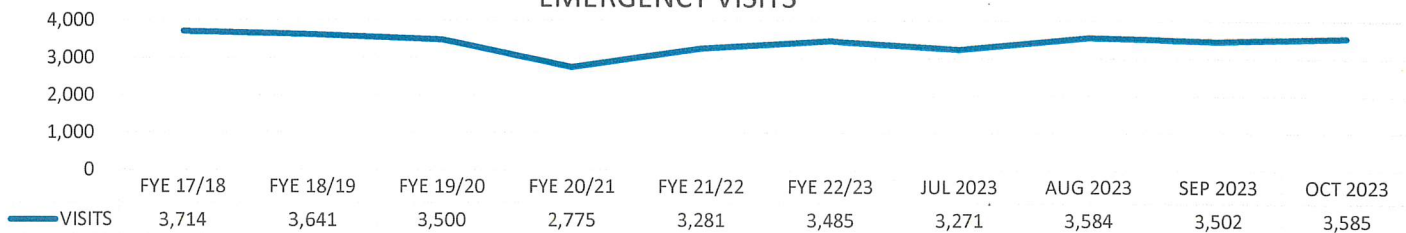
INPATIENT DAYS



AVERAGE LENGTH OF STAY

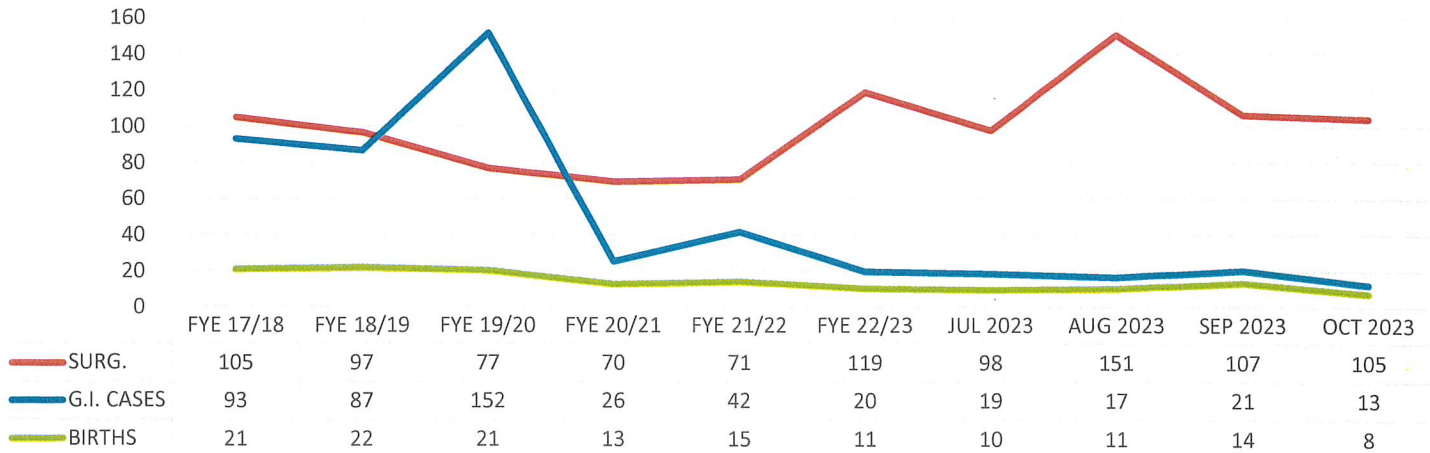


EMERGENCY VISITS

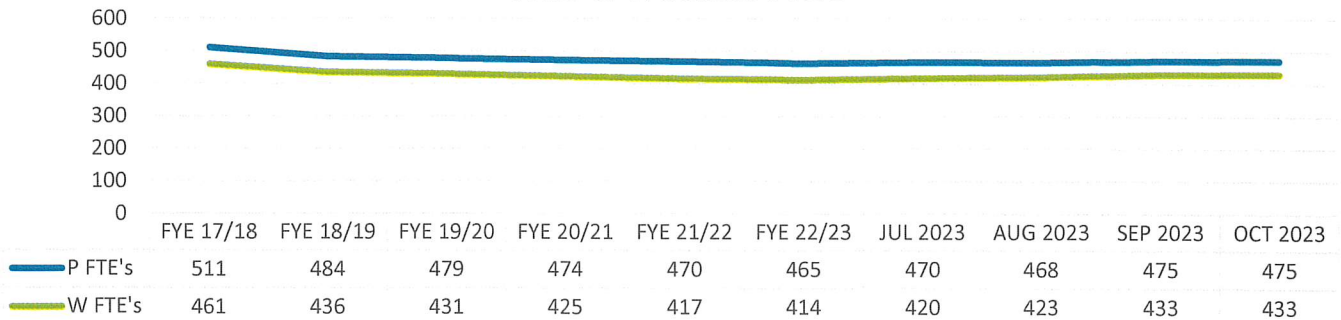


SAN GORGONIO MEMORIAL HOSPITAL

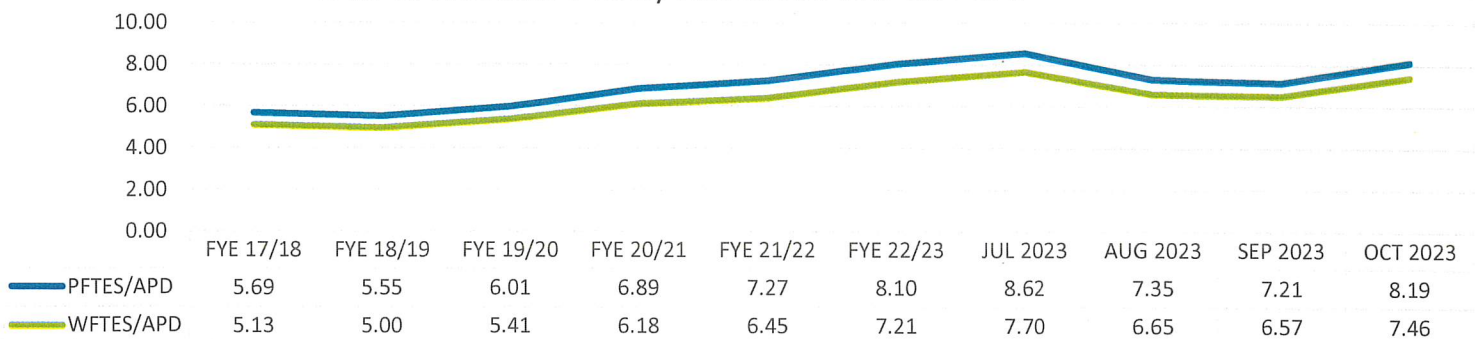
SURGERY CASES, G.I. CASES, N/B DELIVERIES



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

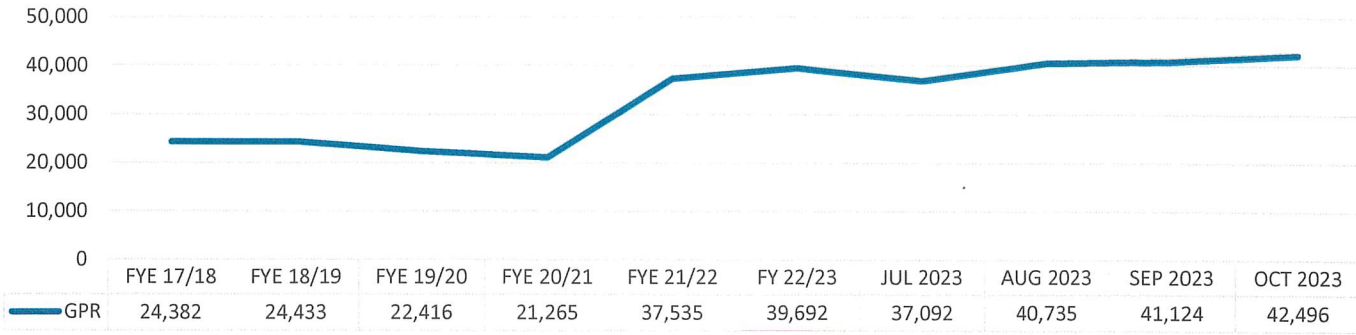
This measurement illustrates that Net Patient Revenues basically only cover Total Labor Expense, and that all of the Other Revenues and Supplemental Incomes are necessary to cover the remaining operational Expenses and EBIDA required to operate the Hospital.

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

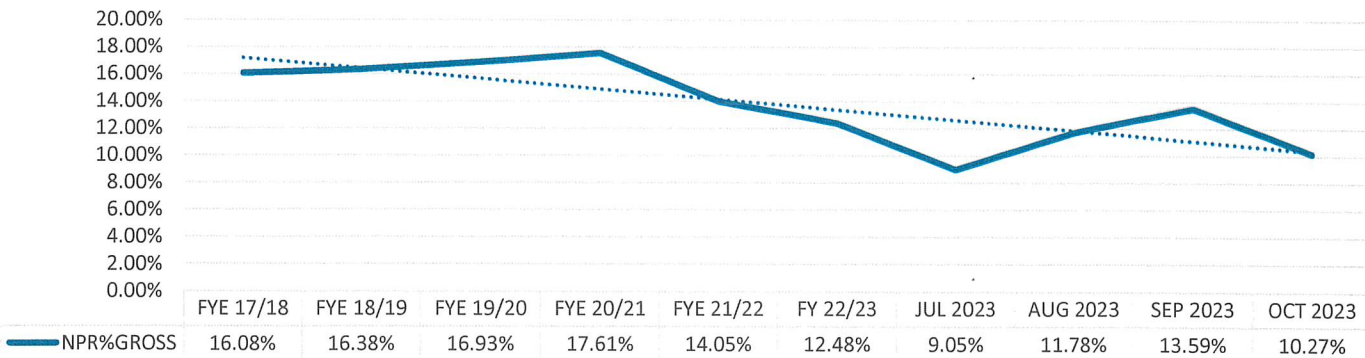
This graph illustrates the "normalization" of Operating Revenues and EBIDA, by reallocating proportionate Supplemental Revenues and related Expenses into the current month and YTD results.

SAN GORGONIO MEMORIAL HOSPITAL

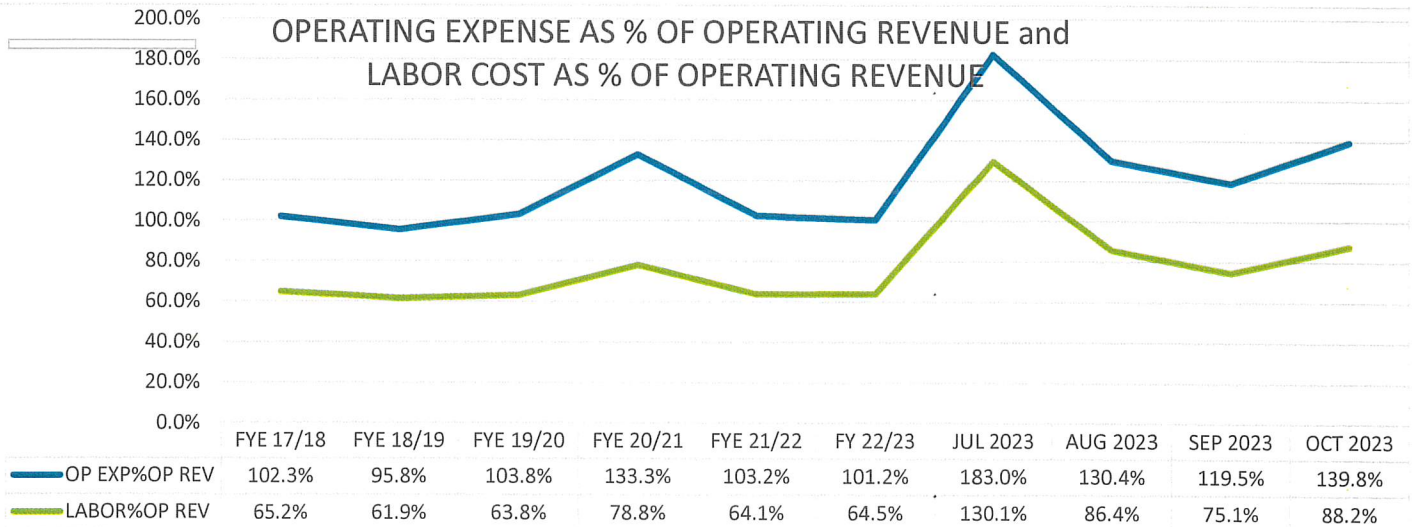
GROSS PATIENT REVENUE (000's)



NET PATIENT REVENUE AS % OF GROSS

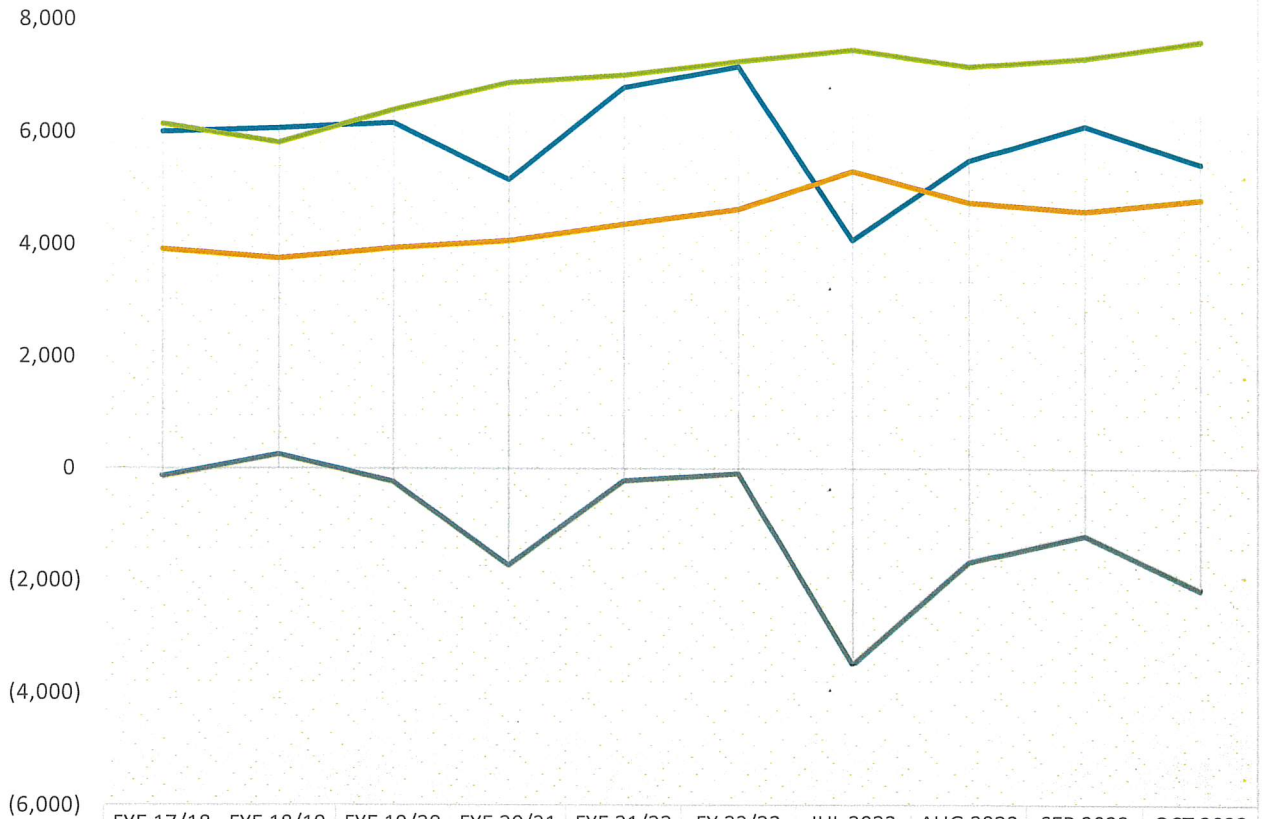


OPERATING EXPENSE AS % OF OPERATING REVENUE and LABOR COST AS % OF OPERATING REVENUE



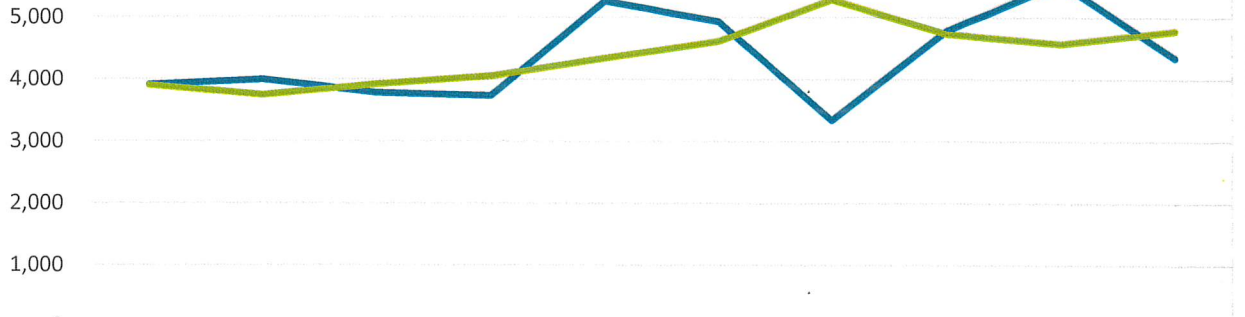
SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE, OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA



	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	JUL 2023	AUG 2023	SEP 2023	OCT 2023
OP REV	6,006	6,069	6,165	5,160	6,791	7,172	4,078	5,495	6,118	5,442
OP EXP	6,147	5,817	6,398	6,878	7,007	7,257	7,461	7,164	7,310	7,610
STAFF EXP	3,915	3,755	3,932	4,065	4,354	4,626	5,303	4,746	4,593	4,802
EBIDA	(141)	252	(233)	(1,719)	(216)	(85)	(3,483)	(1,668)	(1,192)	(2,168)

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	JUL 2023	AUG 2023	SEP 2023	OCT 2023
NET PAT REV	3,921	4,003	3,795	3,744	5,275	4,952	3,358	4,799	5,587	4,366
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,626	5,303	4,746	4,593	4,802

SAN GORGONIO MEMORIAL HOSPITAL

OPERATING REVENUE (NORMALIZED), OPERATING EXPENSE, STAFFING EXPENSE, AND EBIDA (NORMALIZED) (000's)

10,000

8,000

6,000

4,000

2,000

0

(2,000)

(4,000)

	FYE 17/18	FYE 18/19	FYE 19/20	FYE 20/21	FYE 21/22	FY 22/23	JUL 2023	AUG 2023	SEP 2023	OCT 2023
REV NORMAL	6,006	6,069	6,165	5,160	6,791	7,172	5,600	6,916	7,675	6,518
OP EXP	6,147	5,817	6,398	6,878	7,007	7,257	7,461	7,164	7,310	7,610
LABOR EXP	3,915	3,755	3,932	4,065	4,354	4,626	5,303	4,746	4,593	4,802
EBIDA NORMAL	(141)	252	(233)	(1,719)	(216)	(85)	(1,478)	(247)	365	(1,092)

SAN GORGONIO HEALTHCARE DISTRICT & HOSPITAL - BANNING, CA
Month-to- Month FYE June 30, 2024
Statement of Revenue and Expense

	FYE18/19	FYE19/20	FYE 20/21	FYE 21/22	FYE 22/23	FYE 23/24	FYE 23/24	FYE 23/24	FYE 23/24
	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.	MONTHLY AVE.
Gross Patient Revenue									
Inpatient Revenue	\$ 7,667,883	\$ 7,401,282	\$ 9,331,371	\$ 16,603,390	\$ 14,104,379	\$ 12,272,477	\$ 13,826,953	\$ 15,201,247	\$ 14,429,560
Inpatient Psych/Rehab Revenue	0	0	0	0	0	0	0	0	0
Outpatient Revenue	16,765,365	15,067,104	11,933,682	20,932,075	25,582,152	24,819,128	26,907,760	25,923,098	28,065,983
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
Total Gross Patient Revenue	24,433,247	22,468,386	21,265,053	37,535,465	39,686,530	37,091,605	40,734,713	41,124,345	42,495,543
Deductions From Revenue									
Discounts and Allowances	(19,588,148)	(17,845,730)	(16,635,734)	(31,267,149)	(33,582,183)	(32,843,917)	(34,825,978)	(34,572,937)	(37,124,786)
Bad Debt Expense	(858,023)	(653,280)	(824,395)	(1,045,570)	(1,047,941)	(864,969)	(964,980)	(950,573)	(901,941)
GI/HMO Discounts	(56,168)	(86,517)	(41,362)	(136,947)	(97,443)	0	(144,312)	(13,959)	(103,164)
Charity Care	(20,502,339)	(18,585,527)	(17,501,490)	(32,449,666)	(34,707,567)	(33,733,167)	(35,935,270)	(35,537,466)	(38,128,891)
Total Deductions From Revenue	(39,908,388)	(37,177,054)	(35,007,576)	(80,096,182)	(87,437,137)	(80,708,886)	(81,868,290)	(80,017,935)	(86,158,782)
Net Patient Revenue	3,930,908	3,882,859	3,763,563	5,085,799	4,978,963	3,358,438	4,799,443	5,586,877	4,365,652
Non-Patient Revenues									
Supplemental Revenues	1,485,337	1,157,326	869,707	501,407	939,467	35,377	136,446	0	481,713
Grants & Other Op Revenues	205,590	750,434	505,190	725,066	873,887	115,377	158,046	129,370	193,230
Clinic Net Revenues	22,382	15,743	0	0	0	0	0	0	0
Tax Subsidies Measure D	196,524	199,469	209,744	246,994	246,994	246,994	246,994	246,994	246,994
Tax Subsidies Prop 13	115,388	114,061	142,552	154,500	154,500	154,500	154,500	154,500	154,500
Tax Subsidies County Suplmtl Funds	16,159	9,064	16,163	25,561	2,308	167,258	0	0	0
Non-Patient Revenues	2,041,381	2,246,097	1,743,355	1,627,542	2,217,155	719,506	695,986	530,864	1,076,437
Total Operating Revenue	5,972,289	6,128,956	5,506,919	6,713,341	7,196,118	4,077,944	5,495,429	6,117,741	5,442,089
Operating Expenses									
Salaries and Wages	2,941,226	3,104,224	3,125,159	3,420,974	3,600,025	4,119,595	3,674,360	3,550,866	3,776,105
Fringe Benefits	702,477	752,708	856,889	830,599	938,302	1,013,089	970,221	848,892	1,033,920
Contract Labor	106,628	59,516	114,886	99,977	87,455	170,728	101,775	193,746	176,561
Physicians Fees	246,631	331,858	350,783	330,533	317,726	280,402	260,382	307,954	290,783
Purchased Services	513,857	691,337	772,336	892,521	820,559	840,396	941,985	1,007,492	1,002,184
Supply Expense	685,518	751,025	903,883	995,446	876,735	700,018	814,829	906,328	861,780
Utilities	75,471	80,680	92,287	111,192	115,835	104,939	107,960	76,274	88,098
Repairs and Maintenance	58,325	58,592	139,712	77,524	90,737	61,860	69,232	147,878	136,677
Insurance Expense	85,267	103,277	110,683	112,745	122,476	185,434	133,116	147,115	138,116
All Other Operating Expenses	70,922	160,745	148,752	101,142	135,411	59,602	47,639	68,331	55,072
IGT Expense	58,743	109,484	172,366	0	91,499	0	0	0	0
Leases and Rentals	76,150	79,233	79,424	37,952	69,475	25,370	42,245	55,457	50,740
1206 (b) CLINIC	98,810	94,628	34,096	0	0	0	0	0	0
Total Operating Expenses	5,720,023	6,377,306	6,901,255	7,010,605	7,266,235	7,561,433	7,163,744	7,310,033	7,610,036
EBIDA	252,266	(248,351)	(1,394,337)	(297,264)	(70,116)	(3,483,489)	(1,668,315)	(1,192,292)	(2,167,947)
Interest, Depreciation, and Amortization									
Depreciation Expense	497,808	506,497	494,721	472,317	568,920	514,671	515,528	605,920	571,451
Interest & Amortization Expense	418,193	422,094	447,994	391,606	481,556	434,111	445,099	383,794	405,597
Total Interest, Depr, & Amort.	916,000	928,591	942,715	863,923	1,040,476	948,782	960,627	989,714	977,048
Non-Operating Revenue:									
Contributions & Other	7,745	27,759	7,121	25,068	149,485	13,926	1,225,118	21,774	13,626
Tax Subsidies for GO Bonds - M-A	692,457	666,966	598,410	616,059	627,353	627,353	627,353	627,353	627,353
Total Non Operating Revenue/(Expense)	700,202	694,725	605,531	641,127	776,839	641,279	1,852,471	649,127	646,979
Total Net Surplus/(Loss)	36,467	(482,217)	(1,731,521)	(620,060)	(333,754)	(3,790,992)	(776,471)	(1,532,879)	(2,504,016)
Change in Interest in Foundation	0	0	0	0	0	0	0	0	0
Extra-ordinary Loss	0	(689,574)	(650)	(284,792)	0	0	0	0	0
Increase/(Decrease in Unrestricted Net Assets)	\$ 36,467	\$(1,171,791)	\$(1,732,171)	\$(804,852)	\$(333,754)	\$(3,790,992)	\$(776,471)	\$(1,532,879)	\$(2,504,016)
Total Profit Margin	0.6%	-7.9%	-31.4%	-7.7%	-4.6%	-93.0%	-14.1%	-4.6%	-46.0%
EBIDA %	4.2%	-4.1%	-25.3%	-4.4%	-1.0%	-55.4%	-30.4%	-19.5%	-39.8%
Actual EBIDA for Month									
Adjustments to EBIDA to account for Cash Impact of GASB Lease Reclassification				(3,483,489)			(1,668,315)	(1,192,292)	(2,167,947)
Adjustment for Normalization of Supplemental Income (Net of Current Month Receipts)				1,522,017			1,420,948	1,557,394	(52,549)
Effective EBIDA after Normalization of Supplementals & Adjustments for Cash Outlays for Leases				[2,014,021]			[289,518]	312,563	[1,144,815]
YTD				[2,313,937]			[2,001,385]	[2,001,385]	[(3,146,200)]

12

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.

AVR 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

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.

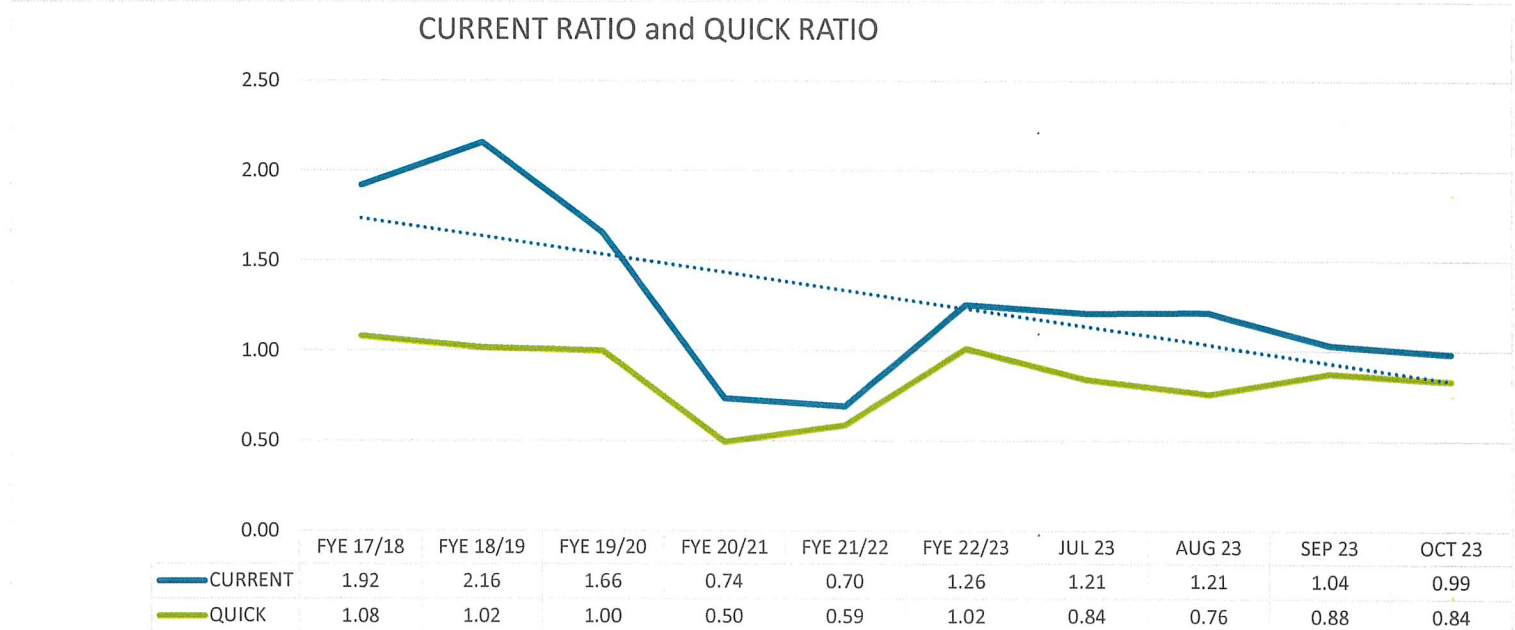
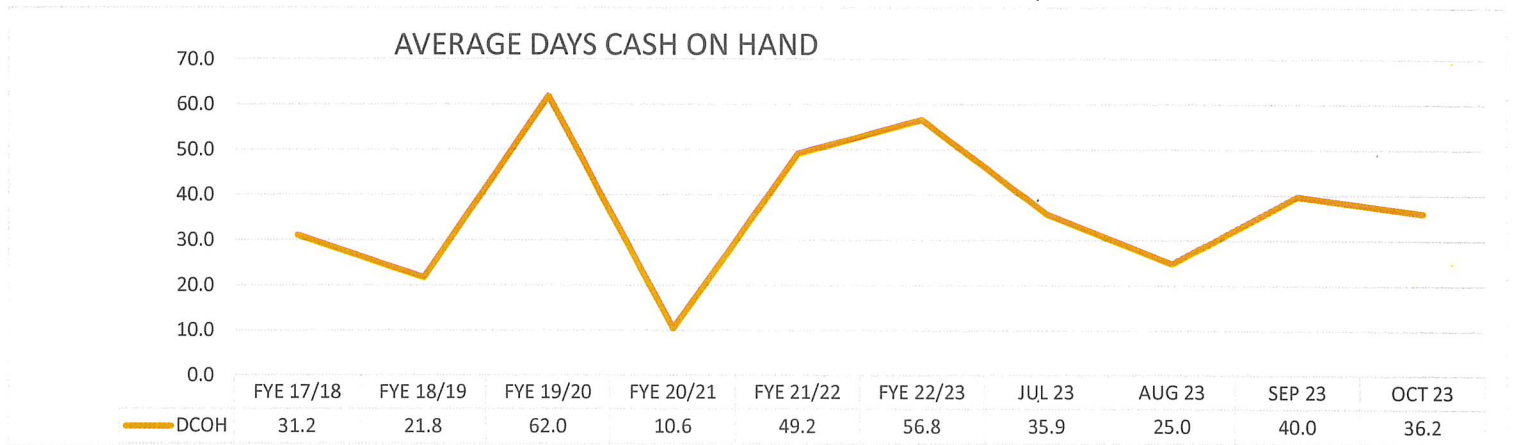
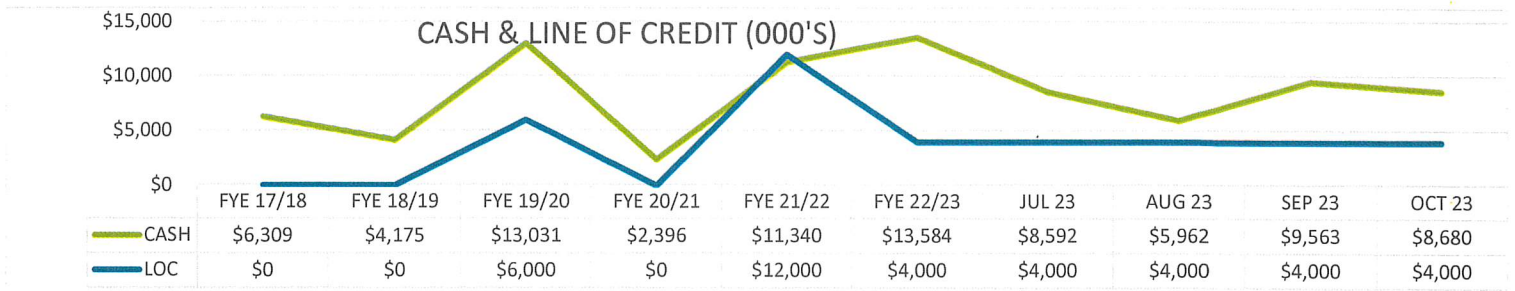
Accounts Payable Days

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.

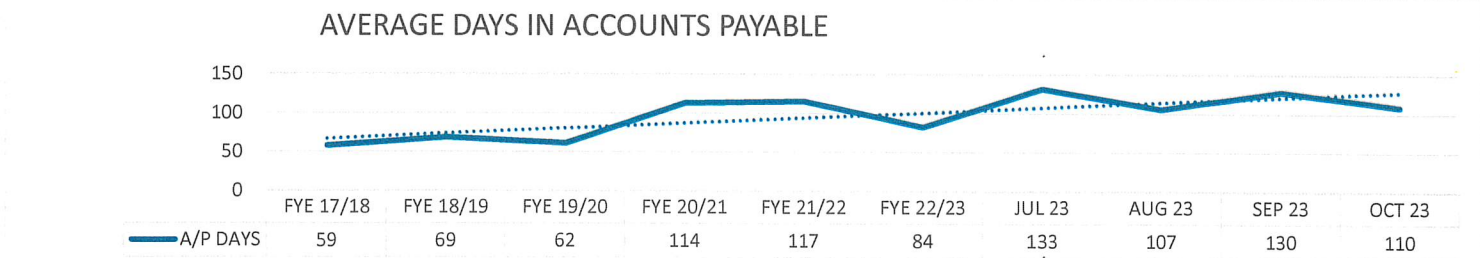
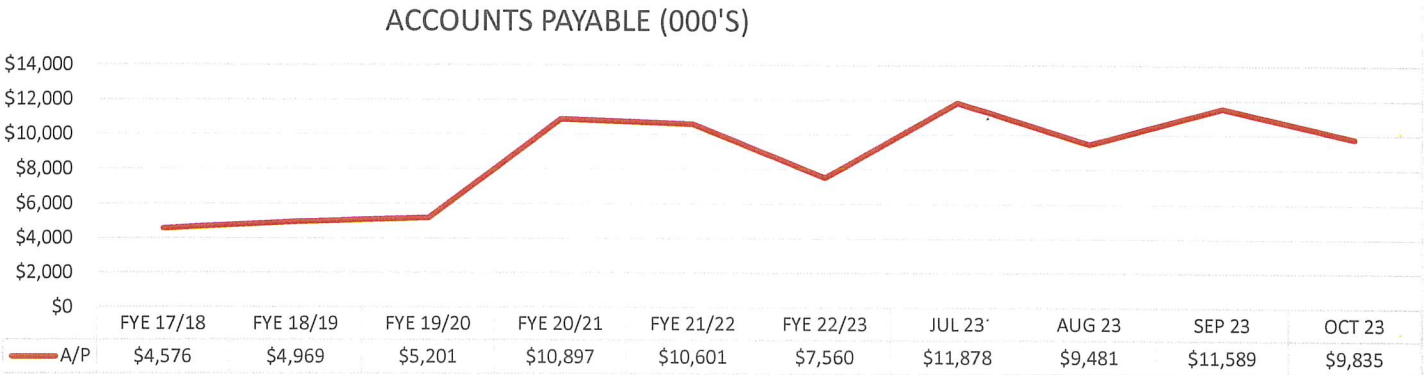
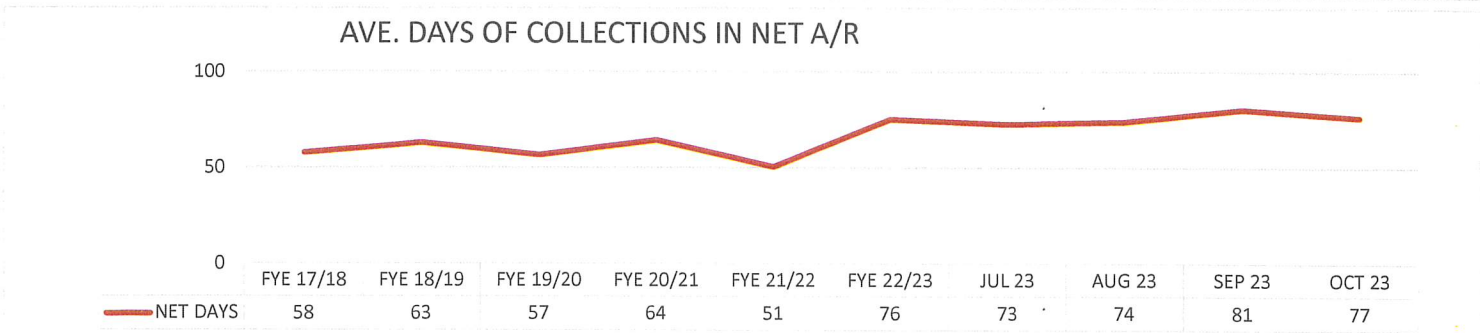
Line of Credit Balance (000's)

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

SAN GORGONIO MEMORIAL HOSPITAL



SAN GORGONIO MEMORIAL HOSPITAL



Income Statement Select Periods

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Aug 23 Act	Sep 23 Act	Oct 23 BD	Oct 23 Act	Var (Oct 23 Act - Oct 23 BD)	Var%
NET INCOME						
EBIDA	-776,471	-1,532,879	-166,939	-2,504,016	-2,337,077	-1,399.96 %
NET SERVICE REVENUE	-1,668,315	-1,192,292	-566,418	-2,167,947	-1,601,529	-282.75 %
NET PATIENT REVENUE	5,495,429	6,117,741	6,646,623	5,442,089	-1,204,534	-18.12 %
OTHER OPERATING REVENUE	4,799,443	5,586,877	5,525,448	4,365,652	-1,159,796	-20.99 %
TOTAL OPERATING EXPENSE	695,986	530,864	1,121,175	1,076,437	-44,738	-3.99 %
TOTAL OPERATING EXPENSE	7,163,744	7,310,033	7,213,041	7,610,036	-396,995	-5.50 %
TOTAL LABOR EXPENSE	7,163,744	7,310,033	7,213,041	7,610,036	-396,995	-5.50 %
PROFESSIONAL FEES	4,746,356	4,593,204	4,711,623	4,986,586	-274,963	-5.84 %
SUPPLIES & OTHER EXPENSES	1,202,367	1,315,446	1,120,711	1,292,967	-172,256	-15.37 %
NON-OPERATING REVENUE & EXPENSE	1,215,021	1,401,383	1,380,707	1,330,483	50,224	3.64 %
TOTAL INTEREST & DEPRECIATION	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
	960,627	989,714	960,949	977,048	-16,099	-1.68 %

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Income Statement Select Periods

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

	Aug 23 ActYTD	Sep 23 ActYTD	Oct 23 BDYTD	Oct 23 ActYTD	Var (Oct 23 ActYTD - Oct 23 BDYTD)	Var%
NET INCOME	-4,567,463	-6,100,342	-2,910,230	-8,604,358	-5,694,128	-195.66 %
EBIDA	-5,151,804	-6,344,096	-3,550,844	-8,512,043	-4,961,199	-139.72 %
NET SERVICE REVENUE	9,573,373	15,691,114	25,708,015	21,133,203	-4,574,812	-17.80 %
NET PATIENT REVENUE	8,157,881	13,744,758	22,476,555	18,110,410	-4,366,145	-19.43 %
OTHER OPERATING REVENUE	1,415,492	1,946,356	3,231,460	3,022,793	-208,667	-6.46 %
TOTAL OPERATING EXPENSE	14,725,177	22,035,210	29,258,859	29,645,246	-386,387	-1.32 %
TOTAL OPERATING EXPENSE	14,725,177	22,035,210	29,258,859	29,645,246	-386,387	-1.32 %
TOTAL LABOR EXPENSE	10,049,768	14,642,972	18,974,817	19,629,558	-654,741	-3.45 %
PROFESSIONAL FEES	2,323,165	3,638,611	4,705,785	4,931,578	-225,793	-4.80 %
SUPPLIES & OTHER EXPENSES	2,352,244	3,753,627	5,578,257	5,084,110	494,147	8.86 %
NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,843,796	3,876,171	-32,375	-0.84 %

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Balance Sheet

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly		Jul 23 Act	Aug 23 Act	Sep 23 Act	Oct 23 Act	Var Sep 23 Act	Var%
NET BALANCE SHEET							
<input type="checkbox"/>	TOTAL ASSETS	108,857,355	107,248,342	107,765,986	104,564,368	-3,201,618	-2.97 %
<input type="checkbox"/>	TOTAL ASSETS	108,857,355	107,248,342	107,765,986	104,564,368	-3,201,618	-2.97 %
<input type="checkbox"/>	CURRENT ASSETS	29,102,360	28,323,945	26,633,320	24,748,831	-1,884,489	-7.08 %
<input type="checkbox"/>	ASSETS WHICH USE IS LIMITED	9,523,613	9,519,381	12,127,256	11,090,831	-1,036,425	-8.55 %
<input type="checkbox"/>	NET PROPERTY, PLANT, AND EQUIPMENT	69,972,999	69,386,966	68,989,789	68,917,077	-72,712	-0.11 %
<input type="checkbox"/>	OTHER ASSETS	258,383	18,050	15,621	-192,371	-207,992	-1,331.49 %
<input type="checkbox"/>	TOTAL LIABILITIES & FUND BALANCE	108,857,327	107,248,317	107,765,945	104,564,323	3,201,622	2.97 %
<input type="checkbox"/>	TOTAL LIABILITIES	150,368,591	149,536,052	151,586,559	150,888,953	697,606	0.46 %
<input type="checkbox"/>	CURRENT LIABILITIES	24,440,152	23,624,738	25,688,604	25,011,888	676,716	2.63 %
<input type="checkbox"/>	LONG TERM LIABILITIES	125,928,439	125,911,314	125,897,955	125,877,065	20,890	0.02 %
<input type="checkbox"/>	NET ASSETS	-41,511,264	-42,287,735	-43,820,614	-46,324,630	2,504,016	5.71 %
<input type="checkbox"/>	NET ASSETS - UNRESTRICTED	-41,511,264	-42,287,735	-43,820,614	-46,324,630	2,504,016	5.71 %

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SAN GORGONIO MEMORIAL HOSPITAL

KEY STATISTICS AND RATIOS									
	10/31/22	10/31/23	10/31/23	2024	2024	2024	2023	2023	2023
	ACTUAL	ACTUAL	BUDGET	4 MOS. YTD	4 MOS. YTD	4 MOS. YTD	4 MOS. YTD	4 MOS. YTD	YR END TOTAL
	FY23	FY 24	FY 24	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	FY 23
[1] Total Acute Patient Days	589	611	663	2,594	2,703	2,594	2,580	2,580	7,636
[2] Average Daily Census	19.0	19.7	21.4	21.1	22.0	21.1	21.0	21.0	20.9
[3] Average Acute Length of Stay	3.13	3.64	3.42	3.63	3.43	3.63	3.46	3.46	3.49
[4] Patient Discharges	188	168	194	715	788	715	745	745	2,186
[5] Adjusted Patient Days	1,746	1,799	1,847	7,503	7,489	7,503	7,072	7,072	21,460
[6] Observation Days	239	345	280	1,208	1,132	1,208	1,017	1,017	3,160
[7] Total Emergency Room Visits	3,619	3,585	3,704	13,942	14,976	13,942	14,202	14,202	41,821
[8] Average ED Visits Per Day	117	116	119	113	122	113	115	115	115
[9] Total Surgeries (Excluding G.I.'s)	131	105	134	461	546	461	495	495	1,433
[10] Deliveries/Births	15	8	12	43	53	43	62	62	131

Income Statement Select Periods SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Aug 23 Act	Sep 23 Act	Oct 23 BD	Oct 23 Act	Var (Oct 23 Act - Oct 23 BD)	Var%
NET INCOME	-776,471	-1,532,879	-166,939	-2,504,016	-2,337,077	-1,399.96 %
EBIDA	-1,668,315	-1,192,292	-566,418	-2,167,947	-1,601,529	-282.75 %
NET SERVICE REVENUE	5,495,429	6,117,741	6,646,623	5,442,089	-1,204,534	-18.12 %
NET PATIENT REVENUE	4,799,443	5,586,877	5,525,448	4,365,652	-1,159,796	-20.99 %
GROSS REVENUE FROM PATIENT SERVICES	40,734,713	41,124,345	41,176,102	42,495,543	1,319,441	3.20 %
TOTAL INPATIENT REVENUE	13,826,953	15,201,247	14,736,052	14,429,560	-306,492	-2.08 %
TOTAL OUTPATIENT REVENUE	26,907,760	25,923,098	26,440,050	28,065,983	1,625,933	6.15 %
DEDUCTIONS FROM REVENUE	-35,935,270	-35,537,468	-35,650,654	-38,129,891	-2,479,237	-6.95 %
DEDUCTIONS FROM REVENUE	-35,935,270	-35,537,468	-35,650,654	-38,129,891	-2,479,237	-6.95 %
CONTRACTUAL ALLOWANCES	-35,935,270	-35,537,468	-35,650,654	-38,129,891	-2,479,237	-6.95 %
501052 - CONTRACTUAL ALLOWANCES	-34,825,978	-34,572,937	-34,746,238	-37,124,786	-2,378,548	-6.85 %
501153 - BAD DEBT EXPENSE	-964,980	-950,573	-818,867	-901,941	-83,074	-10.14 %
501254 - CHARITY WRITE_OFFS	-144,312	-13,958	-85,549	-103,164	-17,615	-20.59 %
OTHER OPERATING REVENUE	695,986	530,864	1,121,175	1,076,437	-44,738	-3.99 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	434,000	481,713	47,713	10.99 %
OTHER REVENUE - DSH	0	0	18,745	0	-18,745	-100.00 %
OTHER REVENUE - P4P	136,446	0	0	0	0	0.00 %
OTHER REVENUE - OTHER	158,046	129,370	258,603	193,230	-65,373	-25.28 %
OPERATING TAX REVENUES	401,494	401,494	409,827	401,494	-8,333	-2.03 %
TOTAL OPERATING EXPENSE	7,163,744	7,310,033	7,213,041	7,610,036	-396,995	-5.50 %
TOTAL OPERATING EXPENSE	7,163,744	7,310,033	7,213,041	7,610,036	-396,995	-5.50 %
TOTAL LABOR EXPENSE	4,746,356	4,593,204	4,711,623	4,986,586	-274,963	-5.84 %
EMPLOYEE WAGES & BENEFITS	4,644,581	4,399,458	4,628,344	4,810,025	-181,681	-3.93 %
WAGES	3,674,360	3,550,566	3,634,518	3,776,105	-141,587	-3.90 %
EMPLOYEE BENEFITS	970,221	848,892	993,826	1,033,920	-40,094	-4.03 %
CONTRACT LABOR	101,775	193,746	83,279	176,561	-93,282	-112.01 %
PROFESSIONAL FEES	1,202,367	1,315,446	1,120,711	1,292,967	-172,256	-15.37 %
PROFESSIONAL FEES	1,202,367	1,315,446	1,120,711	1,292,967	-172,256	-15.37 %
PHYSICIAN FEES	260,382	307,954	312,187	290,783	21,404	6.86 %
PURCHASED SERVICES	941,985	1,007,492	808,524	1,002,184	-193,660	-23.95 %

A B C D E F G H I J K L M N O

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Aug 23 Act	Sep 23 Act	Oct 23 BD	Oct 23 Act	Var (Oct 23 Act - Oct 23 BD)	Var%
☐ SUPPLIES & OTHER EXPENSES	1,215,021	1,401,383	1,380,707	1,330,483	50,224	3.64 %
☐ SUPPLY EXPENSE	814,829	906,328	915,949	861,780	54,169	5.91 %
☐ OTHER EXPENSES	400,192	495,055	464,758	468,703	-3,945	-0.85 %
☐ UTILITIES	107,960	76,274	106,995	88,098	18,897	17.66 %
☐ REPAIRS AND MAINTENANCE	69,232	147,878	81,845	136,677	-54,832	-66.99 %
☐ INSURANCE	133,116	147,116	146,289	138,116	8,173	5.59 %
☐ OTHER EXPENSES	47,639	68,331	84,255	55,072	29,183	34.64 %
☐ LEASE AND RENTALS	42,245	55,456	45,374	50,740	-5,366	-11.83 %
☐ NON-OPERATING REVENUE & EXPENSE	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
☐ NON-OPERATING REVENUE & EXPENSE	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
☐ NON-OPERATING REVENUE & EXPENSE	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
☐ TOTAL INTEREST & DEPRECIATION	960,627	989,714	960,949	977,048	-16,099	-1.68 %
☐ TOTAL INTEREST & DEPRECIATION	960,627	989,714	960,949	977,048	-16,099	-1.68 %
☐ TOTAL INTEREST & DEPRECIATION	960,627	989,714	960,949	977,048	-16,099	-1.68 %
☐ TOTAL INTEREST & DEPRECIATION	960,627	989,714	960,949	977,048	-16,099	-1.68 %
☐ TOTAL INTEREST & DEPRECIATION	960,627	989,714	960,949	977,048	-16,099	-1.68 %
☐ DEPRECIATION	515,528	605,920	522,162	571,451	-49,289	-9.44 %
☐ INTEREST & AMORTIZATION	445,099	383,794	438,787	405,597	33,190	7.56 %

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Income Statement Select Periods SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

	Aug 23 ActYTD	Sep 23 ActYTD	Oct 23 ActYTD	Oct 23 BDYTD	Oct 23 ActYTD	Var (Oct 23 ActYTD - Oct 23 BDYTD)	Var%
NET INCOME							
EBIDA	-4,567,463	-6,100,342	-2,910,230	-8,604,358	-8,604,358	-5,694,128	-195.66 %
NET SERVICE REVENUE	-5,151,804	-6,344,096	-3,550,844	-8,512,043	-8,512,043	-4,961,199	-139.72 %
NET PATIENT REVENUE	9,573,373	15,691,114	25,708,015	21,133,203	21,133,203	-4,574,812	-17.80 %
GROSS REVENUE FROM PATIENT SERVICES	8,157,881	13,744,758	22,476,555	18,110,410	18,110,410	-4,366,145	-19.43 %
TOTAL INPATIENT REVENUE	77,826,318	118,950,663	167,028,662	161,446,206	161,446,206	-5,582,456	-3.34 %
TOTAL OUTPATIENT REVENUE	26,099,430	41,300,677	60,501,304	55,730,237	55,730,237	-4,771,067	-7.89 %
DEDUCTIONS FROM REVENUE	51,726,888	77,649,986	106,527,358	105,715,969	105,715,969	-811,389	-0.76 %
DEDUCTIONS FROM REVENUE	-69,668,437	-105,205,905	-144,552,107	-143,335,796	-143,335,796	1,216,311	0.84 %
CONTRACTUAL ALLOWANCES	-69,668,437	-105,205,905	-144,552,107	-143,335,796	-143,335,796	1,216,311	0.84 %
501052 - CONTRACTUAL ALLOWANCES	-67,669,895	-102,242,832	-140,884,989	-139,367,618	-139,367,618	1,517,371	1.08 %
501153 - BAD DEBT EXPENSE	-1,829,949	-2,780,522	-3,320,245	-3,682,463	-3,682,463	-362,218	-10.91 %
501254 - CHARITY WRITE_OFFS	-168,593	-182,551	-346,873	-285,715	-285,715	61,158	17.63 %
OTHER OPERATING REVENUE	1,415,492	1,946,356	3,231,460	3,022,793	3,022,793	-208,667	-6.46 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	434,000	481,713	481,713	47,713	10.99 %
OTHER REVENUE - DSH	35,377	35,377	37,490	35,377	35,377	-2,113	-5.64 %
OTHER REVENUE - P4P	136,446	136,446	86,250	136,446	136,446	50,196	58.20 %
OTHER REVENUE - OTHER	273,423	402,793	1,034,412	596,023	596,023	-438,389	-42.38 %
OPERATING TAX REVENUES	970,246	1,371,740	1,639,308	1,773,234	1,773,234	133,926	8.17 %
OPERATING EXPENSE	14,725,177	22,035,210	29,258,859	29,645,246	29,645,246	-386,387	-1.32 %
TOTAL OPERATING EXPENSE	14,725,177	22,035,210	29,258,859	29,645,246	29,645,246	-386,387	-1.32 %
TOTAL LABOR EXPENSE	10,049,768	14,642,972	18,974,817	19,629,558	19,629,558	-654,741	-3.45 %
EMPLOYEE WAGES & BENEFITS	9,777,265	14,176,723	18,633,531	18,986,748	18,986,748	-353,217	-1.90 %
WAGES	7,793,955	11,344,521	14,646,608	15,120,626	15,120,626	-474,018	-3.24 %
EMPLOYEE BENEFITS	1,983,310	2,832,202	3,986,923	3,866,122	3,866,122	120,801	3.03 %
CONTRACT LABOR	272,503	466,249	341,286	642,810	642,810	-301,524	-88.35 %
PROFESSIONAL FEES	2,323,165	3,638,611	4,705,785	4,931,578	4,931,578	-225,793	-4.80 %
PROFESSIONAL FEES	2,323,165	3,638,611	4,705,785	4,931,578	4,931,578	-225,793	-4.80 %
PHYSICIAN FEES	540,784	848,738	1,248,748	1,139,521	1,139,521	109,227	8.75 %
PURCHASED SERVICES	1,782,381	2,789,873	3,457,037	3,792,057	3,792,057	-335,020	-9.69 %

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SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

	Aug 23 ActYTD	Sep 23 ActYTD	Oct 23 BDYTD	Oct 23 ActYTD	Var (Oct 23 ActYTD - Oct 23 BDYTD)	Var%
<input type="checkbox"/> SUPPLIES & OTHER EXPENSES	2,352,244	3,753,627	5,578,257	5,084,110	494,147	8.86 %
<input checked="" type="checkbox"/> SUPPLY EXPENSE	1,514,847	2,421,175	3,711,126	3,282,955	428,171	11.54 %
<input type="checkbox"/> OTHER EXPENSES	837,397	1,332,452	1,867,131	1,801,155	65,976	3.53 %
<input checked="" type="checkbox"/> UTILITIES	212,899	289,173	435,144	377,271	57,873	13.30 %
<input checked="" type="checkbox"/> REPAIRS AND MAINTENANCE	131,092	278,970	328,323	415,647	-87,324	-26.60 %
<input checked="" type="checkbox"/> INSURANCE	318,550	465,666	585,156	603,782	-18,626	-3.18 %
<input checked="" type="checkbox"/> OTHER EXPENSES	107,241	175,572	337,012	230,644	106,368	31.56 %
<input checked="" type="checkbox"/> LEASE AND RENTALS	67,615	123,071	181,496	173,811	7,685	4.23 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
<input checked="" type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,843,796	3,876,171	-32,375	-0.84 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,843,796	3,876,171	-32,375	-0.84 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,843,796	3,876,171	-32,375	-0.84 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,843,796	3,876,171	-32,375	-0.84 %
<input checked="" type="checkbox"/> DEPRECIATION	1,030,199	1,636,119	2,088,648	2,207,570	-118,922	-5.69 %
<input checked="" type="checkbox"/> INTEREST & AMORTIZATION	879,210	1,263,004	1,755,148	1,668,601	86,547	4.93 %

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Income Statement Select Periods SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Aug 23 Act	Sep 23 Act	Oct 23 Flex	Oct 23 Act	Var (Oct 23 Act - Oct 23 Flex)	Var%
NET INCOME						
EBIDA	-776,471	-1,532,879	-2,568,340	-2,504,016	64,324	2.50 %
NET SERVICE REVENUE	-1,668,315	-1,192,292	-2,965,309	-2,167,947	797,362	26.89 %
NET PATIENT REVENUE	5,495,429	6,117,741	4,175,757	5,442,089	1,266,332	30.33 %
GROSS REVENUE FROM PATIENT SERVICES	4,799,443	5,586,877	3,488,582	4,365,652	877,070	25.14 %
TOTAL INPATIENT REVENUE	40,734,713	41,124,345	40,282,107	42,495,543	2,213,436	5.49 %
TOTAL OUTPATIENT REVENUE	13,826,953	15,201,247	13,999,902	14,429,560	429,658	3.07 %
DEDUCTIONS FROM REVENUE	26,907,760	25,923,098	26,282,205	28,065,983	1,783,778	6.79 %
DEDUCTIONS FROM REVENUE	-35,935,270	-35,537,468	-36,793,525	-38,129,891	-1,336,366	-3.63 %
CONTRACTUAL ALLOWANCES	-35,935,270	-35,537,468	-36,793,525	-38,129,891	-1,336,366	-3.63 %
501052 - CONTRACTUAL ALLOWANCES	-34,825,978	-34,572,937	-35,860,116	-37,124,786	-1,264,670	-3.53 %
501153 - BAD DEBT EXPENSE	-964,980	-950,573	-845,118	-901,941	-56,823	-6.72 %
501254 - CHARITY WRITE_OFFS	-144,312	-13,958	-88,291	-103,164	-14,873	-16.85 %
OTHER OPERATING REVENUE	695,986	530,864	687,175	1,076,437	389,262	56.65 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	0	481,713	481,713	0.00 %
OTHER REVENUE - DSH	0	0	18,745	0	-18,745	-100.00 %
OTHER REVENUE - P4P	136,446	0	0	0	0	0.00 %
OTHER REVENUE - OTHER	158,046	129,370	258,603	193,230	-65,373	-25.28 %
OPERATING TAX REVENUES	401,494	401,494	409,827	401,494	-8,333	-2.03 %
TOTAL OPERATING EXPENSE	7,163,744	7,310,033	7,141,066	7,610,036	-468,970	-6.57 %
TOTAL OPERATING EXPENSE	7,163,744	7,310,033	7,141,066	7,610,036	-468,970	-6.57 %
TOTAL LABOR EXPENSE	4,746,356	4,593,204	4,730,337	4,986,586	-256,249	-5.42 %
EMPLOYEE WAGES & BENEFITS	4,644,581	4,399,458	4,663,305	4,810,025	-146,720	-3.15 %
WAGES	3,674,360	3,550,566	3,680,599	3,776,105	-95,506	-2.59 %
EMPLOYEE BENEFITS	970,221	848,892	982,706	1,033,920	-51,214	-5.21 %
CONTRACT LABOR	101,775	193,746	67,032	176,561	-109,529	-163.40 %
PROFESSIONAL FEES	1,202,367	1,315,446	1,109,445	1,292,967	-183,522	-16.54 %
PROFESSIONAL FEES	1,202,367	1,315,446	1,109,445	1,292,967	-183,522	-16.54 %
PHYSICIAN FEES	260,382	307,954	312,187	290,783	21,404	6.86 %
PURCHASED SERVICES	941,985	1,007,492	797,258	1,002,184	-204,926	-25.70 %

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SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Aug 23 Act	Sep 23 Act	Oct 23 Flex	Oct 23 Act	Var (Oct 23 Act - Oct 23 Flex)	Var%
<input type="checkbox"/> SUPPLIES & OTHER EXPENSES	1,215,021	1,401,383	1,301,284	1,330,483	-29,199	-2.24 %
<input checked="" type="checkbox"/> SUPPLY EXPENSE	814,829	906,328	836,968	861,780	-24,812	-2.96 %
<input type="checkbox"/> OTHER EXPENSES	400,192	495,055	464,316	468,703	-4,387	-0.94 %
<input checked="" type="checkbox"/> UTILITIES	107,960	76,274	106,995	88,098	18,897	17.66 %
<input checked="" type="checkbox"/> REPAIRS AND MAINTENANCE	69,232	147,878	81,811	136,677	-54,866	-67.06 %
<input checked="" type="checkbox"/> INSURANCE	133,116	147,116	146,289	138,116	8,173	5.59 %
<input checked="" type="checkbox"/> OTHER EXPENSES	47,639	68,331	83,853	55,072	28,781	34.32 %
<input checked="" type="checkbox"/> LEASE AND RENTALS	42,245	55,456	45,368	50,740	-5,372	-11.84 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
<input checked="" type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	1,852,471	649,127	1,360,428	640,979	-719,449	-52.88 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	960,627	989,714	963,459	977,048	-13,589	-1.41 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	960,627	989,714	963,459	977,048	-13,589	-1.41 %
<input checked="" type="checkbox"/> TOTAL INTEREST & DEPRECIATION	960,627	989,714	963,459	977,048	-13,589	-1.41 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	960,627	989,714	963,459	977,048	-13,589	-1.41 %
<input checked="" type="checkbox"/> DEPRECIATION	515,528	605,920	524,672	571,451	-46,779	-8.92 %
<input checked="" type="checkbox"/> INTEREST & AMORTIZATION	445,099	383,794	438,787	405,597	33,190	7.56 %

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Income Statement Select Periods SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

	Aug 23 ActYTD	Sep 23 ActYTD	Oct 23 FlexYTD	Oct 23 ActYTD	Var (Oct 23 ActYTD - Oct 23 FlexYTD)	Var%
NET INCOME	-4,567,463	-6,100,342	-6,331,969	-8,604,358	-2,272,389	-35.89 %
EBIDA	-5,151,804	-6,344,096	-6,975,240	-8,512,043	-1,536,803	-22.03 %
NET SERVICE REVENUE	9,573,373	15,691,114	21,633,156	21,133,203	-499,953	-2.31 %
NET PATIENT REVENUE	8,157,881	13,744,758	18,835,696	18,110,410	-725,286	-3.85 %
GROSS REVENUE FROM PATIENT SERVICES	77,826,318	118,950,663	157,701,591	161,446,206	3,744,615	2.37 %
TOTAL INPATIENT REVENUE	26,099,430	41,300,677	56,041,490	55,730,237	-311,253	-0.56 %
TOTAL OUTPATIENT REVENUE	51,726,888	77,649,986	101,660,101	105,715,969	4,055,868	3.99 %
DEDUCTIONS FROM REVENUE	-69,668,437	-105,205,905	-138,865,895	-143,335,796	-4,469,901	-3.22 %
DEDUCTIONS FROM REVENUE	-69,668,437	-105,205,905	-138,865,895	-143,335,796	-4,469,901	-3.22 %
CONTRACTUAL ALLOWANCES	-69,668,437	-105,205,905	-138,865,895	-143,335,796	-4,469,901	-3.22 %
501052 - CONTRACTUAL ALLOWANCES	-67,669,895	-102,242,832	-135,343,029	-139,367,618	-4,024,589	-2.97 %
501153 - BAD DEBT EXPENSE	-1,829,949	-2,780,522	-3,189,638	-3,682,463	-492,825	-15.45 %
501254 - CHARITY WRITE_OFFS	-168,593	-182,551	-333,228	-285,715	47,513	14.26 %
OTHER OPERATING REVENUE	1,415,492	1,946,356	2,797,460	3,022,793	225,333	8.05 %
OTHER REVENUE - RATE RANGE	0	0	0	0	0	0.00 %
OTHER REVENUE - OTHER SUPPLEMENTALS	0	0	0	481,713	481,713	0.00 %
OTHER REVENUE - DSH	35,377	35,377	37,490	35,377	-2,113	-5.64 %
OTHER REVENUE - P4P	136,446	136,446	86,250	136,446	50,196	58.20 %
OTHER REVENUE - OTHER	273,423	402,793	1,034,412	596,023	-438,389	-42.38 %
OPERATING TAX REVENUES	970,246	1,371,740	1,639,308	1,773,234	133,926	8.17 %
TOTAL OPERATING EXPENSE	14,725,177	22,035,210	28,608,396	29,645,246	-1,036,850	-3.62 %
TOTAL OPERATING EXPENSE	14,725,177	22,035,210	28,608,396	29,645,246	-1,036,850	-3.62 %
TOTAL LABOR EXPENSE	10,049,768	14,642,972	18,667,946	19,629,558	-961,612	-5.15 %
EMPLOYEE WAGES & BENEFITS	9,777,265	14,176,723	18,368,875	18,986,748	-617,873	-3.36 %
WAGES	7,793,955	11,344,521	14,463,932	15,120,626	-656,694	-4.54 %
EMPLOYEE BENEFITS	1,983,310	2,832,202	3,904,943	3,866,122	38,821	0.99 %
CONTRACT LABOR	272,503	466,249	299,071	642,810	-343,739	-114.94 %
PROFESSIONAL FEES	2,323,165	3,638,611	4,659,227	4,931,578	-272,351	-5.85 %
PROFESSIONAL FEES	2,323,165	3,638,611	4,659,227	4,931,578	-272,351	-5.85 %
PHYSICIAN FEES	540,784	848,738	1,248,748	1,139,521	109,227	8.75 %
PURCHASED SERVICES	1,782,381	2,789,873	3,410,479	3,792,057	-381,578	-11.19 %

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SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - YTD

	Aug 23 ActYTD	Sep 23 ActYTD	Oct 23 FlexYTD	Oct 23 ActYTD	Var (Oct 23 ActYTD - Oct 23 FlexYTD)	Var%
<input type="checkbox"/> SUPPLIES & OTHER EXPENSES	2,352,244	3,753,627	5,281,223	5,084,110	197,113	3.73 %
<input checked="" type="checkbox"/> SUPPLY EXPENSE	1,514,847	2,421,175	3,417,153	3,282,955	134,198	3.93 %
<input type="checkbox"/> OTHER EXPENSES	837,397	1,332,452	1,864,070	1,801,155	62,915	3.38 %
<input checked="" type="checkbox"/> UTILITIES	212,899	289,173	435,144	377,271	57,873	13.30 %
<input checked="" type="checkbox"/> REPAIRS AND MAINTENANCE	131,092	278,970	327,440	415,647	-88,207	-26.94 %
<input checked="" type="checkbox"/> INSURANCE	318,550	465,666	585,156	603,782	-18,626	-3.18 %
<input checked="" type="checkbox"/> OTHER EXPENSES	107,241	175,572	334,834	230,644	104,190	31.12 %
<input checked="" type="checkbox"/> LEASE AND RENTALS	67,615	123,071	181,496	173,811	7,685	4.23 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
<input type="checkbox"/> NON-OPERATING REVENUE & EXPENSE	2,493,750	3,142,877	4,484,410	3,783,856	-700,554	-15.62 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,841,139	3,876,171	-35,032	-0.91 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,841,139	3,876,171	-35,032	-0.91 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,841,139	3,876,171	-35,032	-0.91 %
<input type="checkbox"/> TOTAL INTEREST & DEPRECIATION	1,909,409	2,899,123	3,841,139	3,876,171	-35,032	-0.91 %
<input checked="" type="checkbox"/> DEPRECIATION	1,030,199	1,636,119	2,085,991	2,207,570	-121,579	-5.83 %
<input checked="" type="checkbox"/> INTEREST & AMORTIZATION	879,210	1,263,004	1,755,148	1,668,601	86,547	4.93 %

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Balance Sheet SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly						
NET BALANCE SHEET	Jul 23 Act	Aug 23 Act	Sep 23 Act	Oct 23 Act	Var Sep 23 Act	Var%
☐ TOTAL ASSETS	108,857,355	107,248,342	107,765,986	104,564,368	-3,201,618	9.76 %
☐ CURRENT ASSETS	108,857,355	107,248,342	107,765,986	104,564,368	-3,201,618	-2.97 %
☐ CASH & EQUIVALENTS	29,102,360	28,323,945	26,633,320	24,748,831	-1,884,489	-7.08 %
☐ NET PATIENT ACCOUNTS RECEIVABLE	8,592,216	5,962,136	9,562,533	8,680,482	-882,051	-9.22 %
☐ HOSPITAL ACCOUNTS RECEIVABLE	11,705,510	11,868,614	13,045,101	12,272,291	-772,810	-5.92 %
☐ LESS: ALLOWANCE FOR BAD DEBTS	85,055,613	85,426,983	86,780,649	82,545,789	-4,234,860	-4.88 %
☐ OTHER CURRENT ASSETS	-73,350,103	-73,558,369	-73,735,548	-70,273,498	3,462,050	4.70 %
☐ TAXES RECEIVABLE	8,804,634	10,493,195	4,025,686	3,796,058	-229,628	-5.70 %
☐ MISC RECEIVABLE	8,306,499	10,383,333	3,942,074	4,449,005	506,931	12.86 %
☐ DUE FROM 3RD PARTIES	-792,040	-789,260	-744,971	-1,211,089	-466,118	-62.57 %
☐ INVENTORIES	-2,390,019	-2,727,166	-2,812,136	-2,906,513	-94,377	-3.36 %
☐ PREPAID EXPENSES	2,580,712	2,570,923	2,629,470	2,497,522	-131,948	-5.02 %
☐ ASSETS WHICH USE IS LIMITED	1,099,482	1,055,365	1,011,249	967,133	-44,116	-4.36 %
☐ ASSETS WITH LIMITED USE	9,523,613	9,519,381	12,127,256	11,090,831	-1,036,425	-8.55 %
☐ INTERNALLY DESIGNATED	9,523,613	9,519,381	12,127,256	11,090,831	-1,036,425	-8.55 %
☐ NET PROPERTY, PLANT, AND EQUIPMENT	69,972,999	69,386,966	68,989,789	68,917,077	-72,712	-0.11 %
☐ PROPERTY, PLANT, AND EQUIPMENT	163,740,287	163,646,975	163,742,519	164,162,528	420,009	0.26 %
☐ LAND & LAND IMPROVEMENTS	4,828,182	4,828,182	4,828,182	4,828,182	0	0.00 %
☐ BUILDINGS & BUILDING IMPROVEMENTS	129,281,491	129,281,491	129,281,491	129,281,491	0	0.00 %
☐ FIXED EQUIPMENT	26,205,300	26,146,618	26,146,618	26,088,596	-58,022	-0.22 %
☐ CONSTRUCTION IN PROGRESS	3,425,314	3,390,684	3,486,228	3,964,259	478,031	13.71 %
☐ LESS: ACCUMULATED DEPRECIATION	-93,767,288	-94,260,009	-94,752,730	-95,245,451	-492,721	-0.52 %
☐ OTHER ASSETS	258,383	18,050	15,621	-192,371	-207,992	-1,331.49 %
☐ OTHER ASSETS	258,383	18,050	15,621	-192,371	-207,992	-1,331.49 %
☐ INVESTMENT IN AFFILIATE	-313,178	-550,922	-550,762	-756,164	-205,402	-37.29 %
☐ BONDS	571,561	568,972	566,383	563,793	-2,590	-0.46 %
☐ TOTAL LIABILITIES & FUND BALANCE	108,857,327	107,248,317	107,765,945	104,564,323	3,201,622	2.97 %
☐ TOTAL LIABILITIES	150,368,591	149,536,052	151,586,559	150,888,953	697,606	0.46 %
☐ CURRENT LIABILITIES	24,440,152	23,624,738	25,688,604	25,011,888	676,716	2.63 %
☐ ACCOUNTS PAYABLE	12,156,951	9,760,386	11,588,993	9,834,637	1,754,356	15.14 %
☐ PAYROLL PAYABLES	3,838,426	5,091,476	5,085,470	5,867,669	-782,199	-15.38 %

SAN GORGONIO MEM. HEALTH CARE DISTRICT & HOSPITAL - Monthly

	Jul 23 Act	Aug 23 Act	Sep 23 Act	Oct 23 Act	Var Sep 23 Act	Var %
<input checked="" type="checkbox"/> LINE OF CREDIT	4,023,662	4,025,465	4,025,465	4,029,070	T -3,605	-0.09 %
<input checked="" type="checkbox"/> OTHER CURRENT LIABILITIES	4,421,113	4,747,411	4,988,676	5,280,512	U -291,836	-5.85 %
<input checked="" type="checkbox"/> ACCRUED INTEREST PAYABLE	2,179,876	2,540,812	2,901,748	3,262,685	V -360,937	-12.44 %
<input checked="" type="checkbox"/> OTHER CURRENT LIABILITIES	2,241,237	2,206,599	2,086,928	2,017,827	W -69,101	-3.31 %
<input checked="" type="checkbox"/> LONG TERM LIABILITIES	125,928,439	125,911,314	125,897,955	125,877,065	X 20,890	0.02 %
<input checked="" type="checkbox"/> OTHER LONG TERM LIABILITIES	125,928,439	125,911,314	125,897,955	125,877,065	X 20,890	0.02 %
<input checked="" type="checkbox"/> NET ASSETS	-41,511,264	-42,287,735	-43,820,614	-46,324,630	Y 2,504,016	5.71 %
<input checked="" type="checkbox"/> NET ASSETS - UNRESTRICTED	-41,511,264	-42,287,735	-43,820,614	-46,324,630	Y 2,504,016	5.71 %
<input checked="" type="checkbox"/> NET ASSETS - BEGINNING OF PERIOD	-37,720,272	-37,720,272	-37,720,272	-37,720,272	Z 0	0.00 %
<input checked="" type="checkbox"/> CURRENT YEAR NET GAIN/(LOSS)	-3,790,992	-4,567,463	-6,100,342	-8,604,358	AA -2,504,016	-41.05 %

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	B	C	D	E	F	G	J
1	SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT & HOSPITAL					CASH FLOW	
2							
3						Current Month	Y-T-D
4						10/31/2023	10/31/2023
5	BEGINNING CASH BALANCES						
6		Cash: Beginning Balances- Hospital				\$ 6,735,852	\$ 10,775,913
7		Cash: Beginning Balances- District				2,826,681	2,808,453
8		Cash: Beginning Balances Totals				\$ 9,562,533	\$ 13,584,366
9							
10	Receipts						
11		Patient Collections				\$ 5,237,237	\$ 19,045,822
12		Tax Subsidies/Measure D/Prop 13				401,494	1,605,976
13		Misc Tax Subsidies				-	167,258
14		Donations/Grants				-	300
15		Supplemental Funding (Rate Range, Etc.)				481,713	653,536
16		Draws/(Paydown) of LOC Balances				-	-
17		Other Revenues/Receipts/Transfers				193,230	5,462,840
18	TOTAL RECEIPTS					\$ 6,313,674	\$ 26,935,732
19							
20	Disbursements						
21		Wages, Benefits, & Contract Labor				\$ 4,986,586	\$ 19,529,558
22		Other Operating Costs				2,623,450	10,084,964
23		Capital Spending				221,338	350,447
24		Debt Service Payments				-	12,942
25		Other - Changes in Accounts Payable, Other				(635,649)	1,861,705
26	TOTAL DISBURSEMENTS					\$ 7,195,725	\$ 31,839,616
27							
28	TOTAL CHANGE in CASH					\$ (882,051)	\$ (4,903,884)
29							
30	ENDING CASH BALANCES						
31		Ending Balances- Hospital				\$ 4,768,687	\$ 4,768,687
32		Ending Balances- District				3,911,795	3,911,795
33		Ending Balances- Totals				\$ 8,680,482	\$ 8,680,482
34							
35							
36							
37		LOC Current Balances				\$ 4,000,000	\$ 4,000,000
38		LOC Interest Expense Incurred				41,802	73,191
39							
40							

TAB H

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

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

Agenda Item for November 28, 2023, Finance Committee and December 5, 2023, Board Meetings

Subject:

Renewal of 2024 Annual Dues for the District Hospital Leadership Forum (DHLF)

San Gorgonio Memorial Healthcare District & Hospital have been members of the DHFL for many years. The DHLF is the group which formally oversees the overall guidance and planning for all matters related to Supplemental Funding on behalf of California Healthcare Districts. DHLF also coordinates their efforts with numerous California agencies (including CHA) in areas that impact the Healthcare Districts.

A summary of the Supplemental Funding programs is attached. These programs have procured over \$442M for District/Municipal Hospitals since 2010. As you will recall, San Gorgonio is expected to receive \$18.7M of Supplemental Funding in the current FY 2024.

The DHLF has regular Board Meetings and weekly CFO meetings, both of which are very helpful to the CEO and CFO in planning, forecasting, and budgeting for SGMHD's Supplemental Funding.

Recommended Action: To approve the 2024 membership dues of \$79,041.43 as outlined.

Copies of the supporting documents are included in the packet.



950 Glenn Drive, Suite 250
Folsom, CA 95630
(916) 443-7401 T
(916) 552-7606 F

November 14, 2023

Mr. Dan Heckathorne
Chief Financial Officer
San Geronio Memorial Hospital
600 North Highland Springs Avenue
Banning, CA 92220

Invoice - L24024

Dues for participation in the District Hospital Leadership Forum:

- 2024 Annual Dues for the period Jan 1, 2024 – Dec 31, 2024, is: \$79,041.43
- *At the 11/07/2023 board of directors meeting, the Board agreed to the current dues Amount and 2024 budget.*

Amount Due..... \$79,041.43

Please make check payable to: **District Hospital Leadership Forum**

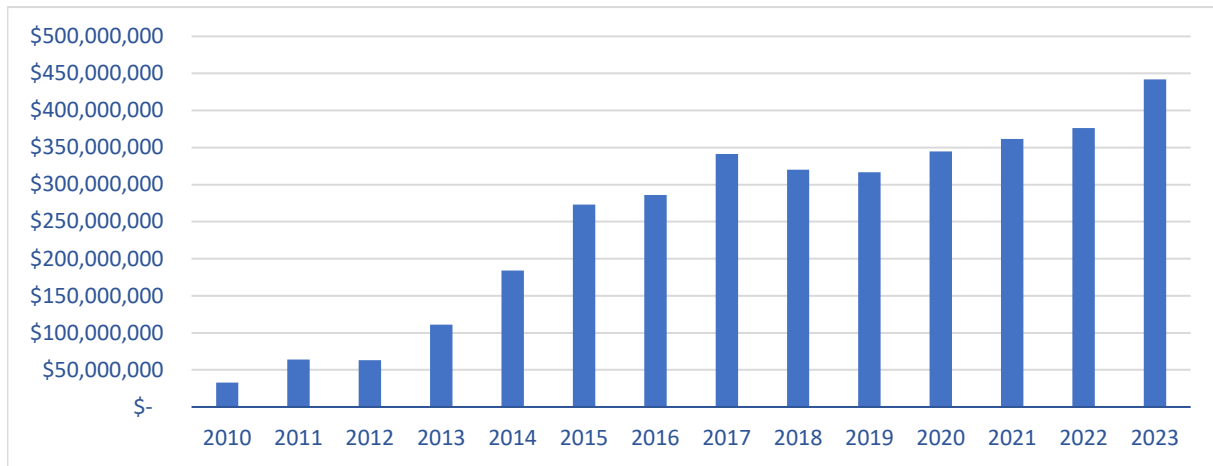
Mail To:

California Hospital Association
1215 K Street, Suite 700
Sacramento, CA 95814

If you have any questions regarding this invoice or prefer a payment plan, please contact Erin Hagstrom Clark at eclark@cadhlf.org or 916-673-2020.

The following information is for tax-exempt entities: For calendar year 2023, 990 and Medicare reporting, 20.05% of your consolidated dues are for direct lobbying expenses.

2023 DHLF Value Statement: Aggregate Supplemental Funding for District/Municipal Hospitals, 2010-2023



	AB 113	HQAF	Rate Range	PRIME/QIP	TOTAL
2010		27,000,000	6,000,000		33,000,000
2011	36,000,000	18,000,000	10,000,000		64,000,000
2012	30,000,000	18,000,000	15,000,000		63,000,000
2013	30,000,000	26,000,000	55,000,000		111,000,000
2014	52,000,000	71,000,000	61,000,000		184,000,000
2015	38,000,000	73,000,000	62,000,000	100,000,000	273,000,000
2016	38,000,000	73,000,000	75,000,000	100,000,000	286,000,000
2017	35,000,000	108,000,000	100,000,000	100,000,000	343,000,000
2018	22,000,000	108,000,000	100,000,000	90,000,000	320,000,000
2019	17,000,000	108,000,000	115,000,000	76,500,000	316,500,000
2020	14,350,000	110,000,000	142,946,000	83,275,000	350,571,000
2021	13,170,000	107,600,000	147,420,000	93,250,000	361,440,000
2022	20,301,000	108,400,000	147,420,000	100,000,000	376,121,000
2023	23,840,000	108,480,000	205,810,000	103,930,000	442,060,000

***Excludes Medi-Cal DSH, AB 915 and DP/NF supplemental payments**

Ongoing representation of district/municipal hospitals to address issues related to Medicare/Medi-Cal programs, and the relevant supplemental payment programs as identified above; as well as many of the organizations listed below:

- California Health and Human Services (CHHS)
- Department of Health Care Services (DHCS)
- Health & Human Services (HHS)
- Centers for Medicare and Medicaid Services (CMS)
- California Hospital Association (CHA)
- Hospital constituency groups (California Association of Public Hospital (CAPH) and others)
- California State Assembly / California State Senate
- California Congressional Delegation
- California Department of Finance and California Treasurer's Office
- California Department of Managed Health Care and Department of Insurance
- Medi-Cal managed care health plans and the California Association of Health Plans
- Various patient/consumer advocacy organizations
- County Supervisors Association of California

TAB I

SAN GORGONIO MEMORIAL HOSPITAL

Medical Staff Services Department

M E M O R A N D U M

DATE: November 15, 2023

TO: Susan DiBiasi, Chair
Governing Board

FROM: Raffi Sahagian, M.D., Chairman
Medical Executive Committee

SUBJECT: MEDICAL EXECUTIVE COMMITTEE REPORT

At the Medical Executive Committee held this date, the following items were approved, with recommendations for approval by the Governing Board:

Approval Item(s):

Medical Staff Bylaws - Language

The Members of the Active and Associate Staff voted (by ballot) to ratify the language in Section - Purpose: Definition:

14. CHIEF OF MEDICAL OFFICER (CMO) means a California State licensed M.D. or D.O. with recognized clinical expertise that is appointed by the Hospital and approved by the Governing Body to perform certain tasks deemed by the administration to be necessary for the proper operation of the Hospital. He/she may not be a Member of the Medical Staff and thus not eligible to practice medicine at San Gorgonio Memorial Hospital.

The Medical Executive Committee is recommending approval of the above-mentioned language to stand in the Medical Staff Bylaws.

TAB J

POLICIES AND PROCEDURES FOR BOARD APPROVAL - Hospital Board Meeting December 5, 2023

	Title	Policy Area	Owner	Workflow Approval
1	Cultural, Ethnic and Religious Food Preferences	Dietary	Hawthorne, Lakeisha: Director Food and Nutrition	Ariel Whitley for Hospital Board of Directors
2	Environmental Services - Disaster Policy	Emergency Preparedness	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors
3	Grease Trap Tank Systems	Engineering	Sanchez, Salvador: Director of Engineering	Ariel Whitley for Hospital Board of Directors
4	Linearity, Calibration, Reportable Range Testing (LCR Testing)	Respiratory Therapy	Peleuses, John: VP of Ancillary Services	Ariel Whitley for Hospital Board of Directors
5	Paid Time Off (PTO)	Human Resources	Karam, Annah: Chief Human Resources Officer	Ariel Whitley for Hospital Board of Directors
6	Parking Policy - Security	Security	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors
7	Quality Assurance in ECHO Department	EKG Echo	Garewal, Cheri: Echo Technician	Ariel Whitley for Hospital Board of Directors
8	Shelter-in-Place and Evacuation Plan - Disaster Policy	Emergency Preparedness	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors
9	Social Worker Care of the Psychiatric Patient	Social Services	Mitchell, Marvin: Director Case Management	Ariel Whitley for Hospital Board of Directors
10	Use of Evacuation Equipment - Disaster Policy	Emergency Preparedness	Hunter, Joey: Director Emergency Preparedness, EOC & Security	Ariel Whitley for Hospital Board of Directors

TAB K

Will artificial intelligence replace doctors?

Several new studies have shown that computers can outperform doctors in cancer screenings and disease diagnoses. What does that mean for newly trained radiologists and pathologists?

By **Ken Budd**, Special to AAMCNews

July 9, 2019

“Do you think we’re gonna be replaced?”

A young Johns Hopkins University fellow recently asked that question while chatting with Elliot Fishman, MD, about artificial intelligence (AI). The two men were on the opposite ends of the career spectrum: Fishman has been a professor of radiology and oncology at Johns Hopkins Medicine since 1980; the fellow was preparing for his first job as a radiologist.

“I said, ‘Well, I think it’s going to change what we do, but the good news is, at least you’re not a pathologist,’” Fishman recalls. “And he goes, ‘My wife is just graduating and she’s a pathologist.’ So I said, ‘Put away as much money as you can really fast.’”

Fishman laughs when he tells the story, but he understands the concern. Over the past few years, many AI proponents and medical professionals have branded radiology and pathology as dinosaur professions, doomed for extinction. In 2016, a *New England Journal of Medicine* article predicted that “machine learning will displace much of the work of radiologists and anatomical pathologists,” adding that “it will soon exceed human accuracy.” That same year, Geoffrey Hinton, PhD, a professor

emeritus at the University of Toronto who also designs machine learning algorithms for Google (and who received the Association for Computing Machinery's A.M. Turing Award, often called the Nobel Prize of computing, in 2019), declared, "[We should stop training radiologists now](#)."

The reason for the predictions? AI's tantalizing power to identify patterns and anomalies and to examine "pathologies that look certain ways," says Fishman, who is among the enthusiasts: He's studying the use of AI for early detection of pancreatic cancer.

"The hope is that if we could pick up early tumors that are missed, we would have better outcomes," he says.

An array of studies have offered glimpses of AI's enormous potential. In a study published by *Nature Medicine* in May 2019, a Google [algorithm outperformed six radiologists](#) to determine if patients had lung cancer. The algorithm, which was developed using 42,000 patient scans from a National Institutes of Health clinical trial, detected 5% more cancers than its human counterparts and reduced false positives by 11%. False positives are a particular problem with lung cancer: A study in *JAMA Internal Medicine* of 2,100 patients found a [false positive rate of 97.5%](#).

Furthermore, [AI performed comparably to breast screening radiologists](#) in a study in the March 2019 *Journal of the National Cancer Institute*. At Stanford University, computer scientists developed an algorithm for diagnosing skin cancer, using a database of nearly 130,000 skin disease images. In diagnostic tests, the algorithm's [success rate was almost identical](#) to that of 21 dermatologists, according to a study published in *Nature* in 2017. In another skin cancer study, AI surpassed the performance of 58 international dermatologists. The algorithm not only missed fewer melanomas, but it was less likely to misdiagnose benign moles as malignant, the European Society for Medical Oncology found.

"Machine intelligence presents us with an opportunity to significantly improve the delivery of health care, particularly in high-disease or low-resource settings."

Sameer Antani, PhD
PhD National Library of Medicine

The possibilities extend beyond cancer. Recent studies have shown how AI can detect [rare hereditary diseases in children](#), [genetic diseases in infants](#), [cholesterol-raising genetic diseases](#), and [neurodegenerative diseases](#), as well as [predict the cognitive decline that leads to Alzheimer's disease](#). A variety of companies are offering FDA-approved AI products, such as iCAD's [ProFound AI](#) for digital breast tomosynthesis. Israeli-based [Aidoc](#) has received [three FDA approvals](#) for AI

products, the latest occurring in June 2019 for triage of cervical spine fractures. In 2018, the FDA approved [Imagen's OsteoDetect](#), an AI [algorithm that helps detect wrist fractures](#).

So when will AI become an everyday tool for diagnosis? It might not happen as fast as people think, Fishman believes, but it's definitely coming.

"If you think it's just some passing fancy, you're making a mistake," he says. "In radiology and pathology, it's going to affect everything you do."

The upsides of AI

AI has huge potential but it's still in its infancy as a diagnostic tool. "There are a lot of rapid advances being made and a rush for monetizing them," says Sameer Antani, PhD, acting branch chief for the National Library of Medicine's Communications Engineering Branch and Computer Science Branch, who leads a research team on AI in such areas as cervical cancer screening and rare diseases. Initially, AI will be most effective for dealing with specific problems. "A program that does the whole CT of the abdomen is going to take a while," says Fishman. "There are so many organs and there's so much variability. But for specific tests that examine individual organs — the liver, the kidneys, the pancreas, the lungs, the heart — I think that's where AI is going to be strong. And it's happening."

AI could be particularly beneficial in places with limited access to health care. "Machine intelligence presents us with an opportunity to significantly improve the delivery of health care, particularly in high-disease or low-resource settings," says Antani. Consider a study published in March 2019 by the American Academy of Ophthalmology, which found that a Google algorithm improved doctors' ability to [accurately diagnose diabetic retinopathy](#). The algorithm has been tested in India, which is the type of country that could benefit from AI screenings, since it suffers from a shortage of doctors and ophthalmologists. At Stanford, researchers believe their skin cancer algorithm could work on a smartphone, allowing people to screen themselves.

AI could also help reduce radiology's [30% error rate](#). "Our goal is to be perfect, but that's unreasonable. People are busier than ever, they're reading more studies, they're working harder — errors increase with faster speed," says Fishman. And algorithms can handle a larger workload than humans. The Google skin cancer program looked at about 130,000 images. A dermatologist looks at about 12,000 in his or her lifetime, Fishman notes.

"Computers can look at cases 24/7 and they can keep learning," he says. "It has the opportunity to be the best helper you could ever imagine."

Data bias and lost jobs

For all of its upsides, scientists such as the late Stephen Hawking have warned that artificial intelligence could [destroy mankind](#) . At Harvard Medical School's 2019 Precision Medicine conference, Harvard Law School professor Jonathan Zittrain compared AI to asbestos: "It turns out that it's all over the place, even though at no point did you explicitly install it, and it has possibly some latent bad effects that you might regret later, after it's already too hard to get it all out." He also noted that [AI can be tricked](#) , according to a story from *Stat*, citing a Google algorithm that correctly identified a tabby cat. When some pixels were changed, the algorithm thought the kitty was – no joke – guacamole.

The newness of AI applications presents a challenge for regulatory agencies to measure and validate its performance in medical diagnostics, Antani says. In April 2019, the FDA announced plans to [develop regulations](#) focusing on medical AI products that adapt based on new data.

Another issue is the data itself. The promise of AI depends on "the availability, quality, and completeness of training data and design of the AI framework/algorithm," says Antani. Factors that affect data strength include social, geographic, or economic biases, as well as simply acquiring data. Computer scientists are developing AI architectures that produce compelling results with less data, Antani says, but "while these are exciting technological advances, they still do not address the shortcomings."

Efforts to improve data diversity include [Count Me In](#) , a cancer project involving more than 6,000 patients so far. Count Me In collects medical information – from tumor samples to blood and saliva – and compiles it in databases for researchers. Launched in 2018, Count Me In is a collaboration between the Broad Institute of Massachusetts Institute of Technology and Harvard, the Biden Cancer Initiative, the Dana Farber Cancer Institute, and the [Emerson Collective](#) (founded by Laurene Powell Jobs, the widow of Apple co-founder Steve Jobs). Its efforts include the [Metastatic Breast Cancer Project](#) , which has received tumor samples and medical information from over 4,800 patients.

Count Me In is not only providing its data to researchers for free, but it's collecting it from across the United States. "If you're at Hopkins, or you're at Mass General, your population is Boston or Baltimore. There could be some baked in biases in your population, for good or bad," says Fishman. "So you need wide data and this is a way of potentially collecting data that's unbiased."

"I'm not exactly worried that they're going to put us out of business right away. Way back when, pathologists looked at every pap smear. Now a machine looks at them and

once in a while it kicks something out. Things change.”

Elliott Fishman, MD
Johns Hopkins Medicine

But does better data simply hasten the loss of jobs for health care professionals? Will radiologists and pathologists be replaced by smartphone apps or a medical voice assistant? AI has the potential not only to be more accurate, but to work faster than humans.

“I’m not exactly worried that they’re going to put us out of business right away,” says Fishman. “Way back when, pathologists looked at every pap smear. Now a machine looks at them and once in a while it kicks something out. Things change.”

That change, while potentially profound, does not mean that radiologists and pathologists are destined for the unemployment line. Experts also predicted the demise of radiologists when MRI machines were introduced, wrote Curtis P. Langlotz, professor of radiology at the Stanford University Medical Center, in a May 2019 editorial for the journal *Radiology*. “Radiologists are being trained to recognize AI’s shortcomings and capitalize on its strengths,” he wrote, adding that most comparisons between algorithms and radiologists are too simplistic. “An AI algorithm that diagnoses common chest conditions at the level of a subspecialty thoracic radiologist is a major step forward, an incredible asset to underserved regions, and could serve as a valued assistant for a subspecialty radiologist.” But radiologists are also trained to detect less-common diseases such as rheumatoid arthritis and sickle cell disease. “AI is impressive in identifying horses,” he wrote, “but is a long way from recognizing zebras.”

How will the job change? Over the next 5 to 10 years, the most successful radiologists and pathologists will be those “who are well equipped and eager to participate in data management and integrated diagnoses,” says Frank J. Rybicki, MD, PhD, vice chair of operations and quality with the University of Cincinnati Department of Radiology and medical director of Imagia Cybernetics Inc. When an algorithm produces unexpected results, radiologists will need to understand why. Fishman believes this will lead to a deeper role in patient care – which is one reason why he’s more excited than threatened.

“If you ask me who will benefit from AI, it’s the patients,” says Fishman. “That’s why I’m so excited. Better care for our patients. What can be better than that?”

Ken Budd, Special to AAMCNews

TOPIC:

Medical Education | Health Care | Medical Profession & Practice |
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THE

SECURITY BENCHMARK

REPORT 2023

BENCHMARKING SECURITY

This year's report offers security leaders insights into how they and their peers have matured their programs' role, technology, training and budget over the last year.



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The 2023 Security Benchmark Report

This year's report offers security leaders insights into how they and their peers have matured their programs' role, technology, training and budget over the last year.

By Madeline Lauver, Editor in Chief

Security magazine is excited to present The 2023 Security Benchmark Report, an editorial initiative that collects self-reported data from enterprise security programs across the globe and a wide range of market sectors to determine trends in security roles, responsibilities, technology, training and budget.

Our goal with The Security Benchmark Report is to provide a comparison of enterprise security programs across the security field and within market sectors. Each year we release the report, we aim to build a wider picture of how enterprise security programs change, grow and mature year-over-year.

The 2023 Security Benchmark Report is comprised of:

- **Main Report**, which includes data across all respondents and sectors they represent.
- **Sector Reports**, which include data broken down by sector.
- **The 2023 Benchmark Achievers**, a section which showcases a number of security programs excelling in training, technology, new initiatives and crisis management.
- **Benchmark Leader Profiles**, which provide an inside look into two enterprise security programs and their accomplishments in the past year.

The Security Benchmark Report is an editorial initiative that collects and reports on self-reported data from security leaders who are responsible, at least in part, for physical security in their organization.

While The Security Benchmark Report aims to offer security programs insights into what their peers are doing, we understand that the metrics important to one program may be completely different than another program.

Therefore, the biggest benefit to filling out The Security Benchmark Report survey is that each security executive respondent receives the raw, anonymized data from the survey to compare and contrast across the industry or specifically companies within their sector based on any metric they wish.

This year, we asked respondents to report on the roles, responsibilities and function of their security programs; the type and cost of security training they implemented last year; increases and decreases in their security budgets; metrics they and their leadership find most valuable; and more.

For even more insights, fill out The Security Benchmark Survey next year to receive the raw, anonymized data. The survey will be open from February to mid-July 2024. And don't forget to join us for a special webinar presentation on The 2023 Security Benchmark Report on November 29, where we discuss the report in-depth and reveal statistics exclusive to the webinar.

Read on for the insights unearthed by The 2023 Security Benchmark Report!

THE
**SECURITY
BENCHMARK**
REPORT 2023

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SECURITY ROLES & RESPONSIBILITIES

Top 10 Biggest Issues / Concerns for Security Leaders

RANK	Issues / Concerns
1.	Workplace violence
2.	Business continuity and business resilience
3.	Cybersecurity
4.	Crisis management
5.	Staffing and training
6.	Risk and threat intelligence
7.	Theft (loss prevention / asset protection)
8.	Security budget
9. (tie)	Civil unrest / targeted protests
9. (tie)	Insider threats

The Security Benchmark Report respondents were asked about their top issues & concerns in 2023 and 2024 in regards to risk mitigation and enterprise security. The top 10 answers appear above in order. Workplace violence has been ranked as the top concern by respondents since 2021. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives Within the Enterprise

Function / %

Human Resources — 16%

Chief Risk or Legal Officer / Risk / Legal / General Counsel — 15%

Chief Administrative Officer / Shared Services — 13%

Other — 13%

CEO / President / Owner / Executive Director — 12%

COO / Operations — 12%

Facilities — 8%

CFO / Finance — 4%

GM / Business Unit — 3%

CIO / Information Technology — 2%

Chief Technology Officer — 1%

Internal Audit — 1%

The Security Benchmark Report participants were asked where their security function reports to or resides within. The majority of security teams responding to this year's Security Benchmark Report report to or reside within Human Resources, followed closely by Chief Risk or Legal Officer / Risk / Legal / General Counsel. Respondents who selected Other report into Public Affairs, Customer Service and the Chief Supply Chain Officer, among others. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY ROLES & RESPONSIBILITIES

Title of Senior-Most Security Executive

Title / %

Vice President / General Manager — 38%



Director — 24%



Senior Director — 18%



C-Level Executive — 12%



Not Applicable — 4%



Senior Manager — 4%



The Security Benchmark Report respondents were asked to choose the level or title of their senior-most security executive within their enterprise. The choices, which are not exhaustive, are meant to generally group titles for comparison and include: C-Level Executive, Director, Senior Director, Senior Manager, Vice President / General Manager or Not Applicable (N/A). Respondents reported the Vice President / General Manager title as their senior-most security executive role at a higher rate than the previous year, increasing from 24% in 2022. *SOURCE: The Security Benchmark Report, November 2023*

Geographic Security Responsibility

Location / %

North America — 95%



Europe — 49%



Asia — 47%



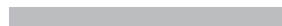
South America — 40%



Oceania (including Australia) — 34%



Africa — 33%



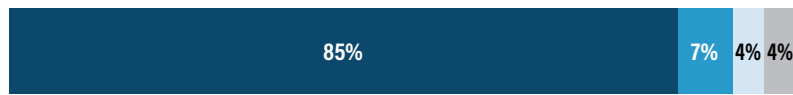
The Security Benchmark Report respondents were asked to report in which geographic areas their security organization provides risk and security services within their enterprise. Respondents chose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY ROLES & RESPONSIBILITIES

Structure of Security

Area / %

- **Centralized – 85%**
- **Decentralized – 7%**
- **Other – 4%**
- **Regional – 4%**



The Security Benchmark Report respondents were asked if their security organization is Centralized, Decentralized or Regional. The majority of respondents reported their security organization as being Centralized. For this survey's purpose, the distinction between Decentralized and Regional security is that some Regional security programs may behave in a Centralized manner for their determined region, while Decentralized generally means there may be security organizations in multiple locations within an enterprise functioning independently from one another. Those respondents choosing Other reported a mix of partially Centralized and partially Decentralized structures. *SOURCE: The Security Benchmark Report, November 2023*

Security's Responsibilities

Top 15 Roles That Security Owns, Leads or Manages

1.	Security strategy
2. (tie)	Aligning security with the business
2. (tie)	Security audits / surveys / assessments
2. (tie)	Workplace violence / threat management / active shooter prevention
5. (tie)	Liaison with public-sector law enforcement agencies
5. (tie)	Security staff development & training
7.	Asset protection / facilities protection
8.	Security technology & integration
9.	Event security
10.	Civil unrest / targeted protests
11.	Security contract management: Guards / technology integrators / contract employees
12.	Investigations
13.	Security operations center management
14.	Hate crimes / terrorism / extremism
15.	Loss prevention / goods protection

The Security Benchmark Report participants were given a list of 36 roles and responsibilities that may fall under the security function at an organization and were asked for the level of responsibility the team has over that role within their enterprise. The above are the 15 most common job responsibilities that the security function owns, leads or manages, according to respondents. For this survey, owning or leading the responsibility means security both manages and funds the program, while managing means security manages the program, but another group funds it. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY ROLES & RESPONSIBILITIES

Organizational Responsibilities: Security Roles & Functions

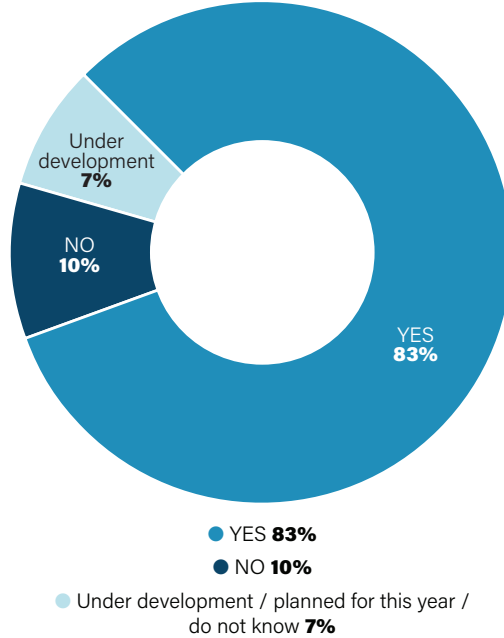
Respondents report on the responsibilities of their security programs, as well as the level of involvement they have in each role.

Function	Own / Lead	Manage	Support	Not Involved / Do Not Have / Do Not Know
Aligning security with the business	76%	16%	7%	1%
Asset protection / facilities protection	70%	21%	10%	0%
Brand protection / intellectual property / product protection / counterfeiting / fraud protection	15%	18%	53%	14%
Business resilience / business continuity / emergency management / disaster recovery	47%	14%	34%	5%
Business expansion support	8%	11%	67%	15%
Civil unrest / targeted protests	75%	12%	9%	4%
COVID-19 response	25%	18%	52%	4%
Corporate aviation security	14%	5%	27%	53%
Cybersecurity / information technology security / data protection	8%	4%	64%	24%
Drug & alcohol testing / background checks / other pre-employment screening	14%	12%	36%	38%
Duty of care / traveler protection & support / executive protection	58%	11%	16%	15%
Emergency notification	58%	14%	24%	4%
Emergency response and planning	53%	17%	30%	0%
Event security	67%	20%	8%	5%
Hate crimes / terrorism / extremism	66%	12%	13%	9%
Health and safety	21%	9%	50%	20%
International workforce protection and support	32%	10%	20%	38%
Investigations	64%	18%	16%	2%
Liaison with public-sector law enforcement agencies	82%	9%	4%	3%
Loss prevention / goods protection	60%	14%	16%	10%
Mergers & acquisitions (M&A) / business or site expansion / contraction planning & support	4%	2%	58%	36%
Parking & transportation security	40%	12%	25%	24%
Regulatory compliance / controls assurance, verification & validation	16%	20%	54%	11%
Risk & threat assessments / risk management planning / enterprise risk management	51%	23%	24%	2%
Security as a competitive advantage	45%	15%	16%	24%
Security audits / surveys / assessments	79%	14%	2%	4%
Security contract management: Guards / technology integrators / contract employees	65%	16%	9%	11%
Security operations center (SOC) management	73%	4%	2%	20%
Security staff development & training	83%	9%	5%	3%
Security strategy	90%	9%	2%	0%
Security technology & integration	71%	16%	10%	3%
Social media threat monitoring	37%	15%	36%	11%
Supply chain / logistics / distribution security	22%	8%	47%	24%
Vendor and channel partner vetting	14%	12%	41%	33%
Weather / natural disasters	41%	16%	38%	5%
Workplace violence / threat management / active shooter prevention	83%	9%	6%	2%

The Security Benchmark Report respondents were asked to report on the security team's roles and responsibilities within their organization. This year, we asked security leaders for the level of responsibility for each function within their organization with the following choices: Own / Lead Function: Security manages and funds the program; Manage: Security manages the program but another group funds it; Support: Security sets policy, consults on the program (or represents physical security perspective) but does not manage or fund the program; Not Involved: Company has the program but security is not involved in it; Do Not Have; Do Not Know. We have combined Not Involved / Do Not Have / Do Not Know responses for the purposes of this chart. SOURCE: *The Security Benchmark Report, November 2023*

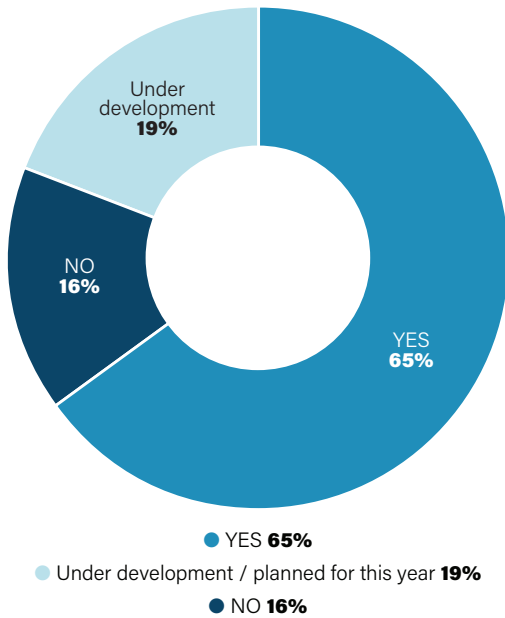
SECURITY ROLES & RESPONSIBILITIES

Do Security Teams Have a Charter or Policy / Policies Within the Enterprise that Clearly Define(s) the Role / Authority of Security?



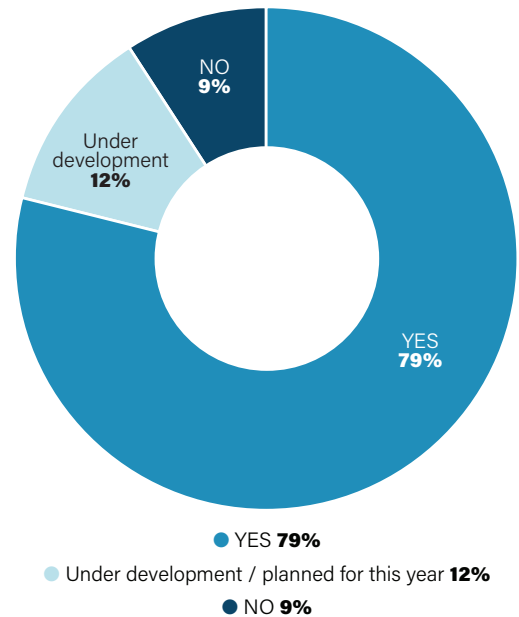
SOURCE: The Security Benchmark Report, November 2023

Do Security Teams Maintain a Security Metrics Program That Clearly Defines Productivity, Value Creation and Cost Avoidance?



SOURCE: The Security Benchmark Report, November 2023

Do Security Organizations Track / Maintain Security-Related Metrics / Analysis or Data to Help Determine Incident Response, Proper Staffing, etc.?



SOURCE: The Security Benchmark Report, November 2023

SECURITY ROLES & RESPONSIBILITIES

Pre-Employment Screening Conducted Across the Enterprise

Type of Check / Test — %

Criminal background — 85%

Employment reference — 80%

Drug tests — 63%

Personal reference checks — 59%

Credit checks — 44%

Social media reviews — 34%

Military background — 19%

Other — 11%

Don't know — 8%

None of the above — 2%

WEBINAR ONLY

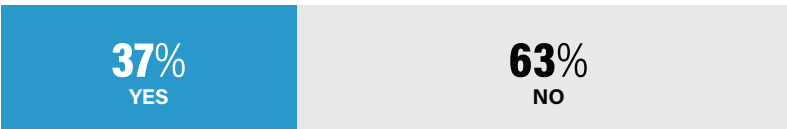
The Security Benchmark Report respondents were asked what security checks / testing the organization conducts as part of pre-employment screening. Respondents were allowed to indicate as many answers as applicable to their organization. Respondents were also able to choose Other (11%) or Don't know (8%). The Don't know answer is meant to give other security organizations knowledge into the roles, responsibilities and maturity of other security programs. For this question, other forms of screening indicated by respondents included media checks and DMV checks, and some respondents indicated that pre-employment screening procedures differed between employee level (junior vs. executive) and location. *SOURCE: The Security Benchmark Report, November 2023*

Security Executive Insights

Is your highest security-related role within the organization responsible for both **physical security** and **cybersecurity**?



Is your highest security-related role within the organization ultimately responsible for both **physical security** and **health & safety**?



In order to participate in The Security Benchmark Report, respondents must be responsible, at least in part, for physical security within their organization. We asked survey respondents for more insight into the ever-evolving and changing roles of security, including whether their program is responsible for both physical security and health & safety, as well as physical security and cybersecurity. This year's statistics represent decreases compared to 2022, when 22% of security departments reported being responsible for cybersecurity and 56% reported responsibility for health and safety as well as physical security. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY BUDGETS, SPENDING & MORE

Average Security Budget as Percent of Revenue

2.3%

The average security budget as a percent of revenue among The Security Benchmark Report respondents was 2.3%.

The Security Benchmark Report captures information on security budgets and total reported revenue / operating budget in the overall organization. To calculate the security budget as a percentage of revenue across the enterprise, the security budget is divided by the total revenue. Companies that reported information on both security budget and total revenue are included in this number; however, if any numbers appeared inaccurately reported or incorrect, they were removed from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Average Security Budget as a Percent of Revenue by Sector

Sector / Average Security Budget as a Percent of Revenue

Utilities & Distribution — 4%

Healthcare — 3%

Pharma & Biotech — 1%

Banking & Insurance — 0.75%

Higher Education — 0.6%

Hospitality & Entertainment — 0.6%

Manufacturing — 0.4%

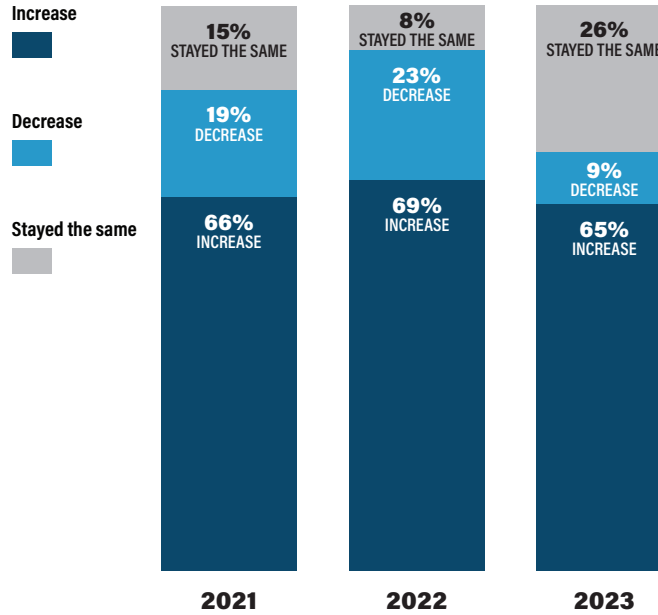
Information Technology & Media — 0.3%

Retail & Restaurant — 0.2%

Above is the average security budget as a percent of revenue by market sector. The Security Benchmark Report captures information on security budgets and total reported revenue / operating budget in the overall organization. To calculate the security budget as a percentage of revenue across the enterprise, the security budget is divided by the total revenue. Companies that reported information on both security budget and total revenue are included in this number; however, if any numbers appeared inaccurately reported or incorrect, they were removed from the calculation. If a given sector did not have enough accurate data to calculate an average, it was not included in the above reporting. *SOURCE: The Security Benchmark Report, November 2023*

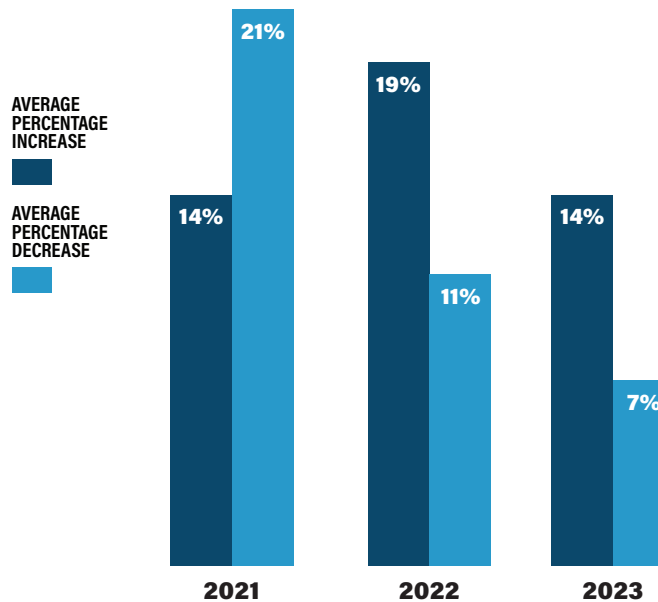
SECURITY BUDGETS, SPENDING & MORE

Security Budget Comparisons Year-Over-Year



A majority of The Security Benchmark Report respondents reported an increased security budget compared with the previous year's budget. However, fewer respondents reported an increased security budget in 2023 compared to 2022. In 2022, 69% of respondents reported an increased budget, while, in 2023, 65% of respondents reported an increased security budget year-over-year. *SOURCE: The Security Benchmark Report, November 2023*

How Much Did Security Budgets Change Year-Over-Year?



If The Security Benchmark Report respondents indicated an increased security budget in 2023 compared with 2022, they were asked what percentage that budget increased. The average increase reported by those respondents for 2023 was 14%. If respondents indicated their security budget in 2023 decreased compared with 2022, they were asked for the percentage decrease. The average decrease reported by those respondents for 2023 was 7%. In 2022, the average increase in security budget was 19% and the average decrease in security budget was 11%. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY GUARDING & OPERATIONS

Use of Security Guards / Officers

Both proprietary and contract guarding – 48%



Contract guarding only – 34%



Proprietary guarding only – 18%



Of those The Security Benchmark Report respondents that reported using guard / officer forces at their organization, 48% of security leaders report using both proprietary and contract officer / guard forces, while 18% report having only proprietary guards and 34% reported having only third-party / contract guards. *SOURCE: The Security Benchmark Report, November 2023*

Do You Have a Security Operations Center (SOC)?

Yes – 67%



No – 33%



Security Operations Center Reach

Entire enterprise – 75%



Limited to a particular site or region – 25%

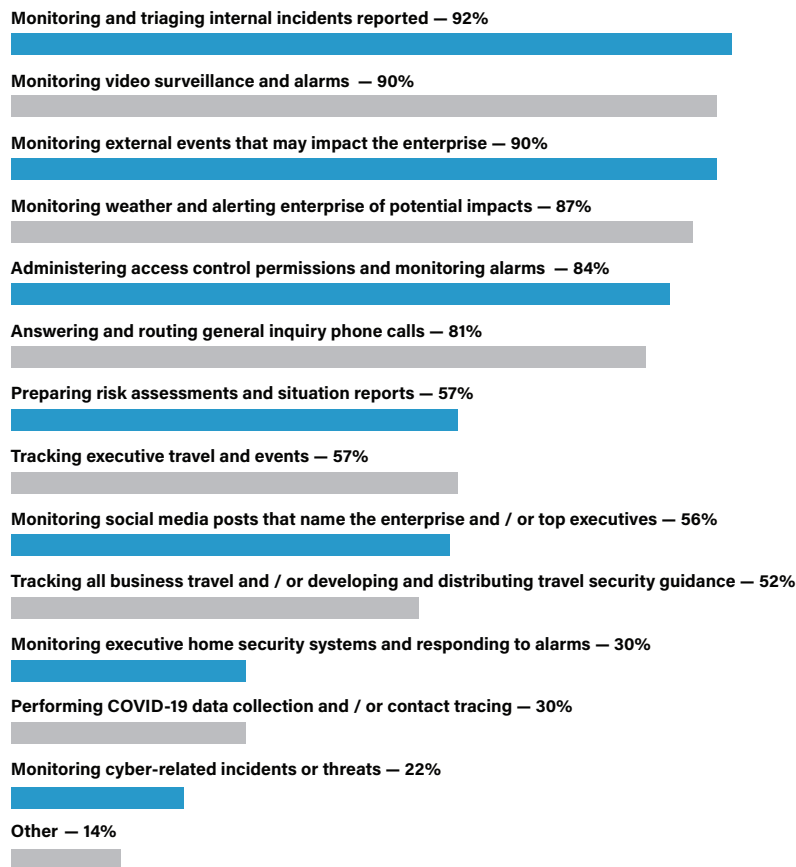


Overall, 67% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. Respondents that answered "Yes" to having a SOC were asked if their SOC provides security and risk services to the entire enterprise or just a particular region or site. Overall, among all sectors, 75% of respondents that reported having a SOC offer those services to the entire enterprise. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY GUARDING & OPERATIONS

What Services Do Security Operations Centers Provide?

Function / %

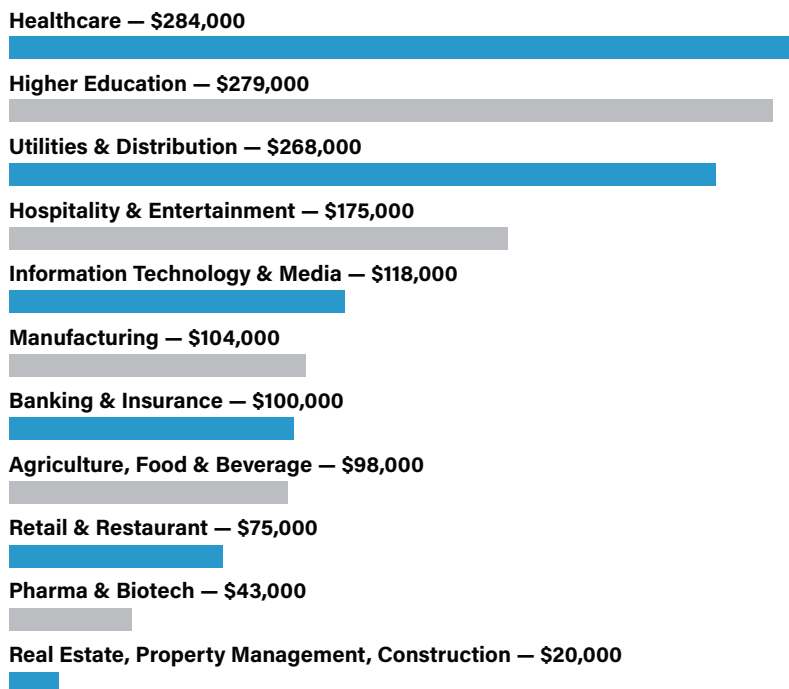


Among the 67% of The Security Benchmark Report respondents that reported having a global security operations center (GSOC) or security operations center (SOC), *Security* magazine asked respondents which services their SOCs provide to the enterprise, represented in the bar graph above. Respondents were able to choose as many responses as applicable. Respondents who selected Other reported SOC functions including monitoring for infant abductions, providing support for women's safety, and supporting building automation. SOURCE: *The Security Benchmark Report, November 2023*

SECURITY-RELATED TRAINING & TECHNOLOGY

Money Spent on Security-Related Training by Sector

Sector / Average Money Spent on Security-Related Training



Above is the average money spent on security-related training by sector, based on self-reported information from The Security Benchmark Report respondents. Information that appeared to be inaccurately reported was excluded from these calculations. *SOURCE: The Security Benchmark Report, November 2023*

Which of the Following Security-Related Training Did You Implement at Your Organization Last Year?

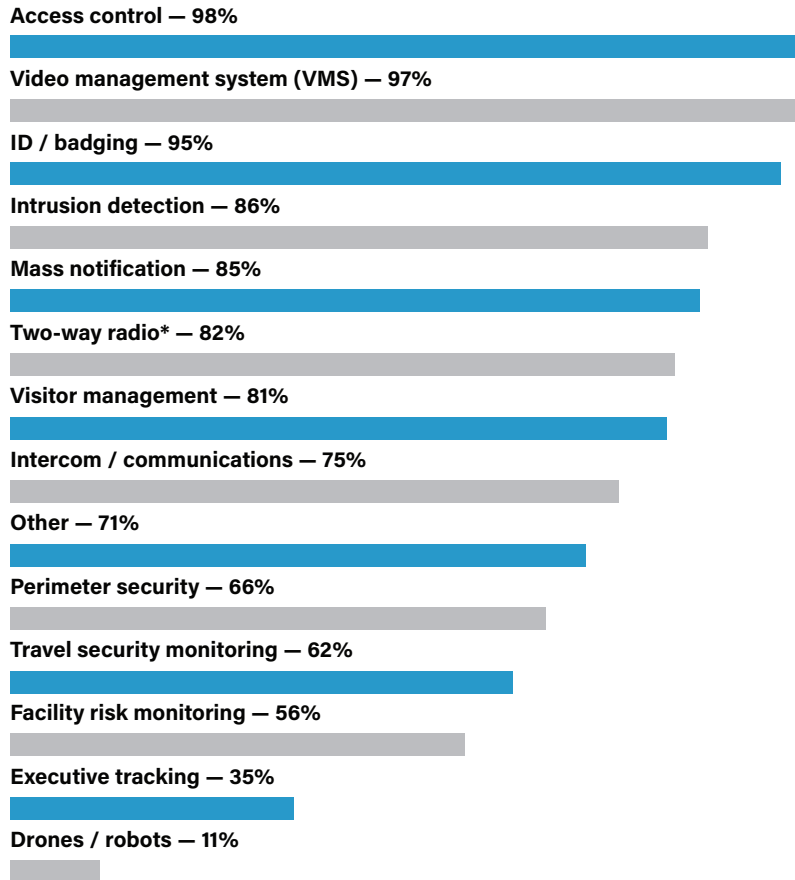
Type of Training	Security Staff	Enterprise-Wide	Targeted Cross-Functional Group	Not Applicable
Crisis management	58%	25%	55%	11%
Emergency response	62%	35%	48%	8%
Executive protection	57%	8%	26%	29%
Insider threat	45%	34%	34%	24%
Investigation-related	64%	11%	33%	24%
Leadership development	62%	21%	32%	14%
Security technology	67%	11%	36%	14%
Workplace violence	54%	75%	43%	8%

Caption: The Security Benchmark Report respondents were asked to report the security-related training they held within their enterprise in 2022. Respondents were able to choose multiple populations for each training if applicable. For example, with Workplace violence, some organizations implemented training for both security staff, as well as targeted cross-functional groups. Respondents were allowed to report using as many training types as applicable. "Not Applicable" refers to those organizations that did not implement that type of training in 2022. In addition to these responses, respondents were able to choose "Other." Some of those responses included: COVID-19 infection prevention; diversity, equity and inclusion; business continuity & resilience; active shooter; human trafficking identification & prevention; and de-escalation. *SOURCE: The Security Benchmark Report, November 2023*

SECURITY-RELATED TRAINING & TECHNOLOGY

What Physical Security / Electronic Security Systems Does Your Enterprise Currently Have in Place?

Type / %

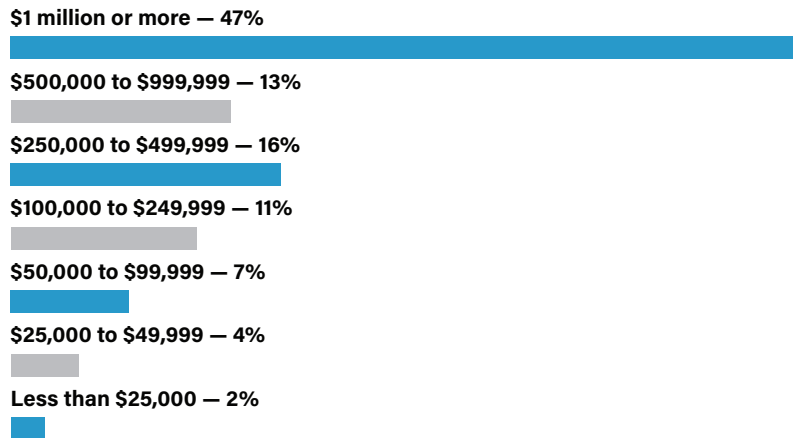


The Security Benchmark Report respondents were asked which physical and / or electronic security systems and equipment their enterprise currently has in place. Respondents were able to choose as many systems as applicable. Of those respondents who selected Other, additional security technologies they have implemented in their enterprises include: biometrics-based security solutions; gunshot detection; weapons screening; open-source intelligence monitoring; and duress technology. *Two-way radio systems are included here if reported for security personnel only. SOURCE: *The Security Benchmark Report, November 2023*

SECURITY-RELATED TRAINING & TECHNOLOGY

What Does Your Organization Plan to Spend on Electronic Physical Security Systems and Services in 2023?

Budget / %



Caption: The Security Benchmark Report respondents were asked how much their organization plans to spend on electronic physical security systems and services this year. Respondents were asked to choose the range that best describes their planned spending.
SOURCE: *The Security Benchmark Report, November 2023*

SECURITY TEAMS USING METRICS

Security Teams Emphasizing Metrics to Define Productivity

These security programs report maintaining a metrics program that clearly defines productivity, value creation and cost avoidance.

Company	Security Benchmark Leader	Title
Abercrombie and Fitch	Shane Berry	GVP, Asset Protection and Chief Security Officer
Adtalem Global Education	Robert Soderberg	Vice President, Chief Safety, Security & Resiliency Officer
Advocate Health	Randy Stephan	System Vice President for Security
AMBSE	Joe Coomer	Vice President, Security
American Electric Power	Steve Swick	Chief Security Officer
American Family Insurance	Jeff Wiegand	Vice President, Protective Services
Arthrex	Kevin Cliff	Director, Corporate Security Services
Associated Grocers of New England, Inc	Alan R. Cote	Director of Risk Management
AVANGRID	Brian Harrell	Vice President & Chief Security Officer
Baker Hughes	Kevin Wetherington	Chief Health, Safety, Environment, Security, & Quality Officer
Ballad Health	Ken Harr	Assistant Vice President / Chief Security Officer
Big Lots	Robert LaCommare	Vice President, Asset Protection & Safety
Bridgestone Corp	Josh Walker	Vice President, Corporate Security and Enterprise Risk
Casino du Lac-Leamy	Pierre Cote	Chief of Operations
Chico's FAS Inc.	Joe Biffar	Vice President, Asset Protection
Chubb	Richard M. Kelly	Senior Vice President, Chief Security Officer
CIP Corps	Karl Perman	CEO
Clarios	Robb Koops	Global Security Director
Cleveland Clinic	Gordon Snow	Chief Security Officer
Corning Inc.	Steve Harrold	Vice President, Global Security
County of Ventura	David Barley	Division Head
Duke University	John H. Dailey	Chief of Police
Ecentria - OpticsPlanet	Gary Stewart	Director, Corporate Security
Facebook	Nick Lovrien	Chief Global Security Officer
GE Healthcare	Shiva Rajagopalan	Senior Director of Infrastructure and Facilities
GoDaddy	Jason Veiock	Senior Director, Safety, Security & Resilience
Hamilton Health Sciences	Todd Milne	Director, Security Services and Emergency Disaster Management
HMPL	Sambit Nath	Head of Security
Keurig Dr Pepper	Ryan DeStefano	Director of Corporate Security
Kyndryl	Catherine Killian	Vice President & Chief Security Officer
Lexington County Health Services District Department of Public Safety	Justin McClarrie	Director of Public Safety

SECURITY TEAMS USING METRICS

Security Teams Emphasizing Metrics to Define Productivity

These security programs report maintaining a metrics program that clearly defines productivity, value creation and cost avoidance.

Company	Security Benchmark Leader	Title
Massachusetts General Hospital	Bonnie Michelman	Executive Director, Police, Security & Outside Services
McLeod Health	J. Wayne Byrd	Director of Security
Memorial Healthcare	Jeff Hauk, MBA, MSA, CPP, CHPA	Director, Public Safety and Police Authority Services
National Labor Relations Board	Raymond Hankins	Chief Security Officer
Nationwide Mutual	Jay C. Beighley	Senior Associate Vice President
Northwest Community Healthcare		CEO
NRG Energy, Inc.	Joe Walters	Sr. Director, Enterprise Security, Real Estate and Facilities
PepsiCo, Inc.	Michael Lee	Senior Vice President, Chief Security Officer
Petco	Steven J. Bova	Director, Loss Prevention
Power Integrations	Balu Balakrishnan	CEO
Regitt Consulting Services Ltd		General Manager, Security
Sabre	Jesse Campbell	Global Safety & Security Leader
San Antonio Water System	Steven Tijerina	Manager
Seattle Children's Hospital	Jim Sawyer	Security Director
State Street	Stephen D. Baker, CPP	Senior Vice President and Chief Security Officer
Synopsys, Inc.	Jim Fussell	Senior Director, Global Safety, Security & Resilience
Tampa General Hospital	Tony Venezia	Senior Director of Public Safety
Texas Biomedical Research Institute	Mark A. Hammargren, CPP	Director, Security & Emergency Preparedness
University of Alabama at Birmingham	Mike Hasselbrink	Director of Physical Security
University of Redlands	Stanley Skipworth	Associate Vice President / Chief
University of Pennsylvania	Kathleen Shields Anderson, J.D., MBA	Vice President for Public Safety
US DataVault	Marc Shaffer	CEO
University of Texas Police at Houston	William Adcox	Vice President, Chief of Police and Chief Security Officer
Victoria's Secret & Co	John Talamo	Senior Vice President, Asset Protection
Waters Technologies Corporation	Katherine Collins	Sr. Manager, Corporate Global Security
Xylem	Maribeth Anderson	Global Senior Director
Yale University Public Safety	Ronnell Higgins	Associate Vice President for Public Safety and Community Engagement
Yazaki North America Canton HQ	Bert Morales	Vice President, Corporate Security

The above list (in alphabetical order) are those security leaders that reported maintaining a security metrics program that defines productivity, value creation and cost avoidance. Respondents are allowed to remain anonymous from any listings or rankings within the published The Security Benchmark Report; therefore, any respondents choosing to remain anonymous are not included in this list. SOURCE: The Security Benchmark Report, November 2023

SECTOR REPORTS

AGRICULTURE, FOOD & BEVERAGE



This sector includes those organizations reporting agriculture, farming, food production & processing, or food & beverage services as their primary market sector of business.



Money Spent on Security-Related Training — Agriculture, Food & Beverage

\$98,000

Among the Agriculture, Food & Beverage sector, the average amount of money spent on security-related training in 2022 was \$98,000.

The Security Benchmark Report respondents in the Agriculture, Food & Beverage sector reported an average of \$98,000 in security-related spending last year. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 — Agriculture, Food & Beverage

Increased — 100%

The Security Benchmark Report respondents in the Agriculture, Food & Beverage market sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. All respondents in the sector reported an increase in security budget in 2023 when compared to 2022. *SOURCE: The Security Benchmark Report, November 2023*

5 Responsibilities Owned by Agriculture, Food & Beverage Teams

1.	Aligning security with the business
2.	Duty of care / traveler protection & support / executive protection
3.	Liaison with public-sector law enforcement agencies
4.	Hate crimes / terrorism / extremism
5.	Security strategy


The Security Benchmark Report participants within the Agriculture, Food & Beverage sectors were given a list of 36 roles and responsibilities that may fall under the security function at an organization and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities (in alphabetical order) that the security function within this sector reported as Owning / Leading. For this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

AGRICULTURE, FOOD & BEVERAGE

Where Security Lives – Agriculture, Food & Beverage

Function / %

Chief Risk or Legal Officer / Risk / Legal / General Counsel – 50%



COO / Operations – 25%



GM / Business Unit – 25%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Agriculture, Food & Beverage market sector, the highest percentage of security teams reported to the Chief Risk or Legal Officer / Risk / Legal / General Counsel. *SOURCE: The Security Benchmark Report, November 2023*

Structure of Security – Agriculture, Food & Beverage

Structure / %


Centralized – 25%



Decentralized – 50%



Other – 25%




In the Agriculture, Food & Beverage sector, 50% of Security Benchmark Report respondents reported a Decentralized structure of their security organization. Other in this data represents a security program structure comprised of both Centralized and Decentralized components. *SOURCE: The Security Benchmark Report, November 2023*


Geographic Security Responsibility – Agriculture, Food & Beverage

Location / %

Asia – 100%



Europe – 100%




North America – 100%



South America – 100%



Africa – 75%



Oceania (including Australia) – 75%



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*

AGRICULTURE, FOOD & BEVERAGE

0%

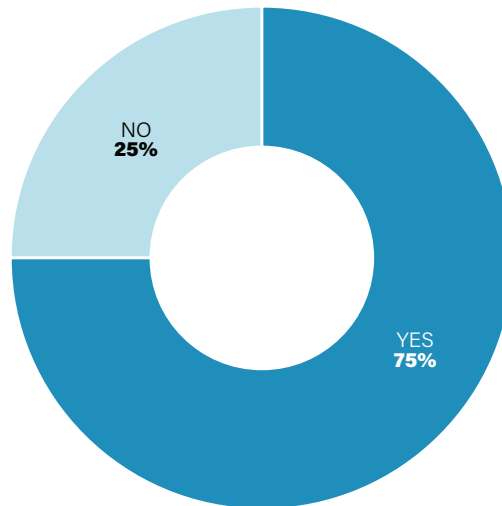
of Agriculture, Food & Beverage security leaders reported being responsible for **both physical security and cybersecurity**.

0%

of Agriculture, Food & Beverage security leaders reported being responsible for **both physical security and health & safety**.

SOURCE: The Security Benchmark Report, November 2023

Do Agriculture, Food & Beverage Organizations Have Security Operations Centers?



Within the Agriculture, Food & Beverage sectors, 75% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. SOURCE: The Security Benchmark Report, November 2023



3,047

Average number of enterprise-wide *contract* FTE security officers / guards within Agriculture, Food & Beverage sector organizations.



139

Average number of enterprise-wide *proprietary* FTE security officers / guards within Agriculture, Food & Beverage sector organizations.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Agriculture, Food & Beverage market sectors is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation.

SOURCE: The Security Benchmark Report, November 2023

BANKING & INSURANCE



This sector includes those organizations reporting banking, financial services, insurance or reinsurance as their primary market sector of business.



Security Budget as a Percent of Revenue — Banking & Insurance

0.75%

Among the Banking & Insurance sector, the average security budget as a percent of total revenue was 0.75%.

Among The Security Benchmark Report respondents choosing Banking & Insurance as their primary market sector, 0.75% was the average security budget as a percent of revenue. To calculate the security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Banking & Insurance

\$100,000

Among the Banking & Insurance sectors, the average amount of money spent on security-related training in 2022 was \$100,000.

The Security Benchmark Report respondents in the Banking & Insurance sectors reported an average of \$100,000 in security-related spending last year. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

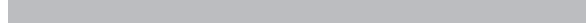
BANKING & INSURANCE

Security Budget 2023 vs. 2022 – Banking & Insurance

Increased – 50%



Stayed the same – 37%



Decreased – 13%



The Security Benchmark Report respondents in the Banking & Insurance market sectors were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. *SOURCE: The Security Benchmark Report, November 2023*

6 Responsibilities Owned by Banking & Insurance Security Teams

1.	Security audits / surveys / assessments
2.	Security strategy
3.	Security technology & integration
4.	Aligning security with the business
5.	Asset protection / facilities protection
6.	Security staff development & training

The Security Benchmark Report participants within the Banking & Insurance sectors were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives – Banking & Insurance

Function / %

CRO / Risk / Legal / General Counsel – 37.5%



Human Resources – 37.5%



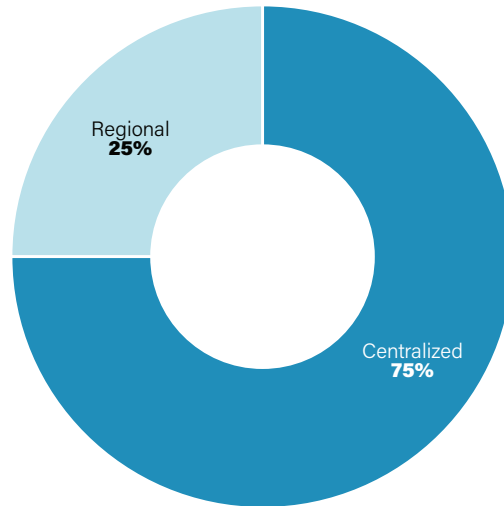
CAO / Administration / Shared Services – 25%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Banking & Insurance market sectors, the highest percentage of security teams reported to CRO / Risk / Legal / General Counsel and Human Resources. *SOURCE: The Security Benchmark Report, November 2023*

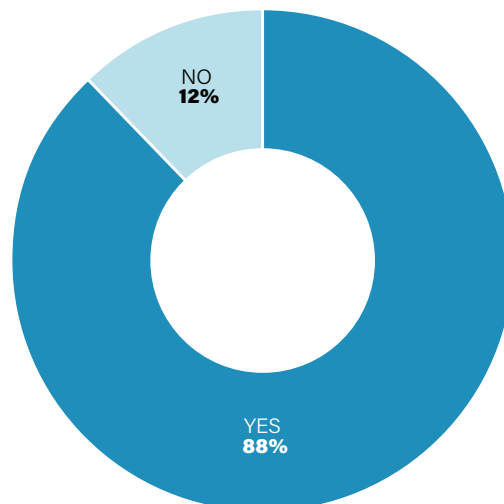
BANKING & INSURANCE

Structure of Security – Banking & Insurance



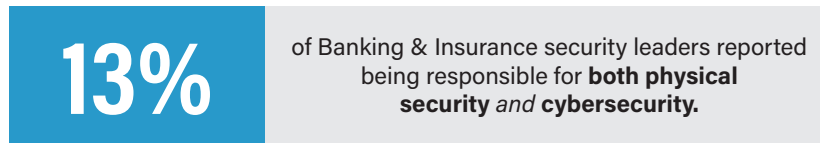
In the Banking & Insurance sectors, 75% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. One-quarter (25%) reported a Regional structure of their security program. *SOURCE: The Security Benchmark Report, November 2023*

**Do Banking & Insurance Organizations
Have Security Operations Centers?**



Within the Banking & Insurance sectors, 88% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

BANKING & INSURANCE



SOURCE: The Security Benchmark Report, November 2023

Geographic Security Responsibility — Banking & Insurance

Location / %

North America — 100%

Asia — 88%

Europe — 88%

South America — 63%

Africa — 50%

Oceania (including Australia) — 50%

The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. SOURCE: The Security Benchmark Report, November 2023



174

Average number of enterprise-wide *contract* FTE security officers / guards within Banking & Insurance sector organizations.



20

Average number of enterprise-wide *proprietary* FTE security officers / guards within Banking & Insurance sector organizations.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Banking & Insurance market sectors is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. SOURCE: The Security Benchmark Report, November 2023

HEALTHCARE



This sector includes those organizations reporting healthcare (hospitals, medical centers, etc.) as their primary market sector of business.



Security Budget as a Percent of Revenue — Healthcare

3%

Among the Healthcare sector, the average security budget as a percent of total revenue was 3%.

Among The Security Benchmark Report respondents choosing Healthcare as their primary market sector, 3% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget as a Percent of Revenue by Organization Size — Healthcare

Number of Employees	Security Budget as a Percent of Revenue
0 to 999	0.4%
1,000 to 9,999	0.6%
10,000 to 24,999	9%
25,000 to 49,999	0.5%
50,000 and above	0.3%

To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Here, the data is broken down by the total number of overall employees in the reporting organization. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Healthcare

\$284,000

Among the Healthcare sector, the average amount of money spent on security-related training in 2022 was \$284,000.

The Security Benchmark Report respondents in the Healthcare sector reported an average of \$284,000 in security-related spending last year. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

HEALTHCARE

Security Budget 2023 vs. 2022 – Healthcare

Increased – 55%



Stayed the same – 40%



Decreased – 5%



The Security Benchmark Report respondents in the Healthcare sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents reported an increase in security budget over last year, with the average percent increase being 18%. *SOURCE: The Security Benchmark Report, November 2023*

7 Responsibilities Owned by Healthcare Security Teams

1.	Security staff development & training
2.	Security strategy
3.	Security audits / surveys / assessments
4.	Asset protection / facilities protection
5.	Workplace violence / active shooter prevention
6.	Civil unrest / targeted protests
7.	Liaison with public-sector law enforcement agencies

The Security Benchmark Report participants within the Healthcare sector were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

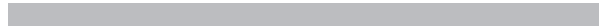
Where Security Lives – Healthcare

Function / %

COO / Operations – 20%



CAO / Administration / Shared Services – 15%



CRO / Risk / Legal / General Counsel – 15%



Facilities – 15%



Other – 15%



CEO / President / Owner – 10%



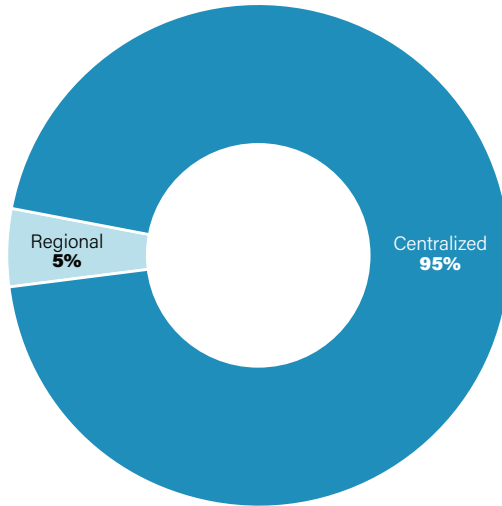
Human Resources – 10%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Healthcare sector, the majority of security functions reported to or resided within Operations. Those who selected Other report to Ancillary Services or Support Services. *SOURCE: The Security Benchmark Report, November 2023*

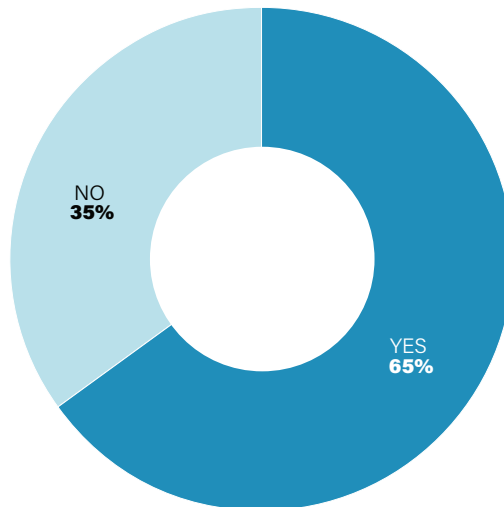
HEALTHCARE

Structure of Security – Healthcare



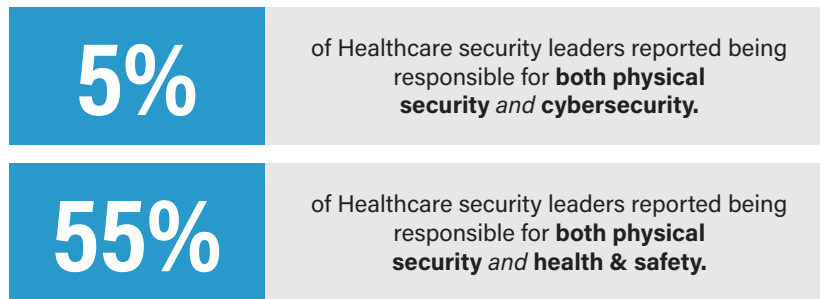
In the Healthcare sector, 95% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

Do Healthcare Organizations Have Security Operations Centers?



Within the Healthcare sector, 65% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

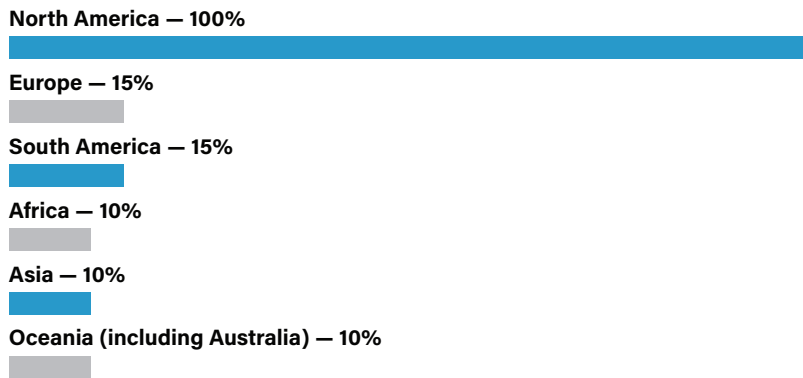
HEALTHCARE



SOURCE: The Security Benchmark Report, November 2023

Geographic Security Responsibility — Healthcare

Location / %



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. SOURCE: The Security Benchmark Report, November 2023



229

Average number of enterprise-wide *contract* FTE security officers / guards within the Healthcare sector.



145

Average number of enterprise-wide *proprietary* FTE security officers / guards within the Healthcare sector.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Healthcare sector is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. SOURCE: The Security Benchmark Report, November 2023

HIGHER EDUCATION



This sector includes those organizations reporting higher education, universities, colleges or technical institutions as their primary market sector of business.



Security Budget as a Percent of Revenue – Higher Education

0.6%

Among the Higher Education sector, the average security budget as a percent of total revenue was 0.6%.

Among The Security Benchmark Report respondents choosing Higher Education as their primary market sector, 0.6% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training – Higher Education

\$279,000

Among the Higher Education sector, the average amount of money spent on security-related training in 2022 was \$279,000.

The Security Benchmark Report respondents in the Higher Education sector reported an average of \$279,000 in security-related spending last year. Information appearing to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 – Higher Education

Increased – 62.5%



Stayed the same – 25%



Decreased – 12.5%



The Security Benchmark Report respondents in the Higher Education market sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents this year reported an increase in security budget, which was a 7% increase on average. *SOURCE: The Security Benchmark Report, November 2023*

HIGHER EDUCATION

8 Responsibilities Owned by Higher Education Security Teams

1.	Investigations
2.	Security staff development & training
3.	Event security
4.	Hate crimes / terrorism / extremism
5.	Liaison with public-sector law enforcement agencies
6.	Security operations center management
7.	Security strategy
8.	Workplace violence / active shooter prevention

The Security Benchmark Report participants within the Higher Education sector were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

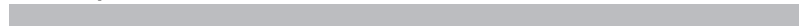
Where Security Lives – Higher Education

Function / %

CAO / Administration / Shared Services – 25%



COO / Operations – 25%



Other – 25%



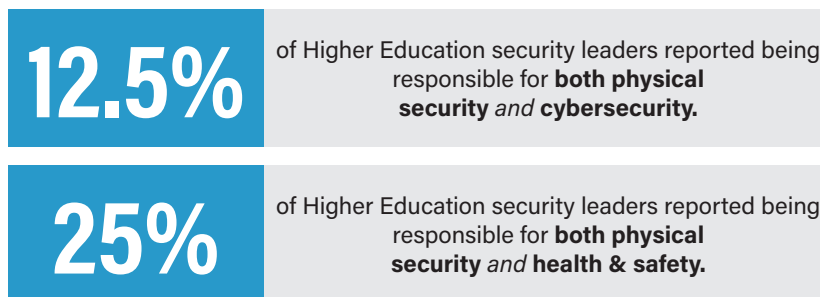
CEO / President / Owner / Executive Director – 12.5%



Human Resources – 12.5%



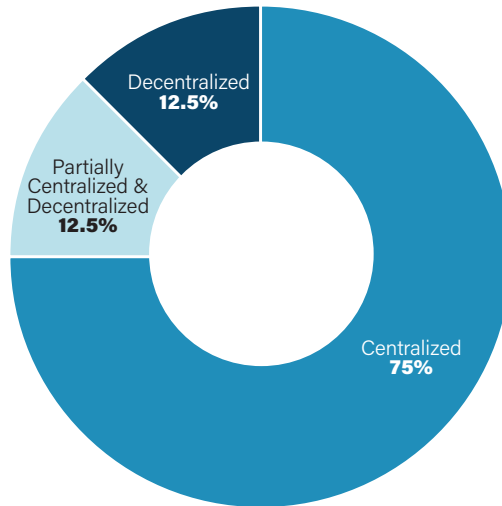
We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Higher Education sector, an even split of security teams reported to Operations, Administration and Other. The respondents who selected Other report into the Vice Chancellor or Public Affairs. *SOURCE: The Security Benchmark Report, November 2023*



SOURCE: The Security Benchmark Report, November 2023

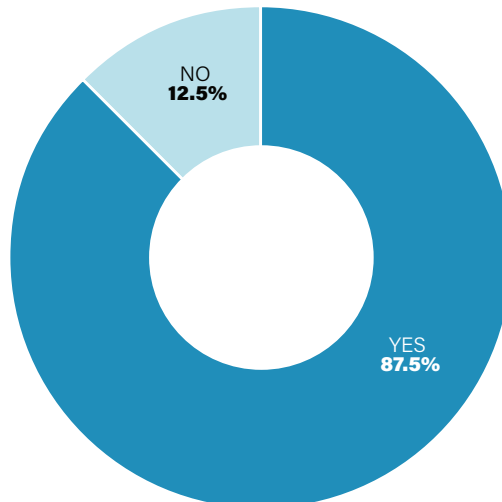
HIGHER EDUCATION

Structure of Security – Higher Education



In the Higher Education sector, 75% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

Do Higher Education Organizations Have Security Operations Centers?

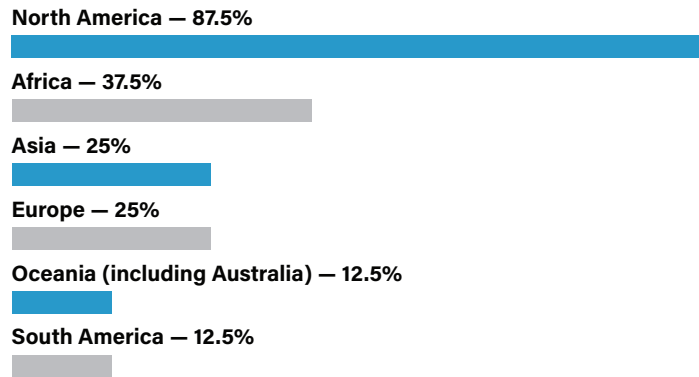


Within the Higher Education sector, 87.5% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

HIGHER EDUCATION

Geographic Security Responsibility – Higher Education

Location / %



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*



187

Average number of enterprise-wide *contract* FTE security officers / guards within Higher Education organizations.



78

Average number of enterprise-wide *proprietary* FTE security officers / guards within Higher Education organizations.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Higher Education sector is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

HOSPITALITY & ENTERTAINMENT



This sector includes those organizations reporting hospitality, hotels, casinos, entertainment, sports leagues & facilities, or recreation as their primary market sector of business.



Security Budget as a Percent of Revenue – Hospitality & Entertainment

0.6%

Among the Hospitality & Entertainment sector, the average security budget as a percent of total revenue was 0.6%.

Among The Security Benchmark Report respondents choosing Hospitality & Entertainment as their primary market sector, 0.6% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training – Hospitality & Entertainment

\$175,000

Among the Hospitality & Entertainment sectors, the average amount of money spent on security-related training in 2022 was \$175,000.

The Security Benchmark Report respondents in the Hospitality & Entertainment sectors reported an average of \$175,000 in security-related spending last year. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 – Hospitality & Entertainment

Increased – 100%

The Security Benchmark Report respondents in the Hospitality & Entertainment market sectors were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. All respondents reported an increase in their security budget. *SOURCE: The Security Benchmark Report, November 2023*

HOSPITALITY & ENTERTAINMENT

12 Responsibilities Owned by Hospitality & Entertainment Security Teams

1.	Security strategy
2.	Aligning security with the business
3.	Business resilience / business continuity / emergency management / disaster recovery
4.	Civil unrest / targeted protests
5.	Emergency response and planning
6.	Event security
7.	Liaison with public-sector law enforcement agencies
8.	Loss prevention / goods protection
9.	Security audits / surveys / assessments
10.	Security contract management: Guards / technology integrators / contract employees
11.	Security operations center management
12.	Weather / natural disasters

The Security Benchmark Report participants within the Hospitality & Entertainment sectors were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives — Hospitality & Entertainment

Function / %

GM / Business Unit — 50%



CEO / President / Owner — 25%



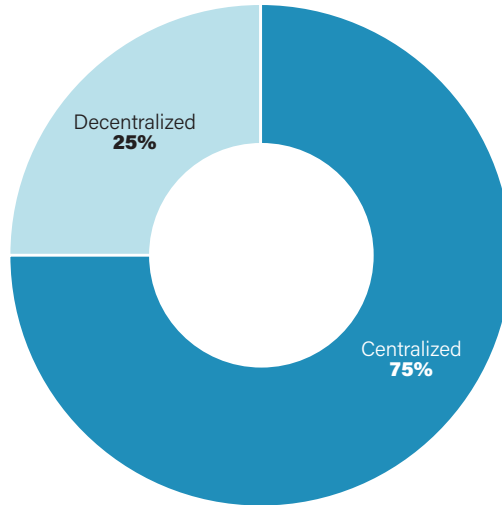
COO / Operations — 25%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Hospitality & Entertainment market sectors, the highest percentage of security teams reported to a GM / Business Unit. *SOURCE: The Security Benchmark Report, November 2023*

HOSPITALITY & ENTERTAINMENT

Structure of Security – Hospitality & Entertainment



In the Hospitality & Entertainment sectors, 75% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

Geographic Security Responsibility – Hospitality & Entertainment

Location / %

North America – 100%

Africa – 25%

Asia – 25%

Europe – 25%

Oceania (including Australia) – 25%

South America – 25%

The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*

HOSPITALITY & ENTERTAINMENT

0%

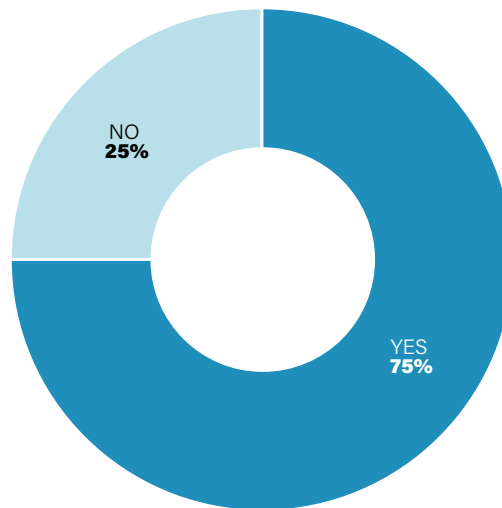
of Hospitality & Entertainment security leaders reported being responsible for **both physical security and cybersecurity.**

50%

of Hospitality & Entertainment security leaders reported being responsible for **both physical security and health & safety.**

SOURCE: The Security Benchmark Report, November 2023

Do Hospitality & Entertainment Organizations Have Security Operations Centers?



Within the Hospitality & Entertainment sectors, 75% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. SOURCE: The Security Benchmark Report, November 2023



483

Average number of enterprise-wide *contract* FTE security officers / guards within Hospitality & Entertainment sector organizations.



250

Average number of enterprise-wide *proprietary* FTE security officers / guards within Hospitality & Entertainment sector organizations.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Hospitality & Entertainment market sectors is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. SOURCE: The Security Benchmark Report, November 2023

INFORMATION TECHNOLOGY & MEDIA



This sector includes those organizations reporting information technology (equipment, software, services) or media as their primary market sector of business.



Security Budget as a Percent of Revenue — Information Technology & Media

0.3%

Among the Information Technology & Media sector, the average security budget as a percent of total revenue was 0.3%.

Among The Security Benchmark Report respondents choosing Information Technology & Media as their primary market sector, 0.3% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Information Technology & Media

\$118,000

Among the Information Technology & Media sector, the average amount of money spent on security-related training in 2022 was \$118,000.

The Security Benchmark Report respondents in the Information Technology & Media sector reported an average of \$118,000 in security-related spending last year. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 — Information Technology & Media

Increased — 43%



Stayed the same — 43%



Decreased — 14%



The Security Benchmark Report respondents in the Information Technology & Media sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents reported an increase or no change in security budget over last year. *SOURCE: The Security Benchmark Report, November 2023*

INFORMATION TECHNOLOGY & MEDIA

8 Responsibilities Owned by Information Technology & Media Security Teams

1.	Duty of care / traveler protection & support / executive protection
2.	Security audits / surveys / assessments
3.	Security operations center management
4.	Aligning security with the business
5.	Liaison with public-sector law enforcement agencies
6.	Security strategy
7.	Security technology & integration
8.	Workplace violence / active shooter prevention

The Security Benchmark Report participants within the Information Technology & Media sector were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives – Information Technology & Media

Function / %

CFO / Finance – 29%



Human Resources – 29%



CIO / Information Technology – 14%



CRO / Risk / Legal / General Counsel – 14%



Other – 14%



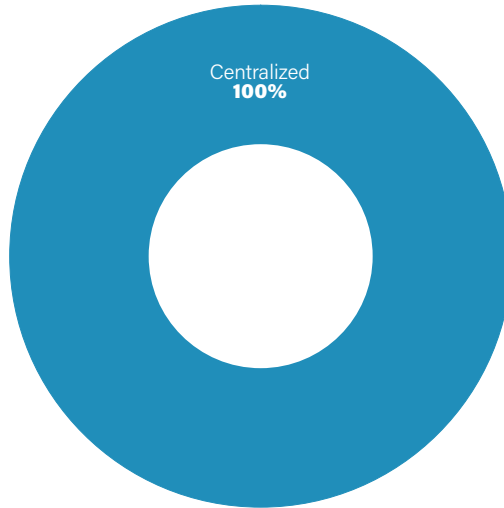
We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Information Technology & Media sectors, the majority of security functions reported to or resided within Human Resources or Finance. *SOURCE: The Security Benchmark Report, November 2023*



SOURCE: The Security Benchmark Report, November 2023

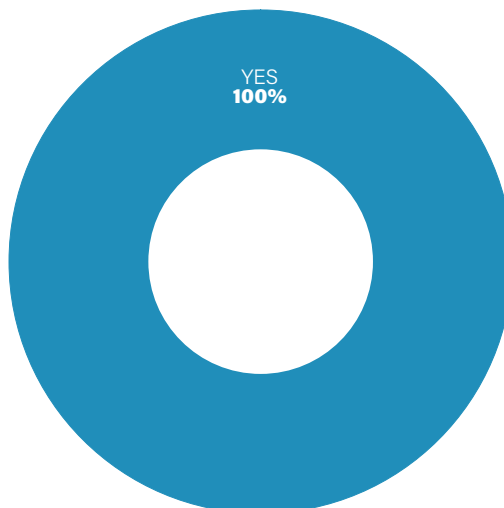
INFORMATION TECHNOLOGY & MEDIA

Structure of Security – Information Technology & Media



In the Information Technology & Media sectors, 100% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

Do Information Technology & Media Organizations Have Security Operations Centers?



Within the Information Technology & Media sectors, 100% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

INFORMATION TECHNOLOGY & MEDIA

Geographic Security Responsibility – Information Technology & Media

Location / %

Europe – 100%



North America – 100%



Oceania (including Australia) – 100%



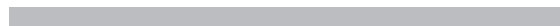
South America – 100%



Africa – 71%



Asia – 71%



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*



921

Average number of enterprise-wide *contract* FTE security officers / guards within the Information Technology & Media sector.

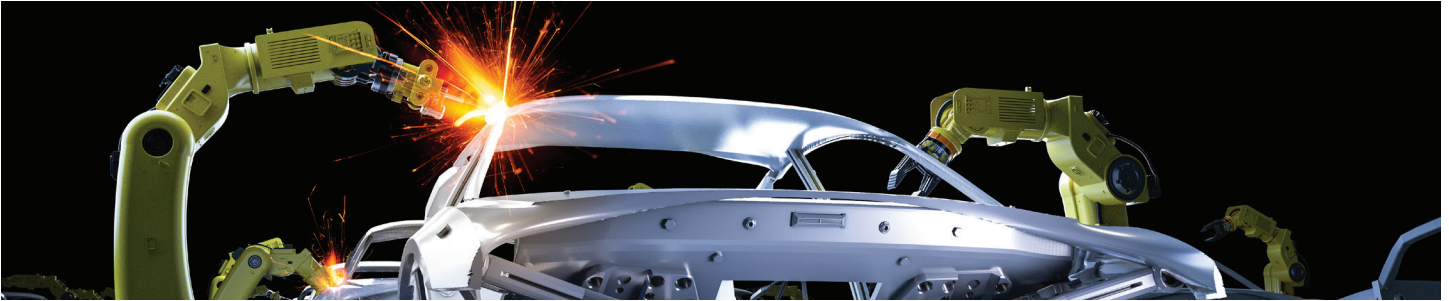


0

Average number of enterprise-wide *proprietary* FTE security officers / guards within the Information Technology & Media sector.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Information Technology & Media sector is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

MANUFACTURING



This sector includes those organizations reporting manufacturing as their primary market sector of business.



Security Budget as a Percent of Revenue — Manufacturing

0.4%

Among the Manufacturing sector, the average security budget as a percent of total revenue was 0.4%.

Among The Security Benchmark Report respondents choosing Manufacturing as their primary market sector, 0.4% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Manufacturing

\$104,000

Among the Manufacturing sector, the average amount of money spent on security-related training in 2022 was \$104,000.

The Security Benchmark Report respondents in the Manufacturing sector reported an average of \$104,000 in security-related spending last year. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 — Manufacturing

Increased — 57%

Stayed the same — 21%

Don't know — 14%

Decreased — 7%

The Security Benchmark Report respondents in the Manufacturing sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents in this sector reported an increase over last year, with an average security budget increase of 15%. *SOURCE: The Security Benchmark Report, November 2023*

MANUFACTURING

7 Responsibilities Owned by Manufacturing Security Teams

1.	Liaison with public-sector law enforcement agencies
2.	Security audits / surveys / assessments
3.	Security staff development & training
4.	Security strategy
5.	Aligning security with the business
6.	Security technology & integration
7.	Workplace violence / active shooter prevention

The Security Benchmark Report participants within the Manufacturing sector were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives – Manufacturing

Function / %

CAO / Administration / Shared Services – 14%



COO / Operations – 14%



CRO / Risk / Legal / General Counsel – 14%



Facilities – 14%



Human Resources – 14%



CEO / President / Owner / Exec. Director – 7%



CFO / Finance – 7%



CIO / Information Technology – 7%



Internal Audit – 7%



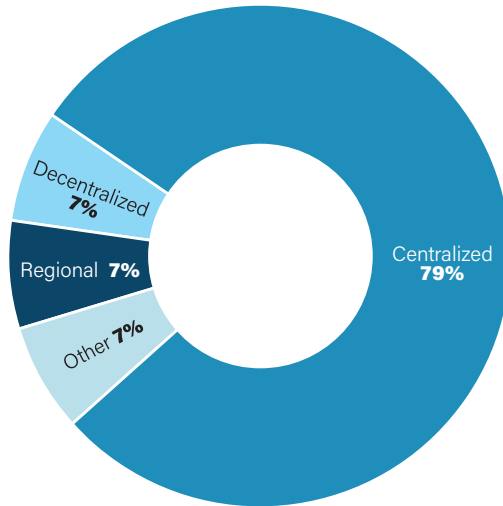
We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. In the Manufacturing sector, an equal amount respondents reported to the CAO / Administration / Shared Services, CRO / Risk / Legal / General Counsel, COO / Operations, Facilities, or Human Resources. *SOURCE: The Security Benchmark Report, November 2023*



SOURCE: The Security Benchmark Report, November 2023

MANUFACTURING

Structure of Security – Manufacturing



In the Manufacturing sector, 79% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. For this survey's purpose, the distinction between Decentralized and Regional security is that some Regional security programs may behave in a centralized manner for their determined region, while Decentralized generally means there may be security organizations in multiple locations within an enterprise functioning independently from one another. Respondents choosing Other in this sector reported a functionally Centralized structure with dotted line regional security managers. *SOURCE: The Security Benchmark Report, November 2023*

Geographic Security Responsibility – Manufacturing

Location / %

North America – 93%

Asia – 79%

Europe – 79%

South America – 50%

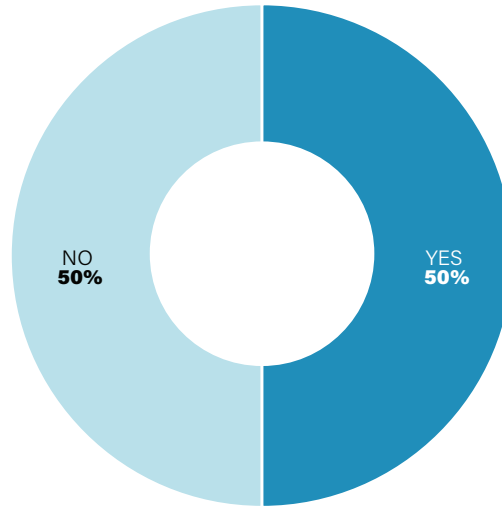
Oceania (including Australia) – 50%

Africa – 43%

The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*

MANUFACTURING

Do Manufacturing Organizations Have Security Operations Centers?



Within the Manufacturing sector, 50% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*



719

Average number of enterprise-wide *contract* FTE security officers / guards within the Manufacturing sector.



101

Average number of enterprise-wide *proprietary* FTE security officers / guards within the Manufacturing sector.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Manufacturing sector is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

PHARMA & BIOTECH



This sector includes those organizations reporting pharmaceuticals or biotechnology as their primary market sector of business.



Security Budget as a Percent of Revenue — Pharma & Biotech

1%

Among the Pharma & Biotech sector, the average security budget as a percent of total revenue was 1%.

Among The Security Benchmark Report respondents choosing Pharma & Biotech as their primary market sector, 1% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Pharma & Biotech

\$43,000

Among the Pharma & Biotech sector, the average amount of money spent on security-related training in 2022 was \$43,000.

The Security Benchmark Report respondents in the Pharma & Biotech sector reported an average of \$43,000 in security-related spending last year. Information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 — Pharma & Biotech

Increased — 75%



Decreased — 25%

The Security Benchmark Report respondents in the Pharma & Biotech sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents in this sector reported an increase over last year with an average security budget increase of 22%. *SOURCE: The Security Benchmark Report, November 2023*

PHARMA & BIOTECH

9 Responsibilities Owned by Pharma & Biotech Security Teams

1.	Aligning security with the business
2.	Asset protection / facilities protection
3.	Liaison with public-sector law enforcement agencies
4.	Security audits / surveys / assessments
5.	Security contract management: Guards / technology integrators / contract employees
6.	Security staff development & training
7.	Security strategy
8.	Security technology & integration
9.	Workplace violence / active shooter prevention

The Security Benchmark Report participants within the Pharma & Biotech sector were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives – Pharma & Biotech

Function / %

CAO / Administration / Shared Services – 25%



COO / Operations – 25%



Facilities – 25%



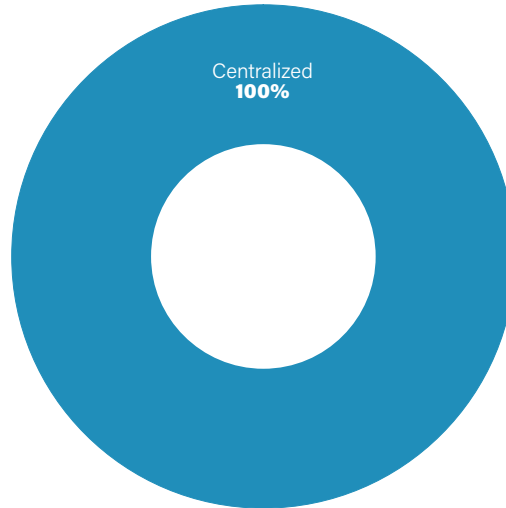
Other – 25%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. In this sector, those reporting Other included Chief Supply Chain Officer. *SOURCE: The Security Benchmark Report, November 2023*

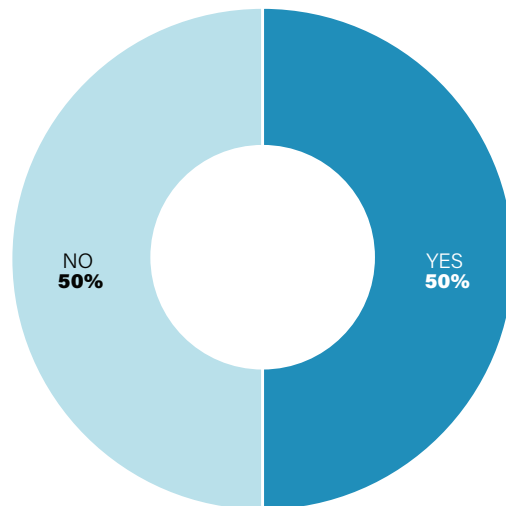
PHARMA & BIOTECH

Structure of Security – Pharma & Biotech



In the Pharma & Biotech sector, 100% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

Do Pharma & Biotech Organizations Have Security Operations Centers?



Within the Pharma & Biotech sectors, 50% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

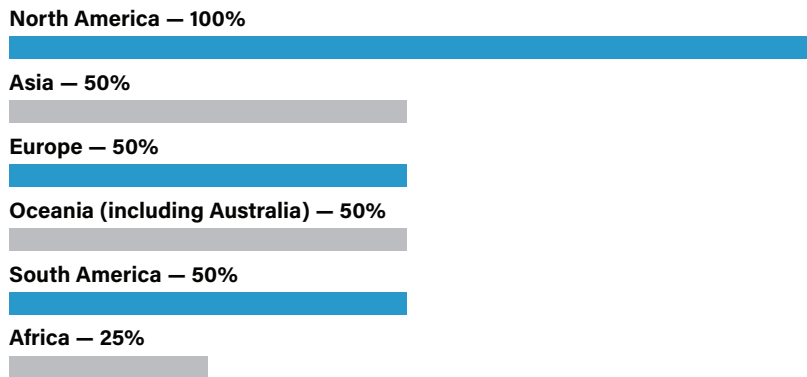
PHARMA & BIOTECH



SOURCE: The Security Benchmark Report, November 2023

Geographic Security Responsibility – Pharma & Biotech

Location / %



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. SOURCE: The Security Benchmark Report, November 2023



20

Average number of enterprise-wide *contract* FTE security officers / guards within the Pharma & Biotech sector.



24

Average number of enterprise-wide *proprietary* FTE security officers / guards within the Pharma & Biotech sector.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Pharma & Biotech sector is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. SOURCE: The Security Benchmark Report, November 2023

REAL ESTATE, PROPERTY MANAGEMENT, CONSTRUCTION



This sector includes those organizations reporting real estate, property management, housing, or construction services & materials as their primary market sector of business.



Money Spent on Security-Related Training – Real Estate, Property Management, Construction

\$20,000

Among the Real Estate, Property Management, Construction sectors, the average amount of money spent on security-related training in 2022 was \$20,000.

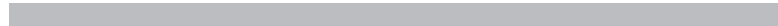
The Security Benchmark Report respondents in the Real Estate, Property Management, Construction sectors reported an average of \$20,000 in security-related spending last year. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 – Real Estate, Property Management, Construction

Increased – 50%



Decreased – 50%



The Security Benchmark Report respondents in the Real Estate, Property Management, Construction market sectors were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. Fifty percent of respondents in this sector reported a decrease in security budget. *SOURCE: The Security Benchmark Report, November 2023*

3 Responsibilities Owned by Real Estate, Property Management, Construction Security Teams

1.	Civil unrest / targeted protests
2.	Investigations
3.	Security strategy

The Security Benchmark Report participants within the Real Estate, Property Management, Construction sectors were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above (in alphabetical order) are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

REAL ESTATE, PROPERTY MANAGEMENT, CONSTRUCTION

Where Security Lives – Real Estate, Property Management, Construction

Function / %

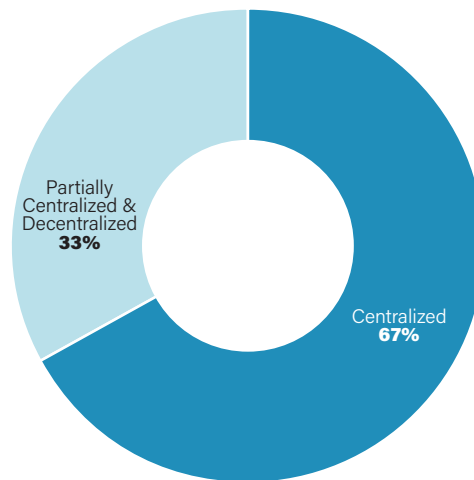
CEO / President / Owner / Exec. Director – 33%

Health / Safety / Security / Environment – 33%

Human Resources – 33%

We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Real Estate, Property Management, Construction market sectors, one-third of respondents report to the CEO / President / Owner / Exec. Director, Human Resources, and Health / Safety / Security / Environment, respectively. *SOURCE: The Security Benchmark Report, November 2023*

Structure of Security – Real Estate, Property Management, Construction



In the Real Estate, Property Management, Construction sectors, 67% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

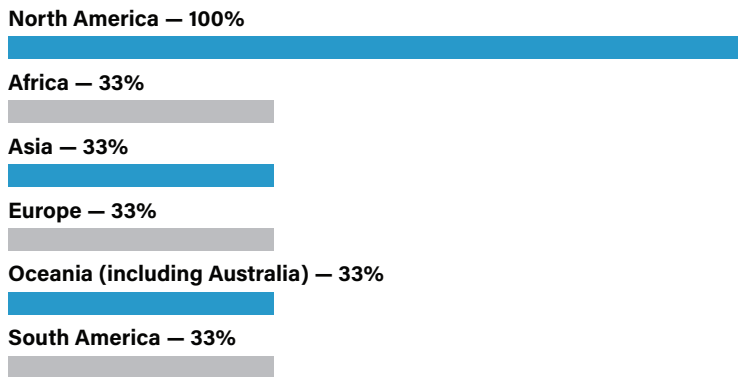


SOURCE: The Security Benchmark Report, November 2023

REAL ESTATE, PROPERTY MANAGEMENT, CONSTRUCTION

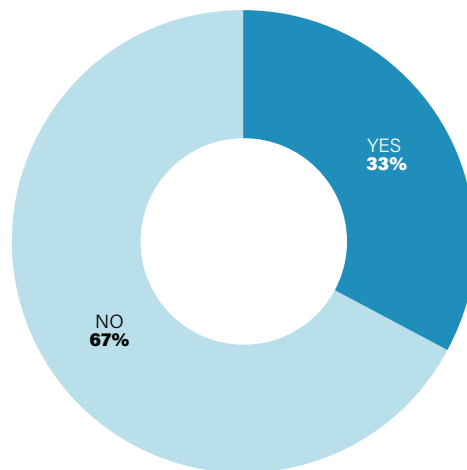
Geographic Security Responsibility – Real Estate, Property Management, Construction

Location / %



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. *SOURCE: The Security Benchmark Report, November 2023*

Do Real Estate, Property Management, Construction Organizations Have Security Operations Centers?



Within the Real Estate, Property Management, Construction sectors, 33% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

REAL ESTATE, PROPERTY MANAGEMENT, CONSTRUCTION



164

Average number of enterprise-wide *contract* FTE security officers / guards within Real Estate, Property Management, Construction sector organizations.



16

Average number of enterprise-wide *proprietary* FTE security officers / guards within Real Estate, Property Management, Construction sector organizations.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Real Estate, Property Management, Construction market sectors is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

RETAIL & RESTAURANT



This sector includes those organizations reporting retail or restaurant as their primary market sector of business.



Security Budget as a Percent of Revenue — Retail & Restaurant

0.2%

Among the Retail & Restaurant sector, the average security budget as a percent of total revenue was 0.2%.

Among The Security Benchmark Report respondents choosing Retail & Restaurant as their primary market sector, 0.2% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Retail & Restaurant

\$75,000

Among the Retail & Restaurant sector, the average amount of money spent on security-related training in 2022 was \$75,000.

The Security Benchmark Report respondents in the Retail & Restaurant sector reported an average of \$75,000 in security-related spending last year. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 — Retail & Restaurant

Increased — 40%

Decreased — 40%

Stayed the same — 20%

The Security Benchmark Report respondents in the Retail & Restaurant sector were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents in this sector reported an increase over last year with an average security budget increase of 3%. *SOURCE: The Security Benchmark Report, November 2023*

RETAIL & RESTAURANT

8 Responsibilities Owned by Retail & Restaurant Security Teams

1.	Aligning security with the business
2.	Asset protection / facilities protection
3.	Civil unrest / targeted protests
4.	Investigations
5.	Liaison with public-sector law enforcement agencies
6.	Loss prevention / goods protection
7.	Supply chain / logistics / distribution security
8.	Workplace violence / active shooter prevention

The Security Benchmark Report participants within the Retail & Restaurant sector were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

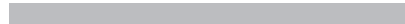
Where Security Lives – Retail & Restaurant

Function / %

COO / Operations – 40%



CFO / Finance – 20%



CRO / Risk / Legal / General Counsel – 20%



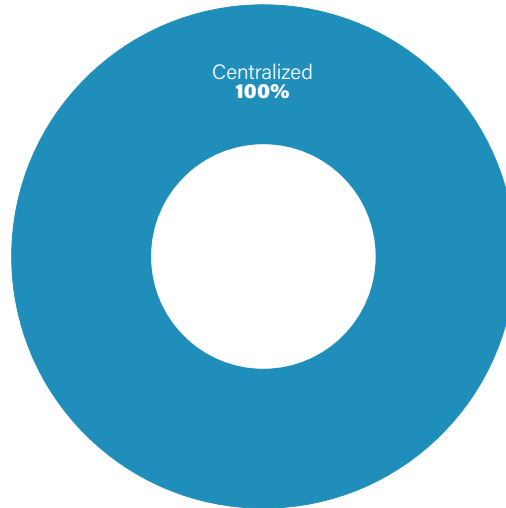
Human Resources – 20%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Retail & Restaurant market sectors, 40% of respondents report to COO / Operations. *SOURCE: The Security Benchmark Report, November 2023*

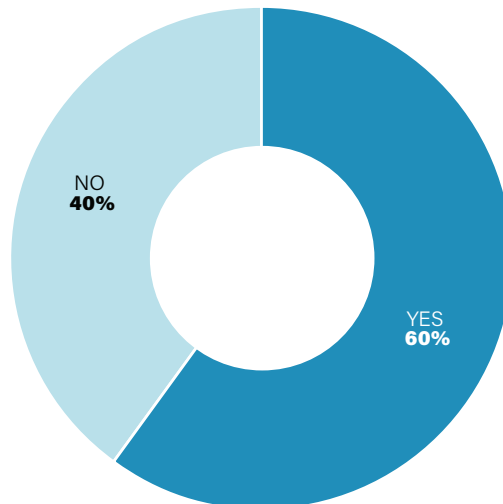
RETAIL & RESTAURANT

Structure of Security – Retail & Restaurant



In the Retail & Restaurant sector, 100% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. *SOURCE: The Security Benchmark Report, November 2023*

Do Retail & Restaurant Organizations Have Security Operations Centers?



Within the Retail & Restaurant sectors, 60% of Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

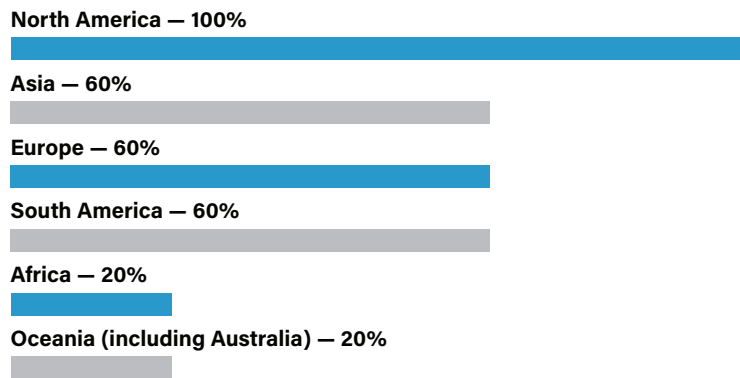
RETAIL & RESTAURANT



SOURCE: The Security Benchmark Report, November 2023

Geographic Security Responsibility – Retail & Restaurant

Location / %



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. SOURCE: The Security Benchmark Report, November 2023



36

Average number of enterprise-wide *contract* FTE security officers / guards within the Retail & Restaurant sector.



59

Average number of enterprise-wide *proprietary* FTE security officers / guards within the Retail & Restaurant sector.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Retail & Restaurant sector is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. SOURCE: The Security Benchmark Report, November 2023

UTILITIES & DISTRIBUTION



This sector includes those organizations reporting utilities (oil & gas, waste management & equipment, renewable / clean energy, electric, gas, nuclear, wind, environmental services), logistics, warehousing, ports (air, sea, etc.), distribution, shipping or freight transportation as their primary market sector of business.



Security Budget as a Percent of Revenue — Utilities & Distribution

4%

Among the Utilities & Distribution sectors, the average security budget as a percent of total revenue was 4%.

Among The Security Benchmark Report respondents choosing Utilities & Distribution as their primary market sector, 4% was the average security budget as a percent of revenue. To calculate security budget as a percentage of revenue across security programs in this sector, the security budget was divided by the total revenue, based on self-reported information. Information that appeared to be inaccurately reported was excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*



Money Spent on Security-Related Training — Utilities & Distribution

\$268,000

Among the Utilities & Distribution sectors, the average amount of money spent on security-related training in 2022 was \$268,000.

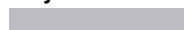
The Security Benchmark Report respondents in the Utilities & Distribution sectors reported an average of \$268,000 in security-related spending last year. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. *SOURCE: The Security Benchmark Report, November 2023*

Security Budget 2023 vs. 2022 — Utilities & Distribution

Increased — 73%



Stayed the same — 18%



Don't know — 9%



The Security Benchmark Report respondents in the Utilities & Distribution sectors were asked whether their 2023 security budgets Increased, Decreased or Stayed the same over 2022. The majority of respondents reported an increase or the same security budget over last year. *SOURCE: The Security Benchmark Report, November 2023*

UTILITIES & DISTRIBUTION

4 Responsibilities Owned by Utilities & Distribution Security Teams

1.	Aligning security with the business
2.	Liaison with public sector / law enforcement agencies
3.	Security strategy
4.	Workplace violence / active shooter prevention

The Security Benchmark Report participants within the Utilities & Distribution sectors were given a list of 36 roles and responsibilities that may fall under the security function at an organization, and were asked for the level of responsibility the team has over that role within their enterprise. The above are the most common job responsibilities that the security function within this sector reported as Owning / Leading. For the purposes of this survey, Owning / Leading the responsibility means security both manages and funds the program. *SOURCE: The Security Benchmark Report, November 2023*

Where Security Lives – Utilities & Distribution

Function / %

Human Resources – 27%



CEO / President / Owner – 18%



Other – 18%



CAO / Administration / Shared Services – 9%



COO / Operations – 9%



CRO / Risk / Legal / General Counsel – 9%



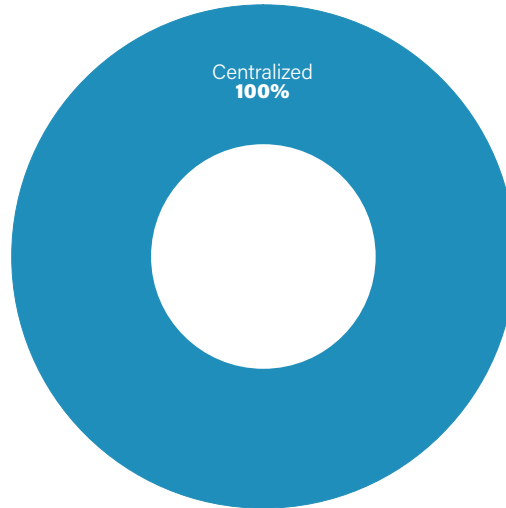
CTO / Technology – 9%



We asked The Security Benchmark Report respondents which function their security organization reports to or resides within. Within the Utilities & Distribution market sectors, 27% of respondents report to Human Resources. *SOURCE: The Security Benchmark Report, November 2023*

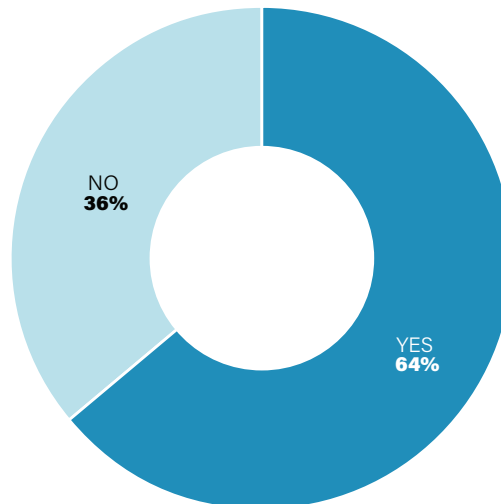
UTILITIES & DISTRIBUTION

Structure of Security – Utilities & Distribution



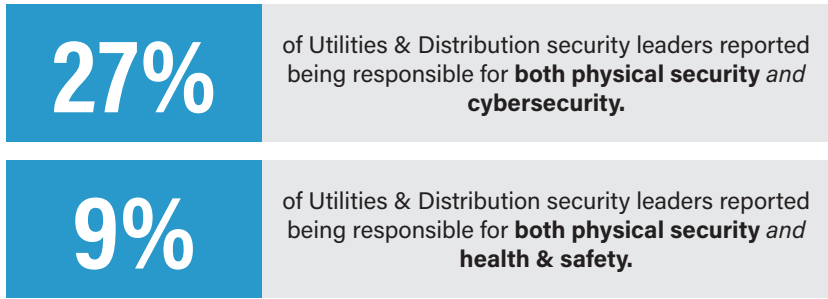
In the Utilities & Distribution sectors, 100% of The Security Benchmark Report respondents reported a Centralized structure of their security organization. Zero respondents within this sector reported a Decentralized or Regional structure. *SOURCE: The Security Benchmark Report, November 2023*

Do Utilities & Distribution Organizations Have Security Operations Centers?



Within the Utilities & Distribution sectors, 64% of The Security Benchmark Report respondents reported having a security operations center (SOC) or global security operations center (GSOC) within their enterprise. *SOURCE: The Security Benchmark Report, November 2023*

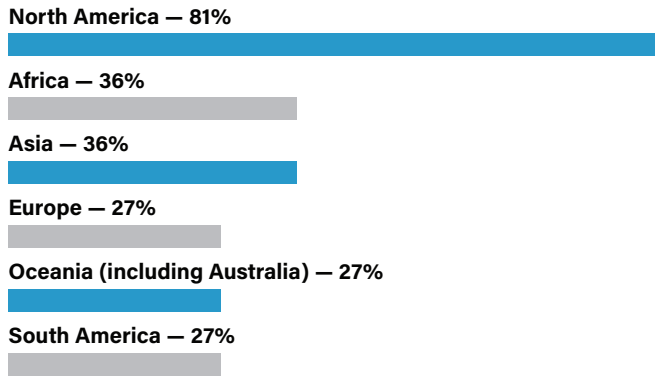
UTILITIES & DISTRIBUTION



SOURCE: The Security Benchmark Report, November 2023

Geographic Security Responsibility – Utilities & Distribution

Location / %



The Security Benchmark Report respondents were asked to report which geographic areas their security organization provides risk and security services. Respondents were able to choose as many geographic areas as applicable. SOURCE: The Security Benchmark Report, November 2023



85

Average number of enterprise-wide *contract* FTE security officers / guards within Utilities & Distribution sectors.



156

Average number of enterprise-wide *proprietary* FTE security officers / guards within Utilities & Distribution sectors.

The Security Benchmark Report respondents were asked how many contract and proprietary full-time equivalent (FTE) security officers and security guards they have within their enterprise. The average among all respondents in the Utilities & Distribution sectors is reported here. Outliers or information that appeared to be inaccurately reported were excluded from the calculation. SOURCE: The Security Benchmark Report, November 2023

THE 2023 SECURITY BENCHMARK REPORT / ACHIEVERS / TRAINING



Security Achieving Results With Training

By Madeline Lauver, Editor in Chief

Each year, Security Benchmark Report respondents share accomplishments achieved by their programs. Below, we highlight a number of the impressive achievements we have seen over the past year, from improvements in enterprise-wide training programs to innovating security despite staffing challenges.

Editor's Note: If a security program chose to remain anonymous for The Security Benchmark Report, they were not considered for the Achievers section.

Security training plays an important role in maintaining operational continuity and supporting an organization during an emergency.

The below 2023 Security Benchmark Report Achievers demonstrate how training can be used to benefit enterprise security posture by enhancing emergency preparedness and incident response.

Advocate Health

Randy Stephan
System Vice President for
Security

We have expanded all facets of security training to include new officer training, annual refresher training, remedial training, policy training, new equipment training, leader training, peer function training (HR, Risk, Compliance, Safety) and non-security frontline teammate training.

Associated Grocers of New England, Inc.

Alan R. Cote
Director of Risk
Management

We developed a solid Active Aggressor/Workplace Violence program, as well as cross-training in many safety and risk management areas for the security team administrative personnel.

AVANGRID

Brian Harrell
VP & Chief Security Officer

We conducted our first full-scale active shooter exercise on a corporate campus. This included federal, state and local first responders, as well as technology providers, to help us respond to violence and walk through recovery.

Cleveland Clinic

Gordon Snow
Chief Security Officer

Enterprise-wide training emanating from Protective Services greatly increases Caregiver awareness and tools with which to respond to incidents in conjunction with Police/Security staff.

THE 2023 SECURITY BENCHMARK REPORT / ACHIEVERS / **CRISIS MANAGEMENT**



Security Leading Crisis Management

By **Madeline Lauver**, Editor in Chief

Each year, Security Benchmark Report respondents share accomplishments achieved by their programs. Below, we highlight a number of the impressive achievements we have seen over the past year, from improvements in enterprise-wide training programs to innovating security despite staffing challenges.

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From the ongoing Russian invasion of Ukraine to lingering effects of the COVID-19 pandemic and heightened natural disasters, enterprise security teams support their organizations in times of instability and crisis.

This year's Security Benchmark Report Achievers in crisis management show how security springs into action when organizations are faced with emergencies.

ADM

Brian Howell
Vice President & Global
Head of Security

We have successfully led the company's crisis response to the war in Ukraine. This includes full evacuation of eligible staff and families, as well as an ongoing life cycle of risk assessments and mitigation recommendations to business leaders.

Chico's FAS, Inc.

Joe Biffar
Vice President, Asset
Protection

Our preparation for and response/recovery after Hurricane Ian which devastated southwest Florida (where our HQ is located) [has been our greatest achievement]. Our security team's efforts directly supported our organization and community at large. We housed 3,000 linemen crews from Florida Power and Light on our campus immediately post-landfall to support community resiliency. We also opened our doors, and enterprise security supported the American Red Cross, who set up their Disaster Headquarters for Hurricane Ian response on our corporate campus. Security, our security operations center (SOC), field team, facilities crews and crisis management teams overcame significant challenges (even as some of their homes flooded out) to support our organization and community.

Memorial Healthcare

Jeff Hauk, MBA, MSA, CPP,
CHPA
Director, Public Safety and
Police Authority Services

Our greatest achievement has been our continued resilience in the wake of the continued challenges (financial and staffing) and continued rise in patients with mental health and substance abuse issues. In addition, the onboarding of a new public safety dispatch and reporting platform, developing and operationalizing fingerprinting capabilities, and retention of public safety staff.

State Street Corporation

Stephen D. Baker, CPP
Senior Vice President and
Chief Security Officer

Our greatest achievement from 2022 has been leading the COVID-19 response for the company globally and allowing us to demonstrate our business resiliency to clients and regulators.

THE 2023 SECURITY BENCHMARK REPORT / ACHIEVERS / **NEW INITIATIVES**



Security Implementing New Initiatives

By **Madeline Lauver**, Editor in Chief

Each year, Security Benchmark Report respondents share accomplishments achieved by their programs. Below, we highlight a number of the impressive achievements we have seen over the past year, from improvements in enterprise-wide training programs to innovating security despite staffing challenges.

Editor’s Note: If a security program chose to remain anonymous for The Security Benchmark Report, they were not considered for the Achievers section.

It’s up to today’s security executive to innovate and work to successfully introduce new initiatives where they would benefit the enterprise.

The following 2023 Security Benchmark Report Achievers are recognized for their achievements in new security initiatives, from conducting comprehensive security program reviews to responding to violent crime.

<p>Corning Inc. Steve Harrold VP, Global Security</p>	<p>We have gained executive support for Corning’s Insider Risk program. Through multiple strategic initiatives, we strengthened Corning’s overall crisis management and resiliency posture.</p>
<p>Excelerate Energy Jeremy Rodrigues Senior Director, Enterprise Security</p>	<p>Our security organization’s greatest achievement in 2022 was the commissioning of a comprehensive security program review in May 2022. The resulting product from the security program review played a pivotal role in building a strategic roadmap to enhance our service delivery. The strategic roadmap, backed by data-driven analysis and well-defined action plans, resonated with our leadership team, solidifying their support for the security initiatives. As a result of this achievement, we have been able to significantly mature our security service delivery and establish a stronger security posture for the company.</p>
<p>Lexington Medical Center Justin McClarrrie Director of Public Safety</p>	<p>Our Hospital Watch/community involvement program is an amazing tool in maintaining a safe environment for our patients, visitors and staff. At its core, the Hospital Watch Program focuses on the intentional growth and maintenance of meaningful and lasting relationships between the staff of the various departments of the hospital and their assigned Public Safety Partner. Our goal is to address criminal activity hand in hand with staff to promote a safe and secure environment that allows Lexington Medical Center to continue to provide quality health services to the community.</p>
<p>University of Pennsylvania Kathleen Shields Anderson, JD, MBA Vice President for Public Safety</p>	<p>Our response to violent crime in our patrol zone has successfully minimized this type of incident within our footprint even as Philadelphia as a whole is experiencing an increase in various kinds of violent crime. Our Mental Health Co-Responder Pilot was a success. The feedback from all stakeholders was uniformly positive and we are proud that this program enhanced the services that we provide to our community.</p>

THE 2023 SECURITY BENCHMARK REPORT / ACHIEVERS / TECHNOLOGY



Security Tactically Leveraging Technology

By Madeline Lauver, Editor in Chief

Each year, Security Benchmark Report respondents share accomplishments achieved by their programs. Below, we highlight a number of the impressive achievements we have seen over the past year, from improvements in enterprise-wide training programs to innovating security despite staffing challenges.

Editor’s Note: If a security program chose to remain anonymous for The Security Benchmark Report, they were not considered for the Achievers section.

Technology can help expand the reach of security programs and augment the power of human security staff. From access control to unified security technology suites, security leaders leverage technology to solve problems across their organizations.

The below 2023 Security Benchmark Report Achievers are recognized for their accomplishments in technology implementations.

<p>Clarios Robb Koops <i>Global Security Director</i></p>	<p>In addition to the creation of our best-in-class Workplace Violence Prevention program, the Clarios security team has had increasingly direct engagement with our facilities on upgrading and standardizing the physical security technology we utilize. This includes significant and ongoing investments in a variety of systems and technologies including, access control, visitor management, video management, drones, biometrics, weapons detection, and supply chain tracking, monitoring and response.</p>
<p>San Gorgonio Memorial Hospital Joey E. Hunter Sr. <i>Director of Security and Emergency Management</i></p>	<p>In 2022, we were able to secure a Homeland Security grant in excess of \$100,000 to help protect the organization. Additional license plate reader cameras were installed in the surrounding outside parking lots, and new access control doors that integrate with cameras were installed throughout the interior of the facility.</p>
<p>Tampa General Hospital Tony Venezia <i>Senior Director of Public Safety</i></p>	<p>We added weapons screening for all patients and visitor entrances and a K9 Officer Program. [Since these functions were] added in January 2023, we have successfully screened more than 720,000 patients and visitors.</p>
<p>University of Texas (UT) Police at Houston William Adcox <i>Vice President, Chief of Police and Chief Security Officer</i></p>	<p>The division undertook a major technological effort to centralize three disparate video recording solutions into one solution, thereby centralizing 4,000 video cameras to one system. The division also has continued to test and correct any deficiencies in blue phones, blue pulls and panic buttons. Last year, the team’s testing efforts contributed to more than 100 issues that were identified and resolved, including loss of connection, technology accidentally disabled due to construction project, and technology removed physically but not from the alarm system.</p>

The 2023 Security Benchmark Report – Methodology

Learn more about The 2023 Security Benchmark Report's goals and construction.

By Madeline Lauver, Editor in Chief

Each year with The Security Benchmark Report, *Security* magazine adds to an ongoing database measuring how security teams function, budget, train and use technology. We survey security leaders across 22 industry verticals and present data from the industry as a whole and broken down by sector to allow for the comparison of security programs amongst their own industries, against others and as part of the security industry as a whole.

Security magazine's priority with The Security Benchmark Report is to showcase the value of security within the enterprise, as well as be a business enabler to our readers' security programs. By tracking the metrics in this report year-over-year, we hope to offer a comparison of how trends in budget, responsibility, training and technology shift over time.

We also highlight a number of The Security Benchmark Report respondents in our Achievers section, which showcases examples of innovation in training, crisis management, new initiatives and technology. Organizations are able to remain anonymous for this survey. If the organization chooses to be marked anonymous, they are not eligible to be listed in the published report's metrics listings or achievement sections.

The Security Benchmark Report is broken down into a general overview comparing all respondents' data with one another, as well as by sector. Respondents are asked which sector their overall enterprise resides in, and this is the sector in which they are placed. While the survey has a choice of 22 market sectors, some sectors are chosen by too few respondents to report on individually. Therefore, for better comparisons, some market sectors are combined in the report. Combined sectors are labeled as such, and combinations may vary each year.

Sectors with too small a dataset that don't lend themselves to combining with other sectors may be excluded from the sector reports, but will be included in the main report. To attempt to make the most meaningful comparisons, particular comparisons/charts are left out of sector groupings if the data varied too greatly from one respondent to the next.

In some cases, when calculating certain statistics, including "security budget as a percent of revenue," outliers or data points that appeared to be reported incorrectly are removed before calculations to present a cleaner comparison.

While we recognize that security roles, responsibilities and programs can vary widely from one organization to another in terms of maturity, position within the enterprise, size of staff, budget, etc., *Security* magazine has made every effort — via input from readers and Editorial Advisory Board members — to break down and compare organizations in a meaningful, valuable way.

If you don't see your enterprise's primary sector represented, we encourage you to fill out the survey next year and ask your peers to fill out the survey as well. The more organizations and security professionals that fill out the survey, the more robust the data.

Security magazine encourages all security leaders and organizations to participate in this free editorial survey that makes up The Security Benchmark Report. As a benefit to filling out The Security Benchmark Report survey, security leader respondents receive a full (anonymized) report of responses with more detailed information beyond what is covered in *Security*'s November eMagazine and online.

The Security Benchmark Report is an editorial project, and respondent contact information collected is not sold or shared. There is no cost to participate in The Security Benchmark Report. All respondents must be responsible, at least in part, for the physical security of their organization. Organizations may only fill out the survey once for a particular company or agency. The Security Benchmark Report does not include contract security companies, guarding companies or those without a level of direct responsibility for security within their enterprise.

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