



March 18, 2022

## NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in the City of Visalia City Council Chambers {707 W. Acequia, Visalia, CA} on Wednesday February 23, 2022 beginning at 4:30PM in open session followed by a closed session beginning at 4:31PM pursuant to Government 54956.9(d)(2) and Health and Safety Code 1461 and 32155 followed by an open session at 5:15PM.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

The disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Health Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 or email: [cmoccio@kaweahhealth.org](mailto:cmoccio@kaweahhealth.org), or on the Kaweah Delta Health Care District web page <http://www.kaweahhealth.org>.

KAWEAH DELTA HEALTH CARE DISTRICT

Mike Olmos, Secretary/Treasurer

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

Cindy Moccio

Board Clerk / Executive Assistant to CEO

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# KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING

City of Visalia – City Council Chambers / 707 W. Acequia, Visalia, CA

**Wednesday March 23, 2022**

## **OPEN MEETING AGENDA {4:30PM}**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or [cmoccio@kaweahhealth.org](mailto:cmoccio@kaweahhealth.org) to make arrangements to address the Board.
- 4. APPROVAL OF THE CLOSED AGENDA – 4:31PM**
  - 4.1. Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 2 Cases - *Evelyn McEntire, Director of Risk Management and Rachele Berglund, Legal Counsel*
  - 4.2. Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case – *Dianne Cox, Vice President & Chief Human Resources Officer and Rachele Berglund, Legal Counsel*
  - 4.3. Credentialing** - Medical Executive Committee (MEC) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 – *Monica Manga, MD Chief of Staff*
  - 4.4. Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee — *Monica Manga, MD Chief of Staff*
  - 4.5. Approval of the closed meeting minutes** – February 23, 2022.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

*Action Requested – Approval of the March 23, 2022 closed meeting agenda.*

## **5. ADJOURN**

## CLOSED MEETING AGENDA {4:31PM}

### 1. CALL TO ORDER

2. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 2 Cases

*Evelyn McEntire, Director of Risk Management and Rachele Berglund, Legal Counsel*

3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case

*Dianne Cox, Vice President & Chief Human Resources Officer and Rachele Berglund, Legal Counsel*

4. **CREDENTIALING** - Medical Executive Committee (MEC) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155.

*Monica Manga, MD Chief of Staff*

5. **QUALITY ASSURANCE** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee.

*Monica Manga, MD Chief of Staff*

6. **APPROVAL OF THE CLOSED MEETING MINUTES** – February 23, 2022

*Action Requested – Approval of the closed meeting minutes – February 23, 2022.*

### 7. ADJOURN

## OPEN MEETING AGENDA {5:15PM}

### 1. CALL TO ORDER

### 2. APPROVAL OF AGENDA

3. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or [cmoccio@kawahhealth.org](mailto:cmoccio@kawahhealth.org) to make arrangements to address the Board.

4. **CLOSED SESSION ACTION TAKEN** – Report on action(s) taken in closed session.
5. **OPEN MINUTES** – Request approval of the February 23, March 2, and March 8, 2022 open minutes.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

*Action Requested – Approval of the open meeting minutes – February 23, March 2, and March 8, 2022 open board of directors meeting minutes.*

6. **RECOGNITIONS** – Director Havard Mirviss

6.1. Presentation of [Resolution 2156](#) to [Lakeia Green](#), Patient Access Specialist in recognition as the World Class Employee of the Month recipient – March 2022.

6.2. Nursing Recognition of Outstanding Residents

- A. [Teacher: Richard Nho, D.O.](#) – Emergency Resident
- B. [Professional Collaboration: Barre Guillen, M.D.](#) – Surgical Resident
- C. [Communication: Jacob Kirkorowicz, M.D.](#) – Surgical Resident
- D. [Compassionate Care: Clayton Starnes, D.O.](#) – Emergency Resident
- E. [Patient Advocacy: Amanda Khouri, M.D.](#) – Surgical Resident

7. **CREDENTIALS** - Medical Executive Committee requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval.

*Monica Manga, MD Chief of Staff*

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

*Recommended Action: Whereas a thorough review of all required information and supporting documentation necessary for the consideration of initial applications, reappointments, request for additional privileges, advance from provision al status and release from proctoring and resignations (pursuant to the Medical Staff bylaws) has been completed by the Directors of the clinical services, the Credentials Committee, and the MEC, for all of the medical staff scheduled for reappointment, Whereas the basis for the recommendations now before the Board of Trustees regarding initial applications, reappointments, request for additional privileges, advance from provision al status and release from proctoring and resignations has been predicated upon the required reviews, including all supporting documentation, Be it therefore resolved that the following medical staff be approved or reappointed (as applicable), as attached, to the organized medical staff of Kaweah Delta Health Care District for a two year period unless otherwise specified, with physician-specific privileges granted as recommended by the Chief of Service, the Credentials Committee, and the Executive Committee of the Medical Staff and as will be documented on each medical staff member’s letter of initial application approval and reappointment from the Board of Trustees and within their individual credentials files.*

8. **CHIEF OF STAFF REPORT** – Report relative to current Medical Staff events and issues.

*Monica Manga , MD Chief of Staff*

9. **PATIENT THROUGHPUT PERFORMANCE** - Review of patient throughput performance improvement progress report.

*Jag Batth, PT, DPT, Vice President of Ancillary, Surgery, and Post-Acute Services; The Chartis Group: Martha Bailey*

10. **CONSENT CALENDAR** - All matters under the Consent Calendar will be approved by one motion, unless a Board member requests separate action on a specific item.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

*Action Requested – Approval of the March 23, 2022 Consent Calendar.*

**10.1. REPORTS**

- A. [Medical Staff Recruitment](#)
- B. [Semi Annual Investment Report](#)
- C. [Skilled Nursing Facility \(SNF\), Transitional Care Services \(TCS\) and Subacute Care Services](#)
- D. [Environment of Care](#)
- E. [Hospice](#)

- 10.2. [Rejection of claim](#), Jesus Carlos Esparza vs. Kaweah Health presented to the Board of Directors of Kaweah Health on February 2, 2022.

- 10.3. [Rejection of claim](#), John Sprague vs. Kaweah Health presented to the Board of Directors of Kaweah Health on January 6, 2022.

- 10.4. [Rejection of claim](#), Ryan Caliwag vs. Kaweah Health presented to the Board of Directors of Kaweah Health on February 28, 2022.

- 10.5. [AP.161](#) – Administrative Policy – Workplace Violence Prevention Program {Revised}

- 10.6. Medical Executive Committee March 2022.

- A. Medical Staff Policies & Procedures
  - 1) [MS.54 COVID-19 Testing Guidelines](#) (Revised)
  - 2) MS03 Medical Staff Fees (Reviewed)
  - 3) MS 29 Documenting Current Clinical Competence (Reviewed)
  - 4) MS 53 Temporary Privileges (Reviewed)
- B. [Privileges in vascular surgery](#)
- C. [Privileges in podiatry](#)

- 10.7. Approval of the Kaweah Delta Health Care District Graduate Medical Education diplomas certifying that the Kaweah Delta Health Care District duties for each residency has been fulfilled.

**Anesthesiology**

Marc Bozych, DO  
Tiffany Chamberlain, DO  
Jenny Man-Yuen Kan, MD  
Kelsey Kukuza, DO

**Emergency Medicine**

Lauren Bacon, MD  
Jeffrey Castrillon, DO  
Eric Donn, DO  
Puneet Gill, DO  
Alfredo Guerrero, DO  
Hady Khalifa, MD  
Daniel Khushigian, DO  
Andre Lee, MD  
Benfie Liu, DO  
Michael Niechayev, MD  
Clayton Starnes, DO  
Diana Trumble, MD  
Joseph Vega, DO

**Family Medicine**

Michelle Blain, DO  
Tawanda Charumuka, MD  
Stephanie Yan Lee, MD  
Daniela Rangel Orozco, MD  
Antonieta Rueda, MD  
Chang Sung Shin, DO  
Lilly Varner, MD

**Preliminary Surgery**

Michael Owyong, MD  
Maggie Xiong, MD

**Psychiatry**

Rachna Kumar, MD  
Gerardo Perez, DO  
Arul Sangani, MD  
Truc-Vi Huynh Duong, MD  
Kristine Anne Jacoba Hwang, MD  
Steven Siragusa, DO

**Surgery**

Kevin Brent Cowan, MD  
Barre Guillen, MD  
Sandra Tomlinson-Hansen, MD

**Transitional Year**

Ryan Bennion, DO  
Tyler Dalton, MD  
Vineeth Gangaram, MD  
Harmandeep Grewal, DO  
Madeeha Khan, DO  
Abhinav Komandur, MD  
Kevin Kwan, MD  
Kevin Nasre, DO  
Navjot Singh, MD  
Anup Sonti, MD  
Jason Wei, MD  
Andrew Yu, MD

**Fellowship**

Carli Nichta, DO - Simulation Fellowship  
Nolan Page, DO - Ultrasound Fellowship  
Tyler Mitchell, DO - Ultrasound Fellowship

11. [QUALITY REPORT - Centers for Medicare & Medicaid Services \(CMS\) Star Rating](#) – A review of quality indicators that make up the CMS Star Rating and which initiatives impact Kaweah Health’s star ratings.

*Sandy Volchko, RN, DNP, Director of Quality and Patient Safety*

12. [UNITEK NURSING SCHOOL PARTNERSHIP](#) – Presentation of a proposal to expand the RN educational opportunities in Tulare County as reviewed and supported by the Academic

Development Committee on March 15<sup>th</sup> and the Finance, Property, Services, and Acquisition Committee on March 16<sup>th</sup>.

*Dianne Cox, VP & Chief Human Resources Officer and Jamie Morales, Director of Talent Acquisition*

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

*Action Requested: Authorize management to enter into the necessary agreements and take all necessary steps for the development of a Bachelor of Science in Nursing (BSN) program with Unitek College to prepare baccalaureate registered nurses to help address workforce shortages in our region with funding for the program to be included in the Fiscal Year 2022-2023 budget.*

13. **USC UROLOGY PROGRAM MANAGEMENT AND SUBSPECIALITY SERVICES AND FULL-TIME UROLOGY SERVICES** – Review of two proposed service agreements as reviewed and supported by the Finance, Property, Services, and Acquisition Committee between Kaweah Delta Health Care District dba Kaweah Health and the University of Southern California (USC) and the Keck School of Medicine of USC Department of Urology.

*Marc Mertz, Vice President & Chief Strategy Officer*

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

*Action Requested: Authorize management to take all necessary steps to finalize and enter into service agreements; USC Urology Full Time Urologist Professional Services Agreement and USC Urology Subspeciality Professional Services Agreement for a three year term.*

14. **FINANCIALS** – Review of the most current fiscal year financial results and budget.

*Malinda Tupper –Vice President & Chief Financial Officer*

15. **CALIFORNIA HEALTH FACILITIES FINANCIAL AUTHORITY (CHFFA)** - Review of proposed resolution 2155 authorizing execution and delivery of a loan and security agreement, promissory note, and certain actions in connection therewith for the CHFFA non-designated public hospital bridge loan program.

*Jennifer Stockton, Director of Finance*

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

*Recommended Action: Approval of Resolution 2155, a resolution of Kaweah Delta Health Care District authorizing its Chief Financial Officer, and/or its Director of Finance to execute and deliver a loan and security agreement, promissory note, and certain actions in connection therewith for the California Health Facilities Financing Authority Nondesignated Public Hospital Bridge Loan Program.*

16. **2022 REFUNDING REVENUE BONDS** – As reviewed and supported by the Finance, Property, Services, and Acquisition Committee on March 16, 2022 for the Board of Directors, review and requested approval of Resolution 2154, a resolution of the Board of Directors of Kaweah Delta Health Care District authorizing the issuance of its revenue refunding bonds series 2022, and the execution and delivery of a twelfth supplemental indenture, one or more bond purchase agreement(s), one or more depository trust agreements(s) and certain relative matters and and authorizing the President of the Board, the District’s Chief Executive Officer, its Chief Financial Officer, and/or its Director of Finance to execute documents and take any and all action needed to carry out the intended purpose of Resolution 2154 on behalf of the District and issue the Revenue Refunding Bonds, Series 2022, subject to the conditions that the principal amount does not exceed \$32,200,000, the final maturity does not exceed June 1, 2031 and the true interest cost does not exceed 2.10%.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

*Recommended Action: Approval of Resolution 2154, a resolution of the Board of Directors of Kaweah Delta Health Care District authorizing the issuance of its revenue refunding bonds series 2022, and the execution and delivery of a twelfth supplemental indenture, one or more bond purchase agreement(s), one or more depository trust agreements(s) and certain relative matters and and authorizing the President of the Board, the District’s Chief Executive Officer, its Chief Financial Officer, and/or its Director of Finance to execute documents and take any and all action needed to carry out the intended purpose of Resolution 2154 on behalf of the District and issue the Revenue Refunding Bonds, Series 2022, subject to the conditions that the principal amount does not exceed \$32,200,000, the final maturity does not exceed June 1, 2031 and the true interest cost does not exceed 2.10%.*

**17. REPORTS**

- 17.1. **Chief Executive Officer Report** - Report relative to current events and issues.  
*Gary Herbst, Chief Executive Officer*
- 17.2. **Board President** - Report relative to current events and issues.  
*David Francis, Board President*

**18. ADJOURN**

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate at this meeting, please contact the Board Clerk (559) 624-2330. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Kaweah Delta Health Care District Board of Directors meeting.*

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-54**

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD WEDNESDAY FEBRUARY 23, 2022 AT 4:30PM, IN THE CITY OF VISALIA CITY COUNCIL CHAMBERS – 707 W. ACEQUIA, VISALIA, CA.

PRESENT: Directors Francis, Gipson, Havard Mirviss, Olmos & Rodriguez; G. Herbst, CEO; M. Manga, MD, Chief of Staff, K. Noeske, VP& CNO; M. Tupper, VP & CFO; D. Cox, VP Chief HR Officer; M. Mertz, VP & Chief Strategy Officer; D. Leeper, VP & CIO; R. Gates, VP Population Health; D. Allain, VP Cardiac & Surgical Services; J. Batth, VP of Rehabilitation & Post-Acute Care; B. Cripps, Chief Compliance Officer, R. Berglund, Legal Counsel; and C. Moccio, recording

The meeting was called to order at 4:32PM by Director Francis.

Director Francis entertained a motion to approve the agenda.

*MMSC (Havard Mirviss/Rodriguez) to approve the open agenda. . This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Gipson, Rodriguez and Francis*

**PUBLIC PARTICIPATION** – None

**APPROVAL OF THE CLOSED AGENDA – 4:31PM**

- **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 4 Cases – *Ben Cripps, Vice President, Chief Compliance, Risk Officer and Rachele Berglund, Legal Counsel*
- **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case - *Evelyn McEntire, Director of Risk Management and Rachele Berglund, Legal Counsel*
- **Credentialing** - Medical Executive Committee (MEC) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 – *Monica Manga, MD Chief of Staff*
- **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee — *Monica Manga, MD Chief of Staff*
- **Approval of the closed meeting minutes** – January 26, 2022.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board – No public present.

*MMSC (Havard Mirviss/Gipson) to approve the February 23, 2022 closed agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis*

**ADJOURN** - Meeting was adjourned at 4:33PM

David Francis, President  
Kawah Delta Health Care District and the Board of Directors

ATTEST:  
Mike Olmos, Secretary/Treasurer  
Kawah Delta Health Care District Board of Directors

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD WEDNESDAY FEBRUARY 23, 2022 AT 5:00PM, IN THE CITY OF VISALIA CITY COUNCIL CHAMBERS – 707 W. ACEQUIA, VISALIA, CA.

PRESENT: Directors Francis, Gipson, Havard Mirviss, Olmos & Rodriguez; G. Herbst, CEO; M. Manga, MD, Chief of Staff, K. Noeske, VP& CNO; M. Tupper, VP & CFO; D. Cox, VP Chief HR Officer; M. Mertz, VP & Chief Strategy Officer; D. Leeper, VP & CIO; R. Gates, VP Population Health; D. Allain, VP Cardiac & Surgical Services; J. Bath, VP of Rehabilitation & Post-Acute Care; B. Cripps, Chief Compliance Officer, R. Berglund, Legal Counsel; and C. Moccio, recording

The meeting was called to order at 5:04PM by Director Francis.

Director Francis asked for approval of the agenda.

MMSC (Havard Mirviss/Gipson) to approve the open agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis

**PUBLIC PARTICIPATION** – None.

**CLOSED SESSION ACTION TAKEN:**

Approval the closed minutes from January 26, 2022.

**OPEN MINUTES** – Request approval of the open meeting minutes from January 24<sup>th</sup>, January 26<sup>th</sup>, and February 9<sup>th</sup> 2022.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

*MMSC (Havard Mirviss/Gipson) to approve the open minutes from January 24th, January 26th, and February 9th 2022. This was supported unanimously by those present. Vote: Yes – Gipson, Olmos, Havard Mirviss, Rodriguez, and Francis.*

**RECOGNITIONS** – Director Francis presented:

- Presentation of Resolution 2148 to Olivia Madrigal, Sequoia Regional Cancer Center Billing/Coding Specialist, retiring from Kaweah Delta Health Care District dba Kaweah Health after 32 years of service.
- Presentation of Resolution 2150 to Patricia Turner, Laboratory Section Chief, Clinical Laboratory, retiring from Kaweah Delta Health Care District dba Kaweah Health after 21 years of service.
- Presentation of Resolution 2149 to Daniel Allain, Vice President Cardiac & Surgical Services, retiring from Kaweah Delta Health Care District dba Kaweah Health after 20 years of service.

- Presentation of Resolution 2147 to Michelle Phillips, Graduate Medical Education (GME) Program Coordinator, in recognition as the World Class Employee of the Month recipient – February 2022.

**INTRODUCTIONS** - Lacey Jensen, RN - Director of Clinical Education.

**CREDENTIALING** – Medical Executive Committee requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval.

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

Director Francis requested a motion for the approval of the credentials report.

*MMSC (Havard Mirviss/Gibson) Whereas a thorough review of all required information and supporting documentation necessary for the consideration of initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations (pursuant to the Medical Staff bylaws) has been completed by the Directors of the clinical services, the Credentials Committee, and the Executive Committee of the Medical Staff, for all of the medical staff scheduled for reappointment, Whereas the basis for the recommendations now before the Board of Trustees regarding initial applications, reappointments, request for additional privileges, advance from provisional status and release from proctoring and resignations has been predicated upon the required reviews, including all supporting documentation, Be it therefore resolved that the following medical staff, excluding Emergency Medicine Providers as highlighted on Exhibit A (copy attached to the original of these minutes and considered a part thereof), be approved or reappointed (as applicable), to the organized medical staff of Kaweah Delta Health Care District for a two year period unless otherwise specified, with physician-specific privileges granted as recommended by the Chief of Service, the Credentials Committee, and the Executive Committee of the Medical Staff and as will be documented on each medical staff member's letter of initial application approval and reappointment from the Board of Trustees and within their individual credentials files . This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis*

**CHIEF OF STAFF REPORT** – Report from Monica Manga, MD – Chief of Staff.

- No Report.

**PATIENT THROUGHPUT PERFORMANCE** - Review of patient throughput performance improvement progress report (copy attached to the original of these minutes and considered a part thereof) - Keri Noeske, RN, BSW, DNP, Vice President & Chief Nursing Officer; The Chartis Group: Mark Krivopal

**CONSENT CALENDAR** – Director Francis entertained a motion to approve the consent calendar (copy attached to the original of these minutes and considered a part thereof) Director Olmos requested the removal of item 11.1.B [Reports/Mental Health].

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

*MMSC (Havard Mirviss/Gipson) to approve the consent calendar with the removal of item 11.1.B {Mental Health Report}. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis.*

**11.1.B {Mental Health Report}** – Director Olmos noted there seems to be a number of items and issues that our mental health team is experiencing including a high turnover with staffing and improvements need in the facility and billing issues. Director Olmos wanted to understand what management is doing to resolve these issues or if there are things they need to resolve these issues. It was believed that some of the staffing issues was related to COVID and leadership turnover. Discussion relative to payment challenges from other Counties.

*MMSC (Olmos/G) to approve 11.1.B {Mental Health Report}. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis.*

**QUALITY REPORT - Rapid Response & Code Blue Committee Quality Report** – Review of key quality measures and actions focused on rapid response and code blue processes within the medical center (copy attached to the original of these minutes and considered a part thereof) - Shannon Cauthen MSN, RN, CCRN-K, Director of Critical Care Services- ICU, 3W and Nurse Practitioner Team.

**STRATEGIC PLAN - Quarterly Performance** - Quarterly review of the Kaweah Health Strategic Plan (copy attached to the original of these minutes and considered a part thereof) - Marc Mertz, Vice President, Chief Strategy Officer

**STRATEGIC PLAN - Empower Through Education** – Detailed review of Strategic Plan Initiative (copy attached to the original of these minutes and considered a part thereof) - Dianne Cox, Vice President, Chief Human Resources Officer

**PHYSICIAN RECRUITMENT PLAN** – Board action requested relative to the Kaweah Health Physician Recruitment Plan for fiscal years 2022 and 2023 based on the Provider Needs Assessment for Kaweah Delta Health Care District presented at the September 28, 2020 Board of Director meeting - Marc Mertz, Vice President, Chief Strategy Officer and Brittany Taylor, Director of Physician Recruitment & Relations

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.

*MMSC (Havard Mirviss/Rodriguez) Having reviewed and analyzed the Provider Needs Assessment conducted by Sg2 in 2020, which includes a specific list of the needed physician specialties through September 2023 in communities served by the District, the Board hereby finds that it will be in the best interests of the public health of the communities served by the District to have the District provide appropriate assistance in order to obtain licensed physicians and surgeons in the Needed Physician Specialties to practice in the communities served by the*

*District. Therefore, the Board authorizes the District to provide the types of assistance authorized by Cal. Health & Safety Code §32121.3, to obtain licensed physicians and surgeons in the Needed Physician Specialties to practice in the communities served by the District.*

**FINANCIALS** – Review of the most current fiscal year financial results and budget.

Malinda Tupper (copy attached to the original of these minutes and considered a part thereof) –Vice President and Chief Financial Officer

CHFA - tables

**CHIEF EXECUTIVE OFFICER REPORT** – Report relative to current events and issues - Gary Herbst, Chief Executive Officer

- Only 61 in house only 42 out for staff.
- We are still at 100% occupancy.
- At the section chief meeting with the positivity rate coming down, recommended that we loosen our visitation policy a little. Will change it to 2 visitors instead of 1 visitor per day and for the COVID patients they must show proof of vaccination. For non COVID visitors you must show a negative test or proof of vaccination.
- There will be a meeting with the City Manager and Assistant City Manager meeting taking place very soon with Gary Herbst and Marc Mertz.

**BOARD PRESIDENT REPORT** – Report from David Francis, Board President

- No Report.

**ADJOURN** - Meeting was adjourned at 8:03PM

David Francis, President  
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

Mike Olmos, Secretary/Treasurer  
Kaweah Delta Health Care District Board of Directors

MINUTES OF THE SPECIAL OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD WEDNESDAY MARCH 2, 2022, AT 5:00PM, IN THE KAWEAH HEALTH SPECIALITY CLINIC CONFERENCE ROOM

PRESENT: Directors Francis, Gipson, Havard Mirviss, Olmos & Rodriguez; G. Herbst, CEO; M. Tupper, VP & Chief Financial Office, J. Stockton, Director of Finance, R. Berglund, Legal Counsel; G. Herbst, CEO, Recording

The meeting was called to order at 5:00PM by Director Francis.

Director Francis asked for approval of the agenda.

MMSC (Gipson/Olmos) to approve the open agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis

**PUBLIC PARTICIPATION** – None.

**2022 REVENUE REFUNDING BONDS** – Discussion relative to the proposed refinancing of Kaweah Delta Health Care District’s previously-issued 2017A/B refinancing revenue bonds. This refinancing is projected to generate approximately \$1.0 million, or slightly less than 3% of par value, in net present value savings through a lower interest rate. According to Administrative Policy No. 176 “Debt Policy”, Section A (i)(d), “long-term debt refundings/refinancings which produce a net present value savings of at least 4% of the principal amount of refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than 4%, or negative savings, will be considered on a case-by-case basis.” While this proposed refinancing of the 2017 A/B bonds produces net present value savings of less than 4%, the Board of Directors believe the savings are substantial enough to support the best interests of the District and we therefore approve the issuance of these refinancing bonds, as permitted by policy on a case-by-case basis (copy attached to the original of these minutes and considered a part thereof) - Gary Herbst, Chief Executive Officer and Jennifer Stockton, Director of Finance

**Public Participation** – Members of the public may comment on agenda items before action is taken and after the Board has discussed the item.

*MMSC (Havard Mirviss/Gipson) To authorize the Kaweah Delta Health Care District dba Kaweah Health CEO, CFO, and Director of Finance to take the actions necessary to complete a refinancing of Kaweah Delta Health Care District’s previously-issued 2017A/B refinancing revenue bonds. This refinancing is projected to generate approximately \$1.0 million, or slightly less than 3% of par value, in net present value savings through a lower interest rate. According to Administrative Policy No. 176 “Debt Policy”, Section A (i)(d), “long-term debt refundings/refinancings which produce a net present value savings of at least 4% of the principal amount of refunded debt will be considered economically*

*viaible. Refundings which produce a net present value savings of less than 4%, or negative savings, will be considered on a case-by-case basis.” While this proposed refinancing of the 2017 A/B bonds produces net present value savings of less than 4%, the Board of Directors believe the savings are substantial enough to support the best interests of the District and we therefore approve the issuance of these refinancing bonds, as permitted by policy on a case-by-case basis.” This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis*

**ADJOURN** - Meeting was adjourned at 5:22PM

David Francis, President  
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

Mike Olmos, Secretary/Treasurer  
Kaweah Delta Health Care District Board of Directors

MINUTES OF THE SPECIAL OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD TUESDAY MARCH 8, 2022, AT 5:30PM, IN THE SEQUOIA REGIONAL CANCER CENTER MAYNARD FAUGHT CONFERENCE ROOM

PRESENT: Directors Francis, Gipson, Havard Mirviss, Olmos & Rodriguez; G. Herbst, CEO; M. Mertz, VP & Chief Strategy Officer; D. Leeper, VP & CIO; R. Gates, VP Population Health; B. Cripps, Chief Compliance Officer, R. Berglund, Legal Counsel; and C. Moccio, recording

The meeting was called to order at 5:30PM by Director Francis.

Director Francis asked for approval of the agenda.

MMSC (Havard Mirviss/Gipson) to approve the open agenda. This was supported unanimously by those present. Vote: Yes – Havard Mirviss, Olmos, Rodriguez, Gipson, and Francis

**PUBLIC PARTICIPATION** – Director Francis noted that the whole meeting is for public participation relative to the redistricting process.

**REDISTRICTING PROCESS – Working Session #2** – Presentations from Redistricting Insights and the community relative to the draft maps using the 2020 census data to restructure the current district zone’s to make adjustments using the principles of redistricting {population equality, federal voting rights act section 2, communities of interest, compactness, and contiguity. Review and discussion relative to the 5 submissions from Redistricting Insights and 1 public submission. Interactive maps can be viewed at:

<https://www.google.com/maps/d/u/0/edit?mid=1g4s4eWEkwi2dqUes5wja3c5gLodFETuw&usp=sharing> - *Redistricting Insights – Matt Rexroad, Chief Legal Counsel*

- Mr. Rexroad presented a high level overview of the maps that have been submitted.
  - All of the maps meet the population equality standard.
  - The Board would be strongly advised that have at least two CVAP’s over 50%.
- Director Francis requested clarification about what happens if there are two Board members in one zone in the newly adopted map.
  - Discussion regarding the various scenarios if two Board members are in the same zone following the adoption of a new map.
    - If you have two Board members that end up in the same zone and both are up for election in 2022, each Board members would need to run for that zone and following the election only one would remain on the Board. In this scenario since you already have two zones up for election in 2022 the empty zone would not be up until 2024 and would be filled at that time.

- If you have two Board members in the same zone and one is up for election in 2022 and one in 2024, the Board member who is up in 2022 must rerun for the Board if they want to keep the seat, the Board member who is up in 2024 can also run, if they do not win they keep their existing seat until 2024 and then would no longer be on the Board.
  - In all of the various scenarios discussed, at no point can there be more than five board members on the board.
- Mr. Rexroad noted that there are several actions that will need to be taken by the Board at the next meeting:
  - Adoption of the new map identifying the five zone.
  - Determining the numbering of the five zones.
  - Determination of the election year for each of the zones (2 zones in 2022 and 3 zones in 2024 or 3 zones in 2022 and 2 in 2024).
- Director Francis opened the floor for questions from the Board and those attending the meeting.
  - Following discussions between the Board and community members in attendance it was agreed by the Board that at the next meeting on April 13<sup>th</sup>, prior to taking action, the Board will further discuss public map #2, map #5, and map #6.
  - April 6<sup>th</sup> will be the last date for any new maps to be submitted for consideration on April 13<sup>th</sup>.
  - At the next workshop meeting the board will further discuss public map #2, map #5 and map #6 and any changes made to these maps be identified as maps: public map #2A, map #5A and map #6A.
- Director Francis noted that the final map workshop where the Board will take action to approve the new map will be held on Wednesday April 13<sup>th</sup> in same location (Maynard Faught Conference Room) and at the same time (5:30PM).

**ADJOURN** - Meeting was adjourned at 6:37PM

David Francis, President  
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

Mike Olmos, Secretary/Treasurer  
Kaweah Delta Health Care District Board of Directors



## **RESOLUTION 2156**

**WHEREAS, the Department Heads of the KAWEAH DELTA HEALTH CARE DISTRICT are recognizing Lakeia Green, Patient Access Specialist, with the Service Excellence Award for the Month of March 2022, for consistent outstanding performance, and,**

**WHEREAS, the Board of Directors of the KAWEAH DELTA HEALTH CARE DISTRICT is aware of her excellence in caring and service,**

**NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the KAWEAH DELTA HEALTH CARE DISTRICT on behalf of themselves, the hospital staff, and the community they represent, hereby extend their congratulations to Lakeia Green for this honor and in recognition thereof, have caused this resolution to be spread upon the minutes of the meeting.**

**PASSED AND APPROVED this 23<sup>rd</sup> day of March 2022 by a unanimous vote of those present.**

**President, Kaweah Delta Health Care District**

**ATTEST:**

**Secretary/Treasurer, Kaweah Delta Health Care District  
and of the Board of Directors, thereof**

## Lakeia Green, Patient Access Specialist – 5 Years of Service

Recognized by, Emmanuel Alvarez

As a Supervisor at Kaweah Health, my team's morale is one of my number one priorities. If my team feels content and supported, they can function as a team and get the job done. With this nomination I'd like to exemplify one outstanding person that has been the lifeline of our team over the past 5 years and counting. That person is Lakeia Green, Patient Access Specialist for the Main Admitting team. Lakeia, better known as "Keia", is, quite possibly, one of the most caring people I know. She takes the lead on team activities, making sure our white board highlights all birthdays and anniversaries for the month and she does so much work to bring the team together. Some of the events that she organizes are holidays like 'Halloween Dress Up day', 'Thankful Thanksgiving' and our 'Secret Santa' exchange. She's had to get very creative to keep everyone safe during the pandemic but she makes sure the team doesn't lose sight of these important holidays. Another event she took the lead on was organizing a weight loss challenge for our team. I, unfortunately didn't win (or in this case lose) but I appreciated Keia rallying everyone together even providing tips on how to be healthier. Keia's teammates, her leaders and I all appreciate everything she brings to the table. Whether she's covering a shift or researching an extremely difficult case with the Medicare billers or working with the clinical teams at rehab and SNF, she is an asset to the team and to the organization overall. The compliments and Kaweah Care recognitions are never ending. She is definitely deserving of this and much more. She's awesome. Thank you, Keia, for being so amazing.

# Outstanding Residents

Winner's 2022

## TEACHER

Honoring a physician who provides quality information and education to patients as well as fostering a learning environment and partnership with nursing. Exhibiting these essential characteristics:

- Readily shares knowledge with others
- Possesses broad knowledge base on the topic of education presented
- Clearly articulates
- Makes difficult topics easy to understand
- 

**Nominee Name: Richard Nho, D.O.** - Dr. Nho demonstrated quality information and education to a 17-year-old male with ruptured appendicitis. This patient was struggling with some motivation to engage in his recovery and had an important life event to attend to that he surely would have regretted missing out on. He sat down with the patient and explained to him the importance of participating with his activities of daily living and how this would lead to a faster recovery and allow him to make it home before his graduation day. Dr. Nho was receptive to the pediatric nurse's suggestion that the patient might listen to a male figure when they explained that he was withdrawn from his care and hadn't showered after 6 days. He is the perfect role model of a resident who is dedicated to patient-focused care! He was always available when we called and if he said he would come to the floor, he carried out his word! Dr. Nho showed his genuine compassionate spirit by how he was so involved and attentive during the discharge of our 17-year-old patient so he could make it to his high school graduation on time. He returned to the unit to make sure he was discharged multiple times.

# Outstanding Residents

Winner's 2022

## PROFESSIONAL COLLABORATION

Honoring a physician who engages all members of the health care team in quality dialog that promotes effective relationship and collegial collaboration, keeping the patient at the center. Exhibiting these essential characteristics:

- Team focused
- Listens to understand
- Engaged
- Authentic
- Respectful

**Nominee Name: Barre Guillen, M.D.** - Dr. Guillen is always professional in his collaboration with the health care team. He returns phone calls timely and comes to the bedside willingly when the concern cannot be addressed over the phone. He listens carefully to the patients and their families, as well as the nursing staff. When one of the nurses expressed concern over a very sick patient, he came and spent extended time at the bedside in order to better facilitate the collaboration necessary to meet the patient's care needs. Dr. Guillen demonstrated a Zen like calm that created reassurance as this collaboration occurred. He expresses compassion while caring for patients and is very welcoming and easy to approach. His calm demeanor continues in his approach to his patients, he takes the time that is needed and explains things without rushing. He is very respectful of others and has earned much respect in return.

# Outstanding Residents

Winner's 2022

## COMMUNICATION

Honoring a physician who recognizes quality communication as the cornerstone of a culture that produces quality care. Exhibiting these essential characteristics:

- Engages the entire team in communication
- Readily available to problem solve
- Communicates effectively with the patient and family
- Communicates clearly and concisely to diverse audiences

**Nominee Name: Jacob Kirkorowicz, M.D.** - Dr. Kirkorowicz always takes the time to discuss the care plan for a procedure with the team prior to arrival, he connects during the procedure and after cases to ensure we are all on the same page and clear about goals for the patient's immediate plan. Nurses on the units have raved about their ability to get a hold of him even when he is scrubbed in for surgery, he doesn't routinely take a message to return later, promoting efficient care for the patients upstairs. He is confident without being condescending and has been observed explaining concepts to his peers who appear to have questions, in a way that is described as modest.

# Outstanding Residents

Winner's 2022

## COMPASSIONATE CARE

Honoring a physician whose character encompasses the true spirit of being a medical professional, caring for people. Exhibiting these essential characteristics:

- Compassion
- Empathy
- Patience
- Attentiveness

**Nominee Name: Clayton Starnes, D.O.** - Dr. Starnes is a physician that we have come to respect and believe in. While working with him, it is impossible not to notice how he places the patient and their families at the center of his care. He works endlessly to help patients and families understand the disease process and come up with a plan of care that benefits them. Witnessing his work, you can see his heart is genuinely engaged; when the patient or their family are hurting, he is empathetic to their pain. He employs compassion in the decisions he makes; a husband and wife were admitted with COVID, unfortunately the wife passed away and the husband was not doing well the following day. Dr. Starnes asked for the family, as soon as they were at the bedside he took time to console them and laid out all the options they had to consider. He initiated this total care, addressing both physical and emotional needs for this patient and his family during one of the most difficult times you could imagine. During that shift, he openly shared how much he felt for this family for the tragedy of loss of both a mother and father in such a close time-frame. This is one paragraph in one chapter in the story that has been the last year, the patients and their situations are different but Dr. Starnes is the same; offering consolation and steadfast compassion to each patient he cares for.

# Outstanding Residents

Winner's 2022

## PATIENT ADVOCACY

In recognition of strong non-clinical leadership skills in advocacy, community service or education. Exhibiting:

- Engages with multidisciplinary team to further the health of the patient
- Understands the importance of involving the patient and their support system in care decisions
- Ethically responsible
- Patient focused

**Nominee Name: Amanda Khouri, M.D.** - Dr. Khouri is an exceptional patient advocate. She takes the time to discuss all the possible outcomes and interventions in order to achieve a plan of care that is best for the patient and their recovery. She rounds on her patients frequently, and takes note of nurses concerns placing them at the forefront of her team! Dr. Khouri always makes a great effort to follow up on her patients, and adapt the plan of care as needed to aid in the patient's recovery.

# Patient Throughput Initiative Update

Board of Directors

March 23<sup>rd</sup>, 2022



# Agenda

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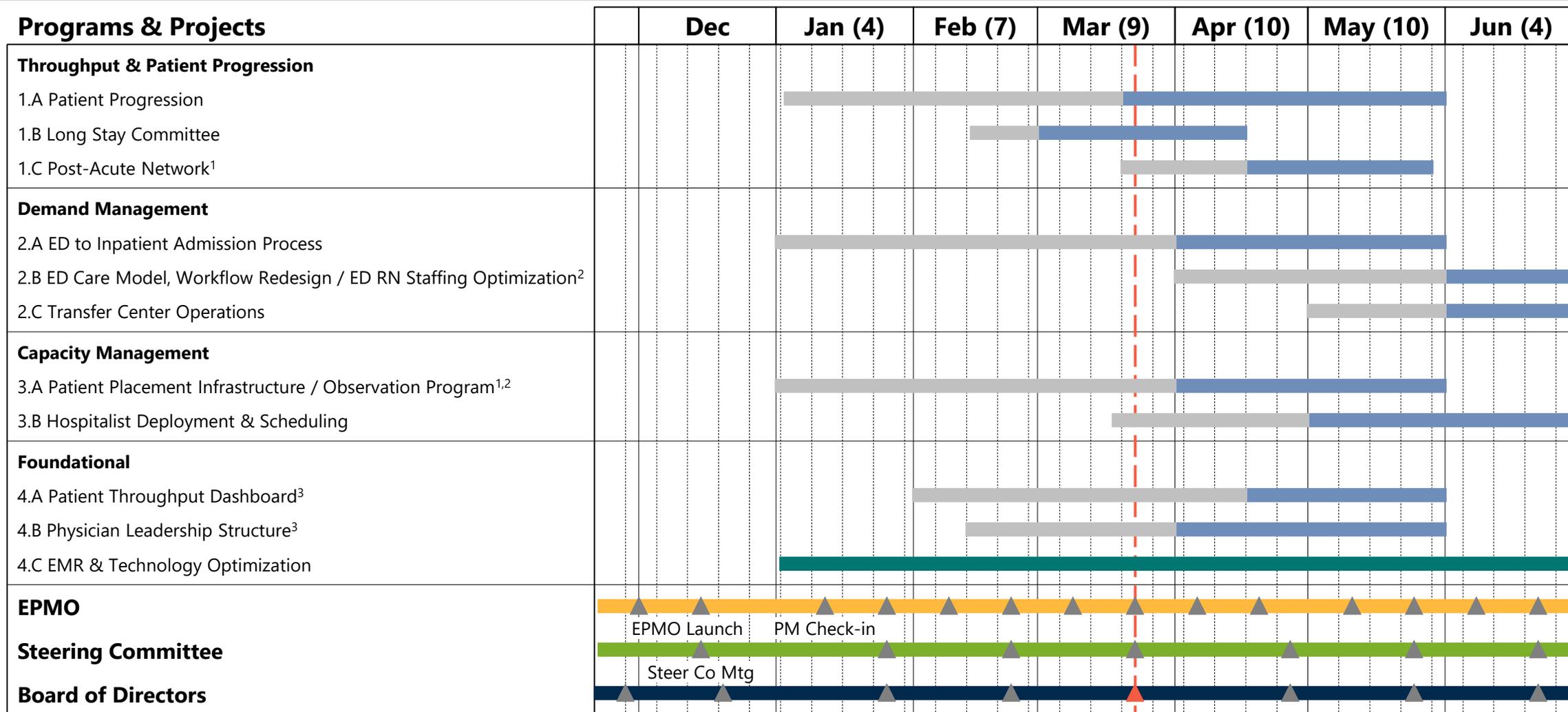
**1 Project Updates**

**2 January Performance Scorecard**

**3 What's Planned for April**

# Implementation Timeline

Key	
<span style="display:inline-block; width:15px; height:10px; background-color:lightgrey;"></span>	Design
<span style="display:inline-block; width:15px; height:10px; background-color:blue;"></span>	Implement and Sustain
<span style="display:inline-block; width:15px; height:10px; background-color:teal;"></span>	Cross-functional
<span style="display:inline-block; width:15px; height:10px; background-color:lightgreen;"></span>	Steering Committee
<span style="display:inline-block; width:15px; height:10px; background-color:orange;"></span>	EPMO
<span style="display:inline-block; width:15px; height:10px; background-color:darkblue;"></span>	Board of Directors



Notes: <sup>1</sup>Accelerated project timeline, <sup>2</sup>Consolidated projects, <sup>3</sup>Accelerated project kickoff

We Are Here

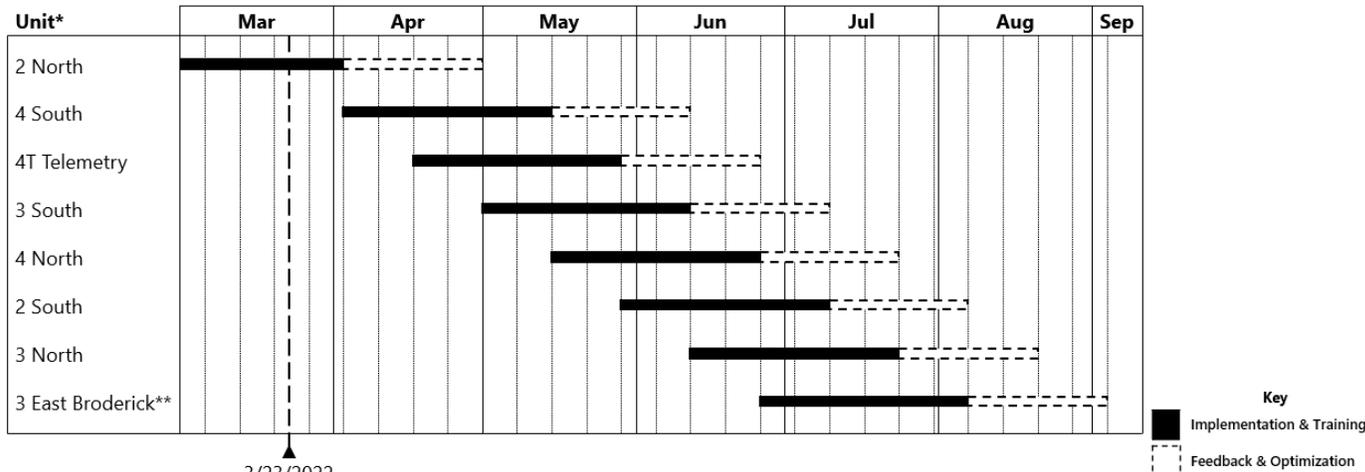
# Patient Progression

Project Kicked-off 1/11/22

## Recommended 2N Team Rounds Pilot Enhancements

Critical Success Factors	General Med-Surg Units	2 North Today	2 North Improvement Initiatives (March 9 – April 1)
<b>Consistency and Efficiency:</b> Specific Time Daily, Standard Script			<b>Streamline script</b> to focus on progression of care and discharge planning
<b>Participation:</b> Multidisciplinary Team			Develop 2 stage process: <ul style="list-style-type: none"> <li>First <b>initial offline brief huddle</b> reviewing all patients with all relevant care team members (including Hospitalist, Case Manager, Charge Nurse, +/- other disciplines as needed)</li> <li><b>Then move to bedside rounds</b> incorporating primary care nurse and information from initial huddle</li> </ul>
<b>Leadership and Facilitation:</b> Clearly Defined, Influential and Prepared Ahead			Identify the <b>facilitator</b> for each stage
<b>Content:</b> Care Facilitation, Key Barriers to Discharge and Anticipatory Disposition Focused			<b>Streamline script</b> to focus on progression of care and discharge planning
<b>Tools:</b> White Boards, Anticipated Discharge Date			Leverage <b>patient room whiteboards</b> to communicate care team members, plan of care & anticipated discharge date / time to patients and families
<b>Performance Management:</b> Unit-Based Metrics and Dashboard			Add <b>% of patients discharged before noon</b> to pilot performance metrics

## Updated Team Rounds Implementation Timeline



3/23/2022

\*Order of units is aligned with other in-flight initiatives (e.g., Cerner CareView boards, etc.) \*\* Given Broderick's different patient population, their huddles may differ in structure and participation

## PROJECT OBJECTIVE

- **Problem** – Care team **roles and responsibilities are not aligned**; current huddles and rounds **do not meet the needs** of the care team members to achieve multidisciplinary approach to care facilitation and timely discharges
- **Solution** – **Leverage 2N Team Rounds Pilot** to launch rounds across the hospital and **clearly delineate care team roles and responsibilities**

## PROGRESS TO-DATE

- Developed **updated implementation plan and timeline** for Team Rounds Pilot with 2N Pilot team, nursing and physician leadership
- **Socialized Anticipated Date of Discharge (ADD)** with 2N Team Rounds Pilot team and worked with ISS to launch in Cerner
- Facilitated working session to **optimize twice daily Hospital Huddles** to support discharge planning
- Outlined and aligned **clearly delineated roles and responsibilities for Case Management / Social Work / Nursing**

## NEXT STEPS

- **Implement 2N improvement initiatives and launch rounds** on 4 South and 4 Tower

# Long Stay Committee

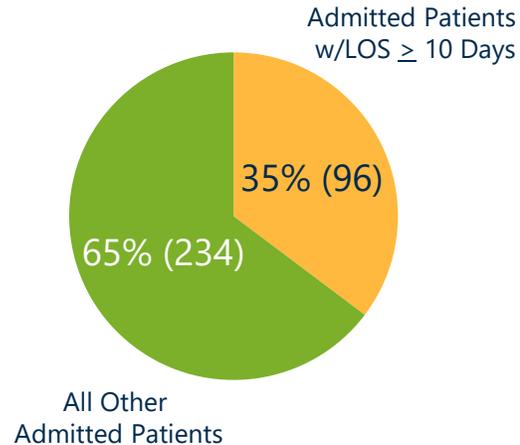
3/8/22 Weekly Meeting Go-Live



## Agenda for Weekly Long Stay Committee Meeting:

- For each patient identified by Case Manager for discussion (2-3 patients), he or she will address the following questions:
  - ↳ What is the **primary barrier** to successfully discharging the patient?
  - ↳ What **steps have been taken thus far** to discharge the patient?
  - ↳ What is **in-process** to discharge the patient?
  - ↳ What **additional resources or efforts** are needed to discharge the patient?
- Assign action / follow-up items
- Engage executive / external support for difficult cases
- Identify strategic takeaways and next steps

## March 8<sup>th</sup> Hospital Census



Long Stay Committee Member	Role
Dr. Kathy Reynolds	Lead / Physician Advisor
Various	Frontline Case Managers
Jana Cole / Dee Vernon / Rebekah Foster	Case Management Leadership
Frances Carrera / Alicia Rodriguez	Patient Access
Kim Ferguson	Reimbursement
Keith Adams	Clinical Documentation Improvement
Maribel Resendez-Molar	Patient Family Services & Mental Health
Sandra Shadley	Palliative Care
Karen Avila	Complex Care Team
Suzy Plummer / Diana Saechao	Internal Consulting / Project Management

## POST-GO-LIVE OPTIMIZATION

- Streamlined meeting logistics, Case Manager report outs, and scripting to focus on **2-3 complex patients per Case Manager (CM)**
- Developed education regarding LSC member roles and **feedback loop for improvements** to CMs

## STRATEGIC TAKEAWAYS (preliminary)

- Optimize **financial counseling** / application facilitation processes for pending Medi-Cal cases
- Develop ongoing **pro-active relationships with skilled nursing facility (SNF)** leadership in community
- Engage **behavioral health and psychiatry**
- Explore **community-based dialysis transportation** resources

## NEXT STEPS

- Continue to **refine Committee processes** and identify immediate follow-up items and strategic takeaways

# Patient Placement Infrastructure

Project Kicked-off 2/10/22

## Current State - Hospitalist Group Average Daily Census by Unit

Unit	Valley	FHCN	Total
1 East	4.1	1.1	5.2
2 North	10.1	3.2	13.2
2 South	12.1	3.7	15.8
3 North	13.4	4.5	17.9
3 South	12.9	3.8	16.8
3 West ICU	0.5	0.2	0.7
4 North	10.1	4.1	14.2
4 South	7.5	1.6	9.1
4T Telemetry	5.0	1.6	6.6
5 Tower ICU	0.3	0.1	0.4
3 East Broderick Pavilion	0.6	0.3	0.9
CVICU	0.1	0.0	0.1
ICU	0.0	0.0	0.1
Peds	0.5	0.4	0.9
<b>Total ADC</b>	<b>77.3</b>	<b>24.6</b>	<b>101.8</b>
<b>Units Covered</b>	<b>13</b>	<b>12</b>	<b>14</b>



## Illustrative Future State - Hospitalist Group Average Daily Census by Unit

Unit	Valley	FHCN	Total
1 East			0.0
2 North			0.0
2 South	27.1	0.3	27.4
3 North		24.3	24.3
3 South	23.1		23.1
3 West ICU			0.0
4 North	27.1		27.1
4 South			0.0
4T Telemetry			0.0
5 Tower ICU			0.0
3 East Broderick Pavilion			0.0
CVICU			0.0
ICU			0.0
Peds			0.0
<b>Total ADC</b>	<b>77.3</b>	<b>24.6</b>	<b>101.8</b>
<b>Units Covered</b>	<b>3</b>	<b>2</b>	<b>4</b>

## PROJECT OBJECTIVE

- **Problem** – Patients of similar clinical cohorts and providers are **spread across the hospital** contributing to inefficient care facilitation
- **Solution** – Design an **optimized configuration** based on clinical and provider priorities to enable enhanced patient progression

## PROGRESS TO-DATE

- **Analyzed historical trends and variation** amongst a variety of different cohorts
- **Designated clinical and provider priority** for patient placement (e.g., patient class, level of care, specialties, and provider group affiliation)
- **Drafted an initial scenario** to gather feedback on proposed cohort and placement guidelines

## NEXT STEPS

- Iterate the initial scenario to **gain consensus on guidelines** from a variety of key stakeholders
- **Develop primary and secondary units** for placement in the cases of limited unit capacity

Source: Kaweah Health Daily Census Data Jan-Dec 2021. Includes Inpatient, Outpatient, and Observation Patients

# Draft Performance Scorecard

## Leading Performance Metrics – Inpatient & Observation

Metric	Patient Type	Definition	Goal	Current Performance Compared to Baseline				
				Jan - Nov '21 Baseline	Dec '21	Jan '22	Feb '22	Mar '22
<b>Observation Average Length of Stay (Obs ALOS)</b> <i>(Lower is better)</i>	<b>Overall</b>	Average length of stay (hours) for observation patients	<b>37.9</b>	<b>42.1</b>	49.1	52.0		
<b>Inpatient Average Length of Stay (IP ALOS)</b> <i>(Lower is better)</i>	<b>Overall</b>	Average length of stay (days) for inpatient discharges	<b>6.31</b>	<b>6.31</b>	7.03	6.11		
	Non-COVID		<b>N/A</b>	<b>5.62</b>	6.31	5.71		
	COVID		<b>N/A</b>	<b>10.63</b>	13.77	6.27		
<b>Inpatient Observed-to-Expected Length of Stay</b> <i>(Lower is better)</i>	<b>Overall</b>	ALOS / geometric mean length of stay for inpatient discharges	<b>1.32</b>	<b>1.48*</b>	1.65*	1.48*		
<b>% of Discharges Before 12 PM</b> <i>(Higher is better)</i>	<b>Overall</b>	% of inpatients discharged before 12 PM	<b>35%</b>	<b>11.5%</b>	15.1%	11.9%		
<b>Surgical Backfill Volume</b> <i>(Higher is better)</i>	<b>Overall</b>	Incremental inpatient elective surgical cases over baseline; pending established baseline	<b>TBD</b>	<b>TBD</b>	TBD	TBD		
<b>Average Monthly Discharges</b>	<b>Overall</b>	Avg. count of IP & Obs. Discharges	<b>N/A</b>	<b>1,691</b>	1,797	1,712		
	Inpatient-Non-COVID	Avg. count of non-COVID IP discharges	<b>N/A</b>	<b>1,057</b>	1,218	1,092		
	Inpatient-COVID	Avg. count of COVID IP discharges	<b>N/A</b>	<b>170</b>	130	299		
	Observation	Avg. count of observation discharges	<b>N/A</b>	<b>464</b>	449	321		

\*O/E Ratio to be updated to include 85 cases missing final DRG when available.

Source: Encounter Data Jan-Dec 2021 Excludes: Mother/Baby, Behavioral Health, and Pediatrics

# Draft Performance Scorecard

## Leading Performance Metrics – Emergency Department

Metric	Patient Type	Definition	Goal	Current Performance Compared to Baseline					
				Jan - Nov '21 Baseline	Dec '21	Jan '22	Feb '22	Mar '22	Apr '22
<b>ED Boarding Time</b> <i>(Lower is better)</i>	<b>Overall</b>	Median time (minutes) for admission order written to check out for inpatients and observation patients	<b>286</b>	<b>336</b>	727	1,062			
	Inpatients	Median time (minutes) for admission order written to check out for inpatients	<b>287</b>	<b>338</b>	721	1,028			
	Observation Patients	Median time (minutes) for admission order written to check out for obs. patients	<b>304</b>	<b>304</b>	1,110	1,461			
<b>Average Monthly ED Admit Hold Volume</b> <i>(Lower is better)</i>	<b>Overall</b>	Avg. count of patients (volume) with ED boarding time	<b>N/A</b>	<b>1,028</b>	1,185	503			
	<b>Overall &gt;4 Hours</b>	Avg. count of patients (volume) with ED boarding time $\geq$ 4 hours	<b>N/A</b>	<b>640</b>	903	428			
<b>ED Average Length of Stay (ED ALOS)</b> <i>(Lower is better)</i>	<b>Overall</b>	Median ED length of stay (minutes) for admitted and discharged patients		<b>347</b>	352	363			
	Discharged Patients	Median ED length of stay (minutes) for discharged patients	<b>214</b>	<b>268</b>	264	276			
	Inpatients	Median ED length of stay (minutes) for admitted inpatients	<b>612</b>	<b>720</b>	1,127	1,459			
	Observation Patients	Median ED length of stay (minutes) for observation patients	<b>577</b>	<b>679</b>	1,272	1,524			
<b>Average Monthly ED Visits</b>	<b>Overall</b>	Avg. count of ED visits	<b>N/A</b>	<b>5,130</b>	5,339	5,989			
	Discharged	Avg. count of ED visits for discharged patients	<b>N/A</b>	<b>3,665</b>	3,801	4,435			
	Inpatients	Avg. count of ED Visits for admitted patients	<b>N/A</b>	<b>1,115</b>	1,229	1,324			
	Observation Patients	Avg. count of ED Visits for obs. patients	<b>N/A</b>	<b>349</b>	313	229			

Source: ED Encounter Data Jan-Dec 2021 Excludes: Mother/Baby, Behavioral Health, and Pediatrics

# What Is Planned for April

1



**Develop Near-, Short- and Long-Term Post-Acute Care Strategy**

2



**Review Observation Program Analytics and Recommendations**

3



**Continue ED RN Staffing Optimization and Launch ED Workflow Redesign**

# Appendix

# Progress Report

Project			
Overarching	Patient Progression	ED to Inpatient Admission Process	Patient Placement Infrastructure
<ul style="list-style-type: none"> <li>• Discussed Benefit Realization &amp; Goal Setting</li> <li>• Discussed Surgical Backfill Volume Approach</li> <li>• Continued Provider Affiliation Data Validation</li> <li>• Collaborated with Marketing &amp; Communications Team</li> <li>• Held Weekly Keri &amp; Jag Update Meeting (5)</li> <li>• Held Weekly EPMO Meeting (4)</li> <li>• Provided Biweekly ET Updates (2)</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerated Timeline / Identified Additional Units to Test Future State Patient Progression Huddle Design</li> <li>• Identified Additional Performance Goal Metric (Discharge Before Noon)</li> <li>• Submitted ADD Reporting Request</li> <li>• Developed Clinical Education &amp; Scripting Materials</li> <li>• Continued Coordination with Cerner team</li> <li>• Collaborated with Rehab Liaison &amp; IP CM Collaboration</li> <li>• Held CM/ SW/ Nursing Roles &amp; Responsibilities Working Session (3)</li> <li>• Held Patient Progression Huddles Working Session (1)</li> <li>• Held Team Leads Meeting (2)</li> <li>• Held Design Session (2)</li> <li>• Met with 2 North Team Rounds Pilot Team</li> </ul>	<ul style="list-style-type: none"> <li>• Continued Future State ED CM &amp; ED MD Collaboration Improvement</li> <li>• Outlined CM Resident Education Plan</li> <li>• Improved PCP Verification Process</li> <li>• Continued 1E Project Alignment</li> <li>• Reviewed FHCN &amp; Valley Hospitalists Assignment Process</li> <li>• Refreshed ED Encounter Data</li> <li>• Aligned with Cerner &amp; Soarian Financial Members</li> <li>• Held Team Leads Meeting (2)</li> <li>• Held Design Sessions (2)</li> </ul>	<ul style="list-style-type: none"> <li>• Analyzed Average Daily Census &amp; Occupancy Rates by Provider Group, Specialty, and Patient Care Units</li> <li>• Outlined Future State Design for Placement of Patients by Patient Class, Level of Care, Provider Group, and Final DRG Service Line</li> <li>• Continued Alignment with Cerner Team</li> <li>• Held Team Leads Meeting (2)</li> <li>• Held Design Session (2)</li> <li>• Discussed Off-Service Patients Approach</li> <li>• Discussed Provider Group Affiliation Data with Medical Staff Office and Other Team Members</li> </ul>

# Progress Report

Project			
Long Stay Committee	Observation Program	Post-Acute Network	Physician Leadership Structure
<ul style="list-style-type: none"> <li>Finalized Inclusion Criteria, Initial Committee Membership, and PM-Support Ownership for Long Stay Committee Meeting (LSC)</li> <li>Launched Weekly LSC Meeting on 3/8 (3)</li> <li>Held Team Leads Meeting (2)</li> <li>Held Design &amp; Implementation Session (2)</li> </ul>	<ul style="list-style-type: none"> <li>Analyzed Observation Discharge Volume by Date, Floor, Provider Specialty, and Payor</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed Post-Acute Network Strategy With Keri &amp; Jag</li> <li>Identified Opportunity to Develop Ongoing Pro-Active Relationships With Community Skilled Nursing Facility (SNF) Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Completed Data Request</li> <li>Reviewed Physician Leadership &amp; Governance Structure, Organizational Chart, Staffing Matrix, and ICCU &amp; CVICU Scheduling Outline</li> <li>Continued to Outline Future State Design of Physician Leadership Structure</li> </ul>



**Physician Recruitment and Relations  
Medical Staff Recruitment Report - March 2022**

Prepared by: Brittany Taylor, Director of Physician Recruitment and Relations - btaylor@kaweahhealth.org - (559)624-2899

Date prepared: 3/16/2022

<b>Central Valley Critical Care Medicine</b>	
Intensivist	2

<b>Delta Doctors Inc.</b>	
OB/Gyn	1

<b>Frederick W. Mayer MD Inc.</b>	
Cardiothoracic Surgery	2

<b>Kaweah Health Medical Group</b>	
Audiology	1
Chief Medical Officer/Medical Director	1
Dermatology	2
Endocrinology	1
Family Medicine	3
Gastroenterology	2
Neurology	1
Orthopedic Surgery (Hand)	1
Otolaryngology	2
Pulmonology	1
Radiology - Diagnostic	1

<b>Kaweah Health Medical Group (Cont.)</b>	
Rheumatology	1
Urology	3

<b>Oak Creek Anesthesia</b>	
Anesthesia - Critical Care	1
Anesthesia - General	1
Anesthesia - Obstetrics	2
CRNA	2

<b>Orthopaedic Associates Medical Clinic, Inc.</b>	
Orthopedic Surgery (Trauma)	1

<b>Other Recruitment</b>	
Neurology - Inpatient	1

<b>Sequoia Oncology Medical Associates Inc.</b>	
Hematology/Oncology	1

<b>Valley Children's Health Care</b>	
Maternal Fetal Medicine	2
Neonatology	1

### Candidate Activity

Specialty/Position	Group	Last Name	First Name	Availability	Referral Source	Current Status
Anesthesia	Oak Creek Anesthesia	Chen, M.D.	Matthew	08/22	Medicus Firm - 3/11/22	Currently under review
Anesthesia	Oak Creek Anesthesia	Dalal, M.D.	Vivek	TBD	MDStaffers - 3/9/22	Site visit pending references
Anesthesia	Oak Creek Anesthesia	Gonzalez, M.D.	Henry	TBD	Medicus Firm - 2/21/22	Site Visit: 3/22/22
Anesthesia	Oak Creek Anesthesia	Kim, D.O.	Christopher	08/23	Medicus Firm - 3/16/22	Currently under review
Anesthesia	Oak Creek Anesthesia	Parker, M.D.	Michael	06/22	Direct - 2/21/22	Currently under review
Anesthesia	Oak Creek Anesthesia	Berg, M.D.	Lamont	03/22	Direct	Offer accepted; Tentative Start Date: 3/8/22
Anesthesia - Critical Care	Oak Creek Anesthesia	Isnassuos, M.D.	Mena	07/22	Medicus Firm - 3/11/22	Currently under review
Anesthesia - Critical Care	Oak Creek Anesthesia	Nafisi, M.D.	Shahram	TBD	Medicus Firm - 1/19/22	Dr. Nafisi is evaluating area
Anesthesia - Critical Care	Oak Creek Anesthesia	Tsytsikova, M.D.	Libby	08/22	Medicus Firm - 3/2/22	Site visit pending dates
Anesthesia - OB	Oak Creek Anesthesia	Sinha, M.D.	Ashish	05/22	Medicus Firm - 2/16/22	Site Visit: 4/5/22
Anesthesia - Cardiac	Oak Creek Anesthesia	Nagm, M.D.	Hussam	06/22	Direct/Referral	Site Visit: 11/9/21; Start Date: 6/1/22
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Khan	Noor	06/22	Gaswork.com - 2/22/22	Currently under review
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Knittel	Michael	03/22	Direct - 10/19/21	Offer accepted; Tentative Start Date: March 2022
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Lopez	Ramon	03/22	Direct - 11/2/21	Offer accepted; Tentative Start Date: March 2022
Certified Registered Nurse Anesthetist	Oak Creek Anesthesia	Sobotka	Tyler	01/22	Direct - 6/1/21	Offer accepted; Start date: 2/22/22
Chief Medical Officer/Medical Director	Kaweah Health Medical Group	Quackenbush, M.D.	Todd	ASAP	Direct - 3/1/22	Interview: 3/28/22
Family Medicine Core Faculty	Kaweah Delta Faculty Medical Group	Rangel-Orozco, M.D.	Daniela	08/22	Kaweah Health Resident	Site Visit: 10/28/21; Offer accepted
Gastroenterology	Key Medical Associates	Eskandari, M.D.	Armen	11/21	Direct	Offer accepted; Start Date: March 2022

Candidate Activity						
Specialty/Position	Group	Last Name	First Name	Availability	Referral Source	Current Status
Hospitalist	Central Valley Critical Care Medicine	Obad, M.D.	Nashwan	ASAP	Vista Staffing Solutions - 1/10/22	Offer accepted; Start Date: 4/27/22
Intensivist	Central Valley Critical Care Medicine	Athale, M.D.	Janhavi	09/22	Comp Health - 1/6/22	Offer extended
Intensivist	Central Valley Critical Care Medicine	De Freese, M.D.	Marissa	TBD	Direct/referral - 1/18/22	Site visit pending dates
Internal Medicine/Sleep Medicine	Kaweah Health Medical Group	Sarrami, M.D.	Kayvon	08/22	Direct - 11/27/21; Fiancé is current 2nd Year Anesthesia Resident at KH.	Site Visit: 1/10/22; Offer accepted; Tentative Start Date: August 2022
Medical Oncology	Sequoia Oncology Medical Associates	Palla, M.D.	Amruth	08/22	Direct/referral - 1/26/22	Site visit pending dates (Nov/Dec 2022 - Tentative)
Neonatology	Valley Children's	Agu, D.O.	Cindy	TBD	Valley Children's - 9/1/21	Site Visit: 9/20/21; Offer extended
Neonatology	Valley Children's	Alim, M.D.	Justine	08/22	Valley Children's - 3/14/22	Site visit pending dates
Neonatology	Valley Children's	Al Kanjo, M.D.	Mohamed	08/23	Valley Children's - 3/14/22	Site visit pending dates
Neonatology	Valley Children's	Sharma, M.D.	Amit	TBD	Valley Children's - 3/1/22	Site Visit: 3/29/22
Neonatology	Valley Children's	Singh, M.D.	Himanshu	08/22	Valley Children's - 3/31/21	Site Visit: 4/19/2021; Offer accepted. Start date 8/29/2022
Otolaryngology	Kaweah Health Medical Group	Chabban, M.D.	Mohammad	04/22	Curative - 1/19/22	Phone Interview pending
Pediatric Cardiology	Kaweah Health Medical Group	Ozdemir, M.D.	Ege	08/22	Valley Children's - 3/1/22	Site Visit: 3/23/22
Pediatrics	Kaweah Health Medical Group	Galindo, M.D.	Ramon	09/22	Direct/referral - 6/28/21	Site visit: 9/14/21; Offer accepted; Tentative Start Date: 08/2022
Pediatric Hospitalist	Valley Children's	Mittal, M.D.	Daaman	07/22	Valley Children's - 2/17/22	Site visit: 2/21/22; Offer accepted; Start Date: 8/1/22
Physician Assistant - Quick Care	Kaweah Health Medical Group	Parker, PA	Katelyn	03/22	PracticeMatch - 12/14/21	Offer accepted; Tentative Start Date: April 2022

### Candidate Activity

Specialty/Position	Group	Last Name	First Name	Availability	Referral Source	Current Status
Rheumatology	Kaweah Health Medical Group	Li, M.D.	Zi Ying (Kimmie)	08/22	Direct - 11/27/21	Phone Interview: 12/15/21; Site Visit: 4/5/22
Urology	Kaweah Health Medical Group	Aram, M.D.	Pedram	45108	PracticeMatch - 3/1/22	Site visit pending

***KAWEAH DELTA HEALTH CARE DISTRICT  
FINANCE DIVISION MEMORANDUM***

**TO:** Finance Committee, Board of Directors, Chief Executive Officer and Executive Team

**FROM:** Jennifer Stockton, Director of Finance (ext. #5536) and Malinda Tupper, Chief Financial Officer (ext. #4065)

**DATE:** March 14, 2022

**SUBJECT: Semi-annual Investment Report**

Each month the Board of Directors receives an investment report depicting the specific investments held by the District including the nature, amount, maturity, yield, and investing institution. On a semi-annual basis, the District's Chief Financial Officer is required to review the District's investment policy with the Board, to discuss our compliance with that policy, to review the purpose of our various investment funds and to report on the performance, quality and risk profile of our current portfolio. At the Board's request, fulfillment of this requirement is hereby made by means of this written report and accompanying schedules.

The purpose of this report is to assure the Board that the following primary objectives have been satisfied with respect to its fiduciary responsibility for the sound and prudent management of the District's monetary assets:

- 1) The Board of Directors understands and approves of the District's investment policy and is confident that management has effectively complied with this policy.
- 2) Management has effectively established appropriate funds and managed investments in a manner that safeguards the District's assets, meets the ongoing liquidity needs of the District and provides necessary funds for the various projects and budgets approved and adopted by the Board.
- 3) Within the constraints of the investment policy and the funding needs of the District, management effectively maximizes its return on investments to meet the income expectations adopted by the Board as part of the annual budget.
- 4) The acceptance/approval of this report includes the semi-annual review and approval of the investment policy (and any changes proposed) as well as the delegation of authority contained within the policy.**

For the purpose of assessing performance relative to each of these objectives, this written report describes and evaluates each of the following documents accompanying this report and demonstrates achievement of the stated objectives.

### **General Deposit and Investment Policy**

The District's current investment policy reflects strict compliance with the California Government Code (Code) sections 53600 through 53686 which govern the investment of surplus funds by governmental entities of the State of California, including political subdivisions thereof. **At December 31, 2021, the District's investment portfolio complies with all reporting and investment provisions of this policy.**

### **Statement of Purpose Guidelines District Funds**

This document describes the various funds established by the District for the purpose of setting aside cash and investments for specific uses. The establishment of these funds (other than revenue or general obligation bond proceeds) is entirely at the discretion of the Board and are not mandated or controlled by any third-party or regulatory agency.

### **Summary of Investment Funds**

This document depicts the carrying value, equal to cost, of investments held at December 31, 2021 in each of the various funds established by the District. As indicated in this report, the District's total adjusted surplus funds at December 31, 2021 are \$332.5 million. The following table depicts the District's adjusted surplus funds over the past four years; the number of days cash on hand, a measure of liquidity; and the District's average daily operating expenses (excluding depreciation expense), the denominator used in the calculation of the liquidity measure; and the percent increase in each year over the prior year:

	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Adjusted Surplus Funds	\$332,543,000	\$368,679,000	\$282,626,000	\$221,468,000
Days Cash on Hand	147.8	177.7	141.5	115.9
Average Daily Operating Expenses (excluding depreciation expense)	\$2,250,000	\$2,075,000	\$1,997,000	\$1,911,000
Percent Increase in Daily Expenses	8.4%	3.9%	4.5%	10.6%
Days Cash on Hand Benchmarks:				
Moody's "A" Rated Hospitals	261.4 Days			
Revenue Bond Covenants	90 Days			

As illustrated in the above table, the District's liquidity ratio (days cash on hand) exceeds the covenant amount required by the District's revenue bond indentures. Total surplus funds have experienced a 50.2% increase from December 31, 2018 to December 31, 2021, but the number of days cash on hand has increased 27.5% from 2018 due to the increase in the average daily operating expenses amount. The primary reason for the increase in total surplus funds is the receipt of \$84.3 million in Medicare Advanced Payments in calendar year 2020. Approximately \$27.4 million of the advanced payments had been repaid by December 31, 2021.

Given the District's current average daily operating expense total of \$2.3 million, achievement of the Moody's "A"-rated hospitals' days cash on hand benchmark of 261.4 would require approximately \$255.6 million of additional cash resources.

The District's surplus funds investment portfolio is separated into two different categories including short-term funds and long-term funds. The District's short-term funds included investment in the Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP). The annual yields for LAIF and CAMP were .28% and .06%, respectively, for the year ended December 31, 2021. The District's long-term portfolio is managed by PFM Asset Management (PFM) and Allspring (formerly Wells Capital Management). The twelve-month total return of the portfolio managed by PFM was (.92%), net of fees, while the twelve-month total return of the portfolio managed by Wells Cap was (.90%), net of fees. Both the Allspring and the PFM portfolios exceeded the benchmark of (.96%) for the period. The benchmark for the managed portfolios is a custom index including 70% of the Merrill Lynch 1-5 year US Treasury Index and 30% of the Merrill Lynch 1-5 year A-AAA Corporate Index. The benchmark does include security types that the District is not allowed to purchase and that because of their nature tend to carry higher yields. These include foreign issuers and private placement securities. As of December 31, 2021, the District's investment portfolio had a weighted average prospective yield of .85%. The District's targeted rate of return of 1.03% was used to project interest income in the District's Annual Budget for the fiscal year. Both the prospective yield and the targeted rate of return exclude market value fluctuations that are included in the total return figures noted above.

#### **Investment Summary by Institution**

This document depicts the amount of District investments held by various financial institutions as of December 31, 2021. In each case, the financial institution may be the issuer of an investment security, the custodian of securities, or the investment advisor managing the securities.

#### **Investment Summary of Surplus Funds by Type**

This document depicts the amount of District funds invested into the various categories of investments permitted by the District's investment policy and the Code, as well as the percentage of total surplus funds invested in each category and the corresponding limitation established by the Code for compliance measurement.

#### **Investment Summary of Surplus Funds by Maturity**

This document depicts the amount of District funds maturing each year over the five-year investment time horizon permitted by the District's investment policy. The measurement period for each year commences on January 1 and runs to December 31. The purpose of this schedule is to assess the overall liquidity of the District's portfolio, which has a weighted average maturity of 2.32 years at December 31, 2021.

#### **Investment Summary of Surplus Fund's Unrealized Gains and Losses**

All investment summaries referenced above include the cost of investments and do not reflect current market values. This document depicts the status of securities with respect to unrealized gains and losses at December 31, 2021. The District measures and records an adjustment to reflect the current fair market value of its total investment portfolio each quarter. The unrealized gain on the District's surplus fund portfolio at December 31, 2021 was \$319,000.

Kaweah Delta Health Care District  
General Deposit and Investment Policy

**Scope**

This policy sets forth the deposit and investment policy governing all District funds and related transactions and investment activity. This policy does not apply to the Employer Retirement Plan Trust. Bond proceeds shall be invested in securities permitted by the applicable bond documents. If the bond documents are silent as to the permitted investments, bond proceeds will be invested in the securities permitted by this Policy. Notwithstanding the other provisions of this Policy, the limitations (credit quality, percentage holdings, etc.) listed elsewhere in this Policy do not apply to bond proceeds. With the exception of permitted investment requirements, all other provisions of this policy will apply to the investment of bond proceeds to the degree they do not conflict with the requirements of the applicable bond documents.

**Goals and Objectives**

**Legal Compliance:** All District deposits and investments shall be in compliance with sections 53600 through 53686 of the California Government Code (Code) for local agencies. This policy sets forth certain additional restrictions which may exceed those imposed by the Code.

**Prudence:** The District Board of Directors (Board) and any persons authorized to make investment decisions on behalf of the District are trustees and therefore fiduciaries subject to the prudent investor standard. When managing District investment activities, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the District, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

**Goals:** In order of priority, trustee goals shall be:

- 1) Safety - The principal of the portfolio will be preserved by investing in high quality securities and by maintaining diversification of securities to include various types, issuers and maturities. Investments will be limited to those allowed by the Code as outlined in the permitted investments section below. Due to the complexity of various investment options and the volatility of market conditions, the trustee may seek professional advice in making decisions in order to optimize investment selections.

The trustee will also monitor the ongoing credit rating of selected investments by reference to monthly investment statements and council with investment advisors.

- 2) Liquidity - The portfolio will be managed to ensure sufficient liquidity to meet routine and non-routine budgeted cash flow requirements as well as provide for unanticipated cash needs. Based upon these needs, investments with appropriate maturity dates will be selected. Generally, these investments will be held to maturity once purchased unless called by the issuer. Securities may be sold prior to maturity under the following circumstances: 1) A security with declining credit may be sold early to minimize loss of principal. 2) A security trade would improve the quality, yield, or target duration in the portfolio. 3) Liquidity needs of the portfolio require that the security be sold.
- 3) Rate of Return - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Performance will be measured by the ability to meet the targeted rate of return, which will equal or exceed the average return earned on the District's investment in the State of California Local Agency Investment Funds.

### **Safekeeping**

District investments not purchased directly from the issuer shall be purchased either from an institution licensed by the State as a broker-dealer or from a member of a federally-regulated securities exchange, a national or state-chartered bank, a federal or state association or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank. Investments purchased in a negotiable, bearer, registered or nonregistered format shall be delivered to the District by book entry, physical delivery or third party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery. A counterparty bank's trust or separate safekeeping department may be used for the physical delivery of the security if the security is held in the District's name.

**Authorized Financial Dealers and Institutions:** If the District utilizes an external investment adviser, the adviser may be authorized to transact with its own Approved Broker/Dealer List on behalf of the District. In the event that the investment advisor utilizes its own Broker/Dealer List, the advisor will perform due diligence for the brokers/dealers on its Approved List.

**Internal Controls:** The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District

are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Delivery vs. Payment:** All trades where applicable will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

### **Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the District.

### **Delegation of Authority**

The Board hereby delegates its authority to invest District funds, or to sell or exchange purchased securities, to the Treasurer for a one-year period, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. The Board may renew the delegation of authority each year. The responsibility for day-to-day management (including the investment of funds, and selling or exchanging of purchases securities) of District investments is hereby delegated by the Board, and the Treasurer, to the Chief Financial Officer (CFO).and/or their designee subject to compliance with all reporting requirements and the prudent investor standard. The District may engage the services of one or more external investment managers to assist in the management of the investment portfolio in a manner consistent with the Districts' objectives. Such external managers will be granted the discretion to purchase and sell investment securities in accordance with the Investment Policy.

### **Reporting**

The Treasurer or CFO shall annually submit a statement of investment policy to the Board summarizing the District's investment activities and demonstrating compliance with this

policy and the Code. The Treasurer or CFO shall submit monthly reports to the Board detailing each investment by amount, type, issuer, maturity date, and rate of return, and reporting any other information requested by the Board. The monthly reports shall also summarize all material non-routine investment transactions and demonstrate compliance of the portfolio with this policy and the Code, or delineate the manner in which the portfolio is not in compliance. Any concerns regarding the District's ability to maintain sufficient liquidity to meet current obligations shall be disclosed in the monthly reports.

**Performance Standards:** The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks shall be established against which portfolio performance shall be compared on a regular basis.

### **Deposits**

All District deposits shall be maintained in banks having full-service operations in the State of California. Deposits are defined as working funds needed for immediate necessities of the District. Deposits in any depository bank shall not exceed the shareholders' equity of that bank. The Treasurer shall be responsible for the safekeeping of District funds and shall enter into a contract with any qualified depository making the depository responsible for securing the funds deposited. All District deposits shall be secured by eligible securities as defined by section 53651 of the Code and shall have a market value of at least 10 percent in excess of the total amount deposited. The Treasurer may waive security for the portion of any deposits insured pursuant to federal law and any interest which subsequently accrues on federally-insured deposits.

### **Permitted Investments**

Sinking funds or surplus funds not required for immediate needs of the District shall be invested in authorized investments as defined in Code section 53601 and may be further limited by this policy. No investment shall be made in any security having a term remaining to maturity exceeding five years at the time of investment unless the Board has granted express authority to make the investment no less than three months prior to the investment. Certain investments are limited by the Code and this policy as to the percent of surplus funds which may be invested. Investments not expressly limited by the Code or this policy may be made in a manner which maintains reasonable balance between investments in the portfolio.

Authorized investments are limited to the following:

- (a) Investment in the State of California Local Agency Investment Fund up to the maximum investment allowed by the State.
- (b) United States Treasury notes, bonds, bills or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- (c) Registered State warrants or treasury notes or bonds of this State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the State or a department, board, agency or authority of the State.
- (d) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
- (e) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. Purchases of bankers' acceptances may not exceed 180 days maturity or 40 percent of surplus funds. However, no more than 30 percent of surplus funds may be invested in bankers' acceptances of any one commercial bank.
- (f) Commercial paper of prime quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization (NRSRO).. Eligible paper is further limited to issuing corporations organized and operating within the United States and having total assets exceeding five hundred million dollars (\$500,000,000) and is rated in a rating category of "A" or its equivalent or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by an NRSRO. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 25 percent of surplus funds.
- (g) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency

and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decision making authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit. Purchases of all types of certificates of deposit may not exceed 30 percent of surplus funds.

- (h) Investments in repurchase agreements or reverse repurchase agreements of any securities authorized by this policy when the term of the agreement does not exceed one year. The market value of securities underlying a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Reverse repurchase agreements shall meet all conditions and requirements set forth in Code section 53601.
- (i) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum of five years maturity, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of medium-term notes may not exceed 30 percent of surplus funds.
- (j) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchases of collateralized mortgage obligations may not exceed 20 percent of surplus funds.
- (k) Shares of beneficial interest issued by diversified management companies that invest in securities and obligations as authorized by section 53601 or that are money market funds registered with the Securities and Exchange Commission under the Investment Act of 1940, and that have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

Purchases of shares of beneficial interest may not exceed 20 percent of surplus funds, and no more than 10 percent of surplus funds may be invested in shares of beneficial interest of any one mutual fund.

- (l) Bonds issued by Kaweah Delta Health Care District, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by Kaweah Delta Health Care District.
- (m) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
- (n) Registered treasury notes or bonds of any of the other forty-nine United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other forty-nine United States, in addition to California.
- (p) Shares of beneficial interest issued by a joint powers authority (JPA) organized pursuant to Section 6509.7 that invests in the securities and obligations authorized under Section 53601 subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the JPA. The JPA issuing the shares shall have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission, with not less than five years of experience investing in the authorized securities, and having assets under management in excess of five hundred million dollars.
- (q) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of surplus funds.

### **Policy Considerations**

This policy shall be reviewed on an annual basis. Any changes must be approved by the Chief Financial Officer and any other appropriate authority, as well as the individual(s) charged with maintaining internal controls.

**Kaweah Delta Health Care District  
STATEMENT OF PURPOSE GUIDELINES  
DISTRICT FUNDS**

**Operating Accounts:**

General operating funds to meet current and future operating obligations.

**Self-Insurance Trust Fund:**

Self-insurance fund established for potential settlement of general, professional and public liability claims. All earnings remain in the fund. Disbursements are allowed for payment of claims, legal fees, or by approval of the Board of Directors. Whenever possible, District operating funds or other funds will be used to meet such liabilities.

**2012 Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2012 Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

**2015A Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2015A Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

**2015B Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2015B Revenue Bond proceeds for various projects and to hold principal and interest payments made by the District pending disbursement by the trustee bank.

**2017A/B Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2017 A and B Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

**2017 C Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2017 C Revenue Bond principal and interest payments made by the District pending disbursement by the trustee bank.

**2020 Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2020 Revenue Bond proceeds for various projects and to hold principal and interest payments made by the District pending disbursement by the trustee bank.

**2014 General Obligation Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2014 General Obligation Bond principal and interest payments made by the District pending disbursement by the trustee bank.

**Plant Fund:**

The primary purpose of this fund is to retain investments for funded depreciation. In addition, funds for special capital projects and Board-designated projects which may include real property, unbudgeted capital equipment, etc. are retained in the fund. Disbursements are made for such special capital projects and for replacement capital items at the Board's discretion.

**Cost Report Settlement Fund:**

Account established to set aside sufficient funds to settle Federal and State cost reports due to the substantial nature of potential settlements.

**Development Fund:**

Accumulated reserves set aside from special projects, activities and memorials to be used as seed money for research, community service, or service development at the specific direction of the Board.

**Workers' Compensation Liability Fund:**

Funds available for possible settlement or payment of employee work-related medical claims, suits or judgments, or legal fees. Whenever possible, District operating funds or other funds will be used to meet such liabilities.

**General Obligation Bond Reserve Fund:**

The purpose of this fund is to hold funds set aside to establish a reserve account in the amount recommended by the County of Tulare.

Kaweah Delta Health Care District  
**SUMMARY OF INVESTMENT FUNDS**  
 December 31, 2021

	Investment Amount (Cost)	
	December 31, 2021	December 31, 2020
<b><u>Trust Accounts</u></b>		
Self-Insurance Trust Fund	\$ 3,316,000	\$ 4,092,000
2012 Revenue Bond Fund	2,321,000	2,223,000
2014 General Obligation Bond Fund	1,524,000	3,146,000
2015A Revenue Bond Fund	175,000	883,000
2015B Revenue Bond Fund	12,023,000	19,819,000
2017A/B Revenue Bond Fund	465,000	1,060,000
2017C Revenue Bond Fund	2,191,000	781,000
2020 Revenue Bond Fund	11,147,000	10,971,000
<b><u>Operating Accounts</u></b>	4,178,000	171,000
<b><u>Board Designated Funds</u></b>		
<b>Plant Fund</b>		
Committed for Capital Expenditure	\$26,663,000	
Uncommitted	237,595,000	
	<hr/>	
General Obligation Bond Reserve	1,993,000	1,902,000
Cost Report Settlement Fund	3,448,000	3,448,000
Development Fund	104,000	104,000
Workers' Compensation Liability Fund	20,903,000	20,903,000
<b>Total Board Designated Funds</b>	<hr/>	<hr/>
	290,706,000	339,199,000
	<hr/>	<hr/>
<b>Total Investments</b>	<b>\$ 328,046,000</b>	<b>\$382,345,000</b>
	<hr/>	<hr/>
<b>Kaweah Health Medical Group Funds</b>	<b>\$9,351,000</b>	<b>\$2,692,000</b>
	<hr/>	<hr/>
<b>Sequoia Regional Cancer Center Funds</b>	<b>\$228,000</b>	<b>\$397,000</b>
	<hr/>	<hr/>
<b>Kaweah Health Hospital Foundation</b>	<b>\$19,480,000</b>	<b>\$16,730,000</b>
	<hr/>	<hr/>

Kaweah Delta Health Care District  
**SUMMARY OF INVESTMENT FUNDS**  
 December 31, 2021

	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
<b>Total Surplus Funds</b>	<b>\$294,884,000</b>	\$339,370,000	\$258,426,000	\$203,269,000
<b>Add:</b> Kaweah Health Medical Group	<b>9,351,000</b>	2,692,000	2,340,000	3,395,000
Sequoia Regional Cancer Ctr.	<b>228,000</b>	397,000	345,000	263,000
KH Foundation	<b>19,480,000</b>	16,730,000	16,464,000	15,431,000
Adjustment to record fair market value (FMV)	<b>7,938,000</b>	8,400,000	3,930,000	(1,808,000)
Accrued Investment Earnings	<b>662,000</b>	1,090,000	1,121,000	918,000
<b>Adjusted Surplus Funds</b>	<b>\$332,543,000</b>	<b>\$368,679,000</b>	<b>\$282,626,000</b>	<b>\$221,468,000</b>
<b>Daily Operating Expenses (excluding depreciation expense )</b>	<b>\$2,250,000</b>	\$2,075,000	\$1,997,000	\$1,911,000
<b>Percent Increase</b>	<b>8.4%</b>	3.9%	4.5%	10.6%
<b>Days Cash on Hand (Actual - consolidated financial statements)</b>	<b>147.8</b>	177.7	141.5	115.9
<b>Benchmark:</b>				
Moody's "A" Rated Hospitals (2020)	<b>261.4</b>			
Cash spread to "A" rating	<b>\$255,595,000</b>			
<b>Surplus portfolio return (includes FMV adjustment) :</b>				
12-Months Ended :				
LAIF	<b>0.28%</b>	1.17%	2.32%	1.85%
CAMP	<b>0.06%</b>	0.72%		
<b>Total Return:</b>				
Long-Term (PFM - net of fees)	<b>-0.92%</b>	4.66%	4.80%	1.39%
Long-Term (Allspring - net of fees)	<b>-0.90%</b>	4.44%	4.51%	1.43%
Benchmark (70% ML 1-5 Treasury, 30% ML US Corp A-AAA)	<b>-0.96%</b>	4.63%	4.84%	1.41%
<b>Prospective Yield of Portfolio (No FMV)</b>	<b>0.85%</b>	1.07%	2.06%	2.05%
<b>Fiscal Year Budget (No FMV)</b>	<b>1.03%</b>	1.65%	2.28%	1.66%

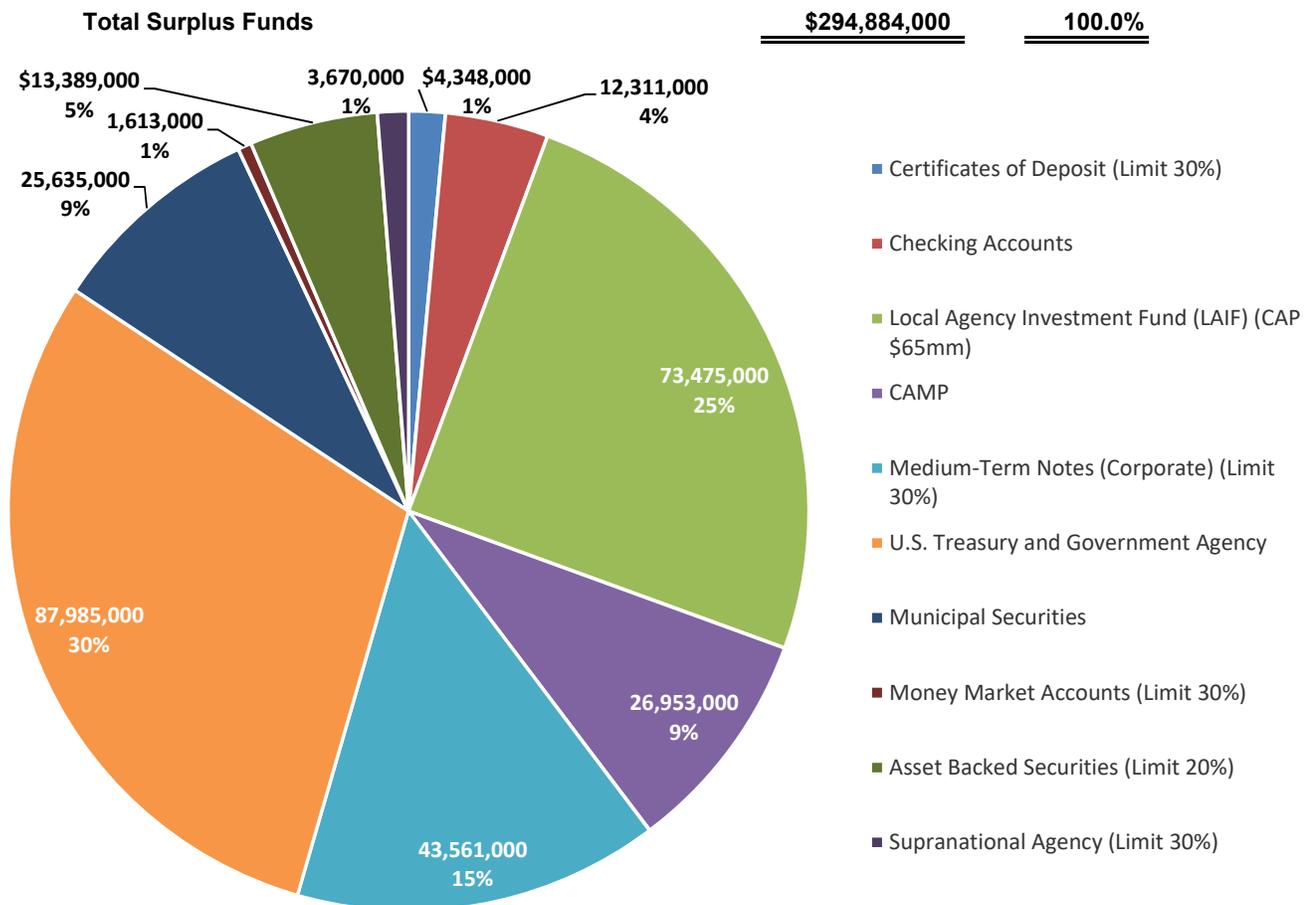
**Note: All investment balances included in the attached investment summaries are stated at the cost value and do not reflect current fair market values. Please refer to the Investment Summary of Unrealized Gains and Losses for current market values.**

Kaweah Delta Health Care District  
INVESTMENT SUMMARY BY INSTITUTION  
December 31, 2021

	Investment Amount (Cost)	
	December 31, 2021	December 31, 2020
US Bank (Bond Trustee)	\$ 17,695,000	\$ 24,766,000
Local Agency Investment Fund (LAIF)	74,999,000	74,992,000
PFM Asset Management (Manager) - US Bank Custodian	87,743,000	86,099,000
Allspring (Manager) - US Bank Custodian	91,349,000	89,317,000
Allspring (SITF)	3,317,000	4,092,000
CAMP (Managed by PFM)	26,953,000	88,912,000
Bancorp (FSA)	47,000	157,000
Torrey Pines CD (CD Placement GO Refinance)	3,053,000	3,025,000
Signature Bank (2020 Bonds)	10,626,000	10,971,000
Wells Fargo Bank (Operating accounts)	12,264,000	14,000
<b>Total Investments</b>	<b>328,046,000</b>	382,345,000
Less Trust Accounts	(33,162,000)	(42,975,000)
<b>Total Surplus Funds</b>	<b>\$294,884,000</b>	<b>\$339,370,000</b>
<b><u>Kaweah Health Medical Group</u></b>		
Wells Fargo Bank	<b>\$9,351,000</b>	<b>\$2,692,000</b>
<b><u>Sequoia Regional Cancer Center</u></b>		
Wells Fargo Bank	<b>\$228,000</b>	<b>\$397,000</b>
<b><u>Kaweah Health Hospital Foundation</u></b>		
Central Valley Community Bank	\$929,000	\$512,000
Various Short-Term and Long-Term Investments	18,551,000	16,218,000
	<b>\$19,480,000</b>	<b>\$16,730,000</b>

Kaweah Delta Health Care District  
**INVESTMENT SUMMARY OF SURPLUS FUNDS BY TYPE**  
 December 31, 2021

	Investment Amount (Cost)	%	\$ or % Limit
Certificates of Deposit	\$4,348,000	1.5%	30.0%
Checking Accounts	12,311,000	4.2%	
Local Agency Investment Fund (LAIF)	73,475,000	24.9%	\$75 mm
CAMP	26,953,000	9.1%	
Medium-Term Notes (Corporate)	43,561,000	14.8%	30.0%
U.S. Treasury and Government Agency	87,985,000	29.8%	
Municipal Securities	25,635,000	8.7%	
Money Market Accounts	1,613,000	0.5%	20.0%
Commercial Paper	0	0.0%	25.0%
Asset Backed Securities	15,333,000	5.2%	20.0%
Supranational Agency	3,670,000	1.2%	30.0%
	<b><u>\$294,884,000</u></b>	<b><u>100.0%</u></b>	

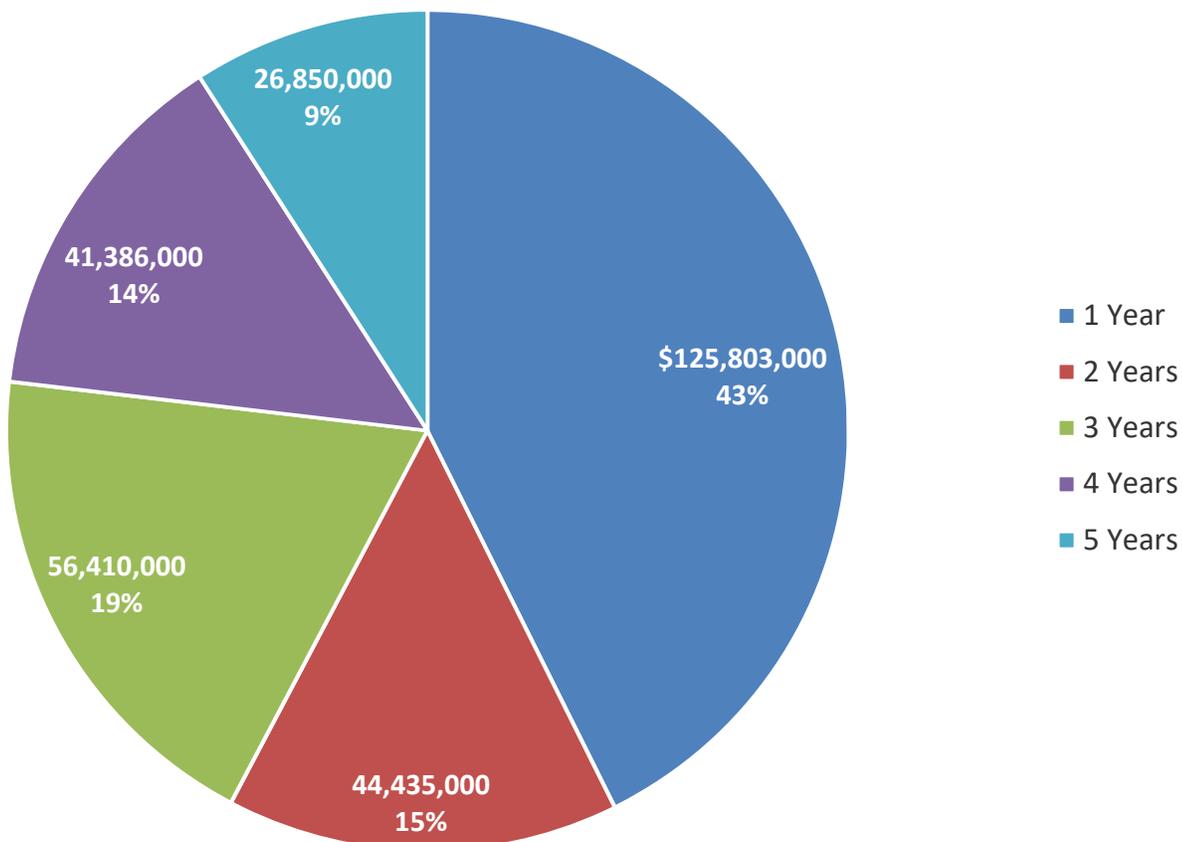


Kaweah Delta Health Care District  
**INVESTMENT SUMMARY OF SURPLUS FUNDS BY MATURITY**  
 December 31, 2021

	Investment Amount (Cost)	%
1 Year	\$125,803,000	42.7%
2 Years	44,435,000	15.1%
3 Years	56,410,000	19.1%
4 Years	41,386,000	14.0%
5 Years	<u>26,850,000</u>	<u>9.1%</u>
<b>Total Surplus Fund Investments</b>	<b><u><u>\$ 294,884,000</u></u></b>	<b><u><u>100.0%</u></u></b>

Weighted Average Maturity

**2.32 Years**



Kawah Delta Health Care District  
**INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES**  
December 31, 2021

Description	Maturity	Par Value	Amort Cost	Market Value	Unrealized Gain (Loss)
<b>Negotiable Certificate of Deposits:</b>					
DNB BANK ASA NY BRA	12/02/2022	630,000	630,000	638,360	8,360
CREDIT SUISSE AG	03/17/2023	665,000	665,000	663,258	(1,742)
		<b>\$ 1,295,000</b>	<b>\$ 1,295,000</b>	<b>\$ 1,301,618</b>	<b>\$ 6,618</b>
<b>Medium-Term Notes (Corporate):</b>					
PACCAR FINANCIAL CORP	09/26/2022	375,000,000	374,888.11	379,578.75	4,691
CITIGROUP INC	10/27/2022	750,000,000	747,976.81	761,805.00	13,828
INTEL CORP	12/15/2022	415,000,000	413,051.14	423,582.20	10,531
JOHN DEERE CAPITAL CORP	01/17/2023	725,000,000	724,858.66	723,347.00	(1,512)
BANK OF AMERICA CORP	04/24/2023	640,000,000	638,430.23	644,153.60	5,723
APPLE INC	05/11/2023	800,000,000	799,016.31	802,184.00	3,168
CHEVRON CORP NEW SR NT	05/11/2023	250,000,000	250,000.00	251,405.00	1,405
STATE STREET CORP	05/15/2023	359,000,000	372,481.82	370,168.49	(2,313)
BANK OF NY MELLON CORP	05/16/2023	300,000,000	302,611.29	302,247.00	(364)
PACCAR FINANCIAL CORP	06/08/2023	140,000,000	139,907.06	140,110.60	204
JOHN DEERE CAPITAL CORP	07/05/2023	295,000,000	294,881.84	294,902.65	21
INTUIT INC	07/15/2023	800,000,000	799,903.23	797,496.00	(2,407)
GOLDMAN SACHS GROUP INC	07/24/2023	900,000,000	895,563.76	910,125.00	14,561
CHEVRON USA INC	08/11/2023	1,300,000,000	1,301,498.84	1,294,098.00	(7,401)
TOYOTA MOTOR CREDIT CORP	09/20/2023	550,000,000	548,522.05	574,733.50	26,211
AMERICAN HONDA FINANCE	10/10/2023	395,000,000	397,543.67	414,086.40	16,543
BRISTOL MYERS SQUIBB CO	11/13/2023	280,000,000	280,000.00	278,759.60	(1,240)
PNC FINANCIAL SERVICES	01/23/2024	395,000,000	405,550.51	413,600.55	8,050
MORGAN STANLEY SR NT	01/25/2024	335,000,000	335,000.00	333,847.60	(1,152)
PACCAR FINANCIAL CORP	02/02/2024	1,000,000,000	999,192.76	986,620.00	(12,573)
NATIONAL RURAL UTIL COOP	02/08/2024	1,400,000,000	1,394,670.23	1,378,482.00	(16,188)
MERCK CO INC	03/07/2024	405,000,000	405,039.75	422,556.75	17,517
UNILEVER CAPITAL CORP	03/07/2024	200,000,000	209,380.26	209,368.00	(12)
Pfizer Inc	03/15/2024	465,000,000	466,051.81	484,139.40	18,088
JPMORGAN CHASE CO	03/16/2024	215,000,000	215,000.00	214,475.40	(525)
Schwab Charles Corp	03/18/2024	1,625,000,000	1,624,405.30	1,617,736.25	(6,669)
Schwab Charles Corp	03/18/2024	90,000,000	89,967.07	89,597.70	(369)
Verizon Communications Inc	03/22/2024	730,000,000	729,967.60	727,007.00	(2,961)
Mastercard Inc	04/01/2024	395,000,000	400,586.25	415,630.85	15,045
Morgan Stanley	04/05/2024	700,000,000	700,000.00	697,830.00	(2,170)
Morgan Stanley	04/05/2024	230,000,000	230,154.41	229,287.00	(867)
Comcast Corp	04/15/2024	395,000,000	419,785.69	419,651.95	(134)
BANK OF NY MELLON CORP	04/26/2024	1,000,000,000	999,175.62	987,640.00	(11,536)
BANK OF NY MELLON CORP	04/26/2024	170,000,000	169,859.86	167,898.80	(1,961)
AMAZON COM INC	05/12/2024	875,000,000	873,995.24	866,337.50	(7,658)
AMAZON COM INC	05/12/2024	250,000,000	249,712.91	247,525.00	(2,188)
UNITHEDHEALTH GROUP INC	05/15/2024	195,000,000	140,010.20	193,445.85	53,436
ASTRAZENECA FINANCE LLC L P	05/28/2024	300,000,000	220,804.47	297,612.00	76,808
JOHN DEERE CAPITAL CORP	06/07/2024	230,000,000	229,766.40	227,131.90	(2,635)
US Bancorp	07/30/2024	415,000,000	414,831.82	428,765.55	13,934
AMERICAN HONDA FIN CORP	08/09/2024	190,000,000	189,888.02	187,856.80	(2,031)
BMW US CAP LLC EXTND IAM	08/12/2024	340,000,000	340,138.06	336,222.60	(3,915)
UNILEVER CAP CORP	08/12/2024	100,000,000	100,000.00	99,376.00	(624)
HONEYWELL INTERNATIONAL	08/15/2024	330,000,000	340,668.09	340,969.20	301
PACCAR FINANCIAL CORP	08/15/2024	210,000,000	214,484.00	215,054.70	571
EXXON MOBIL CORPORATION	08/16/2024	1,320,000,000	1,320,000.00	1,352,458.80	32,459
WALT DISNEY COMPANY THE	08/30/2024	780,000,000	778,324.09	792,355.20	14,031
DEERE JOHN CAPITAL CORP	09/10/2024	85,000,000	84,950.44	84,043.75	(907)
CATERPILLAR FINL SVCS	09/13/2024	500,000,000	499,387.69	493,175.00	(6,213)
NESTLE HLDGS INC	09/14/2024	640,000,000	640,000.00	630,828.80	(9,171)
BANK OF NY MELLON CORP	10/24/2024	150,000,000	150,391.55	153,844.50	3,453
BANK NEW YORK MELLON CORP	10/25/2024	390,000,000	389,762.23	386,704.50	(3,058)
CITIGROUP INC SR NT	10/30/2024	445,000,000	445,000.00	442,347.80	(2,652)
CATERPILLAR FINL SERVICE	11/08/2024	600,000,000	599,678.32	617,370.00	17,692
CATERPILLAR FINL SERVICE	11/08/2024	850,000,000	851,116.51	874,607.50	23,491
JPMORGAN CHASE CO	12/05/2024	1,050,000,000	1,069,115.76	1,107,088.50	37,973
BRANCH BANKING TRUST	12/06/2024	1,300,000,000	1,261,434.20	1,339,312.00	77,878
JOHN DEERE CAPITAL CORP	01/09/2025	500,000,000	499,915.42	513,745.00	13,830
US BANK NA CINCINNATI	01/21/2025	1,400,000,000	1,456,747.70	1,431,822.00	(24,926)
TOYOTA MOTOR CREDIT CORP	02/13/2025	420,000,000	419,439.85	426,287.40	6,848
NOVARTIS CAPITAL CORP	02/14/2025	425,000,000	439,702.31	430,916.00	(8,786)
LOCKHEED MARTIN CORP	03/01/2025	205,000,000	217,019.07	214,700.60	(2,318)
GENERAL DYNAMICS CORP	04/01/2025	395,000,000	425,843.48	417,507.10	(8,336)
CITIGROUP INC	05/01/2025	440,000,000	440,376.98	436,528.40	(3,849)
APPLE INC	05/11/2025	655,000,000	656,858.39	652,943.30	(3,915)
EMERSON ELECTRIC CO	06/01/2025	265,000,000	285,379.69	279,267.60	(6,112)
HONEYWELL INTERNATIONAL INC	06/01/2025	180,000,000	182,516.29	180,727.20	(1,789)
JPMORGAN CHASE CO	06/01/2025	1,000,000,000	1,000,000.00	988,330.00	(11,670)
AMAZON COM INC SR NT	06/03/2025	445,000,000	433,853.26	439,909.20	6,056
BRISTOL MYERS SQUIBB CO	08/15/2025	102,000,000	112,604.64	110,382.36	(2,222)
ABBOTT LABORATORIES	09/15/2025	195,000,000	215,843.24	211,756.35	(4,087)
BK OF AMERICA CORP	09/25/2025	1,300,000,000	1,300,000.00	1,284,218.00	(15,782)
PROCTER GAMBLE CO	10/29/2025	1,300,000,000	1,298,388.75	1,268,267.00	(30,122)
LOCKHEED MARTIN CORP	01/15/2026	405,000,000	444,019.55	438,412.50	(5,607)
GOLDMAN SACHS GROUP INC	02/12/2026	205,000,000	205,397.62	200,984.05	(4,414)
IBM CORP	05/15/2026	410,000,000	448,373.49	438,318.70	(10,055)
ASTRAZENECA FINANCE LLC L P	05/28/2026	265,000,000	265,000.00	261,623.90	(3,376)
TOYOTA MTR CR CORP	06/18/2026	1,400,000,000	1,397,088.59	1,378,776.00	(18,313)
CATERPILLAR FINL SVCS	09/14/2026	220,000,000	216,833.80	216,702.20	(132)
JP MORGAN CHASE CO	10/01/2026	415,000,000	438,094.03	438,090.60	(3)
AMERICAN EXPRESS CO SR	11/04/2026	445,000,000	444,277.46	446,250.45	1,973
		<b>\$ 43,561,000</b>	<b>\$ 43,721,956</b>	<b>\$ 43,979,051</b>	<b>\$ 257,096</b>

Kaweah Delta Health Care District  
**INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES**  
 December 31, 2021

Description	Maturity	Par Value	Amort Cost	Market Value	Unrealized Gain (Loss)
<b>Municipal Securities:</b>					
OHLONE CA CMNTY CLG DIST TXBL REF	08/01/2022	800,000.0000	800,000.00	806,136.00	6,136
POWAY CA UNIF SCH DIST TXBL REF IMPT	08/01/2022	565,000.0000	565,000.00	569,678.20	4,678
OREGON ST TXBL REF SER Q	11/01/2022	1,000,000.0000	1,000,000.00	1,009,680.00	9,680
SAN DIEGO CNTY CA REGL TRANSPRTN	04/01/2023	1,275,000.0000	1,275,000.00	1,294,341.75	19,342
SAN DIEGO CA CONVENTION CTR TAXABLE	04/15/2023	1,300,000.0000	1,300,000.00	1,302,379.00	2,379
SAN FRANCISCO CA BAY AREA RAPID	07/01/2023	1,070,000.0000	1,070,000.00	1,088,297.00	18,297
PORT AUTH N Y N J TAXABLE	07/01/2023	245,000.0000	245,000.00	246,305.85	1,306
CARSON CA REDEV AGY SUCCESS TAXABLE	08/01/2023	300,000.0000	300,000.00	299,604.00	(396)
DESERT SANDS CALIF UNI SCH DIS	08/01/2023	315,000.0000	315,000.00	317,702.70	2,703
FOOTHILL DE ANZA CA CMNTY COLLEGE	08/01/2023	850,000.0000	850,000.00	844,645.00	(5,355)
PALOMAR CA CMNTY COLLEGE DIST	08/01/2023	700,000.0000	700,000.00	698,516.00	(1,484)
UPPER SANTA CLARA VY JT PWRS A	08/01/2023	1,100,000.0000	1,100,000.00	1,099,901.00	(99)
CHAFFEY CA JT UNION HIGH SCH DIST	08/01/2023	265,000.0000	265,000.00	269,738.20	4,738
SAN DIEGO CA CMNTY CLG DIST REF SER	08/01/2023	165,000.0000	165,000.00	168,564.00	3,564
TAMALPAIS CA UNION HIGH SCH DIST	08/01/2023	370,000.0000	370,000.00	377,437.00	7,437
SAN JOSE CA REF SER D	09/01/2023	765,000.0000	767,057.18	784,568.70	17,512
NEW YORK ST THRUWAY AUTH REF SER M	01/01/2024	585,000.0000	585,000.00	595,307.70	10,308
WISCONSIN ST REF TAXABLE GO	05/01/2024	1,320,000.0000	1,320,000.00	1,302,998.40	(17,002)
WISCONSIN ST GEN FD ANNUAL	05/01/2024	500,000.0000	500,000.00	492,635.00	(7,365)
UNIVERSITY CA REVS TAXABLE	05/15/2024	1,000,000.0000	1,000,000.00	989,330.00	(10,670)
ORANGE CA PENSION OBLIG TAXABLE	06/01/2024	500,000.0000	500,000.00	494,940.00	(5,060)
TORRANCE CA JT PWRS FING AUTH LEASE	06/01/2024	1,450,000.0000	1,450,000.00	1,434,427.00	(15,573)
LOUISIANA ST HWY IMPT REV	06/15/2024	500,000.0000	500,000.00	494,125.00	(5,875)
LOS ANGELES CALIF UNI SCH DIST	07/01/2024	1,500,000.0000	1,637,599.44	1,671,435.00	33,836
EL SEGUNDO CALIF PENSION OBLIG	07/01/2024	510,000.0000	510,000.00	503,538.30	(6,462)
ARIZONA ST TRANSPRTN BRD HIGHWAY	07/01/2024	675,000.0000	675,000.00	690,653.25	15,653
CONNECTICUT ST TAXABLE GO BDS 2020 A	07/01/2024	150,000.0000	150,000.00	152,881.50	2,882
WISCONSIN ST TRANSN REV TAXABLE REF	07/01/2024	470,000.0000	470,000.00	464,482.20	(5,518)
MARYLAND ST TAXABLE GO LOC LN FACS	08/01/2024	355,000.0000	354,935.66	350,118.75	(4,817)
SAN DIEGO CA CMNTY CLE DIST REF SER	08/01/2024	80,000.0000	80,000.00	82,301.60	2,302
SAN JUAN CALIF UNI SCH DIST TAXABLE	08/01/2024	195,000.0000	195,000.00	193,315.20	(1,685)
TAMALPAIS CA UNION HIGH SCH DIST	08/01/2024	305,000.0000	305,000.00	313,030.65	8,031
MISSISSIPPI ST TAXABLE GO REF BDS	11/01/2024	300,000.0000	300,000.00	295,731.00	(4,269)
CALIFORNIA ST GO VAR PURP REF BDS	03/01/2025	185,000.0000	207,475.67	211,449.45	3,974
BAY AREA TOLL AUTH CA TOLL BRDG REV	04/01/2025	250,000.0000	250,000.00	246,685.00	(3,315)
SAN DIEGO CNTY CA WTR AUTH TAXABLE	05/01/2025	300,000.0000	300,000.00	294,936.00	(5,064)
UNIVERSITY CALIF REVS TAXABLE GEN	05/15/2025	185,000.0000	185,000.00	183,255.45	(1,745)
CONNECTICUT ST TAXABLE GO BDS 2021 A	06/01/2025	400,000.0000	400,000.00	393,044.00	(6,956)
FLORIDA ST BRD ADMIN FIN CORP REV	07/01/2025	600,000.0000	600,516.20	597,072.00	(3,444)
WISCONSIN ST TRANSN REV TAXABLE REF	07/01/2025	440,000.0000	440,000.00	431,657.60	(8,342)
LOS ANGELES CALIF CMNTY COLLEGE DIST	08/01/2025	335,000.0000	335,000.00	330,176.00	(4,824)
SAN JUAN CA UNI SCH DIST REF	08/01/2025	190,000.0000	190,000.00	187,326.70	(2,673)
ANAHEIM CA PUB FING AUTH LEASE	07/01/2026	1,000,000.0000	998,238.24	993,830.00	(4,408)
LOS ANGELES CA UNI SCH DIST GO	07/01/2026	270,000.0000	270,000.00	269,973.00	(27)
		\$ 25,635,000	\$ 25,795,822	\$ 25,838,150	\$ 42,328

**U.S. Treasury and Government Agency:**

U S TREASURY NOTE	11/30/2022	870,000.0000	868,459.95	882,606.30	14,146
U S TREASURY NOTE	12/31/2022	1,180,000.0000	1,172,797.20	1,199,588.00	26,791
U S TREASURY NOTE	01/31/2023	350,000.0000	349,458.53	357,220.50	7,762
U S TREASURY NOTE	01/31/2023	1,200,000.0000	1,187,790.61	1,216,824.00	29,033
U S TREASURY NOTE	02/28/2023	2,100,000.0000	2,100,113.12	2,151,933.00	51,820
F H L M C	04/20/2023	1,325,000.0000	1,323,566.07	1,321,939.25	(1,627)
U S TREASURY NOTE	05/15/2023	2,730,000.0000	2,704,424.58	2,774,990.40	70,566
U S TREASURY NOTE	05/15/2023	200,000.0000	199,886.28	198,852.00	(1,034)
F N M A	05/22/2023	700,000.0000	699,026.37	697,060.00	(1,966)
U S TREASURY NOTE	06/30/2023	2,100,000.0000	2,096,008.31	2,085,804.00	(10,204)
F N M A	07/10/2023	1,710,000.0000	1,708,136.56	1,700,680.50	(7,456)
U S TREASURY NOTE	08/31/2023	1,240,000.0000	1,236,019.74	1,282,532.00	46,512
F H L M C	09/08/2023	500,000.0000	500,053.47	496,605.00	(3,448)
U S TREASURY NOTE	09/30/2023	905,000.0000	902,837.70	915,959.55	13,122
U S TREASURY NOTE	10/31/2023	550,000.0000	549,001.81	571,675.50	22,674
U S TREASURY NOTE	11/15/2023	1,350,000.0000	1,343,753.53	1,338,876.00	(4,878)
U S TREASURY NOTE	11/30/2023	845,000.0000	854,894.03	867,679.80	12,786
F H L M C M T N	12/04/2023	595,000.0000	594,622.38	589,371.30	(5,251)
U S TREASURY NOTE	12/31/2023	2,195,000.0000	2,186,314.67	2,260,762.20	74,448
U S TREASURY NOTE	01/15/2024	910,000.0000	908,674.39	898,515.80	(10,159)
U S TREASURY NOTE	01/31/2024	3,575,000.0000	3,576,576.30	3,702,913.50	126,337
U S TREASURY NOTE	02/29/2024	1,470,000.0000	1,465,325.18	1,519,847.70	54,523
U S TREASURY NOTE	04/30/2024	500,000.0000	499,318.49	516,350.00	17,032
U S TREASURY NOTE	04/30/2024	1,285,000.0000	1,277,421.15	1,319,836.35	42,415
U S TREASURY NOTE	05/15/2024	1,375,000.0000	1,396,355.39	1,428,391.25	32,036
U S TREASURY NOTE	05/31/2024	3,710,000.0000	3,726,756.16	3,811,876.60	85,120
U S TREASURY NOTE	06/15/2024	865,000.0000	861,701.89	852,258.55	(9,443)
U S TREASURY NOTE	06/30/2024	1,000,000.0000	998,394.14	1,021,800.00	23,406
U S TREASURY NOTE	09/30/2024	425,000.0000	436,810.36	431,706.50	(5,104)
U S TREASURY NOTE	10/31/2024	650,000.0000	645,868.65	660,179.00	14,310
U S TREASURY NOTE	10/31/2024	1,500,000.0000	1,495,534.67	1,523,490.00	27,955
U S TREASURY NOTE	11/30/2024	700,000.0000	696,665.82	710,990.00	14,324
U S TREASURY NOTE	11/30/2024	1,000,000.0000	992,541.87	1,015,700.00	23,158
U S TREASURY NOTE	12/15/2024	550,000.0000	550,428.50	550,599.50	171
U S TREASURY NOTE	12/31/2024	1,000,000.0000	1,001,804.73	1,022,810.00	21,005
F N M A	01/07/2025	1,510,000.0000	1,507,089.81	1,537,300.80	30,211
F H L M C	02/12/2025	1,000,000.0000	1,016,194.14	1,014,440.00	(1,754)
FEDERAL HOME LOAN BKS	04/14/2025	1,340,000.0000	1,335,631.05	1,316,576.80	(19,054)
F N M A DEB	04/22/2025	1,530,000.0000	1,527,914.40	1,508,855.40	(19,059)
F N M A	06/17/2025	2,000,000.0000	1,997,133.29	1,960,100.00	(37,033)
F N M A	06/17/2025	1,800,000.0000	1,797,420.02	1,764,090.00	(33,330)
U S TREASURY NOTE	06/30/2025	350,000.0000	349,593.87	340,032.00	(9,562)
F H L M C M T N	07/21/2025	1,500,000.0000	1,494,688.29	1,461,855.00	(32,833)

Kaweah Delta Health Care District  
**INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES**  
 December 31, 2021

Description	Maturity	Par Value	Amort Cost	Market Value	Unrealized Gain (Loss)
F H L M C M T N	07/21/2025	520,000.0000	518,158.57	506,776.40	(11,382)
U S TREASURY NOTE	07/31/2025	185,000.0000	182,464.30	179,450.00	(3,014)
F N M A	08/25/2025	1,500,000.0000	1,494,873.55	1,458,990.00	(35,884)
U S TREASURY NOTE	08/31/2025	250,000.0000	249,848.80	242,177.50	(7,671)
FEDERAL HOME LOAN BKS	09/04/2025	525,000.0000	523,838.02	510,641.25	(13,197)
F H L M C M T N	09/23/2025	750,000.0000	748,315.56	729,690.00	(18,626)
F H L M C M T N	09/23/2025	835,000.0000	833,124.67	812,388.20	(20,736)
U S TREASURY NOTE	10/31/2025	770,000.0000	765,831.66	744,220.40	(21,611)
U S TREASURY NOTE	11/30/2025	2,550,000.0000	2,550,513.71	2,473,015.50	(77,498)
U S TREASURY NOTE	11/30/2025	500,000.0000	491,879.73	484,905.00	(6,975)
U S TREASURY NOTE	12/31/2025	2,000,000.0000	2,153,984.38	2,114,680.00	(39,304)
U S TREASURY NOTE	12/31/2025	1,395,000.0000	1,373,320.20	1,352,173.50	(21,147)
U S TREASURY NOTE	01/31/2026	1,000,000.0000	985,936.88	967,420.00	(18,517)
U S TREASURY NOTE	02/15/2026	1,000,000.0000	1,033,348.00	1,017,190.00	(16,158)
U S TREASURY NOTE	02/28/2026	1,500,000.0000	1,493,814.00	1,457,400.00	(36,414)
U S TREASURY NOTE	03/31/2026	675,000.0000	672,386.00	662,188.50	(10,198)
U S TREASURY NOTE	03/31/2026	1,000,000.0000	998,372.75	981,020.00	(17,353)
U S TREASURY NOTE	04/30/2026	5,225,000.0000	5,201,404.91	5,121,545.00	(79,860)
U S TREASURY NOTE	04/30/2026	435,000.0000	428,415.03	426,387.00	(2,028)
U S TREASURY NOTE	05/31/2026	1,200,000.0000	1,271,731.53	1,246,404.00	(25,328)
U S TREASURY NOTE	05/31/2026	1,000,000.0000	997,893.11	979,450.00	(18,443)
U S TREASURY NOTE	06/30/2026	1,850,000.0000	1,863,198.43	1,820,659.00	(42,539)
U S TREASURY NOTE	06/30/2026	240,000.0000	237,626.20	236,193.60	(1,433)
U S TREASURY NOTE	07/31/2026	880,000.0000	860,846.34	855,694.40	(5,152)
U S TREASURY NOTE	09/30/2026	2,210,000.0000	2,186,722.26	2,170,551.50	(16,171)
U S TREASURY NOTE	09/30/2026	1,000,000.0000	988,465.32	982,150.00	(6,315)
U S TREASURY NOTE	10/31/2026	800,000.0000	795,414.05	794,688.00	(726)
U S TREASURY NOTE	11/30/2026	2,000,000.0000	1,997,444.02	1,998,760.00	1,316
		\$ 87,985,000	\$ 88,032,179	\$ 88,128,283	\$ 96,103
<b>Asset-backed Securities:</b>					
F H L M C MULTICLASS MTG PARTN	01/25/2022	143,502.1100	143,549.99	143,461.93	(88)
F H L M C MULTICLASS MTG PARTN	08/25/2022	390,000.0000	391,257.21	393,537.30	2,280
TOYOTA AUTO RECEIVABLES OWNER	12/15/2022	42,759.8800	42,759.50	42,809.48	50
F N M A GTD R E M I C PASS THRU	12/27/2022	310,106.7700	310,687.41	313,713.31	3,026
F H L M C MULTICLASS MTG PARTN	07/25/2023	10,874.7500	10,874.74	11,043.53	169
GM FIN AUTO LEASE TR	08/21/2023	215,000.0000	214,988.35	215,032.25	44
NISSAN AUTO LEASE	10/16/2023	245,000.0000	244,985.17	245,029.40	44
CAPITAL ONE PRIME AUTO	11/15/2023	157,029.7300	157,024.11	158,188.61	1,165
F H L M C MULTICLASS MTG PARTN	11/25/2023	415,000.0000	433,931.69	428,508.25	(5,423)
BMW AUTO LEASING LLC	01/25/2024	215,000.0000	214,995.10	214,329.20	(666)
F N M A GTD R E M I C PASS THRU	03/25/2024	315,549.9400	323,556.14	327,610.26	4,054
GM FIN AUTO LEAS TR	05/20/2024	1,175,000.0000	1,174,852.79	1,169,277.75	(5,575)
GM FIN AUTO LEAS TR	05/20/2024	445,000.0000	444,944.24	442,832.85	(2,111)
NISSAN AUTO REC TR	07/15/2024	149,229.6300	149,228.01	149,266.94	39
TOYOTA AUTO REC TR	10/15/2024	320,000.0000	319,989.32	319,744.00	(245)
HONDA AUTO RECEIVABLES OWNER	10/18/2024	375,000.0000	374,973.94	373,946.25	(1,028)
BMW VEH OWNER TR 2020 A	10/25/2024	169,766.7800	169,761.31	169,686.99	(74)
CAPITAL ONE PRIME AUTO	11/15/2024	835,424.1900	835,359.11	841,222.03	5,863
HYUNDAI AUTO REC TR	12/15/2024	290,000.0000	289,975.69	289,884.00	(92)
F H L M C MULTICLASS MTG PARTN	01/25/2025	333,758.5600	333,754.26	328,945.76	(4,809)
VERIZON OWNER TRUST	02/20/2025	455,000.0000	454,933.72	453,785.15	(1,149)
CARMAX AUTO OWNER TRUST	03/15/2025	280,000.0000	279,977.40	280,084.00	107
TOYOTA AUTO REC TR	05/15/2025	1,000,000.0000	999,884.67	994,960.00	(4,925)
GM FINANCIAL AUTOMOBILE LEASING	07/21/2025	100,000.0000	99,996.75	98,669.00	(1,328)
HONDA AUTO REC OWN	08/15/2025	1,350,000.0000	1,349,961.42	1,337,755.50	(12,206)
CARMAX AUTO OWNER TRUST	08/15/2025	215,000.0000	214,973.42	213,836.85	(1,137)
KUBOTA CREDIT OWNER TRUST	08/15/2025	195,000.0000	194,972.61	193,206.00	(1,767)
JOHN DEERE OWNER TRUST	09/15/2025	685,000.0000	684,918.48	679,451.50	(5,467)
SANTANDER DRIVE AUTO	09/15/2025	1,800,000.0000	1,799,790.70	1,796,058.00	(3,733)
HYUNDAI AUTO REC TR	09/15/2025	190,000.0000	189,985.78	188,578.80	(1,407)
KUBOTA CR OWN TR	11/17/2025	165,000.0000	164,995.04	162,609.15	(2,386)
CARMAX AUTO OWNER TR	12/15/2025	140,000.0000	139,981.96	138,765.20	(1,217)
CARMAX AUTO OWN	02/17/2026	285,000.0000	284,955.25	283,366.95	(1,588)
CARMAX AUTO OWNER TRUST	06/15/2026	550,000.0000	549,924.71	545,215.00	(4,710)
CAPITAL ONE MULTI TR	11/16/2026	640,000.0000	639,930.97	637,171.20	(2,760)
DISCOVER CARD EXE NT	09/15/2028	495,000.0000	494,898.02	487,228.50	(7,670)
TOYOTA LEASE OWNER TR	07/20/2022	235,000.0000	234,974.30	233,612.56	(1,362)
		\$ 15,333,002	\$ 15,360,503	\$ 15,302,423	\$ (58,080)
<b>Supra-National Agency</b>					
INTERNATIONAL BANK M T N	04/20/2023	620,000.0000	619,166.66	616,131.20	(3,035)
INTER AMERICAN DEVEL BK	05/24/2023	915,000.0000	914,859.52	914,011.80	(848)
INTERNATIONAL BANK M T N	11/24/2023	1,265,000.0000	1,263,281.23	1,253,374.65	(9,907)
INTER AMERICAN DEVEL BK	09/23/2024	870,000.0000	869,414.94	858,289.80	(11,125)
		\$ 3,670,000	\$ 3,666,722	\$ 3,641,807	\$ (24,915)

# REPORT TO THE BOARD OF DIRECTORS

## Skilled Nursing Facility (SNF): Transitional Care Services (TCS South and West Campus) and Subacute Care Services: Fiscal Year 2022

Elisa Venegas, RN, MSN, CRRN, Director of Nursing, Rehab and Skilled Nursing  
(559) 624-6014  
March 23, 2022

### Summary Issue/Service Considered

#### Financial Performance:

- ◆ Overall Performance:
  - The three skilled nursing units have a negative overall contribution margin. The projected loss determined in the annualized report is a \$603,000 negative contribution margin.
  - The COVID-19 pandemic significantly affected census, reimbursement, and the cost of staffing. Higher expenses and lower patient days are driving the reduction in contribution margin.
  - Patient volumes are significantly lower from two years ago due to COVID-19 factors such as patient reluctance to go to post-acute recovery, visitor restrictions, and lower surgery volumes. In addition, the inability to accept COVID-19 positive patients at south campus skilled nursing was another barrier. This is due to space constraints and California Department of Public Health (CDPH) skilled nursing designated isolation criteria.
  - The Transitional Care Services South (TCS) and Subacute units on different occasions were required to restrict new patient admissions during COVID-19 outbreaks. Hence, further adding to the lower census volumes.
- ◆ TCS South Campus (22 bed unit):
  - The average daily census to date is 12.9, this is a decrease from 13.1 the prior fiscal year. Pre-COVID-19 the unit was on track for an average census of 16.
  - Net revenue per day increased to \$586 from \$570 prior year. Since Fiscal year 2019 there is a 30% increase.
  - Staffing expenses increased while patient days are 11% lower. Some areas of declining expenses are in benefits allocations and patient care rentals.
  - Net revenue loss is down by 8% due to fewer patient days. This unit provides short term skilled care to patients that free standing skilled nursing facilities are not likely to accept. TCS provides skilled nursing services such as IV antibiotics, IV pain medication for end of life patients, and complex wound care services.
- ◆ Short Stay (SS) Ortho West Campus (16 bed unit):

- The average daily census is 11.3, a slight decrease from 11.8 the prior year. The unit was on track for an average census of 14 prior to the pandemic.
- Net revenue per day increased from \$599 to \$620.
- Direct costs per day increased from \$746 to \$753. This is due to higher staffing cost and fewer patient days to spread the expenses.
- ◆ Subacute (32 bed unit):
  - Average daily census year to date is 27.8, a decrease from 30.1 the prior year.
  - Net revenue per day decreased from \$888 to \$851. Lower patient volumes and loss of Blue Cross and Aetna days in FY 2022.
  - Contribution margin of \$682,000 is significantly lower than prior years. Loss of higher payer insurance, low patient census, and high staff wages are all contributors to the lower contribution margin.
  - There was a 3% decline in patient days.

## Quality/Performance Improvement Data

- ◆ The overall rating of District skilled nursing programs in the Centers for Medicare/Medicaid Services (CMS) 5 star Nursing Home Compare rating program is currently 5 stars. The program continues to average 5 out of 5 stars.
- ◆ A team collaboration effort with a dedicated Infection Prevention representative and Pharmacy brings a continued focus on reduction of urinary tract infection together with antibiotic stewardship to ensure that antibiotics are used only when indicated and that the appropriate antibiotic is used. The infection prevention nurse is based in the skilled nursing arena, and is working closely with staff and leadership to monitor practice, provide education, analyze data and recommend improvement strategies.
- ◆ The leadership team in collaboration with our designated infection prevention nurse, educator, and support from the command center developed and carried our COVID-19 mitigation plan approved by CDPH. The designated pharmacist has lead the COVID-19 vaccine program for our skilled nursing patients and staff and he rigorous CDPH testing requirements for skilled nursing has been supported by our lab.

## Policy, Strategic or Tactical Issues

- ◆ Working closely with case management and acute care leadership to safely accept patients at a higher acuity level to increase the census in all three units and relieve the medical center high census.
- ◆ In partnership with social work/patient family services team we are working to improve communication with patients and families during this time when families and loved ones have limited visitation
- ◆ Collaboration with our infection prevention nurse and tracking re-admissions to the medical center with a focus on hospital acquired infections to improve clinical practice. Projects tailored to skilled nursing to improve transfers to the emergency department, such as documentation education, infection prevention in-services, catheter acquired urinary tract infections and central line associated blood stream infection case studies are key to improving our re-admission quality measure.
- ◆ We have engaged our internal consulting team to assist in a review of our documentation and reimbursement under the Patient Driven Payment Model that went into effect

October 2019. The goal of this engagement is to ensure we are accurately capturing patient diagnoses and clinical conditions in order to obtain the desired reimbursement.

- ◆ The 2020 and 2021 annual CDPH surveys did not occur. In place, CDPH implemented COVID-19 mitigation visits every 6-8 weeks. The last mitigation visit was in January 2021 with no findings.
- ◆ The SNF leadership team is working with the Palliative Care program and Hospice to improve utilization of the Transitional Care Services comfort care/end of life program. The goals of this are to expand these services to a broader patient population as well as to collaborate effectively and integrate the treatment approach of Dr. Howard, medical director of the Palliative Care program.

## Recommendations/Next Steps

- ◆ Continue to evaluate and expand visitation restrictions as allowed by CDPH regulations and as space in each facility permits.
- ◆ Continue our work to monitor transfers to acute care during skilled nursing stay as well as acute care re-admissions after discharge to community. Work together with our medical directors to identify any trends, and develop action plans to minimize re-admissions.
- ◆ Maintain 5 star rating for the facility.
- ◆ Optimize effectiveness of new Cerner product by ensuring accuracy of data entry, and coaching team with best charting practices, particularly in documentation that will impact the MDS Assessment submissions and billing.
- ◆ Continue close partnership with LTC pharmacist, infection prevention experts, and KD antimicrobial stewardship program.

## Approvals/Conclusions

- ◆ Assure compliance with all regulatory requirements.
- ◆ Work to improve contribution margin by optimizing reimbursement while controlling costs.
- ◆ Continue to develop clinical practice and documentation and achieve increasing rating on quality measures.

# KAWEAH HEALTH ANNUAL BOARD REPORT

## Subacute and Transitional Care Services

FY2022 Annualized

Note: Includes patients at the Subacute and Transitional Care Services South Campus locations and TCS-Ortho Unit at West Campus.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022



\*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

### METRICS BY SERVICE LINE - FY 2022 ANNUALIZED

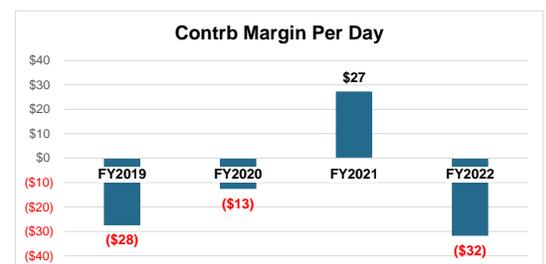
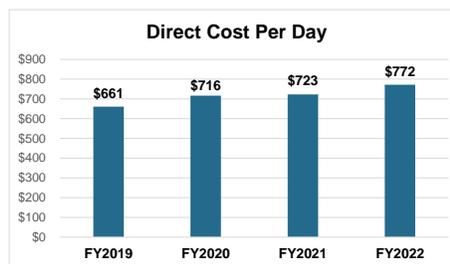
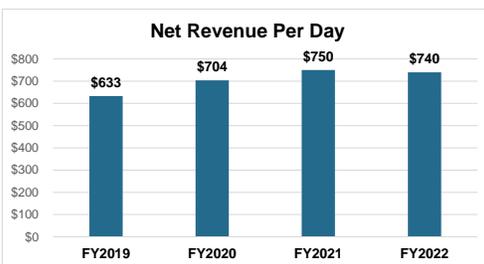
SERVICE LINE	PATIENT DAYS	NET REVENUE	DIRECT COST	CONTRIBUTION MARGIN	NET INCOME
Inpatient Subacute	10,419	\$8,868,499	\$8,186,124	\$682,375	(\$2,387,246)
Transitional Care Services	4,063	\$2,382,739	\$3,072,429	(\$689,690)	(\$2,011,095)
Transitional Care Ortho	4,471	\$2,771,330	\$3,366,823	(\$595,493)	(\$2,729,410)
Long Term Care Totals	18,953	\$14,022,567	\$14,625,375	(\$602,808)	(\$7,127,751)

### METRICS SUMMARY - 4 YEAR TREND

\*Annualized

METRIC	FY2019	FY2020	FY2021	FY2022	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Days	21,469	21,379	19,766	18,953	▼ -4%	
Net Revenue	\$13,589,831	\$15,042,940	\$14,825,459	\$14,022,567	▼ -5%	
Direct Cost	\$14,180,758	\$15,312,235	\$14,285,988	\$14,625,375	▲ 2%	
Contribution Margin	(\$590,927)	(\$269,295)	\$539,471	(\$602,808)	▼ -212%	
Indirect Cost	\$6,316,931	\$6,431,880	\$6,169,422	\$6,524,943	▲ 6%	
Net Income	(\$6,907,858)	(\$6,701,175)	(\$5,629,951)	(\$7,127,751)	▼ -27%	
Net Revenue Per Day	\$633	\$704	\$750	\$740	▼ -1%	
Direct Cost Per Day	\$661	\$716	\$723	\$772	▲ 7%	
Conrb Margin Per Day	(\$28)	(\$13)	\$27	(\$32)	▼ -217%	

### GRAPHS



Notes:  
Source: Inpatient Service Line Reports

# KAWEAH HEALTH ANNUAL BOARD REPORT

FY2022 Annualized

## Subacute Services - South Campus

Note: Includes all patients at the Subacute South Campus location.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022

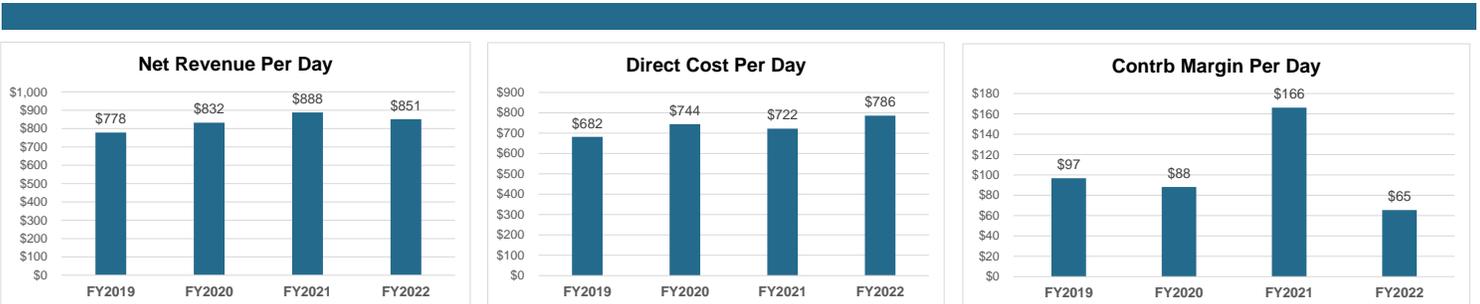


\*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

### METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2019	FY2020	FY2021	FY2022	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Days	11,281	10,858	10,785	10,419	▼ -3%	
Net Revenue	\$8,780,553	\$9,033,438	\$9,577,281	\$8,868,499	▼ -7%	
Direct Cost	\$7,688,582	\$8,076,312	\$7,785,718	\$8,186,124	▲ 5%	
Contribution Margin	\$1,091,971	\$957,126	\$1,791,563	\$682,375	▼ -62%	
Indirect Cost	\$3,246,524	\$3,186,710	\$2,859,522	\$3,069,621	▲ 7%	
Net Income	(\$2,154,553)	(\$2,229,584)	(\$1,067,959)	(\$2,387,246)	▼ -124%	
Net Revenue Per Day	\$778	\$832	\$888	\$851	▼ -4%	
Direct Cost Per Day	\$682	\$744	\$722	\$786	▲ 9%	
Conrb Margin Per Day	\$97	\$88	\$166	\$65	▼ -61%	

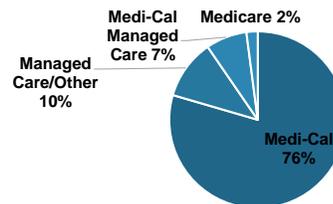
### PER CASE TRENDED GRAPHS



### PAYER MIX - 4 YEAR TREND (GROSS REVENUE)

PAYER	FY2019	FY2020	FY2021	FY2022
Medi-Cal	84%	75%	78%	76%
Managed Care/Other	6%	7%	11%	10%
Medi-Cal Managed Care	7%	14%	9%	7%
Medicare	2%	3%	1%	2%

### FY 2022 PAYER MIX



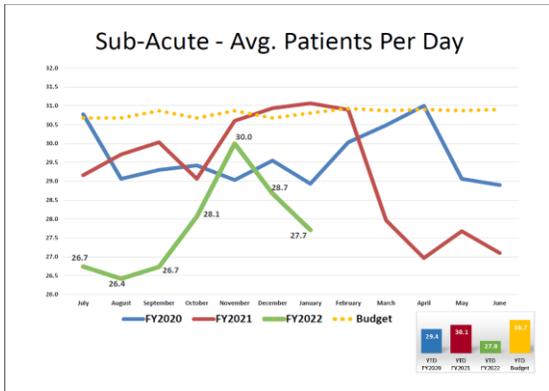
# KAWEAH HEALTH ANNUAL BOARD REPORT

FY2022 Annualized

## Subacute Services - South Campus

Note: Includes all patients at the Subacute South Campus location.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022



Note: FY 2022 is annualized in graphs and throughout the analysis

Source: Inpatient Service Line Report, Sub-Acute -Avg Patients Per Day slide  
 Selection criteria: EntylID = KDSA - Kaweah Delta Subacute facility, excluding Exeter Rural Health Clinic visits.

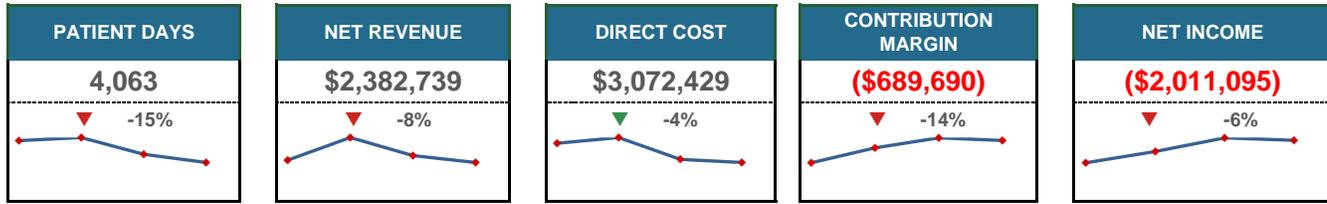
# KAWEAH HEALTH ANNUAL BOARD REPORT

FY2022 Annualized

## Transitional Care Services - South Campus

Note: All patients at the Transitional Care Services South Campus location. This excludes cases at TCS-Ortho West Campus location.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022

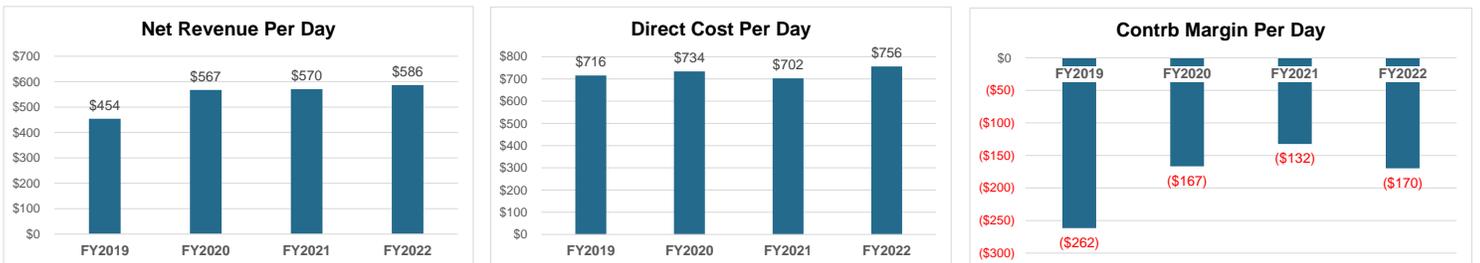


\*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

### METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2019	FY2020	FY2021	FY2022	%CHANGE FROM PRIOR YR	4 YR TREND
Patient Days	5,411	5,602	4,568	4,063	▼ -11%	
Net Revenue	\$2,456,856	\$3,177,094	\$2,603,988	\$2,382,739	▼ -8%	
Direct Cost	\$3,872,362	\$4,110,738	\$3,208,606	\$3,072,429	▼ -4%	
Contribution Margin	(\$1,415,506)	(\$933,644)	(\$604,618)	(\$689,690)	▼ -14%	
Indirect Cost	\$1,593,189	\$1,575,905	\$1,297,491	\$1,321,406	▲ 2%	
Net Income	(\$3,008,695)	(\$2,509,549)	(\$1,902,109)	(\$2,011,095)	▼ -6%	
Net Revenue Per Day	\$454	\$567	\$570	\$586	▲ 3%	
Direct Cost Per Day	\$716	\$734	\$702	\$756	▲ 8%	
Contrb Margin Per Day	(\$262)	(\$167)	(\$132)	(\$170)	▼ -28%	

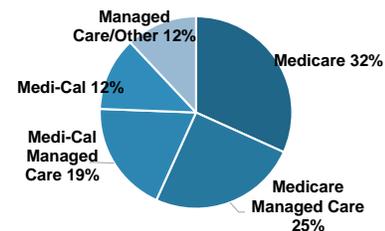
### PER CASE TRENDED GRAPHS



### PAYER MIX - 4 YEAR TREND (GROSS REVENUE)

PAYER	FY2019	FY2020	FY2021	FY2022
Medicare	44%	42%	43%	32%
Medicare Managed Care	22%	24%	20%	25%
Medi-Cal Managed Care	12%	13%	13%	19%
Medi-Cal	16%	14%	18%	12%
Managed Care/Other	5%	8%	6%	12%

### FY 2022 PAYER MIX



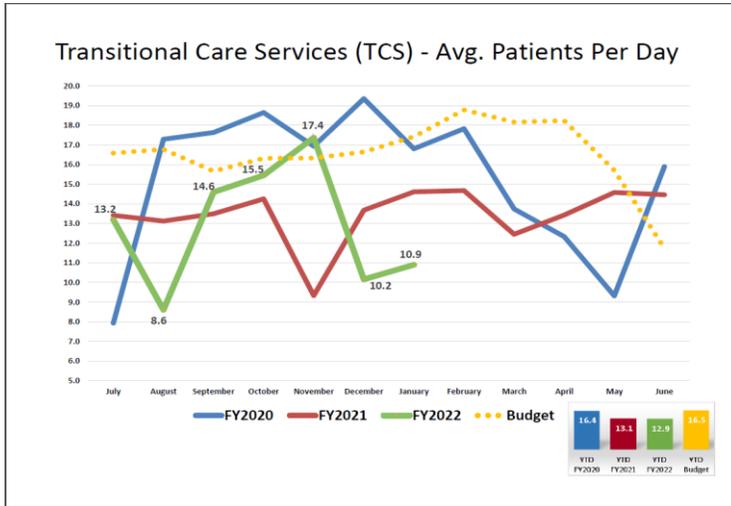
# KAWEAH HEALTH ANNUAL BOARD REPORT

FY2022 Annualized

## Transitional Care Services - South Campus

Note: All patients at the Transitional Care Services South Campus location. This excludes cases at TCS-Ortho West Campus location.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022



Note: FY 2022 is annualized in graphs and throughout the analysis  
 Source: Inpatient Service Line Report, Transitional Care Services - Avg Patients Per Day stats slide  
 Selection criteria: EntyID = KDSN - Kaweah Delta Skilled Nursing/Transitional Care Services,  
 patients having a room charge in department 6581.

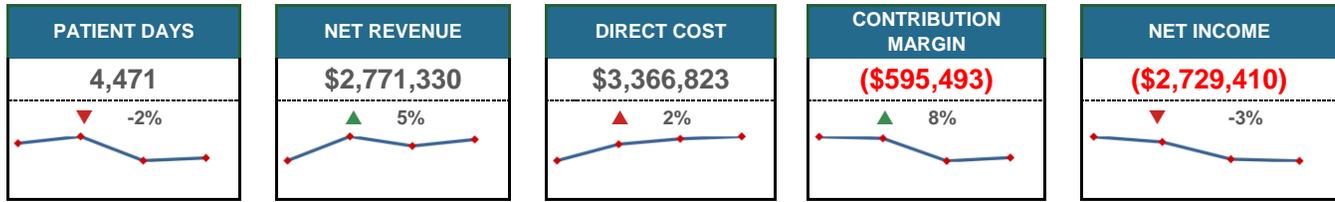
# KAWEAH HEALTH ANNUAL BOARD REPORT

FY2022 Annualized

## Transitional Care Services Orthopedics - West Campus

Note: All patients at the Transitional Care Services West Campus location. This excludes cases at Transitional Care Services South Campus location.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022

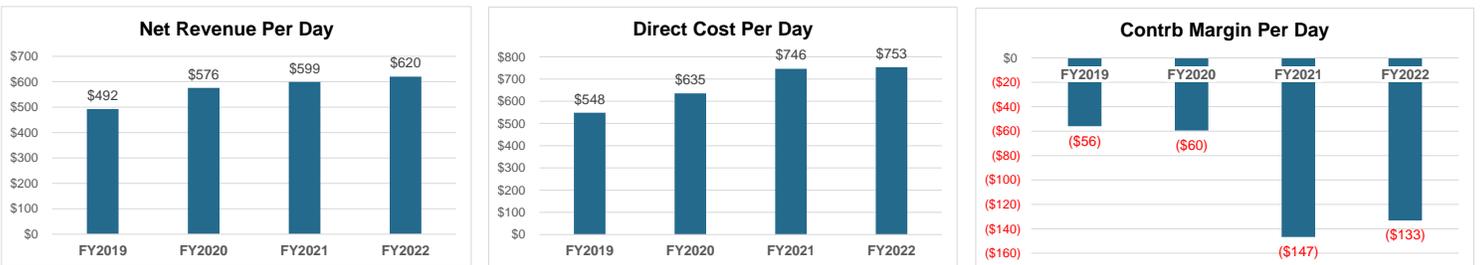


\*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

### METRICS SUMMARY - 4 YEAR TREND

Metric	FY2019	FY2020	FY2021	FY2022	% Change from Prior Yr	4 Yr Trend
Patient Days	4,777	4,919	4,413	4,471	▲ 1%	
Net Revenue	\$2,352,422	\$2,832,408	\$2,644,190	\$2,771,330	▲ 5%	
Direct Cost	\$2,619,814	\$3,125,185	\$3,291,664	\$3,366,823	▲ 2%	
Contribution Margin	(\$267,392)	(\$292,777)	(\$647,474)	(\$595,493)	▲ 8%	
Indirect Cost	\$1,477,218	\$1,669,265	\$2,012,409	\$2,133,917	▲ 6%	
Net Income	(\$1,744,610)	(\$1,962,042)	(\$2,659,883)	(\$2,729,410)	▼ -3%	
Net Revenue Per Day	\$492	\$576	\$599	\$620	▲ 3%	
Direct Cost Per Day	\$548	\$635	\$746	\$753	▲ 1%	
Contrb Margin Per Day	(\$56)	(\$60)	(\$147)	(\$133)	▲ 9%	

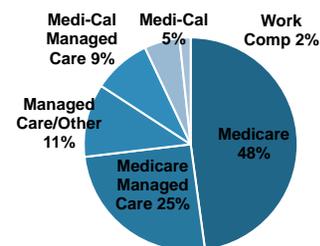
### PER CASE TRENDED GRAPHS



### PAYER MIX - 4 YEAR TREND (GROSS REVENUE)

Payer	FY2019	FY2020	FY2021	FY2022
Medicare	62%	62%	54%	48%
Medicare Managed Care	24%	21%	24%	25%
Managed Care/Other	8%	10%	10%	11%
Medi-Cal Managed Care	5%	6%	9%	9%
Medi-Cal	0%	0%	1%	5%
Work Comp	2%	1%	1%	2%

### FY 2022 PAYER MIX



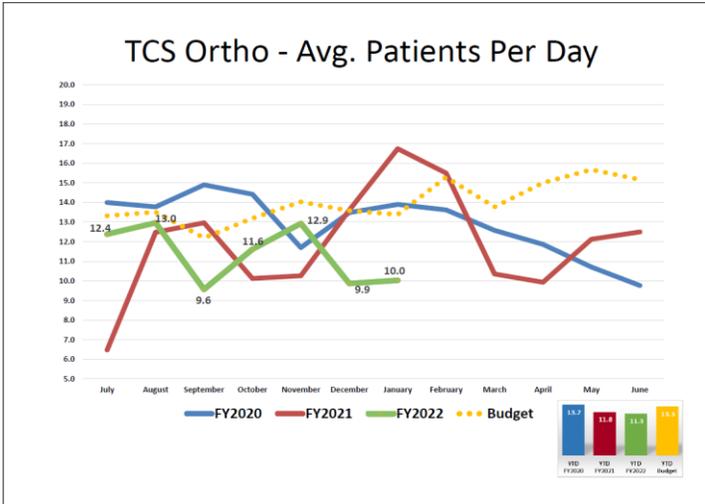
# KAWEAH HEALTH ANNUAL BOARD REPORT

## Transitional Care Services Orthopedics - West Campus

FY2022 Annualized

Note: All patients at the Transitional Care Services West Campus location. This excludes cases at Transitional Care Services South Campus location.

### KEY METRICS -- FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022



Note: FY 2022 is annualized in graphs and throughout the analysis  
 Source: Inpatient Service Line Report, Transitional Care Services - Avg Patients Per Day stats slide  
 Selection criteria: EntylID = KDSN - Kaweah Delta Skilled Nursing/Transitional Care Services West patients having a room charge in department 6587.



# Annual Evaluation of the Environment of Care 2021



**Prepared by**

**Environment of Care Committee**

**Maribel Aguilar, Safety Officer**

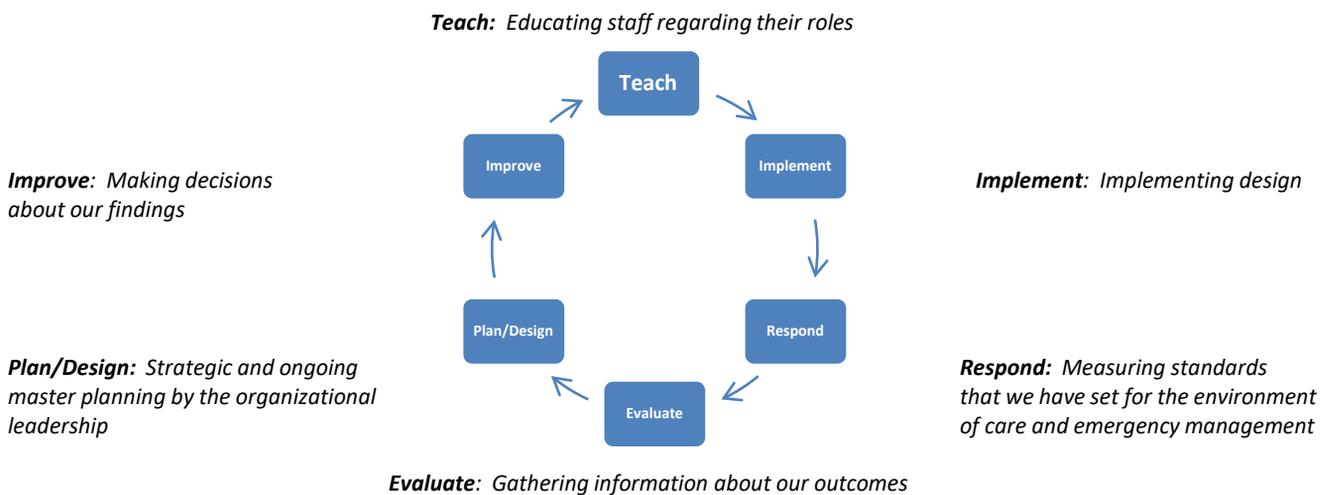
**Please contact Maribel Aguilar  
with any questions (559) 624-  
2381.**

**February 2022**

## Introduction

The goal at Kaweah Health is to provide a safe *Environment of Care* for our patients, staff, physicians and visitors, so that quality is preserved and risks are minimized. The *Environment of Care* filters through every aspect of our District, from the first patient contact (i.e., clean hospital, comfortable place to sit, privacy), through the assessment, treatment, discharge and continuing care. It is an integral component of patient safety insofar as risks could negatively impact their patient experience, such as a medical equipment failure due to a power outage, a breach in infant or child security, or the untoward effects of a hazardous materials exposure.

Other important functions, such as Infection Prevention (as when pre-construction risk assessments are made or Infection Prevention permits are issued) overlap with the *Environment of Care*. There is also integration with Human Resources with respect to educational needs and competency assessments for our staff. To determine if elements of the *Environment of Care* and Emergency Operations are effective, there is linkage to Performance Improvement, i.e., in the establishment of performance standards to monitor if we are meeting established thresholds of performance. The objectives of the various *Environment of Care* Management plans and the Emergency Operations Plan have been to manage risk so that our patient occupants and visitors can safely receive care and our patient care providers can provide treatment in a safe environment. We continue to view the following dynamic processes as tools and constructs to support change and improvements within the *Environment of Care* and Emergency Operations within the District.



Our *Environment of Care* Management plans address six elements, and one chapter, Emergency Management, provides the framework for disaster planning and emergency operations. The six elements include Safety, Security, Hazardous Materials and Waste, Fire Prevention, Clinical Equipment and Utilities Management. There is much diversity in *Environment of Care* and Emergency Operations planning, however each have parallels with planning, teaching, implementing, responding, monitoring and improving. Our purpose with the *Environment of Care* is to ensure ongoing diminishment of risk (e.g., possible loss or injury) within our District. The Safety Officer and *Environment of Care* Committee members provide the leadership foundation for the management of risks, promoting a teamwork approach, and ongoing attention to programs, plans, and related activities that point toward risk reduction. Whenever possible, the *Environment of Care* and Emergency Management are integrated with regulatory requirements from Federal, State and local agencies having jurisdiction, enforcing standards that encourage continued improvement in the workplace.

## Evaluation of Objectives – Safety Management Plan

Various risks are inherent in the environment because of the types of care provided and the types of equipment that may be used during patient care or office activities. The Safety Management plan is designed to provide a physical environment wherein risks may be proactively identified. Risks are managed proactively from multiple focus—environmental surveillance, insurer surveys, regulatory and or accreditation surveys, and sometimes in response to an incident or injury that has occurred. It is the responsibility of the Safety Officer and *Environment of Care* Committee members to coordinate and manage these risk assessment and reduction activities. Safety and Infection Prevention policies and procedures, staff training and continuing education provide structure and direction for our staff so that their attention to tasks at hand can be focused on doing the right thing and/or implementing the safest method involved in their day-to-day work activities. Taken together, these programs and activities have contributed to effective injury management and support the objective of the Safety Management plan to reduce risk. The objectives of the Safety Management Plan have been met.

## Evaluation of the Objectives of the Hazardous Materials and Waste Management Plan

The objective of the Hazardous Materials and Waste Management plan is to minimize the risks associated with hazardous chemicals, radioactive materials, hazardous energy sources, hazardous medications and hazardous gases/vapors for all those who enter the District, as well as the surrounding community. Equally important is our effort to reduce waste and to use non-hazardous products whenever feasible. Our educational programs, completion of annual chemical inventories and monitoring of spills and radiation/laser issues in the District demonstrate our commitment to minimize the risks associated with the use and disposal of hazardous materials.

The objectives of the Hazardous Materials and Waste Management Plan have been met.

### **Evaluation of Objectives – Security Management Plan**

The Security Management plan is designed to provide the highest quality of security for our patients, visitors, physicians and staff placing an emphasis on care and respect. Our objective is to create a safe place to work, in a peaceful environment, so that those who enter the premises feel at ease. Through security risk assessments, we are continually looking for processes and ways to improve our security systems and reduce risk. Global threats of terrorism keep our security staff at a heightened level of awareness which necessitates a strong partnership with local authorities. A training program is in place for our security staff, which includes skills building and assault training techniques that has also been extended to Emergency Department staff, Mental Health staff and other staff whose positions or departments may represent risk. Security hardware (e.g., camera surveillance and card readers) are designed to spot activity and/or deter an unfavorable activity from occurring. We carefully monitor our incidents to determine if there are any trends relating to violence. The District has a stance of zero tolerance for violence. These processes support the Security Management’s plan objective to diminish risk within the premises. The objectives of the Security Management Plan have been met.

### **Evaluation of the Objectives of the Emergency Operations Plan**

The objective of the *Emergency Operations Plan* is to minimize risks related to potential emergencies that fall on a continuum from disruptive to disastrous, and to ensure an effective staff response to disasters and emergent events that may effect our organization’s ability to provide care. This plan is intended to identify risks and balance these risks against preparedness and mitigation strategies in place as well as to use information relating to these risks in the design of our disaster drills. Our *Emergency Operations Plan* addresses four phases of emergency management, which includes: mitigation, preparedness, response and recovery, and includes the testing of our plan through drill activities that require a practiced response from our staff. On March 13, 2020, Kaweah Delta activated the Hospital Incident Command System (HICS) in response to the COVID-19 pandemic. The role of HICS in a rapidly evolving complex incident is to help manage the information, logistics, and operational needs in a systematic manner, while providing scalability and business continuity to prevent interruptions to mission critical services. Since opening the Incident Command Center, Kaweah Health has faced four significant surges of COVID patients requiring a large scale response and the use of surge beds to meet the communities Healthcare needs. Throughout the COVID response, Kaweah Health has collaborated with local, state and federal partners, activated a labor pool, utilized alternate care sites, and maximized the use of technology to meet the medical demands of the community.

The use of the *HICS*, a standardized approach to disaster management, allows our management and staff to respond to all-hazard types of disasters. We have continued to actively partner with our community partners including The County of Tulare Office of Emergency Services, Tulare County Public Health Emergency Preparedness Program, Visalia Police Department and Visalia Fire Department. We have continued to train staff for in emergency response including decontamination and workplace violence prevention and we have a very active Emergency Management Subcommittee that has addressed multiple issues throughout the year, including, but not limited to, refining and augmenting our inventory of organizational assets and resources, planning for drills, and completing the hazard vulnerability analysis. The District has succeeded in meeting the objectives of the Emergency Operations Plan and have continued to strengthen our partnerships with other organizations, and agencies having jurisdiction (e.g., local law enforcement, fire departments, and the Tulare County Department of Health Services). The objectives of the Emergency Management Plan have been met.

### **Evaluation of the Objectives of the Fire Prevention Management Plan**

We recognize that the risk of fire carries with it the most significant single threat to the environment of care as our patients are often unable to move safely by themselves. Staff must continually practice their fire response skills to extend protection to our patients in the event of a fire or the products of fire. The objective of the Fire Prevention Management Plan is to minimize the risk of fire, potential injury from fire and limit property damage. Our expectation and duty is to comply with the *Life Safety Code*® through a fire equipment testing and maintenance program as well as through ongoing fire drill, which test correct staff fire response. Through scheduled hazard surveillance, fire drills, a viable *Statement of Conditions*, fire equipment testing, inspection, maintenance and staff education, the objective of the Fire Prevention plan has been successfully met.

### **Evaluation of the Objectives of the Clinical Engineering Management Plan**

The objective of the Clinical Engineering Management Plan includes the assurance that our medical equipment is operationally reliable, with the risk of a medical equipment failure minimized. In order to meet this objective multiple programs are in place which include, but are not limited to: (1) risk assessment of all incoming medical equipment, (2) preventive and corrective maintenance programs, (3) corrective maintenance program for equipment that needs repair, and (4) training for the users and maintainers to minimize human error. We monitor our preventive maintenance for life safety and non-life safety medical equipment to ensure we are meeting established thresholds, which promotes sound operational reliability for medical equipment used on our patients. We ensure that any type of medical equipment that enters the District is checked by Clinical Engineering staff before it is used on our patients. These programs and safeguards have been effective in allowing us to meet the objectives stated in our Clinical Engineering Management Plan.

### **Evaluation of the Objectives of the Utilities Management Plan**

The objective of the Utilities Management Plan is to minimize the risks relating to utility disruptions and to ensure our utility equipment remains operationally reliable. Meeting these two objectives promotes a safe, controlled and comfortable environment for our patients, staff, visitors and physicians. To meet this objective, programs must be in place that include, but are not limited to, risk assessment of utility equipment, preventive and corrective maintenance programs, timely and efficient response to utility failures, and ongoing education for those who use and maintain utility equipment. The *Environment of Care* committee monitors preventive maintenance of utility equipment and utility failures to ensure established thresholds of performance are met. These efforts are for the purpose of promoting the highest level of operational reliability for utility equipment that supports our built environments. These programs are in place in all facilities within the District with ongoing monitoring and assessment demonstrating that our objectives for the Utility Management plan have been met.

## EVALUATION - SCOPE of the ENVIRONMENT OF CARE

**Evaluation of the Scope:** Our management plans identify the scope of each plan which applies to all District staff and physicians. The scope of the management plans are intended to be broad-based to allow for a multitude of accomplishments to occur. Each contributes to overall risk reduction in the District. The activities that are identified below support a multi-faceted approach to reducing risks that may occur from different sources, internal and external, to the District. The scope, based upon these activities, is evaluated to be supportive of a safe physical environment within which we proactively risk-assess and take appropriate actions. The following key activities support a breadth and depth of the scope of the *Environment of Care (EOC) activities* and Emergency Management at Kaweah Delta Health Care District.

### **Safety Management:**

- Environmental surveillance completed, with action items identified, and corrections made.
- Safety Education for employees include online learning modules.
- Sharp exposures, with an increase in sharp injuries. Syringe safety education provided.
- Employee injuries monitored, with 55% decrease in OSHA reportable injuries (Without Covid+ claims). Worker's Compensation Administrator continues to implement the Risk Improvement Action Plan.
- Safe Patient Handling training complete for patient care staff.
- Infection Prevention monitored hand hygiene compliance.
- Environment of Care training modules distributed to physicians and volunteers.
- Dialysis water testing monitored.
- Product recalls monitored.
- *Environment of Care* Committee meetings regularly scheduled, reviewing district-wide issues, trends, reflecting a solid EOC program.
- Reviewed/ revised Safety Management Plan with approval from Board of Directors.

### **Security Management:**

- Security incidents reviewed with access granted to key areas for select staff members. Upgraded access control system.
- CPI- Nonviolent Crisis Intervention training conducted for employees working in Mental Health, Security, Emergency Department, Float Pool, Rehab and South Campus. Additionally, Licensed Patient Family Services staff, Maintenance staff, Leadership staff, Unit Charge staff and Nursing Supervision staff also received CPI training. Over 800 staff trained.
- Security officer staffing was increased in the Emergency Department and the Acute Mental Health Facility to improve safety and security efforts.
- Security Risk Assessments completed during weekly hazard surveillance rounds.
- Reviewed/ revised Security Management Plan with approval from Board of Directors.

### **Hazardous Materials and Waste Management:**

- Annual hazardous materials inventory complete. Annual chemical specific and safety data sheet training for all district employees.
- Radiation Safety Committee monitored radiation issues (i.e., badge reading, apron safety, license requirements, annual update of radiation safety plan, etc.).
- Hazardous gas monitoring and testing completed.
- Reviewed/ revised Hazardous Materials Plan with approval from Board of Directors.
- Hazardous Materials Business Plan updated-submitted to Tulare County.

### **Emergency Operations:**

- The Emergency Management Subcommittee involved with planning/design relating to: inventory of organizational assets, equipment purchases, drill design, implementation and follow-up relating to drills and actual events, and integrating community partnerships into planning activities.
- The *Hazardous Vulnerability Analysis* reviewed/ revised with top risks identified, and mitigation, preparedness, response, recovery identified.
- Training was completed for the following: Decontamination, Emergency Preparedness, Evacuated Evacuation-Safe Handling, and new hire orientation.
- The *Emergency Operations Plan* reviewed/ revised based on the evaluations of the emergency exercises with approval from Board of Directors.
- Reviewed/ revised unit specific fire, safety and emergency plans.
- Participated in Tulare County disaster planning activities.

### **Life Safety Management:**

- All fire drills were held per schedule, with no trends noted.
- Visalia Fire Department conducted annual Life Safety Inspection.
- The *Statement of Conditions* monitored routinely, and updated throughout 2022.
- Fire testing equipment completed per schedule.
- Reviewed/ revised Life Safety Management Plan with approval from Board of Directors.

### **Clinical Engineering Management:**

- Preventive maintenance for life support and non-life support medical equipment completed, with thresholds of performance met.
- Reviewed/ revised Clinical Equipment Management Plan with approval from Board of Directors.

### **Utility Equipment Management:**

- Preventive maintenance and utility reports reviewed quarterly, including utility failures, and actions taken.
- Indoor air quality monitored and issues identified with resolutions completed.
- Reviewed/ revised Utility Management Plan with approval from Board of Directors.

## EVALUATION: PERFORMANCE STANDARDS

**OVERVIEW.** Information to follow represents the evaluation of established performance standards. Performance Standards were chosen based upon the following criteria:

1. The performance standard represents a measurable area of one of the EOC components.
2. The performance standard indicates a key reflection of the scope of the component.
3. The performance standard represents a high volume activity, or low volume but high-risk consequences.
4. The performance standard reflects actual or potential risk to the organization.

## PERFORMANCE STANDARDS – Kaweah Health

### SAFETY

- Objective is to reduce OSHA reportable work related injuries/illness in the year 2021.  
*Goal:* Reduce OSHA reportable injuries by 10% or no more than 421 incidents.  
*Minimum Performance Level:* Reduce OSHA Reportable Injuries by 10% or no more than 216 incidents.  
*Outcome:* Goal met.
  - *Patient death or serious disability associated with a fall will be monitored.*  
*Goal:* No patient death or serious disability while on the premises of a KH facility.  
*Minimum Performance Level:* No patient death or serious disability while on the premises of a KH facility.  
*Outcome:* Goal not met. One patient death or serious disability associated with a fall.
- Reporting of non-patient safety related injuries.  
*Goal:* Increase reporting of non-patient safety related injuries within 7 days by 10%.  
*Minimum Performance Level:* 100% compliance.  
*Outcome:* Goal met.
- Infection Prevention - Compliance with environmental rounding on units.  
*Goal:* 100% compliance.  
*Minimum Performance Level:* 90% of observations will demonstrate the correct practice.  
*Outcome:* Goal not met. Comprehensive rounds to continue in 2022.

### UTILITIES MANAGEMENT

- Non High Risk Patient Room HVAC system preventively maintained on a quarterly basis.  
*Goal:* 100% compliance.  
*Minimum Performance Level:* 100% compliance.  
*Outcome:* Goal not met. 2021 compliance at 98.8%

### SECURITY

- The Security department will track False Code Pink response on events.  
*Goal:* Reduce False Code Pinks by 85%.  
*Minimum Performance Level:* 100% compliance.  
*Outcome:* Goal met for compliance on False Code Pinks.

### FIRE PREVENTION

- Storage of equipment and supplies will be monitored.  
*Goal:* 100% Compliance.  
*Minimum Performance Level:* 100% of equipment and supplies will be stored appropriately.  
*Outcome:* Goal not met. Year end compliance 77%. Standard to be evaluated in 2022.

### EMERGENCY MANAGEMENT

- Staff able to demonstrate the correct response related to disaster policies.  
*Goal:* 100% Compliance.  
*Minimum Performance Level:* 95% of staff will properly verbalize location of Policies on Policy Tech.  
*Outcome:* Goal met.

## EVALUATION: PERFORMANCE STANDARDS

**OVERVIEW:** Information to follow represents the evaluation of established performance standards. Performance Standards were chosen based upon the following criteria:

1. The performance standard represents a measurable area of one of the EOC components.
2. The performance standard indicates a key reflection of the scope of the component.
3. The performance standard represents a high volume activity, or low volume but high-risk consequences.
4. The performance standard reflects actual or potential risk to the organization.

## PERFORMANCE STANDARDS – Kaweah Delta Health Care District

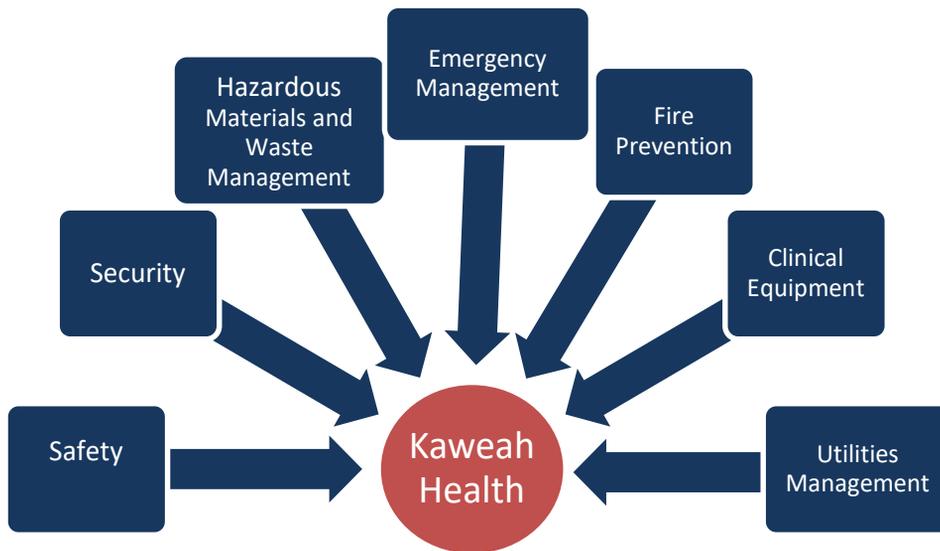
### CLINICAL EQUIPMENT

- Continually improve completion of Preventive Maintenance for High Risk including Life Support (HRLS) devices

*Goal:* 100% Compliance.

*Minimum Performance Level:* Lower and keep the number of these devices recorded as Missing In Action (MIA) to less than 1% of the total HRLS inventory per quarter.

*Outcome:* Goal met for 2021 compliance at .055%.



**EOC Component: SAFETY**

**Performance Standard: Employee Health:** Reduce Occupational Safety & Health Administration (OSHA) recordable work related injury cases by 10% from 2020. No more than 216 workers compensation injuries in 2021.

**Goal:** Reduce OSHA recordable injuries by 10% in 2021.

**Minimum Performance Level:** Reduce OSHA recordable injuries by 10% in 2021.

**Evaluation:**  
 There were 45 OSHA recordable injuries during the 4<sup>th</sup> quarter 2021 including 233 Covid 19 claims

- 2021 Goal for Quarter was met, with a total of 207 OSHA reportable injuries.

Type of injury					Totals 2021	Totals 2020	Per 1000 employees	Annualized # of injuries
	Q1	Q2	Q3	Q4				
Total Incidents	178	73	133	137	521	759	26.57	521
Covid 19+	50	3	34	223	310	271	60.10	310
OSHA recordable	60	54	48	45	207	467	8.73	207
Lost time cases	90	42	122	125	379	378	43.24	379
Strain/sprain	30	32	23	31	116	101	6.01	116
Sharps Exp	23	15	18	22	78	76	4.27	78
# EE end of QTR	5150	5139	5152	5157				

**Plan for Improvement:**

- Continue to work with infection prevention to decrease Covid 19+ exposures/ claims by healthcare workers in 2022.
- Identify employees with ≥ 3 OSHA recordable injuries in last 2 years. Employee health (EH) speaks with managers directly noting any trends per employee and/or injuries.
- Same day on-site incident investigation with employee. Follow-up with manager for prevention opportunities and/or process changes and policy review. Investigation/ follow-up may include photos, video and interview of witnesses/ manager.
- Increase sharps education in general orientation by Infection Prevention and Manager orientation by EH. Demo correct sharps activation in new hire physicals with all employees handling sharps.
- Utilize physical therapy assistant in Employee Health for Ergonomic evaluations, evaluate for proper body mechanics to prevent injury, stretching exercises and equipment recommendations to ensure safety with our jobs.

**EOC Component: SAFETY**

**Performance Standard:** **Risk Management** – No patient death or serious disability\* associated with a fall while being cared for in a KDHC facility.

**Goal:** 100% Compliance.

**Minimum Performance Level:** 100% Compliance

**Evaluation:**  
 There were no incidents of patient death or serious disability associated with a fall while being cared for in a KDHC facility during 2021.

The Minimum Performance Level was **met** for this standard in 2021.

\*Serious disability means physical or mental impairment that substantially limits one or more of the major life activities of an individual, or the loss of bodily function, if the impairment lasts more than seven (7) days or is still present at the time of discharge, or loss of a body part.

**Plan for Improvement:**  
 Hazardous Surveillance inspections of all KDHC facilities will be conducted on a scheduled basis. Safety issues identified will be reported to Department Managers and action plans for correction generated.

Continue to monitor.

## EOC Component:

## SAFETY

### Performance Standard:

**Risk Management** – Reporting of non-patient safety related injuries within 7 days will be compliant at 100%.

**Goal:** Report non-patient safety related events within 7 days

**Minimum Performance Level:** Report non-patient safety related events within 7 days

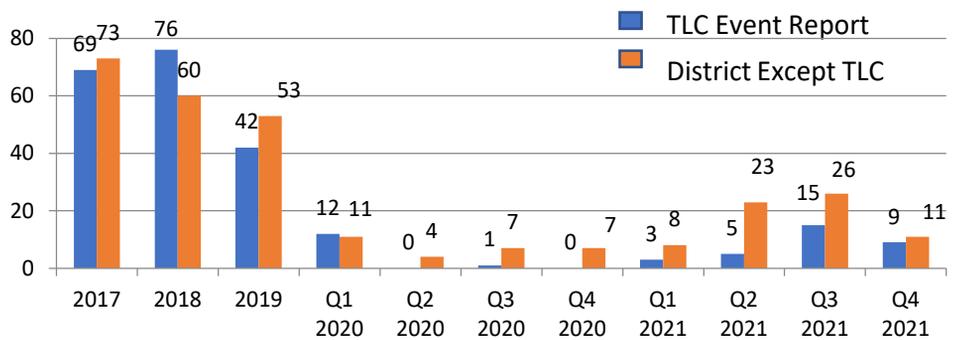
#### Evaluation:

In 2021, there were a total of 100 reported visitor injuries reported, all within 7 days.

Non-patient related events were tracked by Risk Management. In 2021 we had a decrease of 69% from the 2019 reports of 95. This could be a result of visitor changes throughout the organization

Minimum performance measure **was met** for 2021 at 100% compliance.

Non-Patient Related Injuries



Indicator	Quarter 1 2021	Quarter 2 2021	Quarter 3 2021	Quarter 4 2021	2021 YTD Totals	2020 YTD Totals
Non-patient Related Events within 7 days	11	28	41	20	100	42

\* Injury is defined as physical or mental impairment that requires additional medical treatment or intervention.

#### Plan for Improvement:

Risk Management has conducted education to staff related to occurrence reporting and when and how to report any type of injury. For 2021 we will focus on non-patient safety related reported to risk management within 7 calendar days.

## EOC Component:

## UTILITIES MANAGEMENT

### Performance Standard:

**Utility Equipment**– Maintain a 100% completion rate on high risk, non-high risk and Infection Control preventative maintenance work orders throughout the District.

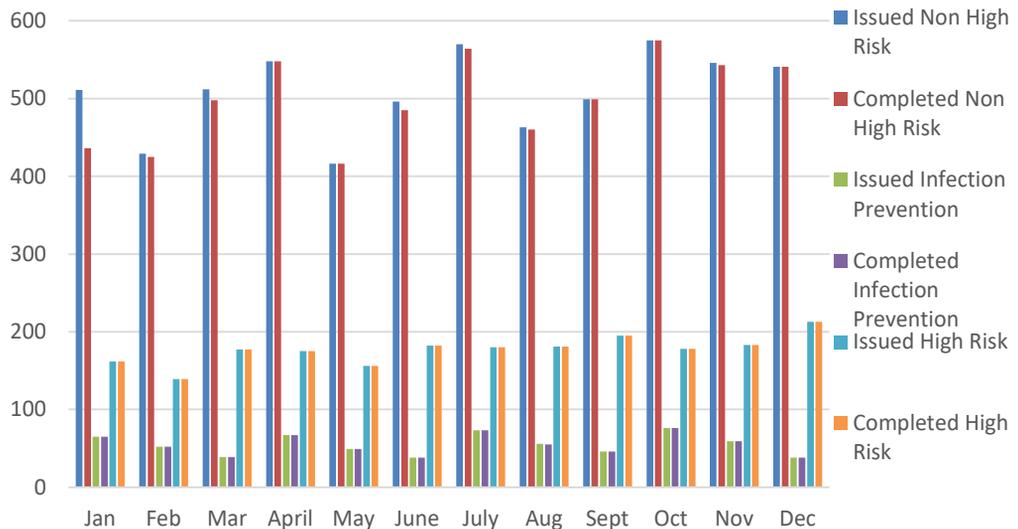
**Goal:** 100 % compliance rate

**Minimum Performance Level:** 100% completion rate.

#### Evaluation:

In 2021, there were a total of 2121 issued high risk work orders of those, 2121 were completed on time resulting in a 99.8% compliance rate. There were a total of 658 infection control work orders, with 657 completed on time, resulting in 99% compliance. There were a total of 5990 non-high risk work orders of those 6106 were completed on time resulting in 98% compliance.

Annual performance measure was **not met** with 99.8% compliance.



#### Plan for Improvement:

Facilities Team and Nursing scheduled to meet to discuss ensuring room availability for regulatory compliance mandatory preventative & safety work orders. These rooms must have their PM work completed per the requirements or the rooms will need to be reviewed and possibly taken out of service until compliance is re-established.

**EOC Component:****SAFETY****Performance Standard:**

**Infection Prevention:** Improve hand hygiene awareness/compliance through rounding with patient care units twice yearly.

**Goal:** 100% compliance with hand hygiene performance and monitoring processes.

**Minimum Performance Level:** 90% compliance per The Joint Commission

**2021 Annual Summary Evaluation:****General Areas (77 general areas evaluated):**

Categories standards/regulations, personal protective equipment, mechanical equipment, housekeeping, dirty supply/utility room, linens, patient room/environment, patient nutrition area, staff workspace, and staff kitchen/lounge were all at minimum performance level of compliance rates. The areas in greatest need of attention were hand hygiene and clean supply/storage.

General Areas	Compliance
Standards/Regulations	95.6%
Hand Hygiene	84.2%
Personal Protective Equipment	90.0%
Environment	87.3%
Mechanical Equipment	93.9%
Housekeeping	95.1%
Cleaning/Disinfection	81.5%
Clean Supply Storage	89.7%
Dirty Supply/Utility Room	91.6%
Linens	91.8%
Patient Room/Environment	91.7%
Patient Nutrition Area	93.8%
Medication Room	89.9%
Staff Workspace	92.9%
Staff Kitchen/Lounge	93.4%

Kitchen Areas	Compliance
Attire	100%
Hand Hygiene	100%
Environment	90.2%
Food Storage & Safety	85.3%
Food Preparation	100%
Sanitation	100%
Quality Control	91.7%

Surgical Services	Compliance
Standard Precautions	90.6%
Cleaning	83%
Refrigeration	100%
Supplies, Vents, Furniture	60.4%
Structural Issues	86.5%
Staff Knowledge	94.2%
OR Environmental Controls	84.2%
OR Hallway	93.8%
OR Suite	83.3%
Sterilizers	100%
SSI Reduction Measures	91.7%
HAI Reduction Measures	95.8%
CLABSI Measures	93.1%

Sterile Processing	Compliance
Standard Precautions	100%
Facility Design	100%
Structural Issues	60%
Cleaning	62.5%
Decontamination	100%
Packaging	100%
Sterilization	100%
Staff Knowledge	100%

Kaweah Kids	Compliance
Standards/Regulations	100%
Attendance Exclusions	100%
Hand Hygiene	83.3%
Diapering/Toileting	100%
Environment	50%
Laundry	100%
Housekeeping	100%
Cleaning/Disinfection	100%
Nutrition Area	100%

Lab	Compliance
Standard/Regulation	83.3%
Hand Hygiene	100%
Personal Protective Equipment	83.3%
Environment	80%
Mechanical Equipment	66.7%
Housekeeping	66.7%
Cleaning/Disinfection	100%
Clean Supply/Storage	77.1%
Dirty Area	77.8%
Staff Workspace	66.7%
Staff Kitchen/Lounge	75%
Biosafety Cabinet	100%

Pharmacy	Compliance
Standard/Regulation	100%
Hand Hygiene	100%
Receiving	100%
Packaging/Distribution	95.3%
USP 797 Sterile Compounding Room	100%
USP 800 Negative Pressure Hazardous Medication Compounding Room	100%
Housekeeping	100%

Dialysis	Compliance
Standard Precautions	83.3%
Cleaning	71.4%
Refrigeration	83.6%
Supply Cart & Vent Cleanliness	0%
Structural Issues	60%
Staff Knowledge	100%
Environmental Controls	85.7%
Personnel PPE	100%
Equipment Controls	100%
Storage	65%
Technical Records – Water/Dialysate	100%

Endoscopy	Compliance
HLD & Reprocessing	81.8%
Leakage Testing	100%
Manual Cleaning	84.0%
AER High Level Disinfection	100%
Starting Medivator	100%
Completion of Disinfection	100%
Endoscope Storage	100%

**Plan for Improvement:**

Action plans from each area requested for items out of compliance. Leaders of the area are required to submit in writing their actions to correct the items out of compliance. Infection Prevention will follow up with manager or director as appropriate. We will continue this performance measure in 2022.

## EOC Component:

## SECURITY

### Performance Standard:

**False Code Pink Activations**– Reduce **false** Code Pink activations. Frequent false Code Pink activations are creating alarm fatigue response from support departments and increasing our vulnerability to stop/ identify an abductor in the event of a real Code Pink event.

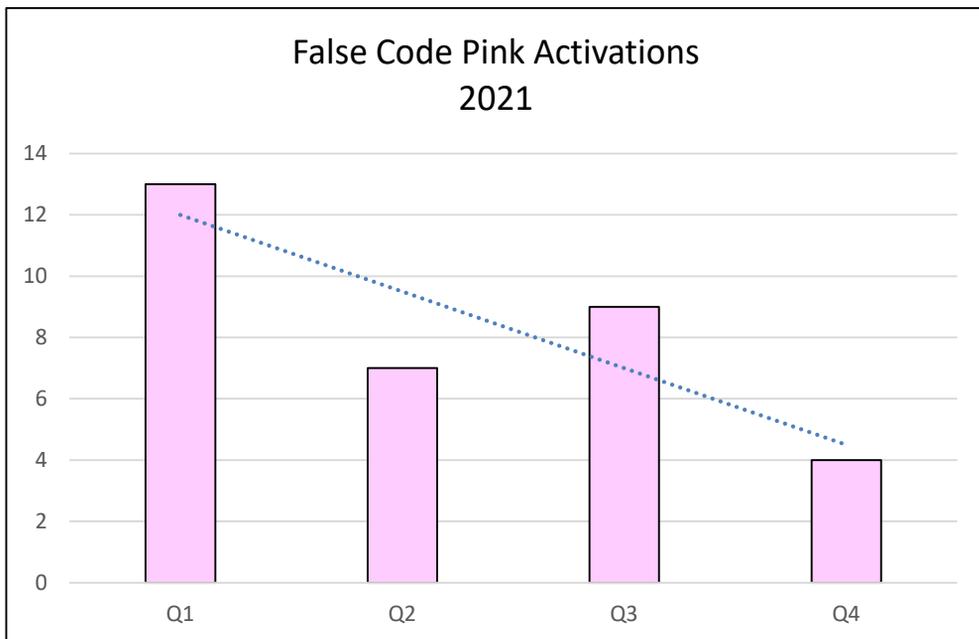
**Goal:** 100 % compliance rate

**Minimum Performance Level:** 80% decrease per Quarter (<9 events)

### Evaluation:

In year 2020 the Medical Center experienced 48 **false** Code Pink activations. In the 4th quarter of 2021, the Maternal-child Health Program experienced 4 **false** Code Pink activations. All 4 events were due to staff error- forgetting to deactivate the Hugs tag or putting the tag in transport mode when moving the child from one unit to another, or upon discharge.

80% reduction of **false** Code Pink activations was achieved in the 4th quarter - Goal **Met**.



### Plan for Improvement:

The majority of **false** Code Pink activations are due to staff forgetting to deactivate or to set the HUGS transmitter in transport when moving the child/newborn from the home unit to the transport unit.

#### Opportunities:

- Security Department provided the Maternal-child Health leaders with a flyer to help educate unit staff.
- Floor tape (CAUTION ALARM WILL SOUND) was installed in Labor and Delivery, OB-OR and Mother-baby units on August 5, 2021. The caution tape will serve as a visual identifier to parents on the units and also for staff when moving infant patients through the unit or when transferring between units.
- Anthony Bishop (ISS) will work with TRL to install ALERT receivers as an early warning device. Anthony Bishop had the HUGS service company (TRL) perform a function test of 2E10 and PEDS RM1, the two areas that were identified as problematic by the respective unit managers. The Pediatrics RM 1 issue was resolved by tuning the coverage area closer to ceiling level to prevent false alarms from inside the room. The Labor and Delivery RM 10 issue was not duplicated; however, the field outside the room does trigger the HUGS system to activate. Placing the vinyl tape as a visual indicator will help as a boundary visual indicator.

# EMERGENCY PREPAREDNESS

## Fourth Quarter 2021 & Annual Evaluation

**Performance Standard:** Employees able to provide correct responses related to Emergency Preparedness questions.

**Goal:** 100% Compliance (all employees surveyed answered correctly)

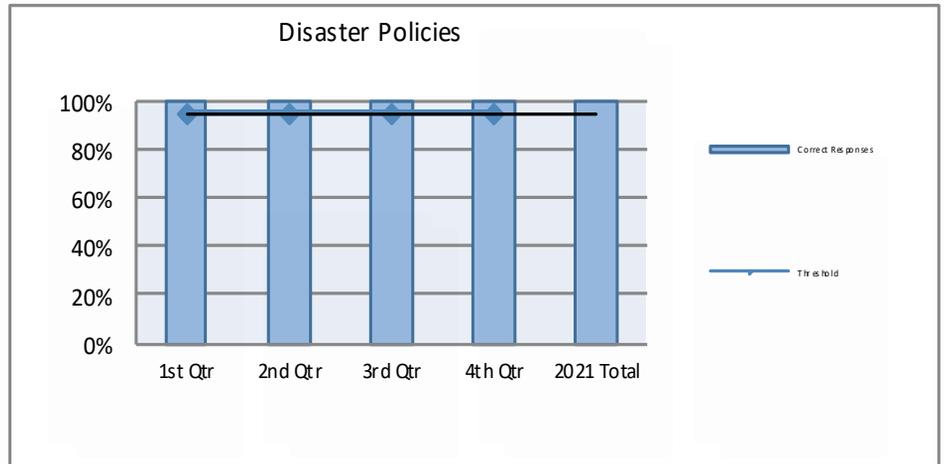
**Status:** Goal met for 4th Quarter 2021

**Sponsor:** Maribel Aguilar

### Evaluation:

Fifty three departments were surveyed in the 4<sup>th</sup> quarter. In all departments surveyed staff were able to verbalize location of disaster policies, which resulted in a 100% compliance rate. For 2021 compliance was at 100%.

95% minimum performance level **was met** for this quarter.



### Detailed Plan for Improvement:

In each department visited there was knowledge of Disaster Policies.

For 2021 each department visited was knowledgeable of Disaster policies. For the year 2022 the performance measure will be revised to test knowledge of Code Green Policy and response.

# LIFE SAFETY

## Second Quarter 2021 & Annual Evaluation

**Performance Standard:** Equipment & Supplies stored in accordance with Safety requirements.

**Goal:** 100% Compliance (no storage compliance issues)

**Status:** Goal not met for 4<sup>th</sup> Quarter 2021; 37/53 areas surveyed were compliant 70%

**Sponsor:** Maribel Aguilar

### Plan for Improvement: (Summary)

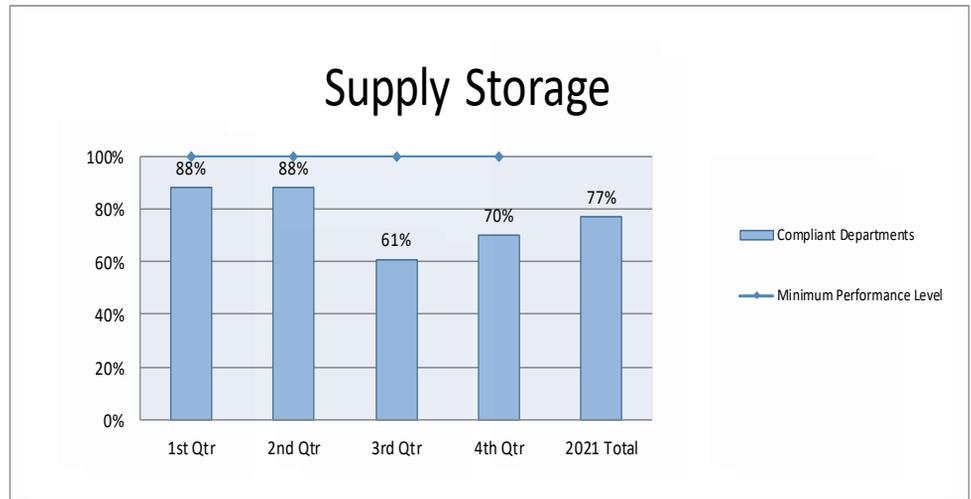
1. For areas with repeat violations, will eliminate non-compliant storage areas.
2. Continue to monitor and educate.

#### Evaluation:

Fifty three departments were surveyed in the 4<sup>th</sup> quarter. Of the 53 departments, 16 were found to be non-compliant with storage. This resulted in 70% compliance rate.

For 2021, average compliance was at 77%. We did see a slight improvement in the 4<sup>th</sup> qtr. over 3<sup>rd</sup> qtr. results but we continue to struggle with this performance measure.

Minimum Performance Level **was not met** during this quarter.



### Detailed Plan for Improvement:

We are in the process of modifying the storage racks in areas of repeat non-compliance. We will continue to monitor through hazard surveillance and report to appropriate director and VP.

Departments not in compliance this quarter include: Dinuba Clinic, Food Services, Employee Health, Outpatient Pharmacy, GME, 2N, 2S, ICU, Cath Lab, CVOR, Sterile Processing, TCS, Surgery Distribution, ED.

We will continue with this performance measure for 2022.



Work order has been submitted to add a stainless steel storage modification to Cath Lab area.

# Workplace Violence

## 2021 Review

**Performance Standard:** Reduce Workplace Violence Events

**Status:** WPV events have increased organization-wide in 2021

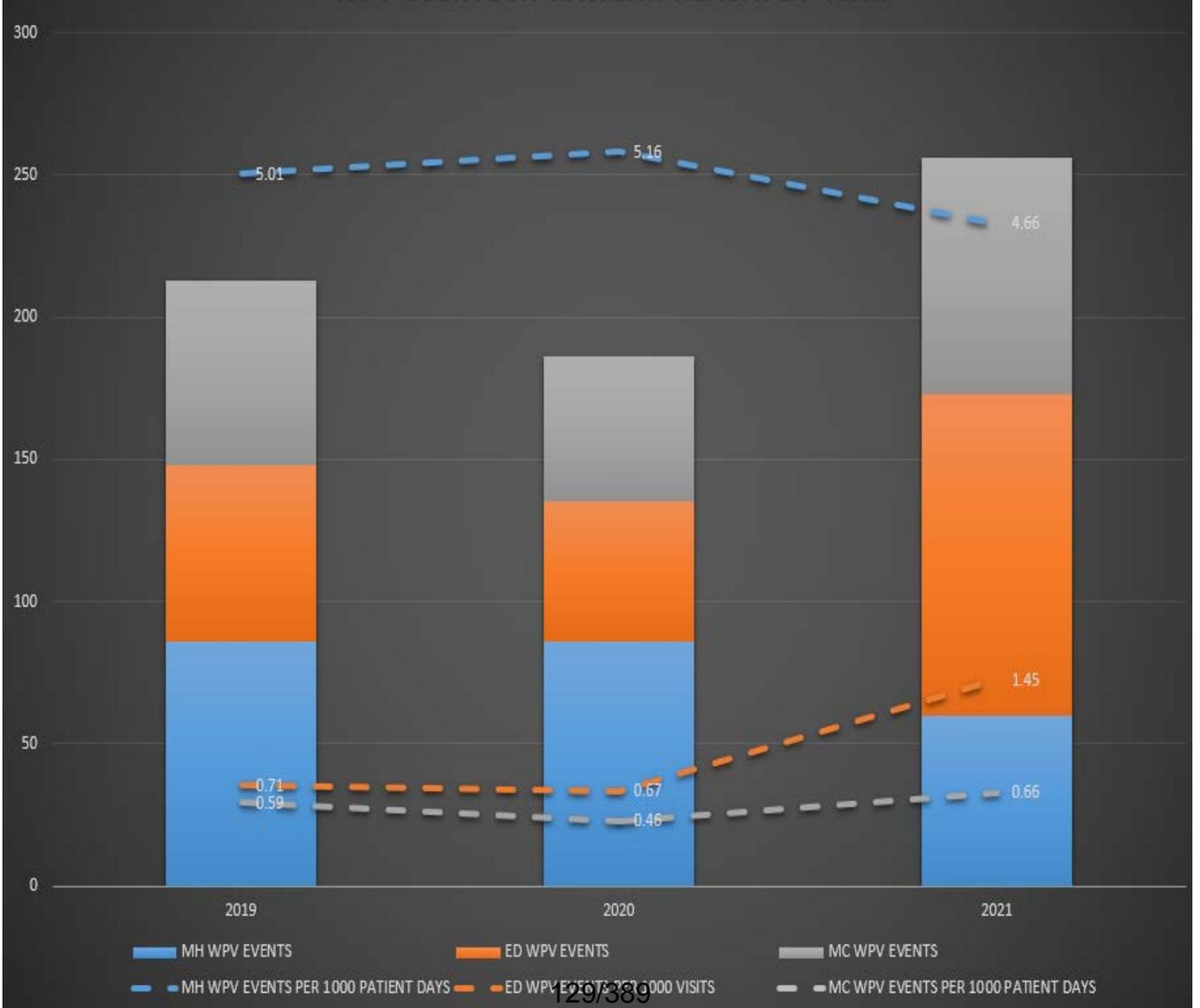
**Sponsor:** Chris Luttrell

**Plan for Improvement: (Summary)**

- 1. Conduct safety rounding of environmental risks and intervene when needed.
- 2. Train specific staff in Crisis Prevention and Intervention.
- 3. Review WPV incidents and report findings to EOC and WPV committee.
- 4. Collaborate with all stakeholders in WPV annual review.

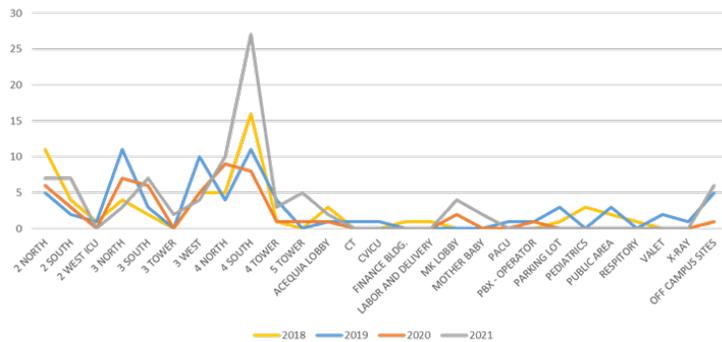
**Evaluation:**  
In 2021 there was an increase district-wide in WPV. In 2021, there was an increase of WPV incidents in 2S, 3S, 4S, 5T, and in the Mineral King Lobby (Medical Center: .59 WPV events per 1,000 pt. days in 2021). There was an increase in WPV events in the ED in 2021 (1.45 per 1,000 visits). There was a decrease in WPV events in mental health in 2021 (4.66 per 1,000 pt. days).

### WPV EVENTS AT KAWEAH HEALTH BY YEAR

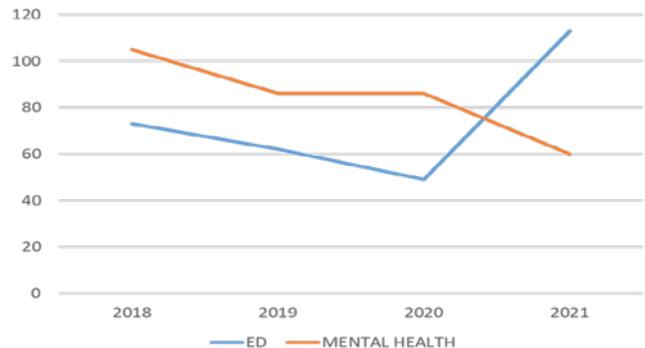


# Workplace Violence Cont'd.

KAWEAH HEALTH  
WPV EVENTS BY LOCATION  
2018-2021



Kaweah Health WPV Events By Location  
2018-2021



## Workplace Violence Committee Dashboard

### Workplace Violence (WPV) Events By Location

Total number of ED WPV Events	NA	62	49	7	13	5	9	7	8	11	10	14	9	4	9
ED WPV Events Per 1,000 Visits				1.25	2.48	0.81	1.44	0.99	0.39	1.51	1.38	2.09	1.36	0.66	1.38
Total number of MH WPV Events	NA	86	86	5	1	2	4	3	8	3	8	2	3	14	7
MH WPV Events Per 1,000 Pt Days				5.31	1.06	1.96	4.07	2.85	7.87	2.82	7.04	1.69	2.57	12.3	5.68
Total Number of Medical Center WPV Events	NA	65	51	10	4	3	2	3	2	13	6	12	4	7	8
Medical Center WPV Events Per 1,000 Pt Days				0.93	0.43	0.31	0.21	0.31	0.21	1.28	0.53	1.04	0.33	0.66	0.72
West/South/Out Patient Number of WPV Events		5	0	1	0	1	0	0	2	0	1	1	0	0	0

Target	CY2019	CY2020	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

### WPV Case Review Team

% Contributing Factors r/t not following P/P	NA				0	0%		0	0%		3	12%		3	9%
% Contributing Factors r/t Human Factors	NA				2	25%		2	14%		6	24%		9	27%
% Contributing Factors r/t Equipment or Environmental Failures	NA				0	0%		0	0%		1	4%		0	0%
% Contributing Factors r/t Staffing	NA				2	25%		3	21%		1	4%		3	9%
% Contributing Factors r/t Lack of Training/Education	NA				2	25%		5	36%		9	36%		11	33%
% Contributing Factors r/t Failure in Communication	NA				2	25%		4	29%		5	20%		7	21%

Target	1Q21	2Q21	3Q21	4Q21
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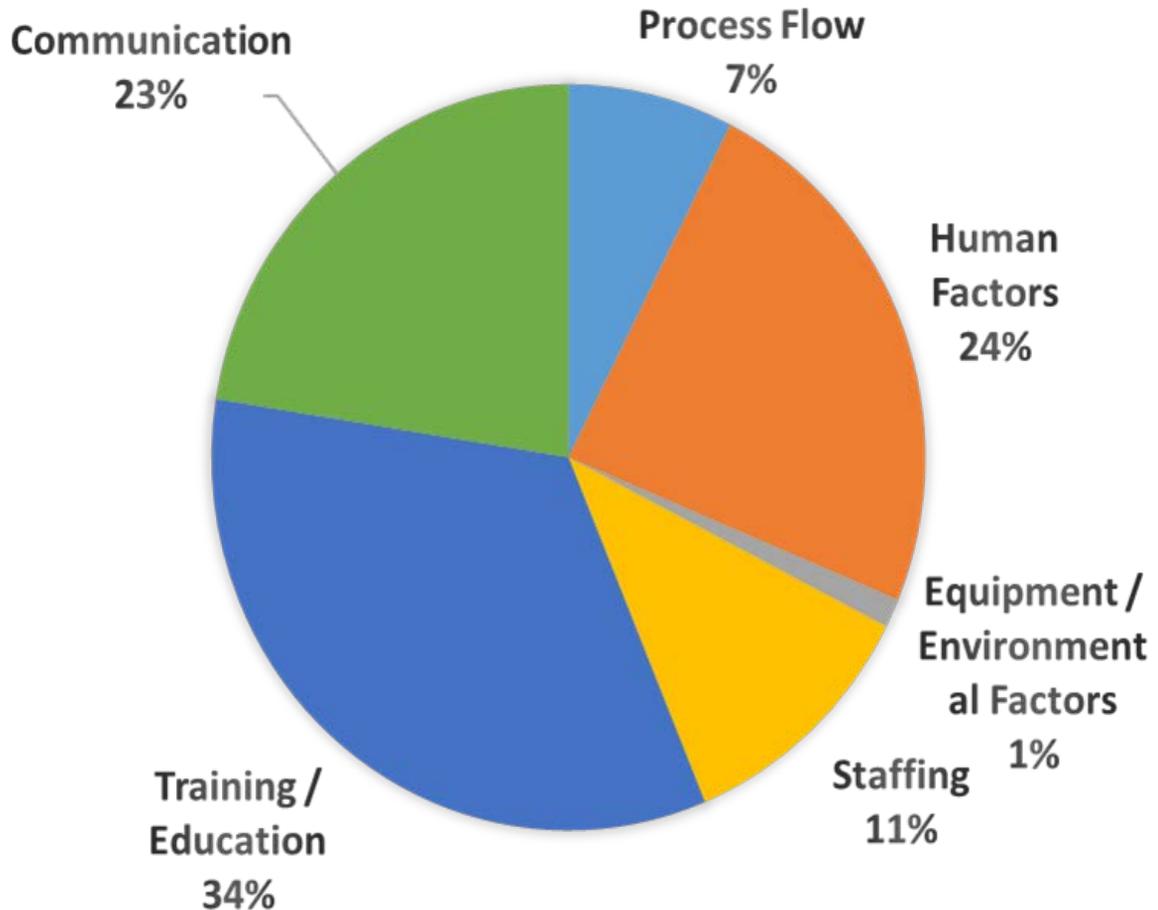
## SYSTEMS EVALUATION

- Code Gray is used to provide a safe and secure healthcare environment for patients, visitors, volunteers, physicians and employees. Also, to assist employees in managing and/or de-escalating the situation by a show of support, to gain the cooperation of the abusive or assaultive person, or to subdue and restrain the individual if necessary.
- The WPV review team has identified WPV incidents where Code Gray should have been called sooner to prevent continued escalation an/or injury.
- In 2021 security staffing was at times insufficient at MH. Security intends to swap the support position to a full time position.
- Classification systems include the electronic flag notification system and Broset tags.
- Equipment used to prevent WPV includes soft restraints, hard restraints, and spit masks.
- Security staff are trained to carry and use pepper gel and Tasers.

## STAFFING EVALUATION

- To train staff in handling WPV, the hospital uses Crisis Prevention and Intervention training. In 2021 there were 928 staff members at Kaweah trained in CPI. However, CPI training did not include hands-on disengagement and holding training. There will be a change in 2022 to include hands-on training, beginning on January 6th 2022.
- CPI training is required for select groups. The WPV committee will review which groups are currently required and make suggestions.

## ROOT CAUSE OF WPV EVENTS (2021)



### REASONS FOR INCREASE IN WPV

#### COVID and surge related issues:

- Due to COVID, many mental health patients have had a more lengthy stay in the medical center.
- WPV event reviews were not conducted live during the surge.

#### Staffing issues:

- Lack of steady leadership in the ED during the 3rd quarter. There was a transition to new leadership at the end of 2021.
- Safety specialist position was vacant for second quarter; new safety specialist was fully in place in late June.

#### Training and education issues:

- CPI training did not include physical holds due to COVID restrictions.
- CPI training was put on hold for several groups of staff due to surge.

#### Detailed Plan for Improvement:

1. Safety Specialist rounds are conducted daily to assess environmental risk factors. Data will be collected to assess the proper equipping and training of panic alarms and CPI training.
2. CPI training will include hands-on training including disengagement strategies and holds. WPV committee will assess who should be receiving this training.
3. Mock code greys with mental health in concurrence with advanced CPI training for MH staff.
4. Increasing communication for CPI training with assigned staff via email to ensure that more opportunities for training are available and taken.

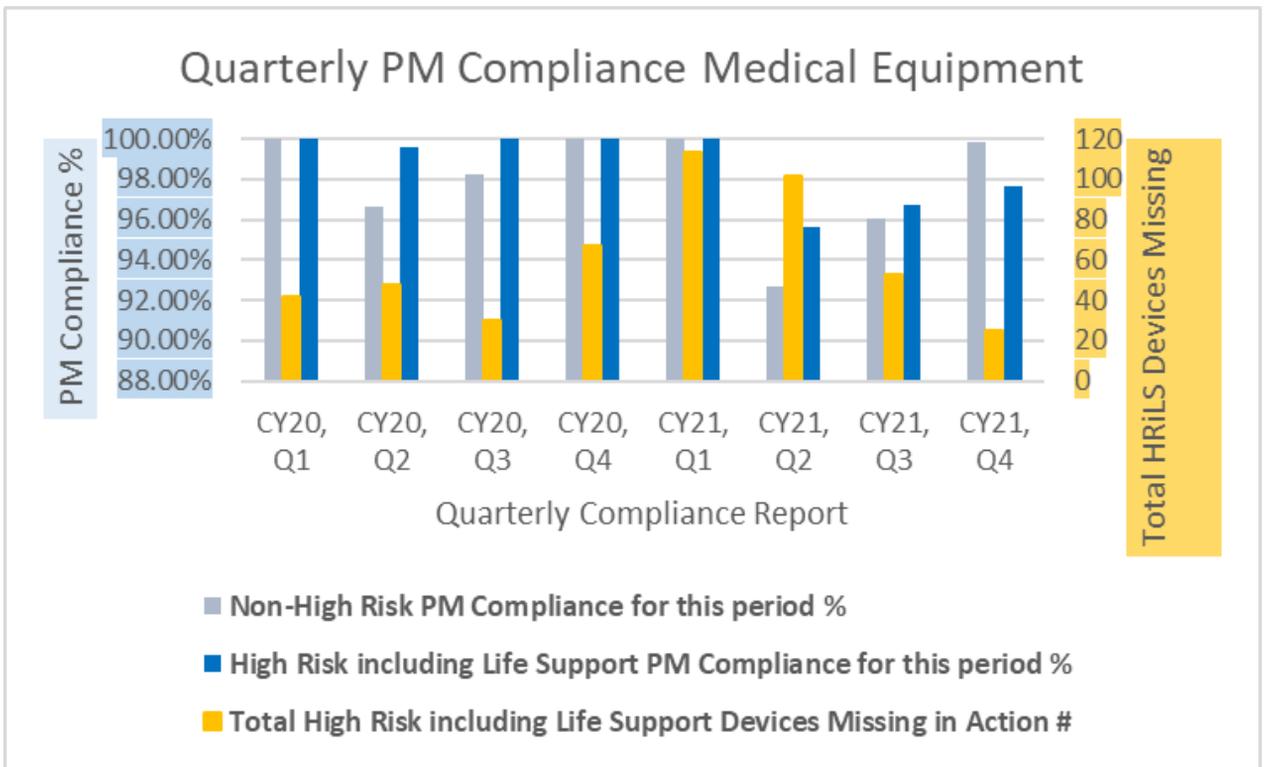
**Performance Standard:**

The Clinical Engineering Department will maintain 100% compliance rate on non-high risk and high risk life support devices.

Goal: 100% Compliance is the minimum compliance requirement per TJC for both Non High Risk (NHR) and High Risk including Life Support (HRLS) devices.

<1% Total of High Risk devices to be Missing for Preventative Maintenance

Evaluation: For the reporting quarter, CY 2021, Q4 (Oct-Dec). There are 1567 Devices that were available to receive Preventive Maintenance and 1556 of those devices received Preventive Maintenance as scheduled. 11 Devices this Quarter did not receive Planned Maintenance as scheduled.  
 PM Compliance for Non-High Risk Devices is 99.83% and does not meet the 100% Compliance Goal. PM Compliance for High Risk Including Life Support Devices is 97.63% and does not meet the 100% Compliance Goal. Total High Risk Devices Missing count is 25 for the Quarter. This is 0.55% of the High Risk Equipment Inventory and meets the Goal of <1.0%.



**Plan for Improvement:**  
 Staffing levels have improved. As was reported for the 3rd Q2021 an additional position was requested in late November. That position was accepted and will be filled March 7th 2022. Continuing to remind Department Managers to review the devices in their areas to report PM stickers that are over due to Clinical Engineering so the device may be serviced quickly and placed into the PM completed category as per policy EOC-6001. Training new staff to increase productivity has already contributed to improved compliance and lower device missing counts. Department met the 100% compliance in November and December with 11 devices missed in October. Total High Risk device missing count continues to lower and further training and vigilance to lower this further. A Device Locating system is being requested this FY23 Capital Budget to assist with all metrics.

**EMERGENCY MANAGEMENT/EMERGENCY OPERATIONS PLAN**  
**Evaluation of Performance - 2021**

The KDHCDC Emergency Preparedness Committee, a subcommittee of the Environment of Care Committee, met regularly throughout 2021 to address the preparedness needs within the District. Members from the Subcommittee ensured that leadership throughout the District were assigned positions in the *Hospital Incident Command System* (HICS), and that the organizational chart was kept current. The KDHCDC Emergency Operations Plan was reviewed/ revised during 2021.

**Community Partners:** Participated with Tulare County Public Health Emergency Preparedness Advisory Committee, Central California Emergency Medical Services Agency (CCEMSA), County of Tulare Evacuation Planning, and Visalia Fire Department.

**Hazard Vulnerability Analysis:** The Hazard Vulnerability Analysis (HVA) was re-evaluated and approved by the Environment of Care Committee. Input regarding the HVA was solicited from our executive team, medical staff and community partners. KDHCDC also worked with CCEMSA hospitals in Fresno, Kings, Madera, and Tulare Counties to review the communitywide HVA.

**Offsite Facilities:** During 2021, the Emergency Planning Committee focused on the offsite facilities to ensure the specific risks of each facility were addressed during emergency exercises.

**Disaster Exercises:** On March 13, 2020, Kaweah Health activated the Hospital Incident Command System (HICS) in response to the COVID-19 pandemic. The role of HICS in a rapidly evolving complex incident is to help manage the information, logistics, and operational needs in a systematic manner, while providing scalability and business continuity to prevent interruptions to mission critical services. Since opening the Incident Command Center, Kaweah Health has faced four significant surges of COVID patients requiring a large scale response and the use of surge beds to meet the communities Healthcare needs. Throughout the COVID response, Kaweah Health has collaborated with local, state and federal partners, activated a labor pool, utilized alternate care sites, and maximized the use of technology to meet the medical demands of the community.

Six critical elements were identified during the exercise, with staff performance exceeding the established threshold. The exercises/incidents were critiqued through a multidisciplinary process which included administration, clinical and support staff, and medical staff. After action improvement items were identified and will be presented to the Emergency Management Sub commitment. Objectives were evaluated relating to six critical areas: communications, resources and assets, safety and security of the patient, staff roles and responsibilities, the management of utilities and patient clinical and support activities.

## EVALUATION – OVERALL EFFECTIVENESS ENVIRONMENT OF CARE AND EMERGENCY OPERATIONS

**Safety:** Based upon the objectives, scope and performance standards, the risks within our Safety Management plan have been managed effectively. The Safety Education program for the District is highly effective, 100% of departments completed the Safety Training Modules. The Infection Prevention Department monitored infection control practices. Risk Management continued to monitor visitor injuries, with no trends identified. Based on the high level of commitment to education, surveillance and ongoing activities, the Management Plan for Safety is highly effective in promoting safety standards for the organization and in guiding the direction of safety-related activities. In 2021, we will improve safety outcomes by continuing with our monitoring activities and current programs, knowing they are effective in promoting safety standards for the organization and in guiding us towards continued risk reduction.

**Security:** The Management Plan for Security and the security program is effective at Kaweah Health has proven by the objectives to minimize security risks being met in 2021. The Workplace Violence Committee worked to monitor the Workplace Violence Program, implementing recommendations and responding to actual threats. Workplace violence awareness and crisis intervention training is provided to employees working in high risk areas and for support staff who also support patient care in those high risk patient care areas. Code Silver (active shooter) education is available for staff. Security risk assessments were completed in conjunction with weekly hazard surveillance rounding. Any identified deficiencies are reported and tracked until correction/improvement is made.

**Hazardous Materials:** We continue to minimize risks related to hazardous materials and wastes by monitoring spill activity and completing hazardous gas monitoring in areas with known chemical contaminants. An annual chemical inventory was completed and all employees were required to complete Hazardous Materials and chemical specific training. Other activities that support the effectiveness of our program include assessing the level of knowledge staff have relating to the Hazardous Materials program, specifically their role during a spill event. Our Radiation Safety Committee monitors radiation issues, such as badge readings, apron safety, annual review of the Radiation Safety Plan, and license amendments. Based upon the objectives, scope and performance standards, the Hazardous Materials Plan and program is rated to be highly effective.

**Emergency Management:** Based upon the objectives, scope and performance standards, the Emergency Operations Plan is effective in providing the framework for disaster response for our staff. The Emergency Management Subcommittee continued to meet to review and plan for multiple preparedness activities including, but not limited to, drill design and follow-up activities relating to COVID 19 pandemic. Training was completed for Decontamination Processes, Emergency Preparedness, Anhydrous Ammonia Handling and new hire orientation. The Hazard Vulnerability Analysis was reviewed and found to be an effective tool in prioritizing critical events and assessing the prioritization against the District's preparedness. KH is actively involved with community-wide preparedness activities which strengthening ties with agencies having jurisdiction and the California Department of Health Services.

**Fire Prevention Management:** Based upon the objectives, scope and performance standards, the Fire Prevention Management plan is effective. Fire drills were completed for the District, with staff performing according to a pre-established checklist. Fire equipment inspection, maintenance and testing was completed, with ongoing monitoring of the *Statement of Conditions* in effect. Infection Prevention assessment continued to be integrated into construction activities along with any Interim Life Safety Measures assessments that were needed.

**Clinical Equipment Management:** Based upon the objectives, scope and performance standards, the Clinical Equipment Plan and program are effective. Preventive Maintenance was monitored quarterly for high risk including life support and non high risk medical equipment, with the thresholds of performance met. The separation of our inventory (i.e., high risk including life support medical equipment from non high risk medical equipment) places a higher focus on the safety of our patients and keeps the *Environment of Care* closely integrated with Patient Safety standards. The Clinical Equipment Plan and program are effective in promoting safe equipment usage for our patients.

**Utility Equipment Management:** Based upon our objective, to provide a comfortable, safe, environment for our patients and our staff, our goal for 2021 was not met. Performance monitoring focused on the completion of critical life support utility equipment. A skilled facilities staff, strong leadership, and the management of the automated preventive maintenance program has helped us in improving the objective to minimize the risks associated with utility failures.

# Kaweah Health Care District Annual Report to the Board of Directors

## Hospice Services

Tiffany Bullock, BSN, RN

Director of Hospice Services. Contact number: 559-624-6447

March 23, 2022

### Summary Issue/Service Considered

- Hospice's mission is to deliver optimal end-of-life care to pediatric and adult populations in Kings and Tulare counties via the hospice and concurrent care program. The mission of Kaweah Health Hospice is to provide physical, emotional, social and spiritual support to terminally ill patients as well as their families to live with dignity and comfort as they cope with end-of-life issues.
- Achieve optimal program outcomes with a priority on quality of care, compliance, profitability and quality of work environment.
- Hospice: A team approach for end-of-life care with the goal to improve quality of life and comfort through symptom management.
- Concurrent Care: A team approach for children with life-limiting diseases. The goal of pediatric concurrent care is to provide care that will optimize health, maximize function, and prevent hospitalizations.
- Hospice and concurrent care services provide nursing, physical and occupational therapy, spiritual counselors, social work services and home health aides to assist with personal care. Prior to COVID, volunteers were utilized to provide much needed services to patients that could not be provided otherwise. Due to the ongoing state of emergency, CMS has not reinstated the requirement of using volunteers, but in anticipation of this happening, as well as the great need, planning has begun to resume the Hospice volunteer program.
- Patient census continues to grow year over year. Fiscal year 2021 saw an 18% increase in Hospice days. For FY2022 it is annualizing to increase another 1% over that. In line with this, the 12-month average in 2021 for the daily census was 138, up from 132 in 2020.
- Of note is the fact that Kaweah Health Hospice continues to see an increase in children seeking concurrent care. In 2021 the pediatric Average Daily Census (ADC) increased by 6%.
- Hospice utilizes Kaweah Delta Home Infusion Pharmacy for medications needed for patients and works closely with them in coordinating services. The ability to receive medications for patients at the reduced cost lends to profitability.
- Through positive staffing changes and productivity, Hospice continues to decrease the number of patients that must be referred to outside hospice agencies.
- Due to the strong financial position for FY2022, Hospice has been able to continue to provide care to more indigent patients who do not have insurance or means to pay for services.
- In 2021, Dr. Sundeep Grandhe joined Dr. Ryan Howard on the inpatient palliative care team. In addition to his work with inpatient palliative care consults, he has assisted providing vacation coverage for Dr. Howard for hospice patients. The goal

in the upcoming year will be to expand his knowledge of our Hospice department to provide assistance when needed.

#### Financial/statistical Analysis

- Hospice days for FY2022 are annualizing to be 51,561. This is an increase of 1% from the prior year and is the highest of the last 4 years. These increases have occurred with minimal changes to expenses. The current year is trending above budgeted volumes.
- Hospice has a FY2022 annualized contribution margin of \$3.9 million, the highest of the last four years.
- Reimbursement rates have increased 17% over the last four years as a direct result of improved collections due to Hospice leadership working very closely with Patient Accounting. Net revenue per unit of service is annualizing to be \$184, up \$15 per unit of service from FY2021.
- Direct cost per unit of service had only a minimal increase to \$109 per unit of service as compared to FY2021, which was \$107. With the increase in volume, the direct cost per unit of services is relatively flat.
- Contribution margin has increased by \$55 per unit of service over the last 4 years.
- The 12-month average for length of stay in 2021 was 74 days. This was a notable increase from 2020 of 60 days. Increased length of stay results in increased revenue as well as patients/families being able to receive the full benefit of the Hospice services.

#### Quality/Performance Improvement Data

##### Quality reporting

- Hospice Item Set (HIS) data – Mandated reporting of data collected and reported to Medicare (CMS) on admission and at time of death or discharge. Reporting time frames have been met. We exceed the national benchmark in all elements.
- Hospice CAHPS survey – This is a CMS mandated survey that measures caregiver experience as well as quality measure information received from submissions on the Hospice Item Set. We exceed the national percentage in all elements in both categories of family caregiver experience as well as quality of patient care.

##### PI measures

As is noted from the graph below and mentioned above, Hospice meets or exceeds the national averages in all categories. Measures were recently submitted to the District Quality Committee via the ProStaff that will be the focus over the next year. These measures were chosen either due to recent decreases or as matter of importance to the overall quality of care. These measures include treating anxiety or depression in patients, assistance with restlessness or agitation in patients and the overall rating of our hospice. Action plans to stabilize and/or increase percentages in these measures have been implemented and are being monitored.

## Hospice Quality Measures Q1-Q3 2021



### Policy, Strategic or Tactical Issues

- With the financial support of the Kaweah Health Hospice Foundation, and with the expertise of the Kaweah Health Marketing department, approximately 6 months ago, a marketing campaign was launched which has included radio and television ads. Data is still being analyzed to determine the affect this has had on hospice referrals. Ongoing collaboration is taking place to analyze if changes should be made to the current strategy. Since the implementation of the campaign, strong gains have been made in referrals received from self/families. More data is needed to determine if this is a direct result of the advertising campaign. Kaweah Health Marketing department works closely with Hospice leadership to strategize not only on these marketing opportunities, but also to increase the market share of referrals received from community skilled nursing and assisted living facilities.
- Kaweah Health has recently submitted an application to the Department of Social Services to open a residential care facility that will be called The Kaweah Health Ruth Wood Open Arms House. This facility will be uniquely licensed to house six hospice patients. This home will provide care to patients whose families may not have the ability to care for their loved one at home as they near end of life. Or for those patients who may have no family or even a home to go to. The daily rate charged will be based on a sliding fee scale developed in line with that used throughout the District. This will ensure no one will be excluded from receiving care in the home provided there is a bed available. This will assist with throughput in the acute setting so Hospice patients do not need to delay receiving Hospice services due to a lack of a safe home setting or caregiver. All of these patients will be

serviced by Kaweah Health Hospice which will generate revenue for this department as well. The Manager and Director of Kaweah Health Hospice have absorbed oversight of this department to minimize expenses. Additionally, Kaweah Health Hospice Foundation has committed to covering any losses incurred in the first year of operation up to \$400,000. Projected opening date is May 2022.

- Hospice is working with ISS to explore implementation of a new electronic medical record in FY2023. This same EMR is used in Kaweah Health Home Health and will begin to be used in Private Home Care. It is projected this will decrease charting time and be a staff satisfier. This will result in all Home Care services being on the same platform. Startup costs will be minimal compared to a new EMR and due to the fact this is a system we currently pay for, and we will be able to eliminate the current Hospice EMR, cost increases will be minimal, if at all.
- Hospice Director continues to meet with Patient Accounting Services on a bi-weekly basis to ensure we are decreasing unnecessary loss of income and optimize collection.

### Recommendations/Next Steps

- Continue to increase referral sources through marketing campaigns and efforts of Kaweah Health Marketing Department.
- Ongoing pre- and post-billing monitoring to ensure regulatory requirements are met and no revenue is lost.
- Continued improvement and stabilization of financial performance.
- Ongoing exploration regarding implementation of General In-Patient (GIP) program. This will involve working closely with Hospice Medical Director and key leaders within the District.
- Continue monitoring action plans that were put in place because of the Safety Attitudes Questionnaire and Employee Engagement surveys administered in late 2020 and May 2021. Pulse surveys will be administered in coming months to ensure improvements are being made.
- Return of volunteers in Hospice.
- Prepare for Joint Commission tri-annual survey scheduled for approximately September, 2022.

### Approvals/Conclusions

In the coming year, hospice will focus on:

1. Working with key district people to explore implementation of GIP level of care.
2. Continue marketing campaigns/efforts to become the preferred hospice provider with the community and local facilities.
3. Continued review of profitability, look for means to maintain contribution margins and cost of care, increase patient satisfaction, increase staff satisfaction and achieve clinical excellence.
4. Re-implement the hospice volunteer program.
5. Open the Kaweah Health Ruth Wood Open Arms House.

Hospice Services

\*FY 2022 ANNUALIZED ON THE SEVEN MONTHS ENDED JANUARY 31, 2022

KEY METRICS - FY 2022 ANNUALIZED\*

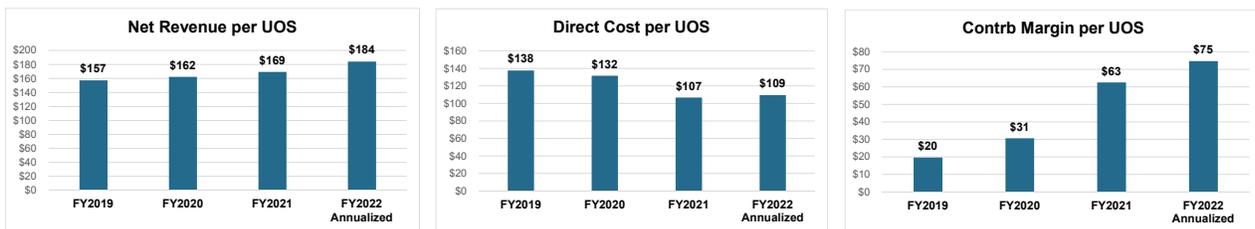


\*Note: Arrows represent the change from prior year and the lines represent the 4-year trend

METRICS SUMMARY - 4 YEAR TREND

METRIC	FY2019	FY2020	FY2021	FY2022 Annualized	%CHANGE FROM PRIOR YR	4 YR TREND
Unit of Service (Hospice Days)	39,947	42,821	50,808	51,561	▲ 1%	
Net Revenue	\$6,279,499	\$6,943,542	\$8,599,294	\$9,495,864	▲ 10%	
Direct Cost	\$5,495,420	\$5,632,518	\$5,421,630	\$5,641,065	▲ 4%	
Contribution Margin	\$784,079	\$1,311,024	\$3,177,664	\$3,854,799	▲ 21%	
Indirect Cost	\$1,132,602	\$1,330,526	\$1,276,446	\$1,349,249	▲ 6%	
Net Income	(\$348,523)	(\$19,502)	\$1,901,218	\$2,505,550	▲ 32%	
Net Revenue per UOS	\$157	\$162	\$169	\$184	▲ 9%	
Direct Cost per UOS	\$138	\$132	\$107	\$109	▲ 3%	
Contrb Margin per UOS	\$20	\$31	\$63	\$75	▲ 20%	

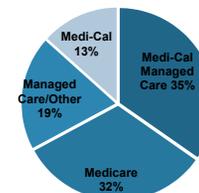
PER CASE TRENDED GRAPHS



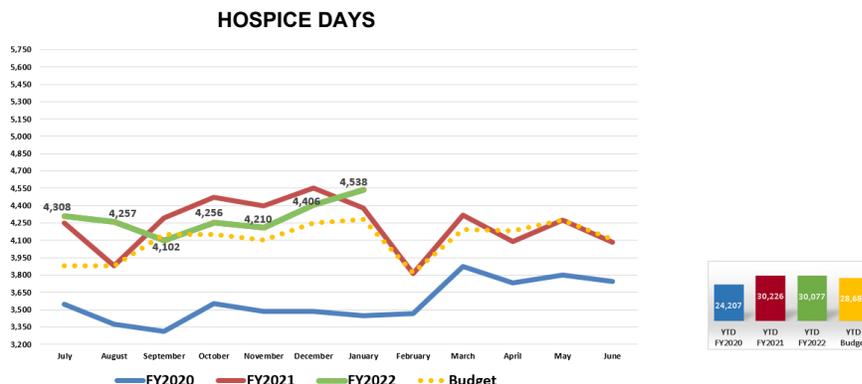
PAYER MIX - 4 YEAR TREND (Gross Charges)

PAYER	FY2019	FY2020	FY2021	FY2022 Annualized	Reimb/ Hospice Day
Medi-Cal Managed Care	0%	17%	32%	35%	\$190
Medicare	30%	31%	35%	32%	\$182
Managed Care/Other	33%	28%	23%	19%	\$187
Medi-Cal	37%	24%	10%	13%	

FY 2022 Annualized Payer Mix



UNIT OF SERVICE GRAPH - HOSPICE DAYS TRENDED



Note regarding FY 2020: Write-offs in the amount of \$532,000 taken in FY 2020 were related to prior periods. This report has been adjusted to recognize the write-offs in the correct fiscal year.

Note: The DFR rate is higher in FY 19 due to prior period adjustments in the amount of the \$573,450.



March 23, 2022

**Sent via Certified Mail  
No. 7016034000002569586  
Return Receipt Required**

Stephen Wanderer, Esq.,  
Omar Gonzalez, Esq.,  
717 20<sup>th</sup> Street  
Sacramento, CA 95811

**RE: Notice of Rejection of Claim of Jesus Carlos Esparza vs. Kaweah Health**

Notice is hereby given that the claim, which you presented to the Board of Directors of Kaweah Health on February 2, 2022, was rejected on its merits by the Board of Directors on March 23, 2022

**WARNING**

Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6. You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,

Mike Olmos  
Secretary/Treasurer, Board of Directors

cc: Richard Salinas, Attorney at Law



March 23, 2022

**Sent via Certified Mail  
No. 7016034000002569104  
Return Receipt Required**

Edward L. Fanucchi, Esq.,  
Quinlan, Kershaw & Fanucchi  
2125 Merced Street  
Fresno, CA 93721

**RE: Notice of Rejection of Claim of John Sprague vs. Kaweah Health**

Notice is hereby given that the claim, which you presented to the Board of Directors of Kaweah Health on January 6, 2022, was rejected on its merits by the Board of Directors on March 23, 2022

**WARNING**

Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6. You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,

Mike Olmos  
Secretary/Treasurer, Board of Directors

cc: Richard Salinas, Attorney at Law



March 23, 2022

Tomassian, Pimentel & Shapazian  
A Professional Law Partnership  
3419 West Shaw Avenue  
Fresno, CA 93711

**RE: Notice of Rejection of Claim of Ryan Caliwag vs. Kaweah Delta Health Care District**

Notice is hereby given that the claim, which you presented to the Board of Directors of the Kaweah Delta Health Care District on February 28, 2022, was rejected on its merits by the Board of Directors on March 23, 2022.

**WARNING**

Subject to certain exceptions, you have only six (6) months from the date this notice was personally delivered or deposited in the mail to file a court action on this claim. See Government Code Section 945.6. You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,

David Francis  
President, Board of Directors

cc: Rachele Berglund, Attorney at Law



Subcategories of Department Manuals  
not selected.

1

Policy Number: AP161	Date Created: No Date Set
Document Owner: Cindy Moccio (Board Clerk/Exec Assist-CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<b>Workplace Violence Prevention Program</b> <del>Violence in the work place</del>	

Printed copies are for reference only. Please refer to the electronic copy for the latest version.

**PURPOSE:**

1. To provide guidance on appropriate responses to all violence or threats of violence that may affect Kaweah Health (KH) workplace in any significant way. This policy and procedures applies, but is not limited to, employees, physicians, residents, patients, visitors, contract and temporary workers, vendors and other individuals, who are either on KH property or otherwise involved with KH operations in any way.
2. To heighten the safety of every individual in the workplace and to recognize that everyone must share in the responsibility of preventing and responding to threats of violence and actual workplace violence. ~~Therefore, cooperation~~ Cooperation, adherence to and support of this policy and procedure by everyone, both management and non-management, are essential.
3. To recognize that a safe environment is fundamental to a productive and positive workplace, and that both physical and psychological safety are integral factors in providing patients with the quality health treatment and services to which KH has been entrusted.

**POLICY:** -KH strictly forbids any behavior or threat of behavior which is inconsistent with the purpose of this policy, or which may constitute a violation of law or public policy. Once the potential for violent behavior has been established, KH will act immediately to minimize and diffuse such behavior. All employees bear a responsibility to report any potentially violent situation or individual to his/her manager, the Risk Management Department, Human Resources, Security and/or when applicable, the Police Department (or other appropriate law enforcement agency). The District will strictly abide by applicable statutes, laws and regulations regarding work place safety and security.

**DEFINITIONS:**

“Environment of Care” (EOC): The physical and social environment within which services are provided for patients within the District and off site areas.

Workplace:

Any location, either temporary or permanent, where an employee performs any work-related duty. This includes, but is not limited to, the buildings and surrounding perimeters, including the parking lots, field locations, alternate work locations, and travel to and from work assignments.

Workplace Violence: \_\_\_\_\_ Workplace violence means any act of violence or threat of violence that occurs at the work site. The term workplace violence does not include lawful acts of self-defense or defense of others.

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(A) The threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury;

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(B) An incident involving the threat or use of a firearm or other dangerous weapon, including the use of common objects as weapons, regardless of whether the employee sustains an injury;

(C) Four workplace violence types:

1. "Type 1 violence" means workplace violence committed by a person who has no legitimate business at the work site, and includes violent acts by anyone who enters the workplace with the intent to commit a crime.

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2. "Type 2 violence" means workplace violence directed at employees by customers, clients, patients, students, inmates, or any others for whom an organization provides services.

3. "Type 3 violence" means workplace violence against an employee by a present or former employee, supervisor, or manager.

4. "Type 4 violence" means workplace violence committed in the workplace by someone who does not work there, but has or is known to have had a personal relationship with an employee.

~~Verbal or physical harassment, stalking, verbal abuse, threatening speech, threatening gestures, physical abuse, verbal or physical threats with or without a weapon.~~

Imminent/Actual: Any act or speech threatening or committing assaultive behavior including, but not limited to, any physical contact or menacing behavior which would lead a reasonable person to believe that he/she is in danger of violence and or harm.

Potential Violence: A potentially violent situation or individual includes but is not limited to:

- verbal harassment or threats perceived by a reasonable
- person occur as a prelude to assaultive behavior.
- a domestic dispute spills over into the work place.
- a restraining order has been obtained by an employee

- against another person.<sup>57</sup>
- an employee is the victim of a stalker.<sup>57</sup>
- an altercation occurs between persons on the premises
- when gang activity spills over into the work place.<sup>57</sup>
- when an assaultive or potentially assaultive patient is admitted.

**Assault:** An unlawful attempt, coupled with a present ability, to commit a violent injury on the person of another.

**Battery:** Any willful and unlawful use of force or violence upon the person of another.

### **COMPLIANCE**

Implement procedures to obtain the active engagement of employees in developing, implementing and reviewing the Workplace Violence Prevention Plan, including their participation in identifying, evaluating and correcting workplace violence hazards, designing and implementing training, and reporting and investigating workplace violence incidents. A copy of the plan is available to any employee at any time on KH's Policy Tech System.

**PROCEDURES:** See Workplace Violence Checklists on Pages 6-711-12

### **RESPONSIBILITIES**

Responsibilities for employees include, but are not limited to:

#### **I. Employees:**

To immediately report concerns or observed incidents of violence to his/her supervisor or in the absence of such supervisor, to Security, the Risk Management Department, Human Resources or any manager, and when applicable, to the Police Department (or other appropriate law enforcement agency). Patient Family Services can be reached by dialing Ext. 5633 for additional guidance information on referral so. Follow Administrative Policy .10, Occurrence Reporting Process to complete the Occurrence Reporting form and submit to Risk Management for investigation. The Occurrence Report must be submitted before end of shift.

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A. Employees who have reason to believe they, or others, may be victimized by a violent act sometime in the future, at the workplace or as a direct result of their employment with the Kaweah Health, are to inform their supervisor immediately. The supervisor will immediately inform the Risk Management Department, Security Department, Human Resources and his or her Director or Vice President. The manager will work with the employee to complete a Workplace Violence Incident Report and, if indicated, contact local law enforcement officials. The Employee cannot be retaliated against for

seeking assistance and intervention from emergency services or law enforcement when a violent incident occurs.

B. Employees who have signed and filed a restraining order, temporary or permanent, against an individual due to a potential act of violence, who would be in violation of the order by coming near them at work, will immediately supply a copy of the signed order to their supervisor. The supervisor will provide copies to Human Resources. Human Resources or designee will contact Security, local law enforcement officials, and others as appropriate.

## II. ~~Manager~~**Management**

To immediately take action to prevent violence by reporting any potential violence to Security, Human Resources, or Risk Management, and when applicable, to the Police Department (or other appropriate law enforcement agency). Patient Family Services can be reached by dialing Ext. 5633 for additional guidance information on referral sources.

## III. **Security Department**

To assess any immediate or imminently violent situation and respond as appropriate based upon that a follow-up written investigation will be part of all assessments, and this report will be routed to Risk Management and, ~~as necessary,~~ to Human Resources. If Security cannot diffuse the situation, or perceives the situation escalating, the Police Department (or other appropriate law enforcement agency) must be notified immediately. Other responsibilities include:

- A. Keeping records of all violent acts, including location, time of day and actions taken; identifying trends, and using the information collected to develop action plans that may be needed;
- B. Reporting findings to the *Environment of Care* Committee on a quarterly basis;
- C. Ensuring at least annually, a security risk assessment is completed that identifies workplace security factors that have been shown to contribute to the risk of violence in the workplace. The risk assessment should include the review of access points, barrier placement between patients and providers, escape routes, location of panic alarms, security staffing ratios, security operational practices, the need for escort services or "buddy systems" when walking at night, camera surveillance and use of protective equipment by Security;
- D. Reporting data to Human Resources;
- E. Knowing when and how to implement access control to the organization;
- F. Ensuring the *Security Management Plan, EOC 3000* is current and addresses measures taken to protect personnel, patients and visitors from aggressive or violent behavior.

## IV. **Human Resources**

- A. Work in collaboration with Security and management to ensure communication linkages remain open;
- B. Ensure a written *Illness and Injury Prevention Program* is in effect that addresses the following:

- a. Safe and healthy work practices, which includes non-engagement with threats and physical actions that create a security hazard to others
  - b. A system of communication with employees that includes a method employees can use to inform the employer of security hazards at the worksite.
  - c. Periodic inspections that includes identification of security hazards
  - ~~d.~~ Procedures for investigating occupational injuries and/ or exposures
  - ~~e.~~ Procedures for communicating to employees the outcome of the investigation and any action plan to be taken
  - ~~e.~~
  - ~~f.~~ Procedures for correcting unsafe conditions, work practices, work procedures including workplace security hazards with attention to procedures for protecting employees from physical retaliation for reporting threats
  - ~~g.~~ Ensuring no retaliation of any kind will be taken against anyone who reports acts or threats of violence, or who participates in any action or investigation related to such complaints
  - ~~e.~~
  - ~~h.~~ Training and instruction regarding how to recognize workplace security hazards, how to recognize "triggers" for violence, measures to prevent workplace assaults and what to do when an assault occurs, including emergency actions and post emergency procedures, and actions to take to diffuse a situation.
- f.
- C. Provision of Emergency Department and Security staff with continuing education relating to security;
  - D. Provision of post-event trauma counseling to employees who are the victim of violence in order to reduce the short and long term physical and emotional effects of the incident;
  - ~~E.~~ Provision of Emergency Department and Security staff with continuing education relating to security;
  - ~~F.~~~~E.~~ Ensuring reductions in force, terminations and disciplinary actions such as suspensions are carried out in a manner that is designed to minimize a violent eruption;
  - ~~G.~~~~F.~~ Ensuring policies and procedures are consistently and fairly applied;
  - ~~H.~~~~G.~~ Ensuring any fatalities, illnesses and injuries that result from violence are reported to the Occupational Safety and Health Administration (OSHA) immediately and recorded on the OSHA ~~200~~ log, and completing the required supplementary forms, ~~(Form 5020).~~

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**WORKPLACE VIOLENCE PREVENTION TEAM SECURITY PROCESS IMPROVEMENT TEAM:** ~~The Security Process Improvement Team~~ The Workplace Violence Prevention team is designated to assess the vulnerability to workplace violence and reach agreement on preventive action to be taken. The team reports through the Environment of Care Committee and is responsible for:

- Responsible for implementing the Auditing overall Workplace Violence Program Plan.

- Assessing the vulnerability of workplace violence at KH and reaching agreement on preventive actions to be taken.
- Recommending/implementing employee training programs on workplace violence.
- Implementing plans for responding to acts of violence
- Communicating internally with employees.

The WVP Team is composed of the following members:

- ✓ Employee Health Manager
- ✓ Employee Relations Coordinator
- ✓ Human Resources Directors
- ✓ Organization Development Director
- ✓ Security Manager
- ✓ Facilities/Physical Plant Director
- ✓ Nursing Supervision Director
- ✓ Emergency Department Director
- ✓ Behavioral Health Director
- ✓ Outpatient Clinics Director
- ✓ Home Health Director
- ✓ Diagnostic Imaging Director
- ✓ Pharmacy Director
- ✓ Medical Staff Director
- ✓ Contracting Officer
- ✓ Vendor Management
- ✓ Marketing/Communications Director
- ✓ Compliance Officer
- ✓ Risk Management Director
- ✓ Environmental Services Director
- ✓ Safety Officer
- ✓ Executive Liaison (Human Resources VP)
- ✓ CUSP Team Leaders

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ACTIVE ENGAGEMENT OF EMPLOYEES IN DEVELOPING, IMPLEMENTING AND EVALUATING THE WVP PLAN

At a minimum one employee from each high risk department and CUSP Team Leaders will actively participate in developing, implementing and reviewing the WVP plan.

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LAW ENFORCEMENT INVOLVEMENT

The Security Manager and/or the Director of Facilities will maintain collaborative involvement and partnership with local police department.

Proactive business relationships are maintained with Visalia Police District 1 and District 2 Commanders through quarterly meetings, formal committee meetings attendance (with invitation) or requests for incident review.

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**TRAINING AND INSTRUCTION:**

Kaweah Delta Health Care District shall be responsible for ensuring that all employees, including ~~managers and supervisors~~managers, supervisors and, ~~are~~contractors are provided training and instruction on general workplace safety practices. Department Directors shall be responsible for ensuring that all employees, including managers and supervisors, are provided training and instructions on job specific workplace security practices.

General workplace violence and security training and instruction include, but are not limited to, the following:

- Explanation of the Workplace Violence Prevention Program including measures for reporting any violent acts or threats of violence.
- Recognition of workplace security hazards including the risk factors associated with the four types of violence.
- Measures to prevent workplace violence, including procedures for reporting workplace security hazards or threats.
- Ways to defuse hostile or threatening situations.
- Measures to summon others for assistance.
- Employee routes of escape.
- Notification to law enforcement when a criminal act may have occurred.
- Emergency medical care provided in the event of any violent act upon an employee.
- Post-event trauma counseling for those employees desiring such assistance.

Training and instruction is conducted at minimum at new hire orientation, annually or when laws or procedures change.

Workplace security training and instruction includes, but is not limited to, the following:

- Techniques for recognizing the potential for violence.
- Preventive measures to reduce the threat of workplace violence, including procedures for reporting workplace security hazards.
- In addition, specific instructions shall be provided to all employees regarding workplace security hazards unique to their job assignment.
- Non Violent Crisis Intervention training is required within 60 days of hire for employees in high-risk areas and those whose assignment is to respond to alarms or other notifications of violent incidents or whose assignments involve confronting or controlling persons exhibiting aggressive or violent behavior~~the following employees: Emergency Department, Mental Health Hospital, and Security.~~ Refresher classes are also required, every 12 months~~, for Mental Health Hospital and Security staff and 18 months for Emergency Department staff.~~
- How employees will document and communicate to other employees (including between shifts and units) information regarding conditions that may increase the potential for workplace violence incidents.

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Managers and Supervisors shall be trained to:

- Ensure that employees are not placed in assignments that compromise safety and in methods and procedures which will reduce the security hazards.
- ~~Respond~~Behave compassionately towards co-workers when an incident does occur.
- Ensure that employees follow safe work practices and receive appropriate training to enable them to do this.
- Reinforce the Work Place Violence Prevention Program, promote safety and security, and ensure employees receive additional training as the need arises.

Workplace Violence Response Team

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Employees whose job duties include responding to alarms or other notifications of violent incidents will receive additional, interactive training that is specific to confronting or controlling persons exhibiting aggressive or violent behaviors.

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These team members will receive the highest level of Crisis Intervention Training.

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1. Nursing Supervision
2. All Department Managers/Asst. Managers, Directors
3. Charge Staff
4. Security Department
5. Facilities/Maintenance Department
6. Clinical Engineering
7. PFS/Case Management

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PROCEDURES FOR IDENTIFYING POTENTIAL TYPE 2 VIOLENCE

- Behavior Dysfunction
- Developmentally Delayed
- Domestic Violence
- Forensic Patient (Jail/Corrections/in-Custody Prisoner)
- Gang Affiliation
- Intoxication (drugs or alcohol)
- Mental Illness with Aggressive Tendencies

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Procedures to Identify and evaluate patient-specific risk factors

We have a process in place to evaluate patient-specific risk factors which can include

1. Patient mental status and conditions that may cause the patient to non-responsive to instruction or behave unpredictably, disruptively, uncooperatively, or aggressively.

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- 2. A patient's treatment and medication status, type, and dosage, as its know to the health care facility and employees
- 3. A patient's history of violence, as is known to the health facility and employees
- 4. Any disruptive or threatening behavior displayed by patient.

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**Violence Risk Screening**

Violence is a complex social interaction, characterized by an inability to cooperate and negative emotions, that may include nonverbal, verbal, and physical behavior that is threatening or harmful to others or property.

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Using a standardized evidence-based tool which assists in the prediction of violent behavior, screening will be used for all children aged 10 and over and all adult patients at the point of entry to Kaweah Health Medical Center (KDHC), inpatient/outpatient services, Kaweah Health Rehabilitation Hospital, Sub-acute and Transitional Care Services, and Urgent Cares.

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On admission to inpatient units or at the beginning of outpatient services and as needed for behavioral changes:

- 1. Patients will be observed for potential of risk to harm or others by licensed nursing staff using the Broset violence checklist.
- 2. If the licensed nursing staff determines the patient is at risk for harm to others, an indicator will be activated to alert staff of potential risk.

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**Incidents That Must be Reported**

- 1. An incident involving the use of a firearm or other dangerous weapon, regardless of whether the employee sustained an injury. For the purpose of this reporting requirement, a "dangerous weapon" means an instrument capable of inflicting death or serious bodily injury.
- 2. The use of physical force against an employee by a patient or a person accompanying a patient that results in, or has a high likelihood of resulting in injury, psychological trauma, or stress, regardless of whether the employee sustains an injury. For the purpose of determining whether an incident must be reported, "injury" means an incident which results in one or more of the following
  - a. Death- Any occupational injury that results in death, regardless of the time between injury and death. (Title 8, California Code of Regulations, Section 14300.46)
  - b. One or more days away from work (which includes the day the injury occurred)
  - c. Restricted work or transfer to another job. Restricted work occurs when, as a result of the work related injury, the employer keeps the employee from performing on or more of the routine functions of the job, or from working the full workday that he or she would otherwise have been scheduled to work; or a licensed health care professional recommends the employee not perform one or more of the routine functions of the job.

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or not work the full workday. A "routine function" is a work activity that the employee regularly performs at least once a week. [Title 8, California Code of Regulations, Section 14300.7(b)(4)].

d. Medical treatment beyond first aid. "Medical treatment" means the management and care of a patient to combat disease or disorder. For the purpose of the law, medical treatment does not include:

- Visits to a licensed health care professional solely for observatory or counseling;
- The conduct of diagnostic procedures, such as x-rays and blood tests, including the administration of prescription medications used solely for diagnostic purposes (e.g., eye drops to dilate pupils); or
- First aid

e. Loss of consciousness, regardless of the length of time the employee remains unconscious.

f. A significant injury diagnosed by a licensed health care professional. In the context of workplace violence, this could be a fractured or cracked toe or rib, or a punctured eardrum. Most significant injuries that must be reported will involve one of the categories above (death, days away from work, medical treatment beyond first aid, or loss of consciousness)

[Title 8, California Code of Regulations, Section 14300.7] If the employee reports psychological trauma or stress as a result of the use of physical force by a patient, visitor, employee or other individual at the worksite, the incident must be reported, even if there is no physical injury.

References:

*Title 8; California Code of Regulations (CCR) §3203*

Health and Safety Code 1257.7

Assembly Bill 508

[http://www.dir.ca.gov/dosh/dosh\\_publications/worksecurity.html](http://www.dir.ca.gov/dosh/dosh_publications/worksecurity.html)

The Joint Commission – *Environment of Care Standards, 2010 Edition*

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**WORKPLACE VIOLENCE CHECKLIST**

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**Purpose:** *To provide a safe and secure healthcare environment for patients, visitors, volunteers, physicians and employees. Also, to assist employees in managing and/or de-escalating the situation.*

**Note:** *If the situation involves a weapon, immediately notify PBX and “Code Silver and Location”.*

**STAFF RESPONSE**

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**In a violent or imminently violent situation:**

- Call Security at Ext 44
- Provide the District operator with the following information:
- Code Gray or Code Silver
- State your name, where you are and where the incident is occurring and if weapons are involved

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*(Code Silver)*

- Description and number of suspects.
- Number and location of hostages.
- Number and type of weapons involved.
- Within the limits of personal safety, clear the area and limit access to area and to patient as much as possible.
- Immediately notify your manager or immediate supervisor and the House Supervisor.
- Seek shelter, protecting patients as able.
- Complete an occurrence report and sent to Risk Management.

**In a potentially violent situation:**

- Call Security, Ext 44
- Clear the area as able
- Complete an occurrence report and send to Risk Management

**MANAGER**

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**In a violent or imminently violent situation:**

- Call Security at Ext 44
- Provide the District operator with the following information:
- Code Gray or Code Silver
- State your name, where you are and where incident is occurring and if weapons are involved

*(Code Silver)*

- Description and number of suspects.
- Number and location of hostages.
- Number and type of weapons involved.
- Clear the area and limit access to area and to patient as much as possible.
- Complete an occurrence report and send to Risk Management

**In a potentially violent situation:**

- Call Security, Ext 44
- Notify Human Resources if an employee is involved.

- Complete and occurrence report and send to Risk Management.

**SECURITY**

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**In a violent or imminently violent situation:**

- Respond to reported situation and assess for (1) type of violence. (2) Threat of physical danger and the need for police assistance.
- Manage the incident in accordance with Security Department policy and procedures.
- Follow-up with investigation and written security incident report.

**In a potentially violent situation:**

- If the situation permits, consult with Supervisor/Lead Office in Security to determine the appropriate action to take
- Follow up with investigation, provide written incident report.

**Reporting Responsibilities:**

- Any act of assault or battery that results in injury or involves the use of a firearm other dangerous weapon against any on-duty personnel SHALL be reported to the local police department within 72 hours of the incident.
- Any other act of assault or battery against any on-duty personnel MAY be reported to the local police department within 72 hours of the incident.

**SECURITY SERVICES MANAGER**

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**Violent or imminently violent situation:**

- Once a reported incident is stabilized, follow up with Risk Management, Human Resources and the manager of the department affected by the incident.

**Potentially violent situation:**

- If the situation permits, conduct with Risk Management, Human Resources and the other appropriate management to determine the appropriate action to take.

**Note:** When notified by the Security Officer on the scene that a "Code Gray" is in progress, Security will send back up support as needed.

**HUMAN RESOURCES**

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**In a violent or imminently situation:**

- If the situation permits, verify with Security or other appropriate management, the assessment of the injury or threat to the employee.
- Jointly with Security and Department Manager, assess the need to remove and/or reassign the employee to a more secure work area.

**In a potentially violent situation:**

- Consult with Risk Management, Security and Department Manager to determine the appropriate action to take.
- Maintain documentation of all actions taken, and maintain in Human Resources.

**RISK MANAGEMENT**

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**In a violent or imminently, or potentially violent situation:**

- Use routine risk management process for all imminently violent events

**REPORTING RESPONSIBILITIES- EMPLOYEE VICTIM**

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**Employee Health**

- If an employee reports to Employee Health with an injury related to an incident of violence, after treatment has been rendered, the Employee Health personnel has a duty to report the incident to the local police department ( verify with Security to determine if the incident has been reported).*

**Emergency Department**

- When you hear PBX announce “Code Silver, All Clear,” or “Code Grey” All Clear”, return to your normal work duties, unless other directed.*
- In the event Employee Health is closed, the Emergency Department has the same duty to report to the police department any injury to an employee which was sustained due to an incident of violence. Verify with security to determine if the incident has been reported.*

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**Emergency Management Manual**

**WORKPLACE VIOLENCE CHECKLISTS**

**Purpose:** To provide a safe and secure healthcare environment for patients, visitors, volunteers, physicians and employees. Also, to assist employees in managing and/or de-escalating the situation.

**Note:** If the situation involves a weapon, immediately notify PBX and "Code Silver and location".

**STAFF RESPONSE**

**In a violent or imminently violent situation:**

- Call Security at Ext 44
- Provide the District operator with the following Information:
  - Code Gray or Code Silver
  - State your name, where you are and where incident is occurring and if weapons are involved (Code Silver).
  - Description and number of suspects.
  - Number and location of hostages.
  - Number and type of weapons involved.
- Within the limits of personal safety, clear the area and limit access to area and to patient as much as possible.
- Immediately notify your manager or immediate supervisor and the House Supervisor.
- Seek shelter, protecting patients as able.
- Complete an occurrence report and send to Risk Management.

**In a potentially violent situation:**

- Call Security, Ext 44.
- Clear the area as able
- Complete an occurrence report and send to Risk Management.

**MANAGER**

**In a violent or imminently violent situation:**

- Call Security at Ext 44
- Provide the District operator with the following Information:
  - Code Gray or Code Silver
  - State your name, where you are and where incident is occurring and if weapons are involved (Code Silver).
  - Description and number of suspects.
  - Number and location of hostages.
  - Number and type of weapons involved.
- Clear the area and limit access to area and to patient as much as possible.
- Complete an occurrence report and send to Risk Management.

**In a potentially violent situation:**

- Call Security, Ext 44.
- Notify Human Resources if an employee is involved.
- Complete an occurrence report and send to Risk Management.

**SECURITY**

**In a violent or imminently violent situation:**

- Respond to reported situation and assess for (1) type of violence, (2) Threat of physical danger and the need for police assistance.
- Manage the incident in accordance with Security Department policy and procedures.
- Follow-up with investigation and written security incident report.



**Emergency Management Manual**

**In a potentially violent situation:**

- If the situation permits, consult with Supervisor/Lead Office in Security to determine the appropriate action to take.
- Follow-up with investigation, provide written security incident report.

**Reporting Responsibilities:**

- Any act of assault or battery that results in injury or involves the use of a firearm or other dangerous weapon against any on-duty personnel SHALL be reported to the local police department within 72 hours of the incident.
- Any other act of assault or battery against any on-duty personnel MAY be reported to the local police department within 72 hours of the incident.

**SECURITY SERVICES MANAGER**

**Violent or imminently violent situation:**

- Once a reported incident is stabilized, follow up with Risk management, Human Resources and the manager of the department affected by the incident.

**Potentially violent situation:**

- If the situation permits, conduct with Risk Management, Human Resources and the other appropriate management to determine the appropriate action to take.

**Note:** When notified by the Security Officer on the scene that a "Code Gray" is in progress, Security will send back up support as needed.

**HUMAN RESOURCES**

**In a violent or imminently violent situation:**

- If the situation permits, verify with Security or other appropriate management, the assessment of the injury or threat to the employee.
- Jointly with Security and Department Manager, assess the need to remove and/or reassign the employee to a more secure work area.

**In a potentially violent situation:**

- Consult with Risk Management, Security and Department Manager to determine the appropriate action to take.
- Maintain documentation of all actions taken, and maintain in Human Resources.

**RISK MANAGEMENT**

**In a violent or imminently violent, or potentially violent situation:**

- Use routine risk management process for all imminently violent or violent events.

**REPORTING RESPONSIBILITIES – EMPLOYEE VICTIM**

**Employee Health:**

- If an employee reports to Employee Health with an injury related to an incident of violence, after treatment has been rendered, the Employee Health personnel has a duty to report the incident to the local policy department (verify with Security to determine if the incident has been reported).

**Emergency Department:**

- When you hear PBX announce "Code Silver, All Clear," return to your normal work duties, unless otherwise directed.
- In the event Employee Health is closed, the Emergency Department has the same duty to report to the policy department any injury to an employee which was sustained due to an incident of violence. Verify with security to determine if the incident has been reported.

*"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."*



Policy Number: MS 54	Date Created: 02/25/2022
Document Owner: April McKee (Medical Staff Svcs Manager)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration), Medical Executive Committee, April McKee (Medical Staff Svcs Manager), Cindy Moccio (Board Clerk/Exec Assist-CEO), Teresa Boyce (Director of Medical Staff Svcs)	
<b>COVID-19 Testing Guidelines</b>	

**Printed copies are for reference only. Please refer to the electronic copy for the latest version.**

**These guidelines are for practitioners ordering repeat tests for patients suspected to be or infected with the COVID-19 virus. Tests may be processed through Kaweah Health Medical Center Lab, the Tulare county Public Health Lab (TCPHL), or a Commercial lab. Supplies of testing kits will be continuously monitored.**

**Repeat testing parameters:**

- Allowed for patients **only** IF the first test is negative
- If a patient's first test is negative but there is strong suspicion of COVID-19 based on clinical presentation or recent exposure, the patient should be placed in appropriate precautions and re-tested as close to the first test as possible. Recommend retesting with a non-rapid molecular test (example: PCR).
  - PCR test results will supersede any ID-Now results.
- If a second COVID test is negative, subsequent diagnostic testing should be done at least 3 to 5 days after the first negative test(s). Patient to remain in isolation if there continues to be a strong suspicion of COVID-19 until ruled out.

**Follow up Testing on Prior Positive Persons:**

- If a patient does not have a COVID-19 positive test on file and is here receiving COVID-19 care or in quarantine for COVID-19, they should be retested.
  - If a patient is not here for COVID-19 care and is post quarantine but within 90 days of their last positive test, they do not need to be retested.
- Repeat testing to determine release from quarantine is not approved—Except for patients being discharged to the Kaweah Health Mental Health Hospital (KMHM)
  - If a patient is requiring admission to the KMHM, is asymptomatic for COVID-19 and 7 days post their COVID-19 positive date, they may be retested for COVID-19 on an antigen platform. If the test is negative, be removed from quarantine.

- In all other circumstances, ~~N~~o additional COVID-19 testing is required for 90 days post-infection. Instead, use Time-Based or Symptom-Based strategies to determine resolution of infection (see attached flowcharts)

**Practitioners and Employees:**

Employee Health will use the Centers for Disease Control (CDC) recommended non-test based strategies for return to work clearance: Time-Based for asymptomatic and Symptom-Based for symptomatic COVID-19 positive healthcare personnel.

**References:**

<https://www.cdc.gov/coronavirus/2019-ncov/hcp/disposition-hospitalized-patients.html>  
<https://www.cdc.gov/coronavirus/2019-ncov/hcp/return-to-work.html>

*"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care. New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."*

**Privileges in Vascular Surgery**

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

*Please Print*

**VASCULAR SURGERY**

**Education & Training:** MD or DO; **AND** Successful completion of a general surgery residency training program approved by the Accreditation Council for Graduate Medical Education (ACGME), by the American Osteopathic Association (AOA) or by the Royal College of Physicians & Surgeons of Canada if board certified by an ABMS board or actively pursuing board certification by an American Board/American Osteopathic Board within 5 years; **AND** successful completion of an accredited vascular surgery fellowship ; **AND** current board certification or actively pursuing certification by the American Board/American Osteopathic Board of Vascular Surgery within 5 years.

**Current Clinical Competence:** Documentation of the performance of at least 100 vascular procedures in the past 2 years, the majority being reconstructive; (excluding cardiac surgery) or successful completion of a residency or clinical fellowship in the past 12 months

**Renewal Criteria:** Maintenance of Board Certification and documentation of 70 procedures reflective of the privileges requested.

**FPPE:** Direct observation of a minimum of five (5) diverse procedures

Request	CORE PRIVILEGES	Approve
<input type="checkbox"/>	<b>VASCULAR SURGERY CORE PRIVILEGES INCLUDE:</b> Medical H&P (may include telehealth); work up, diagnosis, ordering and prescribing medication, ordering diagnostic tests, as well as surgical and non-surgical treatment of patients of all ages presenting with diseases/disorders of the arterial, venous, and lymphatic circulatory systems, excluding the heart and intracranial vessels. Vascular surgery procedures include but are not limited to: <ul style="list-style-type: none"> <li>• Abdominal aortic aneurysm repair</li> <li>• Amputations, upper extremity, lower extremity;</li> <li>• Aneurysmectomy</li> <li>• Angio-access for dialysis, chemotherapy</li> <li>• Central vascular access, permanent: fistula, graft, shunt</li> <li>• Embolectomy (non-dialysis access related); arterial, graft, venous</li> <li>• Endarterectomy - Carotid; Peripheral</li> <li>• <b>Endovascular abdominal and thoracic aneurysm repair</b></li> <li>• Endovascular percutaneous interventions/repairs</li> <li>• Intraoperative angiography</li> <li>• Peripheral arterial bypass grafts - Obstructive bypass</li> <li>• Peripheral venous procedures (includes varicose veins)</li> <li>• Skin Grafts</li> </ul>	<input type="checkbox"/>
<input type="checkbox"/>	Admitting Privileges (must request Active or Courtesy staff status)	<input type="checkbox"/>

Request	Procedure	Initial Criteria	Renewal Criteria	Approve
<input type="checkbox"/>	Peripheral and Carotid Angiography - Includes: Subclavian, Axillary, Brachial (not by axillary approach) Renals, Common Carotid, Vertebral and Internal Carotid (diagnostic only) <b>Prerequisite: Fluoroscopy</b>	Documentation of 100 diagnostic angiograms (at least 50 as primary) in the last 2 years.	25 Diagnostic angiograms in the last 2 years	<input type="checkbox"/>
<input type="checkbox"/>	Peripheral Vascular Interventions (peripheral balloon, stent placement, arterectomy and peripheral catheter directed thrombolysis). Includes: Abdominal Aorta; Use of approved arterectomy devices; Femoropopliteal, Subclavian, Axillary, Brachial (not by axillary approach) Infrapopliteal, Renals <b>Prerequisite: Peripheral Angiography</b>	Meets initial training criteria <b>OR</b> , if trained before 1995, must have performed at least 50 peripheral balloon angioplasties (25 as primary operator within the last 2 years.	25 balloon angioplasties and/or stent placements in the last 2 years	<input type="checkbox"/>
<input type="checkbox"/>	Carotid Interventions (Includes: carotid stenting and angiography)	Meets initial training criteria <b>OR</b> documentation of 30 Cervico-cerebral angiograms (15 as primary) & 25 carotid stent procedures (13 as primary)	10 procedures in the last two years.	<input type="checkbox"/>

**ADVANCED PROCEDURES**

FPPE: Direct observation of the first 3 cases of each privilege granted, except Hyperbaric which requires the first 2 cases observed and charts reviewed. Direct observation of 2 TCAR procedures.				
Request	Procedure	Initial Criteria	Renewal Criteria	Approve
<input type="checkbox"/>	Laparoscopic placement of peritoneal dialysis catheter	Completion of General Surgery Residency OR Fellowship in Vascular Surgery AND documentation of 10 procedures in the last 2 years	5 procedures in the last 2 years	<input type="checkbox"/>
<input type="checkbox"/>	<del>Endovascular abdominal and thoracic aneurysm repair</del>	<del>Completion of Fellowship in Vascular Surgery AND documentation of 5 procedures in the last 2 years</del>	<del>2 procedures in the last 2 years</del>	<input type="checkbox"/>
<input type="checkbox"/>	TransCarotid Artery Revascularization (TCAR)	Completion of Fellowship in Vascular Surgery AND Minimum of 3 TCAR procedures in the last 2 years, OR documentation of TCAR training certification.	3 TCAR procedures in the last 2 years as primary operator	<input type="checkbox"/>
<input type="checkbox"/>	<b>Wound Care:</b> Surgical debridement of wounds, transcutaneous oximetry interpretation, complicated wound management, local and regional anesthesia, wound biopsy and preparation of wound bed and application of skin substitute	Meets initial criteria for core and documentation of a minimum of 20 procedures- in the last two years.	Documentation of 5 procedures in the last 2 years.	<input type="checkbox"/>
<input type="checkbox"/>	Hyperbaric Oxygen Therapy	Document completion of a training program in hyperbaric oxygen therapy (HBOT) of a minimum of 40 hours, approved by the Undersea and Hyperbaric Medical Society (UHMS) or the American College of Hyperbaric Medicine (ACHM) AND 20 dives in the last 2 years.	Documentation of 20 dives in the last 2 years.	<input type="checkbox"/>
ADDITIONAL PROCEDURES				
FPPE: None				
Request	Procedure	Initial Criteria	Renewal Criteria	Approve
<input type="checkbox"/>	Fluoroscopy	Current and valid CA Fluoroscopy supervisor and Operator Permit or a CA Radiology Supervisor and Operator Permit	Current and valid CA Fluoroscopy supervisor and Operator Permit or a CA Radiology Supervisor and Operator Permit	<input type="checkbox"/>
<input type="checkbox"/>	Procedural Sedation	Pass Kaweah Health Sedation/Analgesia (Procedural Sedation) Exam	Pass Kaweah Health Sedation/Analgesia (Procedural Sedation) Exam	<input type="checkbox"/>
<input type="checkbox"/>	Outpatient Services at a Kaweah Health Clinic identified below. Privileges include performance of core privileges/procedures as appropriate to an outpatient setting and may include telehealth: __Dinuba __Exeter __Lindsay __Tulare __Woodlake __SHWC – Willow __Chronic Disease Management Center __Wound Care Center	Initial Core Criteria AND Contract for Outpatient Clinical services with Kaweah Delta Health Care District.	Maintain initial criteria	<input type="checkbox"/>

**Acknowledgment of Practitioner:**

I have requested only those privileges for which by education, training, current experience and demonstrated performance I am qualified to perform and for which I wish to exercise and I understand that

- (a) In exercising any clinical privileges granted, I am constrained by any Hospital and Medical Staff policies and rules applicable generally and any applicable to the particular situation.
- (b) I may participate in the Kaweah Health Street Medicine Program, as determined by Hospital policy and Volunteer Services guidelines. As a volunteer of the program, Medical Mal Practice Insurance coverage is my responsibility.
- (c) **Emergency Privileges** – In case of an emergency, any member of the medical staff, to the degree permitted by his/her license and regardless of department, staff status, or privileges, shall be permitted to do everything reasonably possible to save the life of a patient from serious harm.

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

*Print*

Signature: \_\_\_\_\_ *Applicant* \_\_\_\_\_ *Date*

Signature: \_\_\_\_\_ *Department of Cardiovascular Services Chair* \_\_\_\_\_ *Date*

**Privileges in Podiatry**

Name: \_\_\_\_\_  
 Please Print

PODIATRY PRIVILEGES – Criteria					
<b>Education:</b> DPM; AND successful completion of a podiatric medicine residency program from an accredited American College of Podiatric Medicine AND Current certification or active participation in the examination process leading to certification within 5 years by the American Board of Podiatric Medicine, American Board of Podiatric Surgery or American Board of Foot and Ankle Surgery (applicants completing training prior to 1968 will be grandfathered in)					
<b>Initial Clinical Experience:</b> Documentation of at least 50 podiatric procedures in the past 2 years or successful completion of a podiatric medicine residency program in the past 12 months					
<b>Renewal Criteria:</b> A minimum of 50 podiatric procedures in the last 2 years AND Maintain current certification or active participation in the examination process leading to Certification by the American Board of Podiatric Surgery.					
<b>FPPE Requirements:</b> Direct observation of five (5) procedures with concurrent chart review (may include advanced procedures – excluding hyperbaric)					
PODIATRY CORE PRIVILEGES					
Request	Procedure				Approve
<input type="checkbox"/>	<b>Core Privileges include:</b> <ul style="list-style-type: none"> <li>Evaluate, diagnose, consult (may include telehealth), perform H&amp;P and provide surgical and non-surgical treatment/care to patients of all ages presenting with illnesses, injuries and disorders of the foot, and ankle, including basic fore foot and rear foot procedures and tendon repair and transfer.</li> <li><b>Amputations: to all joints of the foot and ankle of the lower extremity</b></li> <li>Wound Care: Surgical debridement of wounds, transcutaneous oximetry interpretation, complicated wound management, local and regional anesthesia, wound biopsy and preparation of wound bed and application of skin substitute.</li> </ul>				<input type="checkbox"/>
<input type="checkbox"/>	Admitting Privileges (must request Active or Courtesy staff status)				<input type="checkbox"/>
ADVANCED PROCEDURES					
(Must meet Core Privileges Criteria and Successful completion of an approved, recognized course when such exists, or acceptable supervised training in residency, fellowship, or other acceptable experience.)					
Request	Procedure	Initial Criteria	Renewal Criteria	FPPE Requirements	Approve
<input type="checkbox"/>	Ankle Arthroscopy	Documentation of training and a minimum of 2 procedures in the last 2 years.	Documentation of a minimum of 2 procedures in the last 2 years.	Direct observation of first case with concurrent chart review	<input type="checkbox"/>
<input type="checkbox"/>	Complex Rear Foot/Ankle	Documentation of training and a minimum of 5 procedures in the last 2 years.	Documentation of a minimum of 5 procedures in the last 2 years.	Direct observation of first case with concurrent chart review	<input type="checkbox"/>
<input type="checkbox"/>	Complex External Fix	Documentation of training and a minimum of 2 procedures in the last 2 years.	Documentation of a minimum of 2 procedures in the last 2 years.	Direct observation of first case with concurrent chart review	<input type="checkbox"/>
<input type="checkbox"/>	Hyperbarics Supervision (limited to wounds below the knee). Treatment of conditions requiring hyperbaric oxygen delivery at the Kaweah Health wound center.	Completion of 40 hour Hyperbaric Course approved by the Undersea and Hyperbaric Medical Society (UHMS) or the American College of Hyperbaric Medicine (ACHM) and 20 procedures in the last two years.	20 procedures in the last 2 years.	Direct observation of the first two cases with concurrent chart review	<input type="checkbox"/>
ADDITIONAL PRIVILEGES					
Request	Procedure	Initial Criteria	Renewal Criteria	FPPE Requirements	Approve
<input type="checkbox"/>	Outpatient Services at a Kaweah Health Clinic identified below. Privileges include performance of core privileges/procedures as appropriate to an outpatient setting and may include telehealth: ___ Dinuba ___ Exeter ___ Lindsay ___ Tulare ___ Woodlake ___ SHWC – Willow ___ Chronic Disease Management Center	Initial Core Criteria AND Contract for Outpatient Clinical services with Kaweah Delta Health Care District.	Maintain initial criteria	None	<input type="checkbox"/>
<input type="checkbox"/>	Administration of Procedural Sedation	Must successfully pass Kaweah Health Sedation/Analgesia (Procedural Sedation) Exam	Must successfully pass Kaweah Health Sedation/Analgesi	None	<input type="checkbox"/>

			a (Procedural Sedation) Exam	
<input type="checkbox"/>	Supervision of a technologist using fluoroscopy equipment	Meet Initial Criteria AND Current and valid CA Fluoroscopy supervisor and Operator Permit or a CA Radiology Supervisor and Operator Permit	Current and valid CA Fluoroscopy supervisor and Operator Permit or a CA Radiology Supervisor and Operator Permit	None
				<input type="checkbox"/>

**Acknowledgment of Practitioner:**

I have requested only those privileges for which by education, training, current experience and demonstrated performance I am qualified to perform and for which I wish to exercise and; I understand that:

- (a) In exercising any clinical privileges granted, I am constrained by any Hospital and Medical Staff policies and rules applicable generally and any applicable to the particular situation.
- (b) I may participate in the Kaweah Health Street Medicine Program, as determined by Hospital policy and Volunteer Services guidelines. As a volunteer of the program, Medical Mal Practice Insurance coverage is my responsibility.
- (c) **Emergency Privileges** – In case of an emergency, any member of the medical staff, to the degree permitted by his/her license and regardless of department, staff status, or privileges, shall be permitted to do everything reasonably possible to save the life of a patient from serious harm.

Name: \_\_\_\_\_  
*Print*

Signature: \_\_\_\_\_ *Applicant* \_\_\_\_\_ *Date*

Signature: \_\_\_\_\_ *Department of Surgery Chair* \_\_\_\_\_ *Date*

# Centers for Medicare & Medicaid Services (CMS) Star Ratings

**Sandy Volchko DNP, RN, CPHQ, CLSSBB**  
**Director Quality & Patient Safety**

**Quality Council**  
**March 2022**

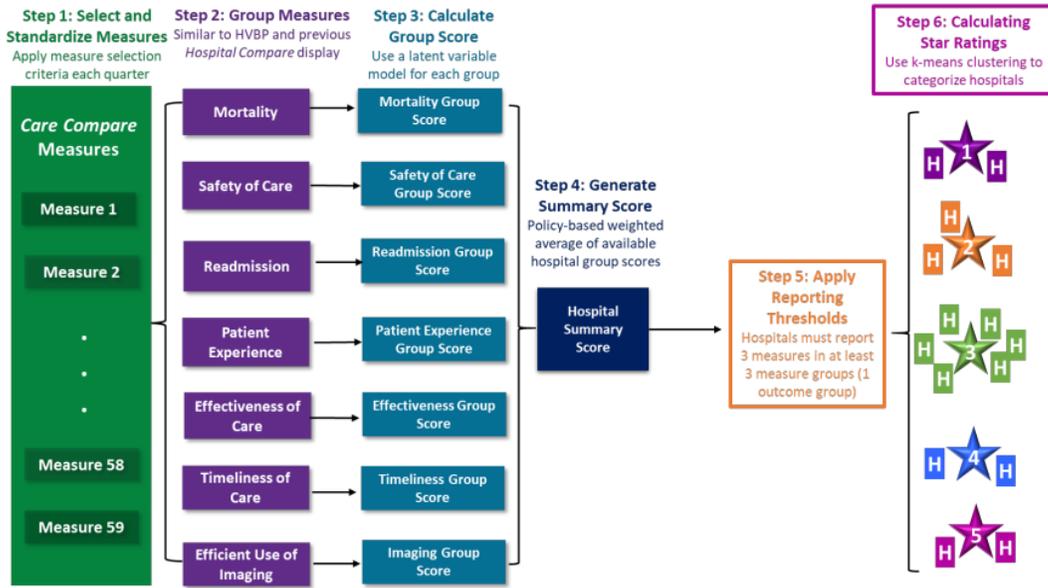
# Acronyms

- CABG – Coronary Artery Bypass Graft (ie. open heart surgery)
- CMS - Centers for Medicare & Medicaid Services
- COPD - Chronic Obstructive Pulmonary Disease
- EDAC – Excess Days in Acute Care
- ED – Emergency Department
- EKG – electrocardiogram
- HAI – Healthcare Acquired Infection
- HCOMP - Hospital Consumer Assessment of Healthcare Providers and Systems (CMS survey of patient experience)
- HF – Heart Failure
- MRSA - Methicillin-resistant Staphylococcus Aureus
- PC – Perinatal Care Core Measure
- PN – Pneumonia
- OP - Out Patient
- PSI – Patient Safety Indicator
- READM - Readmission
- SD – Standard Deviation
- V - Version

# Methodology Changes

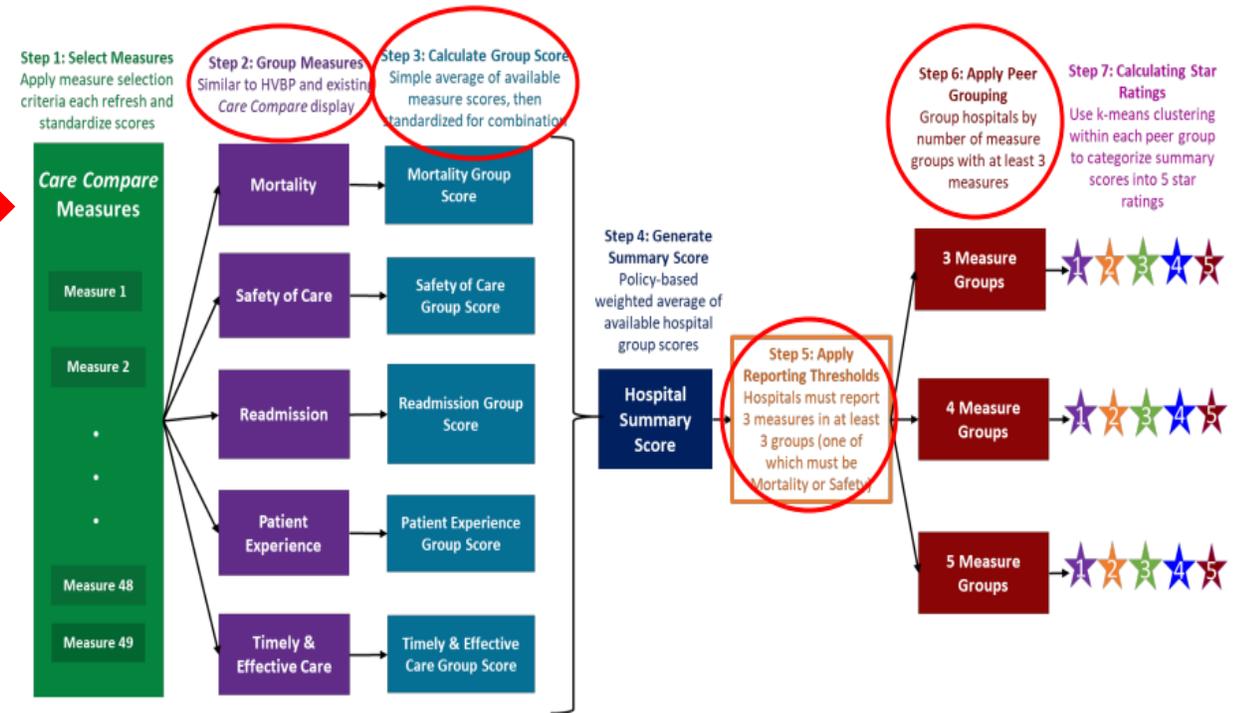
## 2020 and Previous Releases

### Prior Overall Star Rating Methodology (v3.0)



## 2021 Release

### New Star Rating Methodology (v4.0)



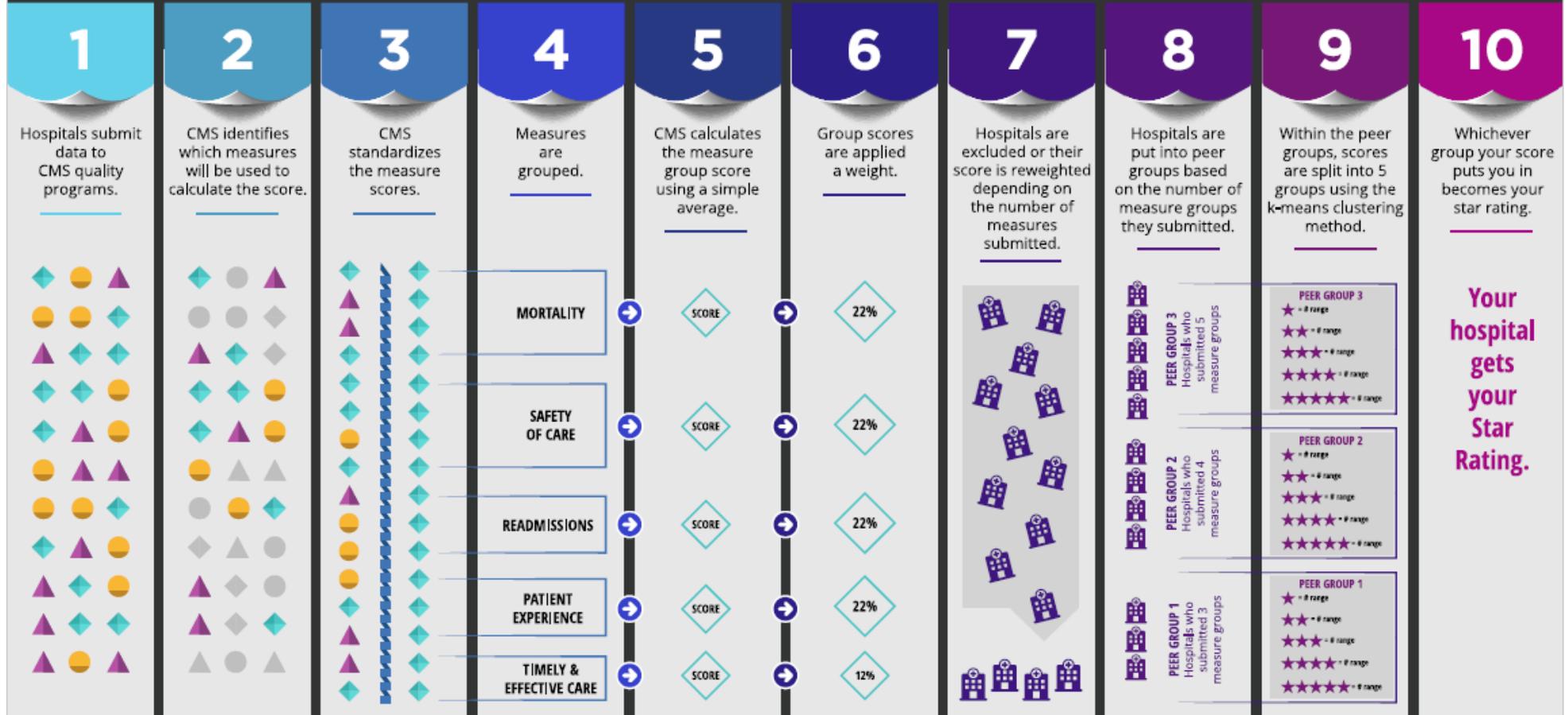
# 2021 Star

R

## 2021 Hospital Star Ratings Calculation



Kaweah Health is scored based on performance of 42 different measures



# 2021 Star Ratings - Last Released

## April 2021

### Hospital Compare Preview Report

Exported 01/27/2021  
April 2021 | Page 1

**KAWEAH DELTA MEDICAL CENTER**  
400 W MINERAL KING AVE  
VISALIA, CA, 93291

CCN-050057  
(559) 624-2000

Facility Type: Short-term  
Ownership Type: Government - Hospital District or Authority  
Emergency Service: Yes

**Estimated 2022 Summary Score -0.29**

Number of Measures per Group

- 7 measures
- 7 measures
- 9 measures
- 8 measures
- 11 measures
- 42 measures

Star Rating Preview		Summary Score: -0.56					
★ ★ ★ ★ ★ 2 Stars		Standardized Group Score	Weight	Scored Measures	# Measures Better	# Measures Same	# Measures Worse
Safety of Care	-0.66	22%	7	1	5	1	
Mortality	0.02	22%	7	0	7	0	
Readmission	-0.69	22%	9	0	6	3	
Patient Experience	-0.68	22%	8	N/A	N/A	N/A	
Timely and Effective Care	-0.98	12%	11	N/A	N/A	N/A	

Rating	5-measure group peer group (n=2,465)
1 Star	-2.21, -0.87
2 Star	-0.87, -0.41
3 Star	-0.41, -0.04
4 Star	-0.04, 0.34
5 Star	0.35, 1.39

Summary Score National Average: -0.05 Across all groups



The hospital's standardized measure group score is calculated using the following formula: (Your Hospital's Measure Group Result - Measure Group's National Mean of Scores) / Measure Group's Standard Deviation Across Hospitals

# 2021 Star Ratings – Timely & Effective Care Measure

## Group

Measure Group [a]	Measure ID [b]	Measure Name [c]	Your Hospital's Measure Result [d]	Measure Performance Category [e]	Measure's National Mean of Scores [f]	Measure's Standard Deviation Across Hospitals [g]	Your Hospital's Standardized Measure Score [h]	Measure Weight [i]
Timely & Effective Care	OP-8	MRI Lumbar Spine for Low Back Pain	29.2%	--	39.9%	0.07	1.55	9.1%
Timely & Effective Care	OP-10	Abdomen CT Use of Contrast Material	5.2%	--	6.5%	0.06	0.21	9.1%
Timely & Effective Care	OP-13	Cardiac Imaging for Preoperative Risk Assessment for Non-Cardiac Low-Risk Surgery	1.8%	--	4.1%	0.02	1.23	9.1%
Timely & Effective Care	ED-2b	Admit Decision Time to ED Departure Time for Admitted Patients	183	--	99	74.41	-1.13	9.1%
Timely & Effective Care	OP-18b	Median Time from ED Arrival to ED Departure for Discharged ED Patients	232	--	142	47.21	-1.91	9.1%
Timely & Effective Care	OP-22	ED-Patient Left Without Being Seen	4%	--	1%	0.02	-1.61	9.1%
Timely & Effective Care	OP-23	ED-Head CT or MRI Scan Results for Acute Ischemic Stroke or Hemorrhagic Stroke who Received Head CT or MRI Scan Interpretation Within 45 Minutes of Arrival	55%	--	74%	0.18	-1.02	9.1%
Timely & Effective Care	OP-29	Endoscopy/Polyp Surveillance: Appropriate Follow-up Interval for Normal Colonoscopy in Average Risk Patients	80%	--	89%	0.17	-0.52	9.1%
Timely & Effective Care	OP-30	Endoscopy/Polyp Surveillance: Colonoscopy Interval for Patients with a History of Adenomatous Polyps – Avoidance of Inappropriate Use <b>Last reported in 2018, retired measure by CMS</b>	49%	--	92%	0.12	-3.47	9.1%
Timely & Effective Care	PC-01	Elective Delivery Prior to 39 Completed Weeks Gestation: Percentage of Babies Electively Delivered Prior to 39 Completed Weeks Gestation	1%	--	2%	0.04	0.20	9.1%
Timely & Effective Care	SEP-1	Severe Sepsis and Septic Shock	66%	--	59%	0.17	0.39	9.1%
		Measure Groups national Mean of Scores:	0.04			<b>Group Result:</b>	<b>-0.55</b>	0.12
		Measure Groups SD Across Hospitals	0.60			<b>Standardized Group Score:</b>	<b>-0.99</b>	
						<b>Weighted Group Score</b>	<b>-0.12</b>	

Estimated 2022 Standardized Group Score -0.35

Improved from April 2021

# 2021 Star Ratings – Readmission Measure Group

Measure Group [a]	Measure ID [b]	Measure Name [c]	Your Hospital's Measure Result [d]	Measure Performance Category [e]	Measure's National Mean of Scores [f]	Measure's Standard Deviation Across Hospitals [g]	Your Hospital's Standardized Measure Score [h]	Measure Weight [i]
Readmission	EDAC-30-AMI	Excess Days in Acute Care after Hospitalization for Acute Myocardial Infarction	20.6	Worse	6.3	24.70	-0.58	11.1%
Readmission	READM-30-CABG	Coronary Artery Bypass Graft (CABG) 30-Day Readmission Rate	12.3%	Same	12.7%	0.01	0.31	11.1%
Readmission	READM-30-COPD	Chronic Obstructive Pulmonary Disease (COPD) 30-Day Readmission Rate	21.6%	Same	19.6%	0.01	-1.91	11.1%
Readmission	EDAC-30-HF	Excess Days in Acute Care after Hospitalization for Heart Failure	30.3	Worse	4.2	24.71	-1.06	11.1%
Readmission	READM-30-Hip-Knee	Hospital-Level 30-Day All-Cause Risk-Standardized Readmission Rate (RSRR) Following Elective Total Hip Arthroplasty (THA)/Total Knee Arthroplasty (TKA)	4.2%	Same	4.0%	0.005	-0.38	11.1%
Readmission	EDAC-30-PN	Excess Days in Acute Care after Hospitalization for Pneumonia (PN)	12.9	Worse	4.8	24.38	-0.33	11.1%
Readmission	READM-30-HOSP-WIDE	HWR Hospital-Wide All-Cause Unplanned Readmission	16.0%	Same	15.5%	0.009	-0.54	11.1%
Readmission	OP-32	Facility Seven-Day Risk-Standardized Hospital Visit Rate after Outpatient Colonoscopy	14.7	Same	16.5	1.40	1.26	11.1%
Readmission	OP-36	Hospital Visits after Hospital Outpatient Surgery	1.0	Same	1.0	0.17	0.06	11.1%
<b>READMISSION</b>		Measure Groups national Mean of Scores:	0.0300			<b>Group Result:</b>	<b>-0.35</b>	0.22
		Measure Groups SD Across Hospitals	0.5500			<b>Standardized Group Score:</b>	<b>-0.69</b>	
						<b>Weighted Group Score</b>	<b>-0.1528</b>	

Estimated 2022 Standardized Group Score **-0.01**  
Improved from April 2021

# 2021 Star Ratings – Patient Experience Measure Group

Measure Group [a]	Measure ID [b]	Measure Name [c]	Your Hospital's Measure Result [d]	Measure Performance Category [e]	Measure's National Mean of Scores [f]	Measure's Standard Deviation Across Hospitals [g]	Your Hospital's Standardized Measure Score [h]	Measure Weight [i]
Patient Experience	H-COMP-1	Communication with Nurses	3.00	--	3.50	0.93	-0.54	12.5%
Patient Experience	H-COMP-2	Communication with Doctors	2.00	--	3.09	1.04	-1.05	12.5%
Patient Experience	H-COMP-3	Responsiveness of Hospital Staff	3.00	--	3.28	1.04	-0.27	12.5%
Patient Experience	H-COMP-5	Communication About Medicines	3.00	--	3.07	1.01	-0.07	12.5%
Patient Experience	H-COMP-6	Discharge Information	3.00	--	3.23	0.96	-0.25	12.5%
Patient Experience	H-COMP-7	Care Transition	2.00	--	3.12	1.06	-1.06	12.5%
Patient Experience	H-CLEAN-HSP / H-QUIET-HSP	Cleanliness and Quietness of Hospital Environment	2.00	--	3.05	0.94	-1.11	12.5%
Patient Experience	H-HSP-RATING / H-RECMND	Overall Rating of Hospital	3.00	--	3.24	0.93	-0.25	12.5%
		Measure Groups national Mean of Scores:	0.0000			<b>Group Result:</b>	-0.57	0.22
		Measure Groups SD Across Hospitals	0.8500			<b>Standardized Group Score:</b>	-0.68	
						<b>Weighted Group Score</b>	<b>-0.1486</b>	

Estimated 2022 Standardized Group Score -0.1486  
Improved from April 2021

# 2021 Star Ratings – Safety of Care Measure

## Group

Measure Group [a]	Measure ID [b]	Measure Name [c]	Your Hospital's Measure Result [d]	Measure Performance Category [e]	Measure's National Mean of Scores [f]	Measure's Standard Deviation Across Hospitals [g]	Your Hospital's Standardized Measure Score [h]	Measure Weight [i]
Safety of Care	HAI-1	Central-Line Associated Bloodstream Infection (CLABSI)	1.146	Same	0.692	0.63	-0.72	14.3%
Safety of Care	HAI-2	Catheter-Associated Urinary Tract Infection (CAUTI)	1.893	Worse	0.719	0.58	-2.02	14.3%
Safety of Care	HAI-3	Surgical Site Infection from Colon Surgery (SSI-colon)	0.498	Same	0.812	0.66	0.47	14.3%
Safety of Care	HAI-5	MRSA Bacteremia	1.577	Same	0.813	0.66	-1.16	14.3%
Safety of Care	HAI-6	Clostridium Difficile (C.difficile)	0.291	Better	0.584	0.47	0.62	14.3%
Safety of Care	COMP-HIP-KNEE	Hospital-Level Risk-Standardized Complication Rate (RSCR) Following Elective Primary Total Hip Arthroplasty (THA) and Total Knee Arthroplasty (TKA)	2.4%	Same	2.5%	0.005	0.11	14.3%
Safety of Care	PSI-90-Safety	Patient Safety and Adverse Events Composite	1.04	Same	0.99	0.19	-0.25	14.3%
		Measure Groups national Mean of Scores:	0.0100			<b>Group Result:</b>	<b>-0.42</b>	0.22
		Measure Groups SD Across Hospitals	0.6600			<b>Standardized Group Score:</b>	<b>-0.65</b>	
						<b>Weighted Group Score</b>	<b>-0.1440</b>	

Estimated 2022 Standardized Group Score -0.60  
Improved from April 2021

# 2021 Star Ratings – Mortality Measure

## Group

Measure Group [a]	Measure ID [b]	Measure Name [c]	Your Hospital's Measure Result [d]	Measure Performance Category [e]	Measure's National Mean of Scores [f]	Measure's Standard Deviation Across Hospitals [g]	Your Hospital's Standardized Measure Score [h]	Measure Weight [i]
Mortality	MORT-30-AMI	Acute Myocardial Infarction (AMI) 30-Day Mortality Rate	12.7%	Same	12.7%	0.01	-0.04	14.3%
Mortality	MORT-30-CABG	Coronary Artery Bypass Graft (CABG) 30-Day Mortality Rate	1.9%	Same	3.1%	0.008	1.47	14.3%
Mortality	MORT-30-COPD	Chronic Obstructive Pulmonary Disease (COPD) 30-Day Mortality Rate	9.2%	Same	8.5%	0.01	-0.65	14.3%
Mortality	MORT-30-HF	Heart Failure (HF) 30-Day Mortality Rate	10.5%	Same	11.5%	0.02	0.57	14.3%
Mortality	MORT-30-PN	Pneumonia (PN) 30-Day Mortality Rate	16.0%	Same	15.7%	0.02	-0.17	14.3%
Mortality	MORT-30-STK	Acute Ischemic Stroke (STK) 30-Day Mortality Rate	15.0%	Same	13.6%	0.02	-0.92	14.3%
Mortality	PSI-4-SURG-COMP	Death Rate Among Surgical Inpatients with Serious Treatable Complications	168.71	Same	164.38	19.83	-0.22	14.3%
<b>MORTALITY GROUP</b>		Measure Groups national Mean of Scores:	-0.0050			<b>Group Result:</b>	<b>0.01</b>	
		Measure Groups SD Across Hospitals	0.6500			<b>Standardized Group Score:</b>	<b>0.02</b>	<b>0.22</b>
						<b>Weighted Group Score</b>	<b>0.00429</b>	

Estimated 2022 Standardized Group Score -0.0363  
Improved from April 2021

# Actions to Improve

Measure Group	Strategy
Safety of Care	<ul style="list-style-type: none"><li>• Continue with heightened focus through Quality Focus Teams (Gemba rounds, EMR enhancements, culture of culturing)</li><li>• Continued use of Biovigil</li><li>• MRSA targeted decolonization</li></ul>
Readmissions & Mortality	<ul style="list-style-type: none"><li>• Best-Practice Teams: COPD, HF, NSTEMI and Pneumonia – focused on operationalizing best practices to reduce mortality and readmissions</li></ul>
Patient Experience	<ul style="list-style-type: none"><li>• Installation of communication white boards in patient rooms</li><li>• Scripting for providers when communicating with patients</li><li>• Leader rounding program</li></ul>
Timeliness & Effectiveness of Care	<ul style="list-style-type: none"><li>• Chartis/Throughput Committee work</li></ul>

# Distribution by Peer Group

## Distribution of Overall Star Ratings by Peer Group – April 2021

- Hospitals by peer group
  - 3-measure: 348 (10%)
  - 4-measure: 583 (17%)
  - 5-measure: 2,509 (73%)

Overall Star Rating	3-Measure groups # Hospitals (%)	4-Measure groups # Hospitals (%)	5-Measure groups # Hospitals (%)
★★★★★	35 (10.4%)	39 (7.1%)	381 (15.4%)
★★★★	93 (27.6%)	143 (25.86%)	752 (30.5%)
★★★	111 (32.9%)	194 (35.1%)	714 (29.0%)
★★	72 (21.4%)	144 (26.0%)	474 (19.2%)
★	26 (7.7%)	33 (6.0%)	145 (5.9%)

← Kaweah Health

# Questions?

## Live with passion.

Health is our passion. Excellence is our focus. Compassion is our promise.



# Reference Materials

# Measure Date Ranges Used in the April 2021 Star Ratings

The April 2021 Overall Star Ratings were calculated using the measure data from the October 2020 update on Care Compare on Medicare.gov to allow hospitals more time to preview results prior to publicly releasing Overall Star Ratings.

## Mortality

Measure	Dates
MORT-30-AMI	July 1, 2016 - June 30, 2019
MORT-30-CABG	July 1, 2016 - June 30, 2019
MORT-30-COPD	July 1, 2016 - June 30, 2019
MORT-30-HF	July 1, 2016 - June 30, 2019
MORT-30-PN	July 1, 2016 - June 30, 2019
MORT-30-STK	July 1, 2016 - June 30, 2019
PSI-4-SURG-COMP	July 1, 2017 - June 30, 2019

## Safety of Care

Measure	Dates
HAI-1	January 1, 2019 - December 31, 2019
HAI-2	January 1, 2019 - December 31, 2019
HAI-3	January 1, 2019 - December 31, 2019
HAI-4	January 1, 2019 - December 31, 2019
HAI-5	January 1, 2019 - December 31, 2019
HAI-6	January 1, 2019 - December 31, 2019
COMP-HIP-KNEE	April 1, 2016 - March 31, 2019
PSI-90-Safety	July 1, 2017 - June 30, 2019

## Readmission

Measure	Dates
READM-30-CABG	July 1, 2016 - June 30, 2019
READM-30-COPD	July 1, 2016 - June 30, 2019
READM-30-Hip-Knee	July 1, 2016 - June 30, 2019
READM-30-HOSP-WIDE	July 1, 2018 - June 30, 2019
EDAC-30-AMI	July 1, 2016 - June 30, 2019
EDAC-30-HF	July 1, 2016 - June 30, 2019
EDAC-30-PN	July 1, 2016 - June 30, 2019
OP-32	January 1, 2016 - December 31, 2018
OP-35 ADM	January 1, 2018 - December 31, 2018
OP-35 ED	January 1, 2018 - December 31, 2018
OP-36	January 1, 2018 - December 31, 2018

## Patient Experience

Measure	Dates
H-COMP-1	January 1, 2019 - December 31, 2019
H-COMP-2	January 1, 2019 - December 31, 2019
H-COMP-3	January 1, 2019 - December 31, 2019
H-COMP-5	January 1, 2019 - December 31, 2019
H-COMP-6	January 1, 2019 - December 31, 2019
H-COMP-7	January 1, 2019 - December 31, 2019
H-CLEAN-HSP / H-QUIET-HSP	January 1, 2019 - December 31, 2019
H-HSP-RATING / H-RECMND	January 1, 2019 - December 31, 2019

## Timely and Effective Care

Measure	Dates
ED-2b	January 1, 2019 - December 31, 2019
IMM-3	October 1, 2019 - March 31, 2020
OP-10	July 1, 2018 - June 30, 2019
OP-13	July 1, 2018 - June 30, 2019
OP-18b	January 1, 2019 - December 31, 2019
OP-2	January 1, 2019 - December 31, 2019
OP-22	January 1, 2018 - December 31, 2018
OP-23	January 1, 2019 - December 31, 2019
OP-29	January 1, 2018 - December 31, 2018
OP-30	January 1, 2018 - December 31, 2018
OP-33	January 1, 2018 - December 31, 2018
OP-3b	January 1, 2019 - December 31, 2019
OP-8	July 1, 2018 - June 30, 2019
PC-01	January 1, 2019 - December 31, 2019
SEP-1	January 1, 2019 - December 31, 2019

# Chart Elements Used in the April 2021 Star Ratings

Column Name	Description
Measure Group [a]	Contains the measure group to which the measure was assigned.
Measure ID [b]	Contains the measure ID displayed on Care Compare on Medicare.gov.
Measure Name [c]	Contains the full measure name.
Your Hospital's Measure Result [d]	Contains your hospital's score for the measure that was publicly reported on Care Compare on Medicare.gov.
Measure Performance Category [e]	Your hospital's measure performance category that was publicly reported Care Compare on Medicare.gov.
Measure's National Mean of Scores [f]	Contains the national mean score for each measure.
Measure's Standard Deviation Across Hospitals [g]	Contains the standard deviation for each measure.
Your Hospital's Standardized Measure Score [h]	Contains your hospital's standardized score for the measure.
Measure Weight [i]	Measures weights within the Measure Group.

[a] The measure group to which this measure is assigned. [b] ID associated with each measure and corresponds with the measure ID on Care Compare on Medicare.gov. [c] Measure name to describe each measure.

[d] Your hospital's measure result that was publicly reported in October 2020.

[e] Your hospital's measure performance category that was publicly reported in October 2020. The measure performance category is based on your hospital's measure results compared to the publicly reported national-level measure results.

[f] The national mean score for each measure based on the distribution of measure scores across all Overall Star Rating eligible hospitals.

[g] The standard deviation for each measure based on the distribution of hospital results. The standard deviation is the same for all hospitals across the nation.

[h] Your hospital's standardized measure score. The standardized measure score may have been flipped so that a higher score means a better score. Your hospital's standardized measure score is calculated using the following formula: (Column D [Your Hospital's Measure Result] - Column F [Measure's National Mean of Scores]) / Column G [Measure's Standard Deviation Across Hospitals]. Please note that the standardized measure score is multiplied by -1 for measures where a lower rate is better. See the Comprehensive Methodology Report v.4.0 posted on QualityNet for more information on how your hospital's standardized measure score is calculated.

[i] Measure weights are equally weighted across all measures reported by a hospital within a given measure group. 0% is used when hospital does not report measure. For measure groups where hospitals may not report all measures within a measure group, measure weights will be proportionally redistributed for measures reported within the group. The average of the standardized measure scores a hospital reports within a given measure group will be used to calculate the measure group scores. See the Comprehensive Methodology Report (v4.0) for further information.

# Kaweah Health Partnership – Unitek College

This presentation is a proposal to be considered by the Kaweah Health Board for the purposes of expanding RN educational opportunities in Tulare County.



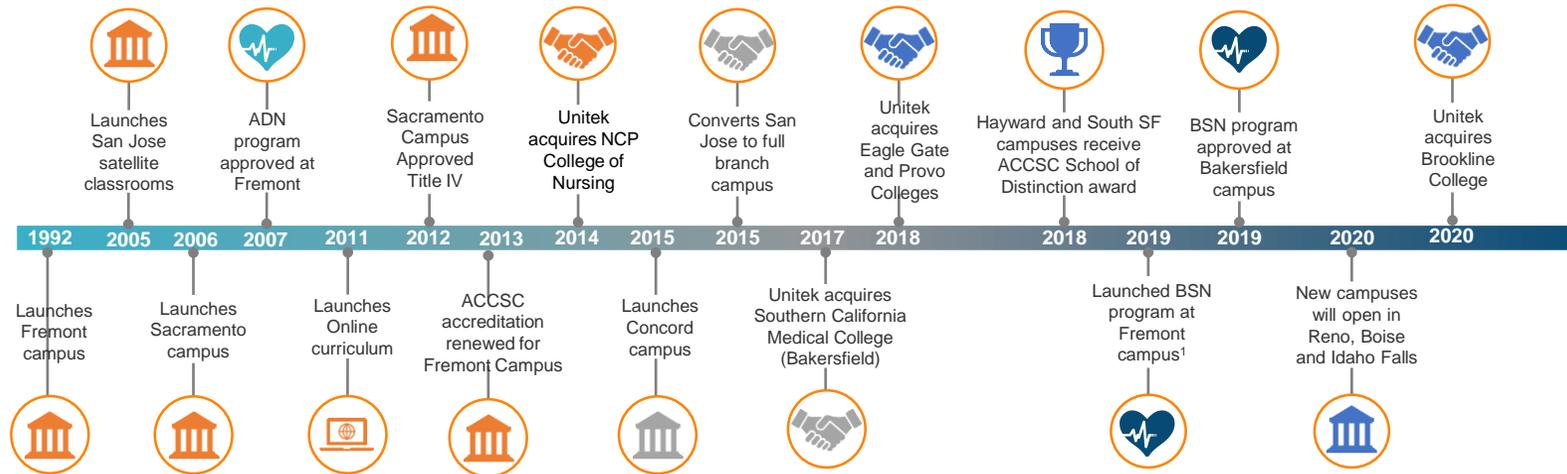
# Goals and Purpose

**To establish a community partnership to prepare safe and competent baccalaureate registered nurses to help address workforce shortages in our region**



# Unitek's Success Reflects a 27-Year History of Growth

Founded in 1992, Unitek Learning is the parent company for five distinguished learning institutions in the areas of healthcare, nursing, and emergency medical services.



## Formation and Early Growth

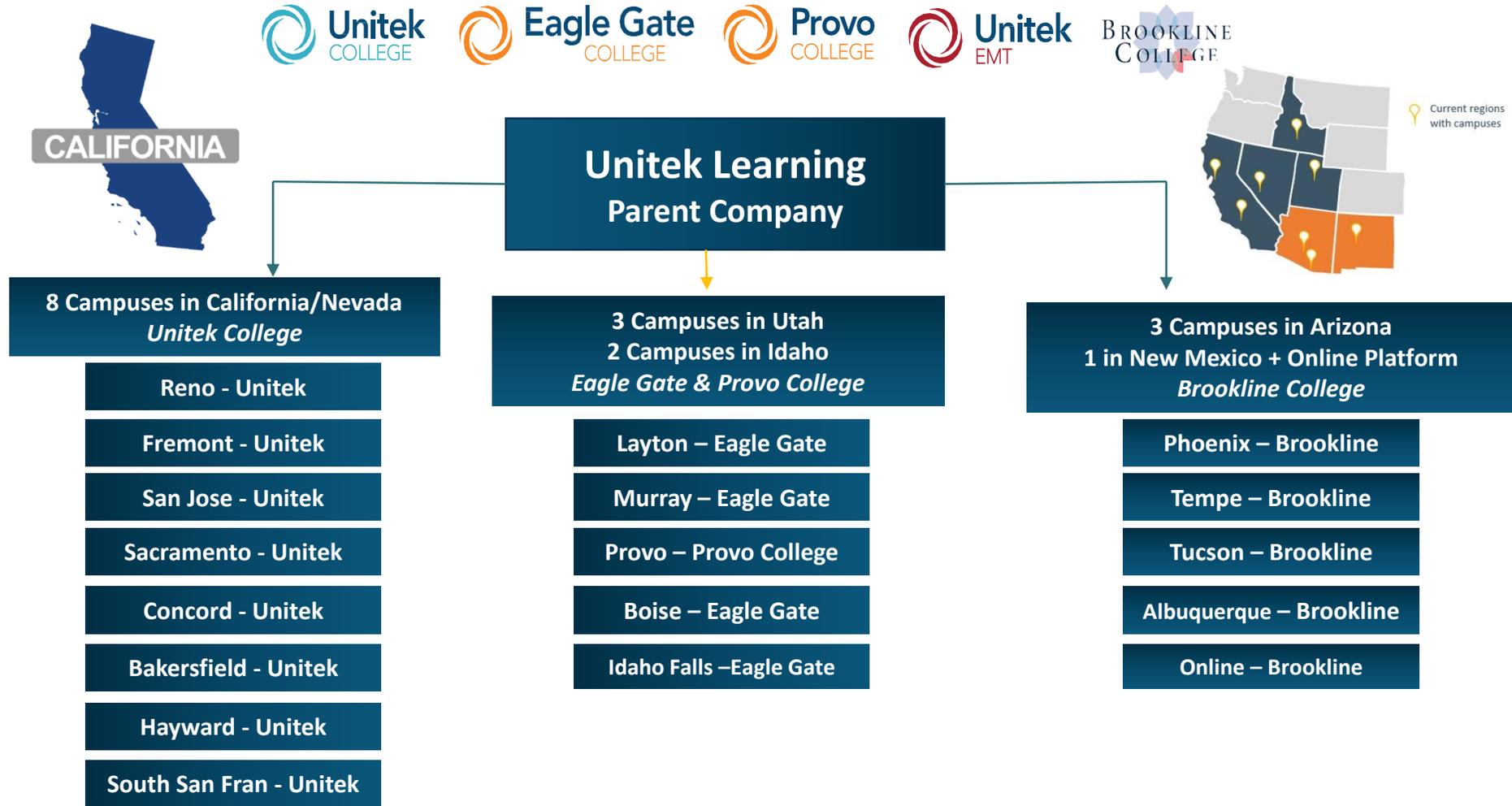
- Primary strategic focus on establishing accreditations and industry presence
- Established deep-rooted relationships with clinical partners and regulators to expand footprint within California to multiple campuses
- Continued investment in technology enabled launch of online program

## Accelerating Growth

- Established leadership in California enabled addition of three Utah campuses
- Academic program offerings expanded with launch of BSN at Fremont and Bakersfield campuses
- Unitek's best-in-class healthcare programs recognized with prestigious awards granted by the ACCSC (Accrediting Commission of Career Schools and Colleges)



# About Unitek Learning



# About Unitek Learning

## Accreditations



## Approvals



## Accolades



Watson Caring  
Science Institute

2020 SCHOOLS OF EXCELLENCE

2020 SCHOOLS OF DISTINCTION

## Outcomes



**NCLEX-RN**

**90.2%**

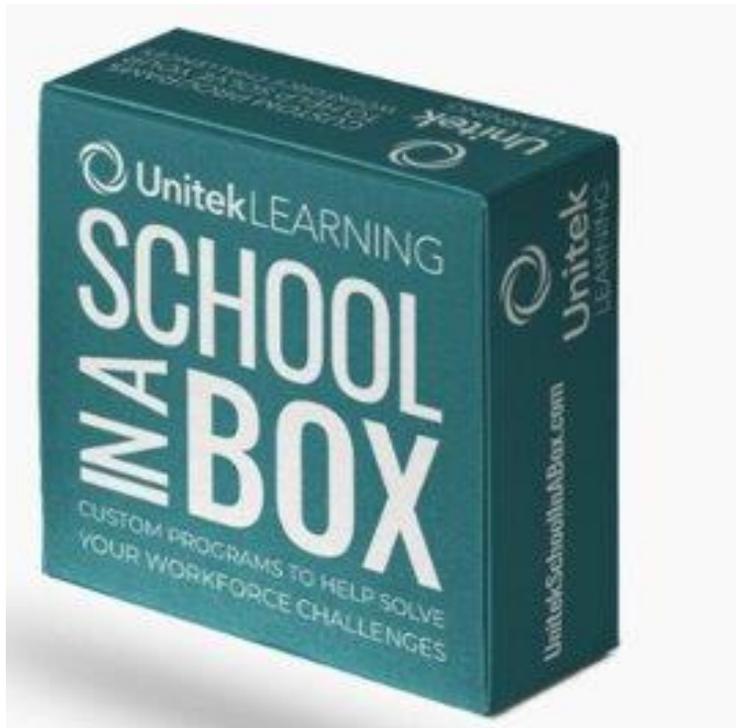
**NCLEX-PN**

**87.0%**



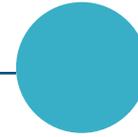
# School-in-a-Box

School-in-a-Box; expanding campus-based programs into the Hospital



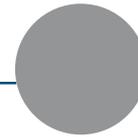
## Unitek College

Sponsoring college



## Bakersfield

Sponsoring campus. Campus based student will not attend school-in-a-box and school-in-a-box students will not attend campus face-to-face.



## School-in-a-Box (expanded use site)

The SIB location will **not be considered a separate facility / satellite / campus**; we simply send to ACCSC a copy of the SIB contract and Nursing Board approval for the **"expanded use facility"** (i.e. more than clinical instruction).

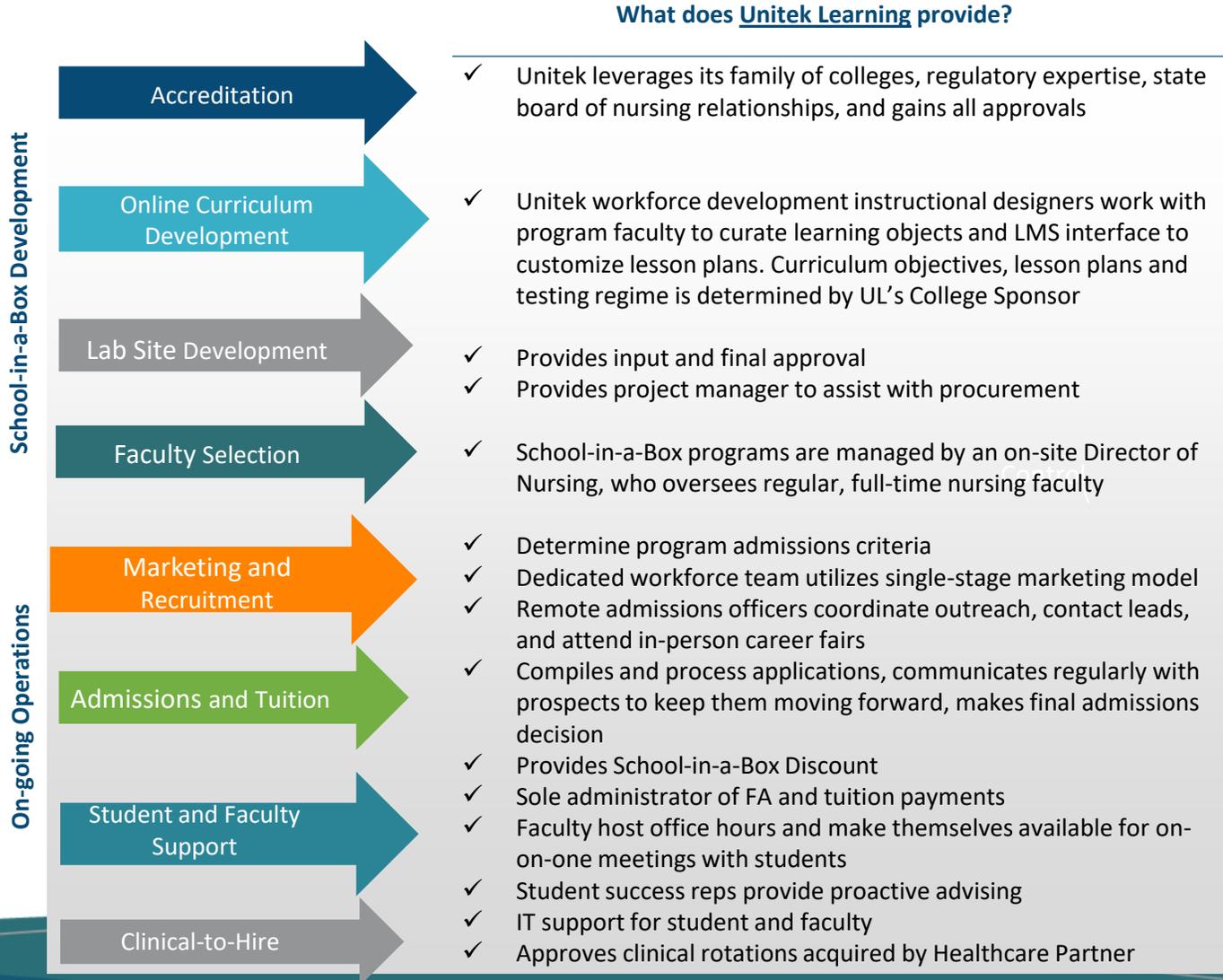


# BSN Unitek College

- **School-in-a-Box Assumptions**
  - Delivery of the BSN Program together
  - Didactic and Gen Eds – all online
  - Lab/Skills – at Kaweah Health
  - Clinical – at Kaweah Health
- **Population Summary**
  - Assuming regulatory approval, starting students in Fall 2022/Jan 2023
  - Starting 20 students 2 times per year (Advanced Placement – two year program for BSN; three year program for BSN full)



# School-in-a-Box; Anatomy of a Partnership



## What does Unitek Learning provide?

- ✓ Unitek leverages its family of colleges, regulatory expertise, state board of nursing relationships, and gains all approvals
- ✓ Unitek workforce development instructional designers work with program faculty to curate learning objects and LMS interface to customize lesson plans. Curriculum objectives, lesson plans and testing regime is determined by UL's College Sponsor
- ✓ Provides input and final approval
- ✓ Provides project manager to assist with procurement
- ✓ School-in-a-Box programs are managed by an on-site Director of Nursing, who oversees regular, full-time nursing faculty
- ✓ Determine program admissions criteria
- ✓ Dedicated workforce team utilizes single-stage marketing model
- ✓ Remote admissions officers coordinate outreach, contact leads, and attend in-person career fairs
- ✓ Compiles and process applications, communicates regularly with prospects to keep them moving forward, makes final admissions decision
- ✓ Provides School-in-a-Box Discount
- ✓ Sole administrator of FA and tuition payments
- ✓ Faculty host office hours and make themselves available for on-on-one meetings with students
- ✓ Student success reps provide proactive advising
- ✓ IT support for student and faculty
- ✓ Approves clinical rotations acquired by Healthcare Partner

## What is the Healthcare Partner responsible for?

- Healthcare Partner provides detailed supply and demand information, signs affiliation agreement, partnership agreement, hosts regulatory site visits and committee meetings supporting the School-in-a-Box initiative
- Healthcare Partner provides training and onboarding materials. Custom requests can be made during development
- Provides lab sites and manages procuring lab equipment in-line with curriculum needs
  - Consider grants
- Responsible for helping recruit candidates for didactic and clinical faculty as well as preceptors
- Approves co-branding of School-in-a-Box
- Review marketing campaigns and messaging
- Hosts and participates in open houses and career fairs
- Provides physical sq. ft. and digital space at site for marketing
- Provides employment agreement
- Provides School-in-a-Box Discount
  - Consideration; ROI, tax credit on tuition reimbursement, various state and local workforce scholarships and grants
- Provides a go-to recruiter available for one-on-one meetings and Unitek organized events
- Sources all clinical placements for School-in-a-Box students
- Collaborates on clinical schedule between their facility and Unitek

# A Sharing Economy Breakdown

## Unitek Learning

- Marketing
  - Direct and indirect lead gen
- Faculty
  - Site Director
  - General Education, Instructional Faculty
  - Nursing, Instructional Faculty
  - Sim Operator
- Direct Student Support
  - Admissions
  - Financial Aid Rep
  - Registrar
  - Student Workforce Integration Lead (career services)
  - Student Services Advisor
  - NCLEX Success Coach

## Kaweah Health

- Skills and Sim Space
- Clinical Rotations



# Regulatory Approvals

Milestones	Short Scenario	Long Scenario
Signed SIB Agreement Target	February 2022	April 2022
BRN Committee Meeting	April 21, 2022	June 23, 2022
Send ACCSC BSN App	April 2022	July 2022
BRN Full Approval	May 18-19, 2022	August 17-18, 2022
ACCSC Staff Level Approval	June 2022	September 2022
BPPE	June 2022	September 2022
USDOE	June 2022	September 2022
Start Marketing and Faculty Recruitment	July 2022	October 2022
Shortest Start Scenario	June 2022	October 2022
Longest Start Scenario	September 2022	January 2023



# Marketing Concepts

## Direct Lead Gen Examples

- Co-Branded Landing Page
- PPC
- Social/Display
- SEO
- Media/Association

**Get Started**  
Complete this form and our Admissions department will contact you shortly with more information.

FIRST NAME  LAST NAME

PHONE  ZIP CODE

EMAIL  STATE

Albuquerque

I have read and agree to Brookline's privacy policy and understand how my personal information may be collected and used. By submitting this form, I agree that Brookline College may call and/or text me about educational services at the phone number provided, including a wireless number, using automated technology. Please note, this consent is not required to attend our institution.

[Get Started >](#)

## Indirect Lead Gen Examples

- Digital board advertising in hospital
- Open Houses, lunch-and-learns, online transfer credit reviews
- Hospital-based - Installation for advertising the program:



# Tuition Pricing – Kaweah Health Contributions

Example: Cohort of 20 at BSN (AP two-year program) = tuition of \$59,316 with Unitek Discount. Kaweah Health contributes \$10,000 per year for two years = \$39,316. With books and supplies, cost to each student is \$48,559. Each student will be eligible for Kaweah Health Tuition Reimbursement of \$5,000 based on successful completion of classes, leaving each student with an out of pocket cost of \$38,559. Each student will be evaluated for grant opportunities and loans. Note: For the BSN Full, Kaweah Health Tuition Reimbursement is capped at \$10,000 over the three years.

## Tuition Pricing Summary - Kaweah-Delta

Employee	Catalog Tuition		\$ 93,150		\$ 127,250		Annual Fee		Program Total	
	Unitek Tuition Discount		Discounted Tuition Price		SIAB Fee per Student		Student Tuition with Books			
	BSN	BSN Full	BSN	BSN Full	BSN	BSN Full	BSN	BSN Full	BSN	BSN Full
Starts per Cohort										
15 - 19	26.7%	20.2%	\$ 68,316	\$ 101,493	\$ 14,500	\$ 14,500	\$ 48,559	\$ 68,010		
20 - 24	36.3%	30.9%	\$ 59,316	\$ 87,993	\$ 10,000	\$ 10,000	\$ 48,559	\$ 68,010		
25 or More	41.2%	36.2%	\$ 54,816	\$ 81,243	\$ 7,750	\$ 7,750	\$ 48,559	\$ 68,010		



# REPORT TO THE BOARD OF DIRECTORS

## Urology Service Line

Marc Mertz, Vice President & Chief Strategy Officer, 559.624.2511  
March 23, 2022

### Summary Issue/Service Considered

Tulare County is dramatically underserved by urologists. The most recent Provider Needs Assessment report completed by Sg2 Consulting in October 2020 showed that the County needed 11 additional physicians to reach the median number of required urologists based on the population. The impacts of this shortage include patients leaving the community for urology services, patients not getting access to urology services, and a limited amount of urological call coverage at Kaweah Health Medical Center. There are currently no ambulatory urology services available for patients with Medi-Cal coverage.

Kaweah Health currently has six urologists on the medical staff, but only one of them currently participates in our compensated on-call program. Two of the urologists on staff are USC faculty that live in Southern California and are on staff just so they can travel to Visalia to provide call coverage. In January we only had just 10 days of urology call coverage, with all coverage provided by Dr. Rosenberg (USC) and Dr. Patel (Kaweah Health Medical Group). In February we had 8 days covered, again by Dr. Rosenberg and Dr. Patel. Dr. Patel is leaving KHMG and Visalia in March, so our call coverage is expected to further decline. During the days without call coverage, we are forced to transfer any patients who need urology care to other hospitals. During the most recent 12 months, Kaweah Health transferred 71 patients who needed urology services. During those same 12 months, we declined 130 incoming urology transfers from other hospitals because we did not have a urologist available.

Kaweah Health has been very actively recruiting urology physicians as one of our top priority specialties for several years, but we have been unsuccessful. Efforts have included hiring recruitment firms, attending urology conferences, networking with known urologists, and working with Fresno urology groups. We offer above-average compensation and benefits to candidates. Urology is one of the most sought-after specialties across the United States, and competition is extremely high.

Management believes that our best opportunity to recruit and retain high-quality urologists is to partner with the University of Southern California and the Keck School of Medicine of USC Department of Urology. Led by Dr. Inderbir Gill, M.D., the department has more than 60 surgeons, oncologists, researchers, residents, and fellows. The program is ranked #9 in the nation by U.S. News & World Report.

### Quality/Performance Improvement Data

The goals of our partnership with USC Urology would include:

- To increase local access to general and specialized urology services for all residents of Tulare and Kings Counties, regardless of their insurance coverage
- Continue to support our current urologists, including Drs. Ford and Prah
- To recruit additional urologists to live and practice in our community
- To offer recruited urologists multiple practice options, including Kaweah Health Medical Group, the proposed Kaweah Health/USC program, or other practice settings

- Increase urology call coverage for the Medical Center so that patients can receive care locally.
- Dramatically reduce the number of transfers to other hospitals down to just the most complex cases that need a higher level of care.
- Increase our ability to accept urology transfers.
- To partner with an academic medical center to provide our physicians with the opportunity to participate in the training future physicians and providers
- Partner with an academic medical center to improve recruitment opportunities, including accessing urology residents and fellows that graduate from the academic medical center each year

## **Policy, Strategic or Tactical Issues**

The proposed affiliation with USC Urology include two separate but associated agreements:

### **Program Management and Subspecialty Services**

- Three-year agreement
- Allows for the establishment of the Kaweah Health/ USC Urology Program, a co-branded urological service
- USC works with Kaweah Health to promote and advertise the program services
- USC faculty physicians in a variety of urological subspecialties, including but not limited to robotic/laparoscopic cancer surgery, female pelvic urology, endourology, stone disease, male infertility, reconstructive surgery, and targeted and image-guided therapies, would come to Visalia once or twice per month (determined by demand) to provide clinic and surgical services
- Patient consultations and minor procedures will be performed in the Kaweah Health Specialty Clinic (formerly the Chronic Disease Management Center) and consultations will be provided in the rural health clinics
- USC would bill for all professional services (clinic and surgical) and retain the collections
- Kaweah Health would bill for and retain all facility fees for clinic and surgical services
- Annual payments to USC include a program fee of \$250,000; physician assistant salary cost of \$50,000; and associated travel costs

### **Full-time Urology Services**

- Three-year non-exclusive agreement
- USC would recruit (with Kaweah Health leadership and medical staff participation and approval) general urologists to live and practice medicine in Visalia. Physicians would be USC/Keck employees and Department of USC Urology faculty, with all of the associated benefits
- The number of physicians would increase over time as dictated by patient demand.
- Physicians would see patients in the Kaweah Health Specialty Clinic (cobranded as the Kaweah Health/USC Urology Program) and the rural health clinics
- Surgeries would be performed at Kaweah Health Medical Center
- Kaweah Health and USC would establish a clinical committee to retrospectively review any urology cases transferred out of Kaweah Health Medical Center to identify opportunities to expand/enhance our services
- USC physicians would participate in ED call (under a separate call agreement already in place)
- USC would also hire a physician assistant/ nurse practitioner (PA/NP) to support the program
- Kaweah Health would operate the clinic, including staffing, supplies, equipment, electronic health record, etc.
- USC would bill for all professional services (clinic and surgical) and retain the collections

- Kaweah Health would bill for and retain all facility fees for clinic and surgical services
- Kaweah Health would provide USC with an annual income guarantee amount per full-time urologist or PA/NP
- Kaweah Health would guarantee USC annual collections of \$652,348 per urologist and \$175,998 per PA/NP. These amounts cover salaries, benefits, malpractice, billing, and operating expenses. The guarantees would be offset by the professional revenues collected by USC for the services provided. Kaweah Health would be responsible for making up any shortfall.

The Finance department has prepared a five-year financial pro forma that estimates a break-even during year one and improving financial performance as the program grows.

## **Recommendations/Next Steps**

The language and terms of the two proposed urology agreements summarized above have been negotiated with USC by Marc Mertz and Ben Cripps, with the full involvement of outside counsel. The terms of the agreements and the financial pro forma have been reviewed by the Board's Finance, Property, Services, and Acquisitions Committee.

We recommend that the Board authorize management to negotiate the final terms of the agreements with USC, and to execute the agreements.

# CFO Financial Report

## March 16, 2022

**KaufmanHall**

FEBRUARY 2022

# National Hospital Flash Report

**Real Data. Real Insight. Real Time.**

*Based on January Data from More Than 900 Hospitals*

# Takeaways at a Glance

**1. Hospitals had an extremely difficult month under the apex of Omicron.**

Hospital margins, outpatient volumes, and revenues all dropped while expenses rose in January as Omicron COVID-19 cases and associated hospitalizations peaked mid-month.

**2. A pause in nonurgent procedures hit outpatient volumes and revenues.**

Outpatient volumes and revenues saw dramatic declines as providers and patients delayed nonurgent, outpatient care to stem the virus' spread and reserve hospital resources for those with more urgent needs.

**3. Hospitals saw more severe patients requiring longer hospital stays.**

Inpatient volumes and average lengths of stay both increased in January as hospitals saw greater numbers of patients infected with the most contagious COVID-19 variant to date.

**4. Expense pressures show no signs of subsiding.**

Nationwide labor shortages continue to drive up labor expenses while supply chain challenges are contributing to inflation of non-labor costs, exacerbating hospital operating pressures amid unstable pandemic volumes and revenues.

# Summary

## Key Observations

The first month of 2022 was devastating for hospitals and health systems nationwide as they were hit full force by the Omicron tidal wave. COVID-19 cases and hospitalizations peaked at record levels in January due to rapid spread of the highly contagious variant.

The 7-day moving average of new COVID-19 cases jumped 93% within a two-week period, from 417,524 on January 1 to an all-time high of 807,115 on January 15.<sup>1</sup> The rapid rise in cases drove a corresponding increase in COVID-related hospitalizations, with the 7-day moving average of new daily admissions climbing 54% over the same period, from 14,017 on January 1 to a peak of 21,622 on January 15.

Hospital margins declined dramatically as many providers temporarily halted nonurgent procedures, the numbers of inpatients requiring longer hospital stays rose, and expenses continued to climb due to widespread staffing and supply chain issues. The median Kaufman Hall Operating Margin Index for the month was -3.68%, without CARES. With the federal funding, it was -3.3%.

The numbers of new cases and hospitalizations receded the second half of the month, going down nearly as quickly as they had gone up. Consistent with past surges, hospital performance likely will stabilize somewhat in coming months as a result, but January's losses could have repercussions throughout 2022.

<sup>1</sup> CDC data as of Feb. 22, 2022.

## Margins

The sudden volume shifts and persistent expense increases pushed margins down in January. Not including federal CARES aid, the median change in Operating Margin dropped 71.3% from December to January. Year-over-year (YOY), the median change in Operating Margin was down 23.7% versus January 2021 and 73.3% compared to before the pandemic in January 2020, not including CARES.

The median change in Operating EBITDA Margin declined 52% month-over-month, 14.9% versus January 2021, and 52.7% versus January 2020. With CARES, the median change in Operating Margin declined 80.7% month-over-month and 23.8% YOY. The median change in Operating EBITDA Margin (with CARES) decreased 59.4% month-over-month and 19.6% YOY.

## Volumes

The Omicron surge drove a drop in outpatient care as many providers and patients delayed nonurgent procedures in efforts to mitigate spread of the virus and ease traffic to hospitals experiencing an influx of COVID-19 cases. Operating Room Minutes were down 15.7% from December to January and 20.4% compared to before the pandemic in January 2020.

Hospitals saw an increase in more severe patients requiring longer hospital stays. Patient Days rose 1.7% month-over-month and 2.1% YOY. The Average Length of Stay (LOS) jumped 8.6% from December to January, and was up 4.9% compared to January 2021 and 17.2% versus January 2020.

## Summary (continued)

Adjusted Discharges declined 10.4% month-over-month but were essentially flat YOY, rising just 0.3% compared to January 2021. Emergency Department (ED) Visits were down 1.4% compared to December but up 20.7% versus January of last year.

### Revenue

The delays in outpatient care led to corresponding declines in associated revenues. Outpatient (OP) Revenue dropped 7.5% from December to January, dragging Gross Operating Revenue (without CARES) down 4.7% month-over-month despite a 2.7% increase in Inpatient (IP) Revenue over the same period.

Compared to January 2021, however, Gross Operating Revenue (less CARES) was up 9.3%, IP Revenue increased 9%, and OP Revenue rose 9.4%. Looking back further to January 2020, Gross Operating Revenue rose 4.8% and IP Revenue increased 9.1%, but OP Revenue was down 1.6%.

### Expenses

Hospitals continued to be hit with escalating expenses as nationwide labor shortages cause mounting wage pressures and global supply chain issues coupled with inflation affect non-labor expenses. Total Expense per Adjusted Discharge jumped 11.6% from December to January, largely driven by a 14.6% month-over-month increase in Labor Expense per Adjusted Discharge. Non-Labor Expense per Adjusted Discharge rose 7.8% month-over-month.

Compared to January 2021, Total Expense per Adjusted Discharge was up 10.9%, Labor Expense per Adjusted Discharge increased 14.2%, and Non-Labor Expense per Adjusted Discharge was up 5.9%. The YOY labor expense increase came despite a decrease in staffing levels, with Full-Time Equivalents (FTEs) per Adjusted Occupied Bed (AOB) down 4.9%. These trends reflect the impacts of wage pressures as hospitals compete in a tight labor market.

The expense increases were most dramatic compared to pre-pandemic levels. Compared to January 2020, Total Expense per Adjusted Discharge was up 43.5%, Labor Expense per Adjusted Discharge increased 57%, and Non-Labor Expense per Adjusted Discharge was up 35.5%. Drug Expense per Adjusted Discharge had the highest increase over this period of any expense metric at 65.3%.

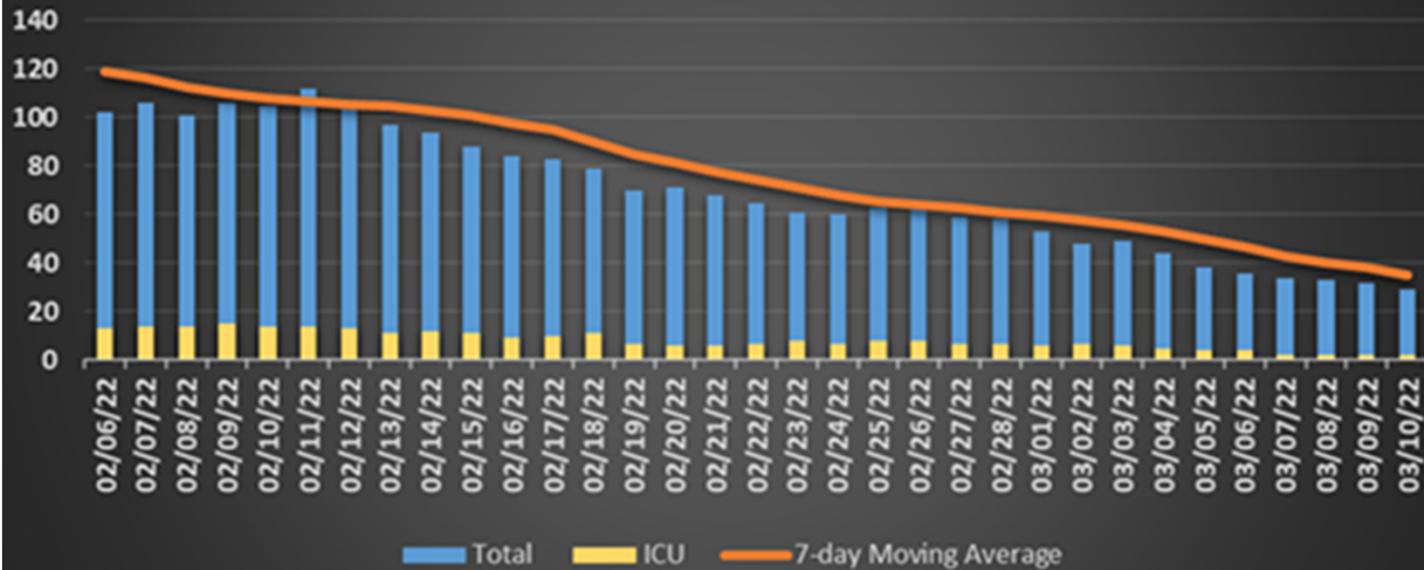
### Non-Operating

Inflation climbed to a 40-year peak in January, with the Consumer Price Index reading 7.5% YOY, its highest level since February 1982. The Federal Reserve is set to end asset purchases and begin rate hikes in March to counter inflation.

Recent Federal Open Market Committee (FOMC) minutes indicate a faster pace of balance sheet runoff compared to balance sheet reductions that occurred between 2017 and 2019. The FOMC also indicated a faster pace of interest rate increases compared to 2015.

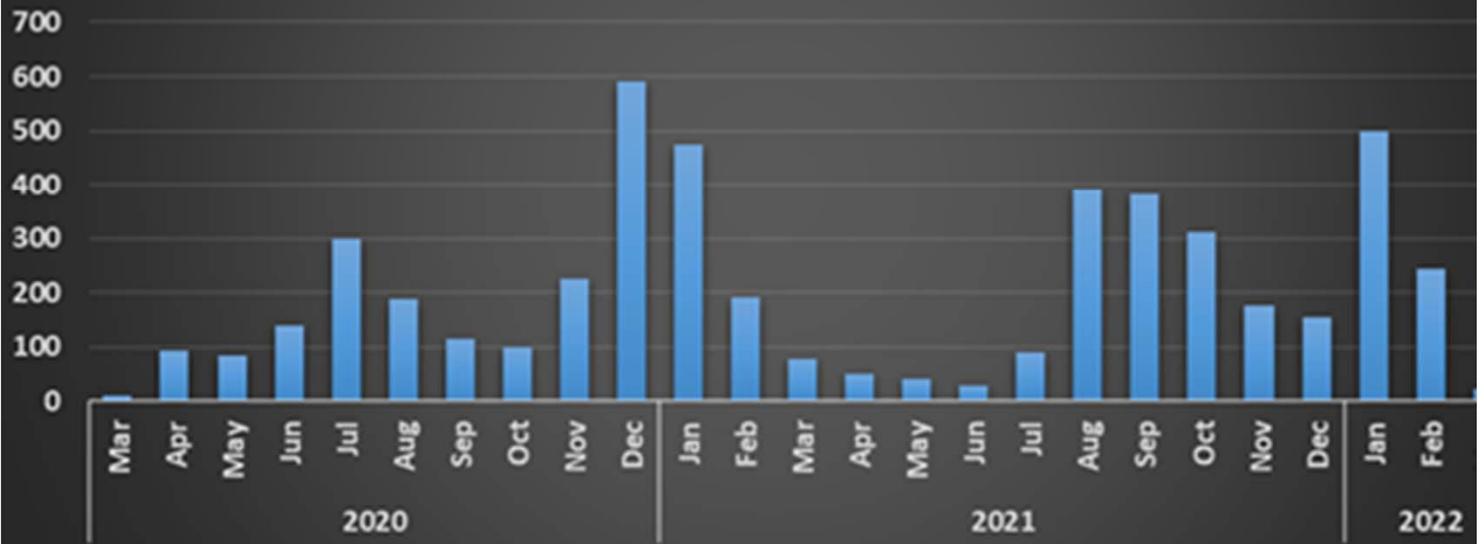
Non-farm payrolls added 467,000 jobs in January—well above the expected 125,000—as unemployment came in at 4% for the month.

## Kaweah Health COVID+ Inpatients



## COVID+ Inpatient Admissions by Month (entire pandemic)

COVID+ Admissions

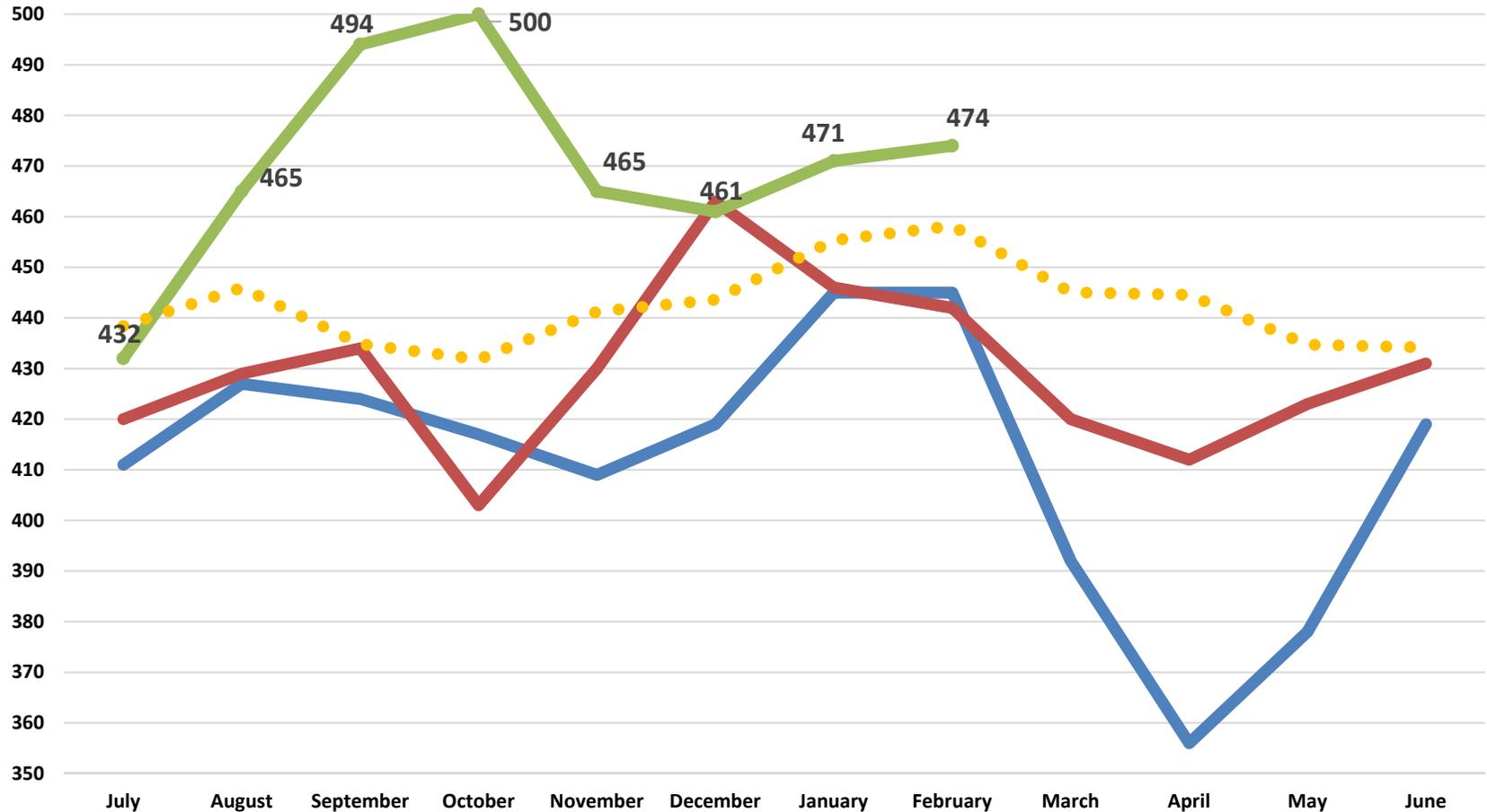


# COVID IMPACT (000's)

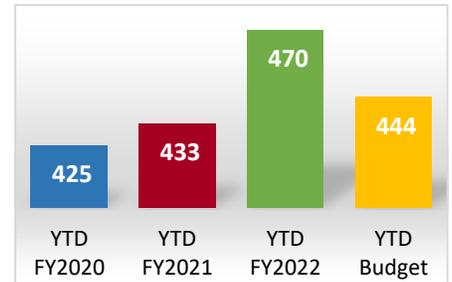
March 2020 - Feb  
2022

<b>Operating Revenue</b>	
Net Patient Service Revenue	\$1,175,361
Supplemental Gov't Programs	125,753
Prime Program	26,641
Premium Revenue	118,777
Management Services Revenue	69,539
Other Revenue	44,926
Other Operating Revenue	385,635
<b>Total Operating Revenue</b>	<b>1,560,993</b>
<b>Operating Expenses</b>	
Salaries & Wages	661,453
Contract Labor	31,769
Employee Benefits	111,654
<b>Total Employment Expenses</b>	<b>804,876</b>
Medical & Other Supplies	260,107
Physician Fees	200,140
Purchased Services	37,914
Repairs & Maintenance	53,914
Utilities	15,155
Rents & Leases	12,345
Depreciation & Amortization	63,496
Interest Expense	13,562
Other Expense	41,002
Humana Cap Plan Expenses	67,616
Management Services Expense	68,586
<b>Total Other Expenses</b>	<b>833,834</b>
Total Operating Expenses	1,638,711
<b>Operating Margin</b>	<b>(\$77,718)</b>
Stimulus Funds	\$54,637
<b>Operating Margin after Stimulus</b>	<b>(\$23,081)</b>
Nonoperating Revenue (Loss)	20,323
<b>Excess Margin</b>	<b>(\$2,758)</b>

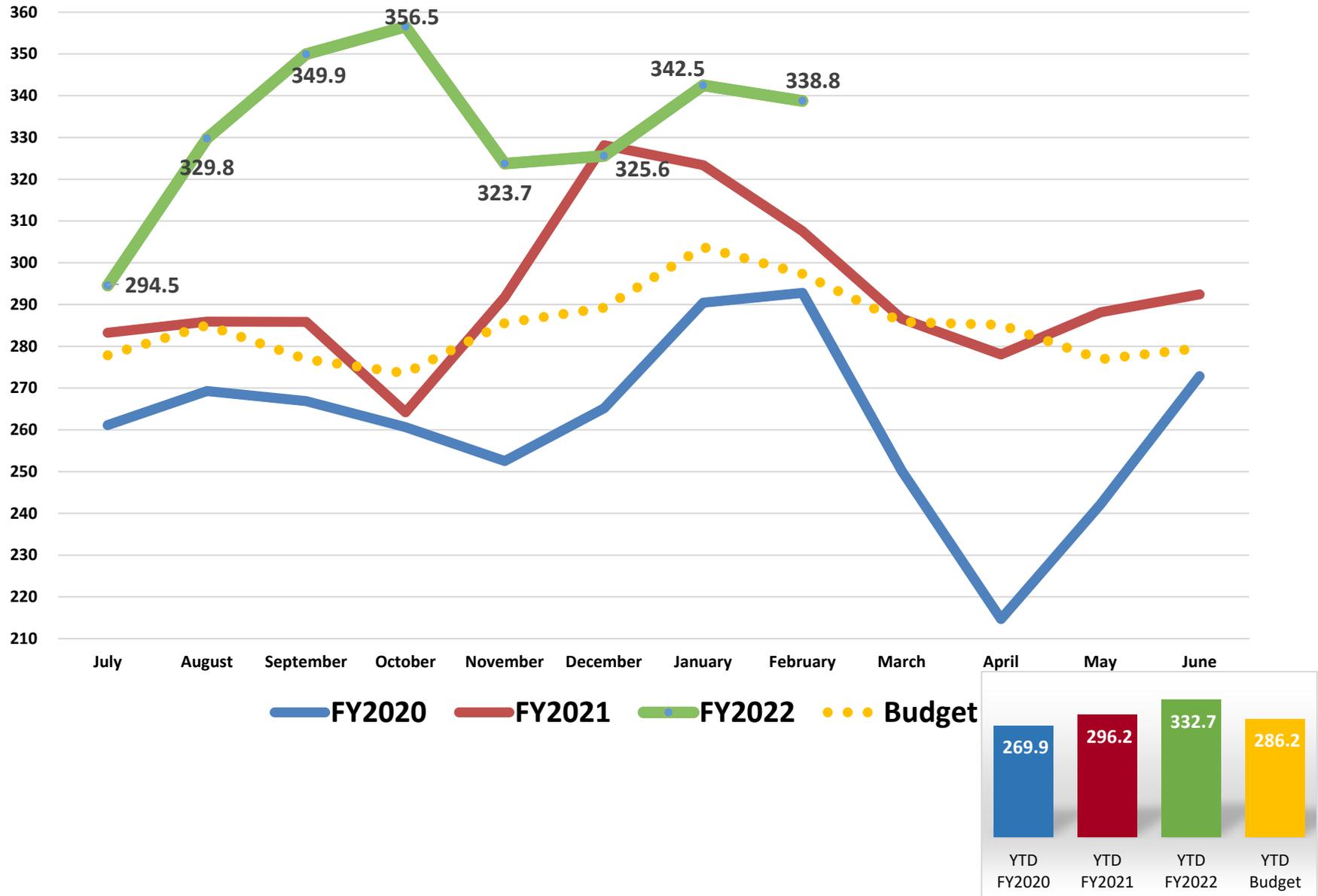
# Average Daily Census



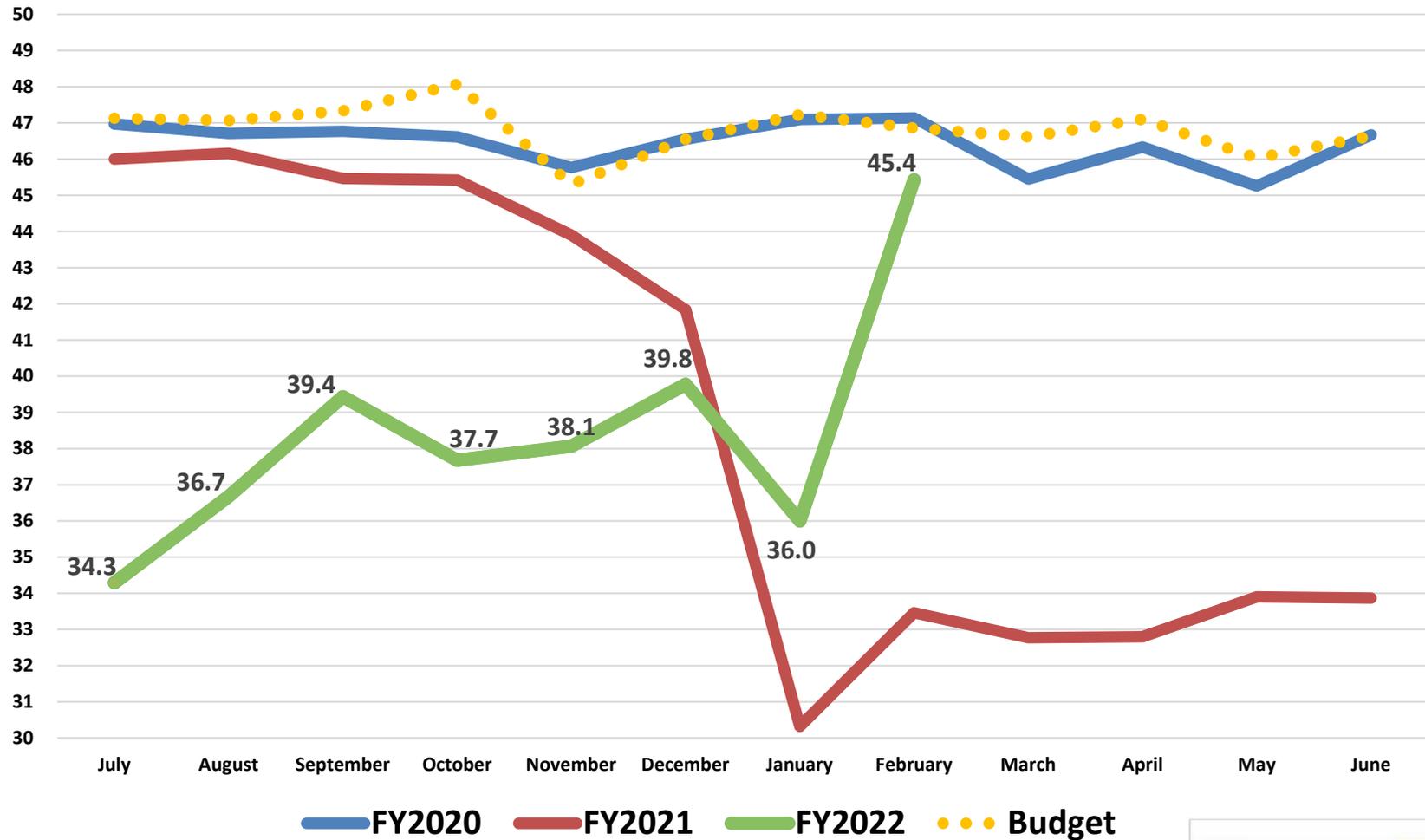
—●— FY2020   
 —●— FY2021   
 —●— FY2022   
 ●●● Budget



# Medical Center – Average Daily Census

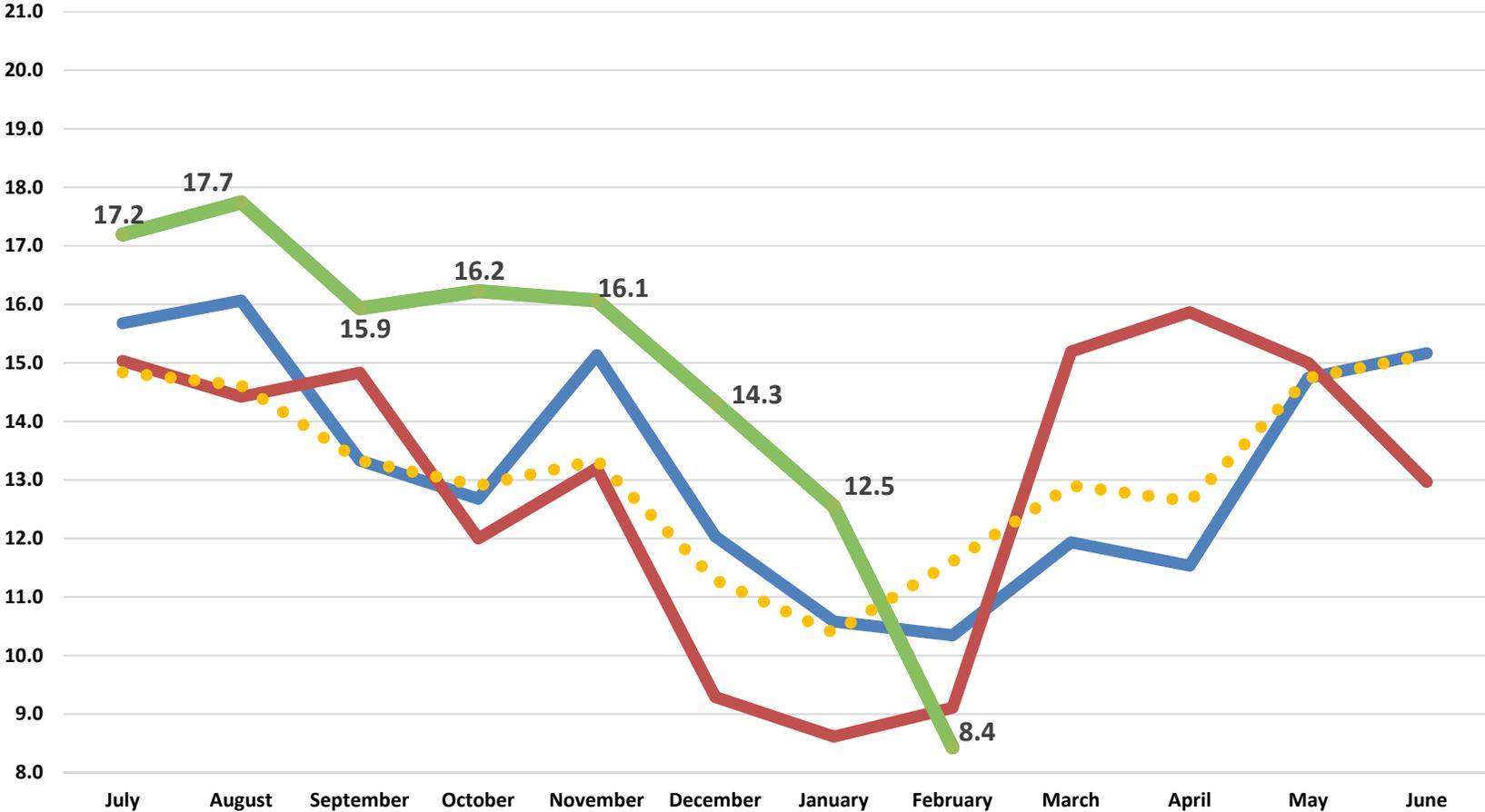


# Acute I/P Psych - Avg. Patients Per Day



46.7	41.6	38.4	46.9
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

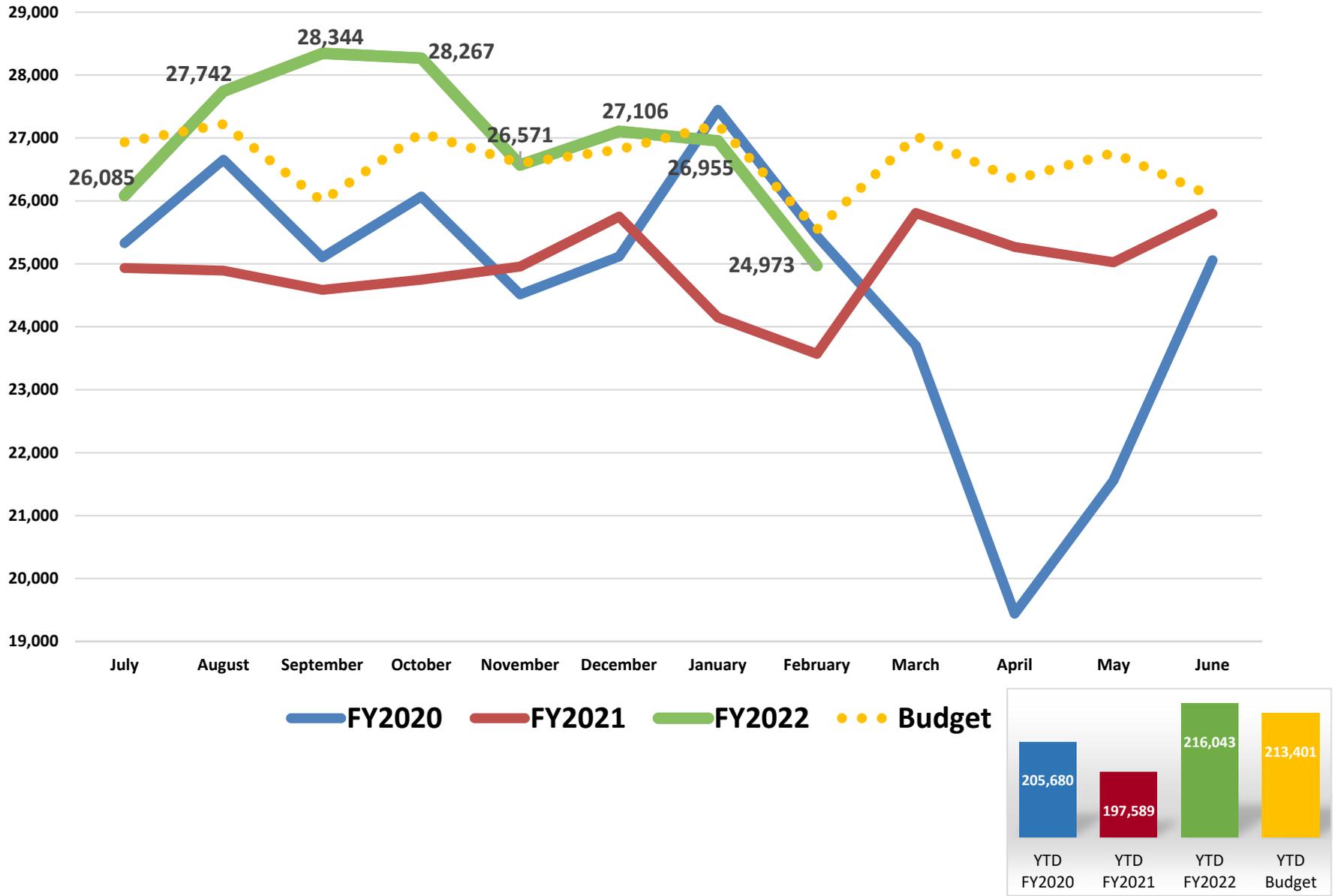
# NICU - Avg. Patients Per Day



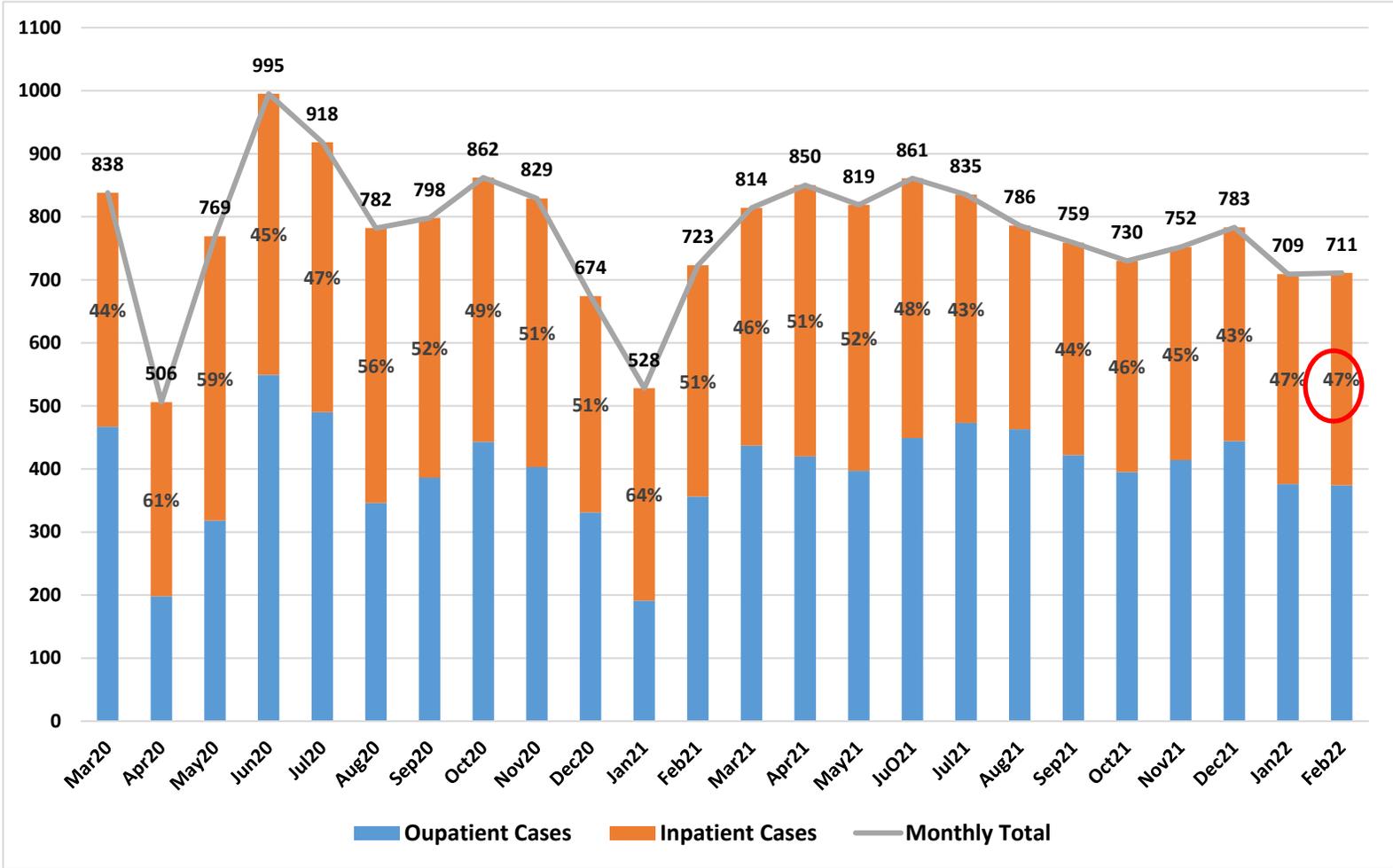
— **FY2020**   
 — **FY2021**   
 — **FY2022**   
 ●●● **Budget**



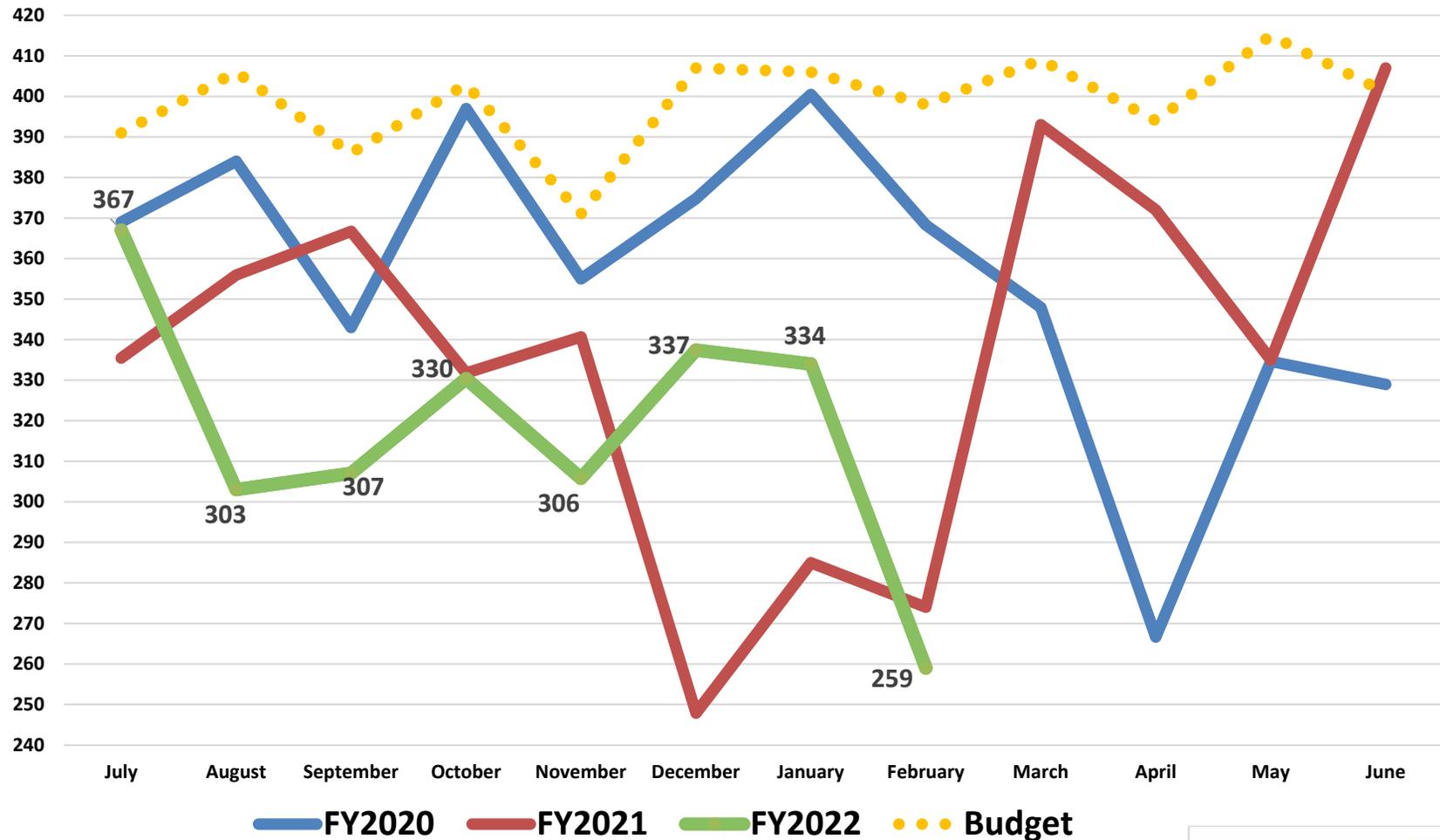
# Adjusted Patient Days



# Surgery Volume

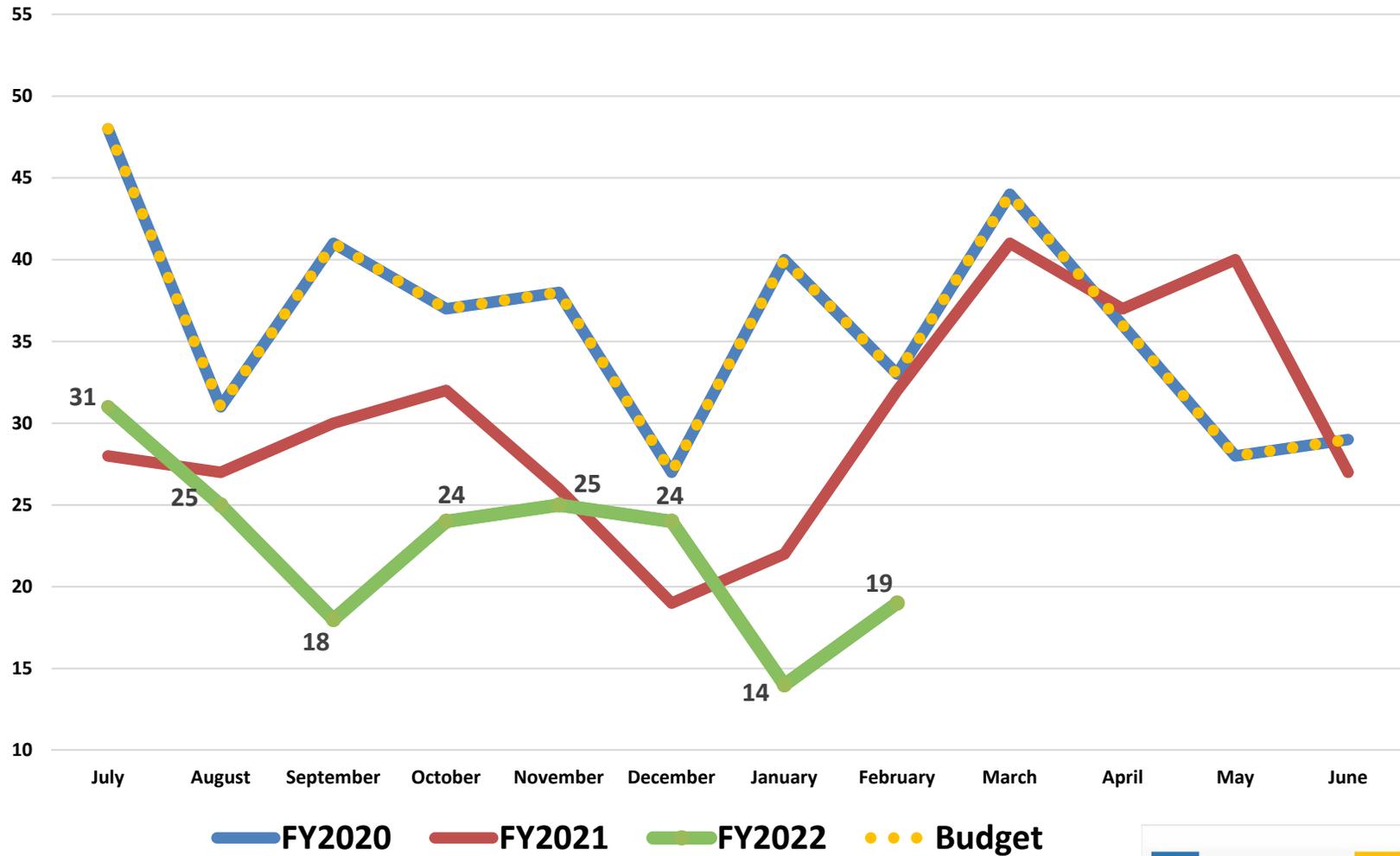


# Cath Lab (IP & OP) – 100 Min Units

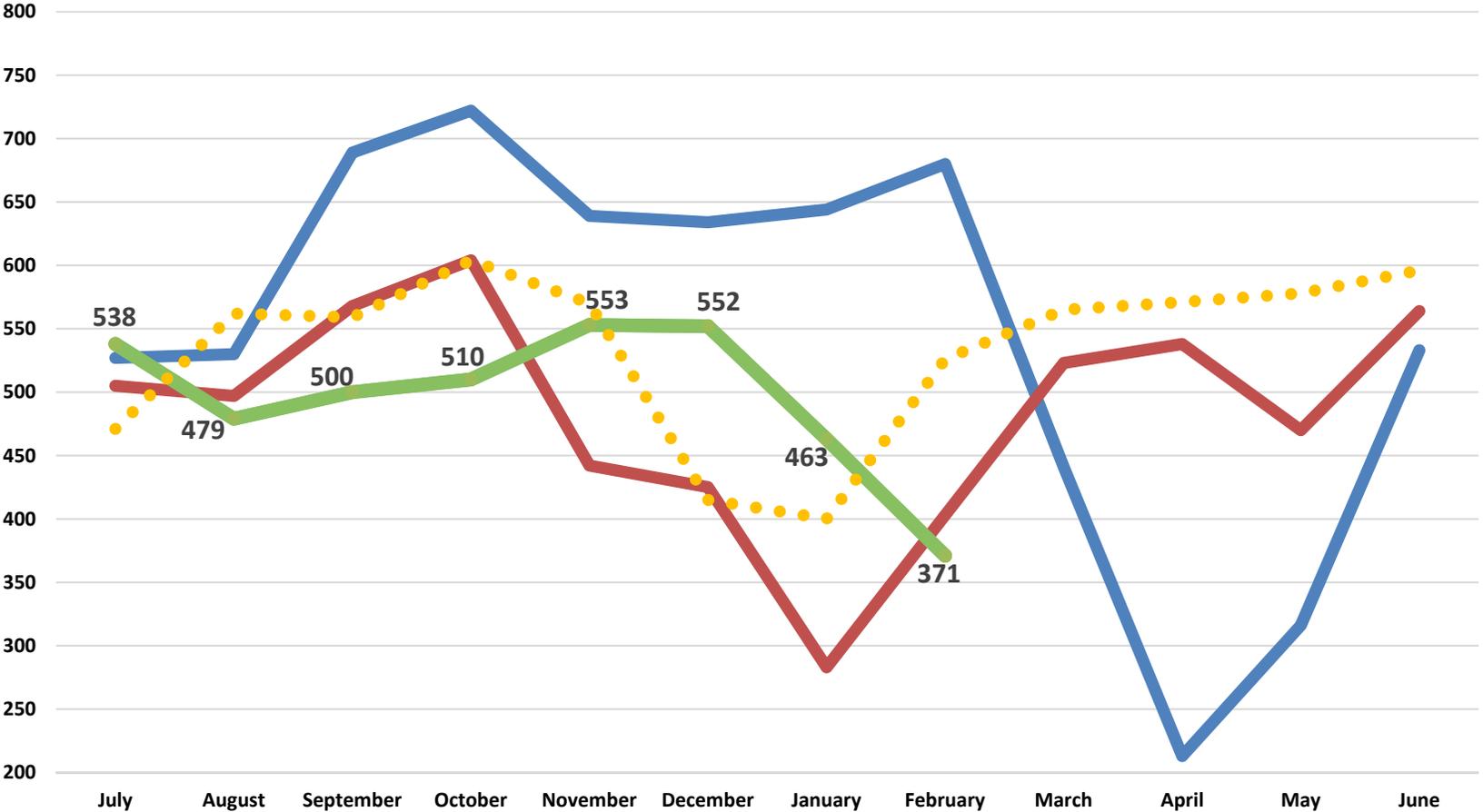


2,992	2,537	2,544	3,168
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Cardiac Surgery – Cases



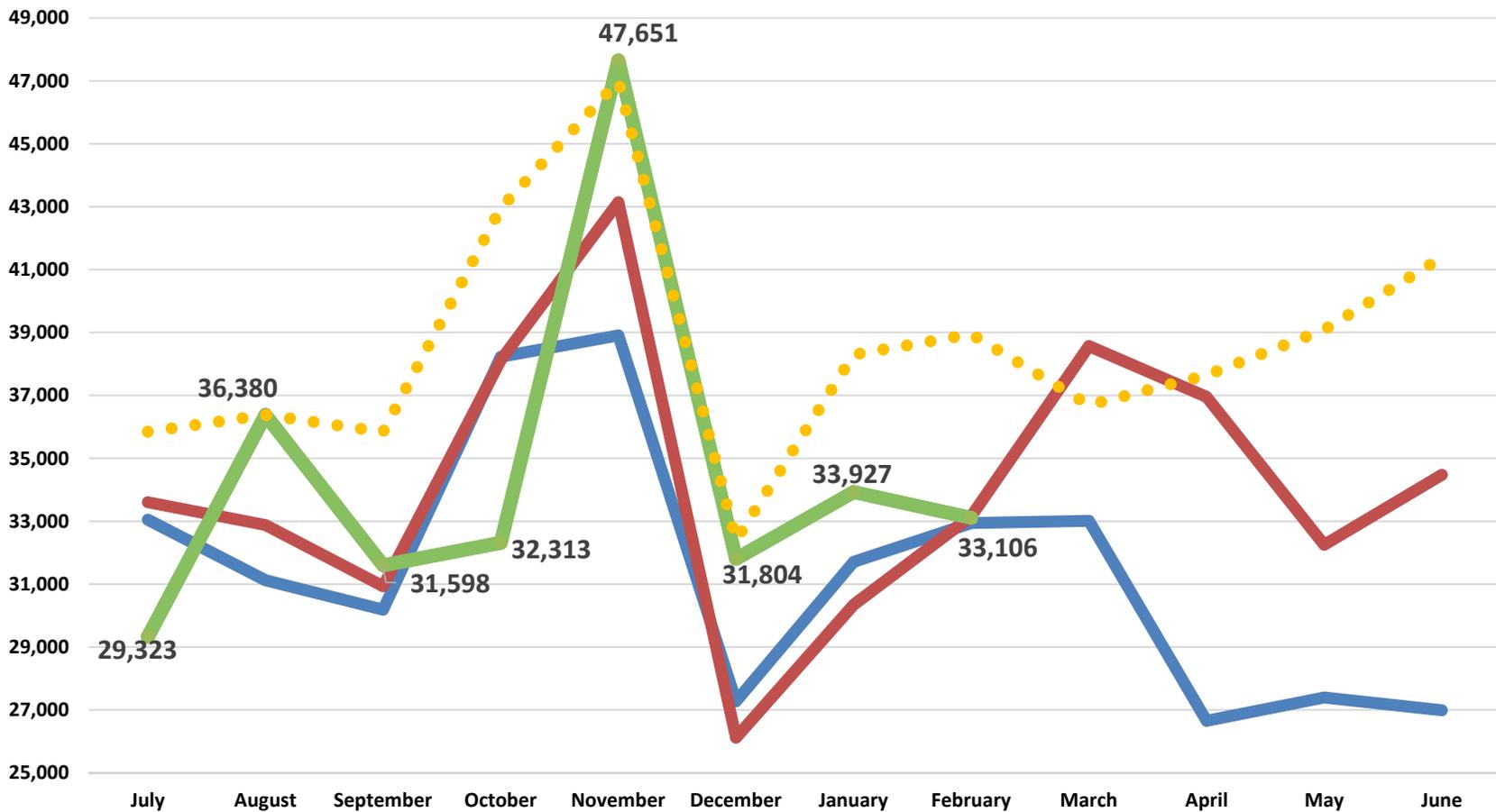
# Endoscopy Procedures



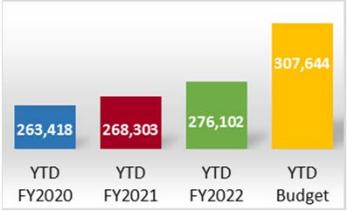
— FY2020   
 — FY2021   
 — FY2022   
 ●●● Budget



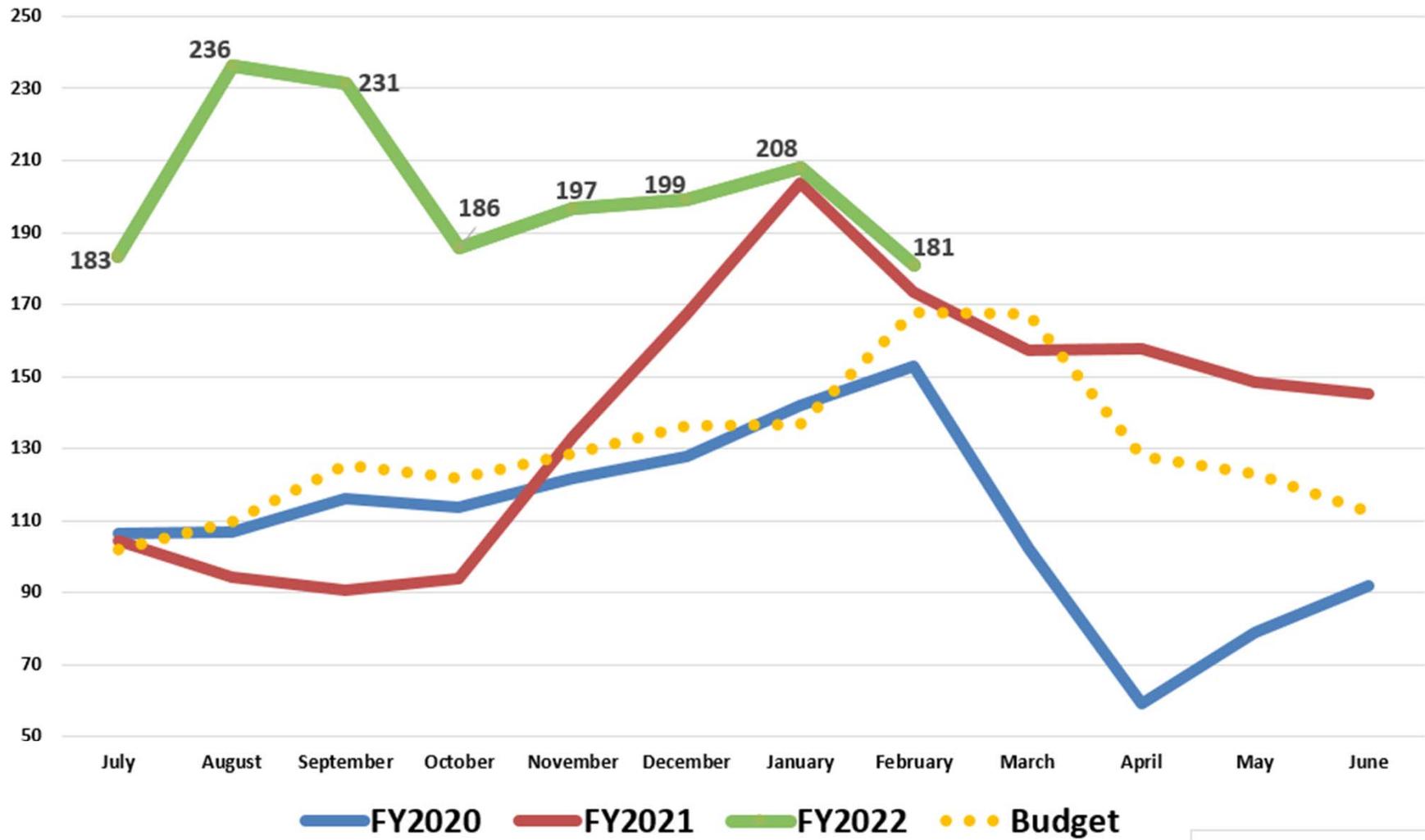
# KHMG RVU's



— **FY2020**   
 — **FY2021**   
 — **FY2022**   
 ●●● **Budget**

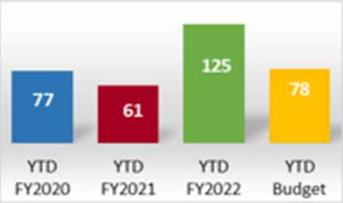
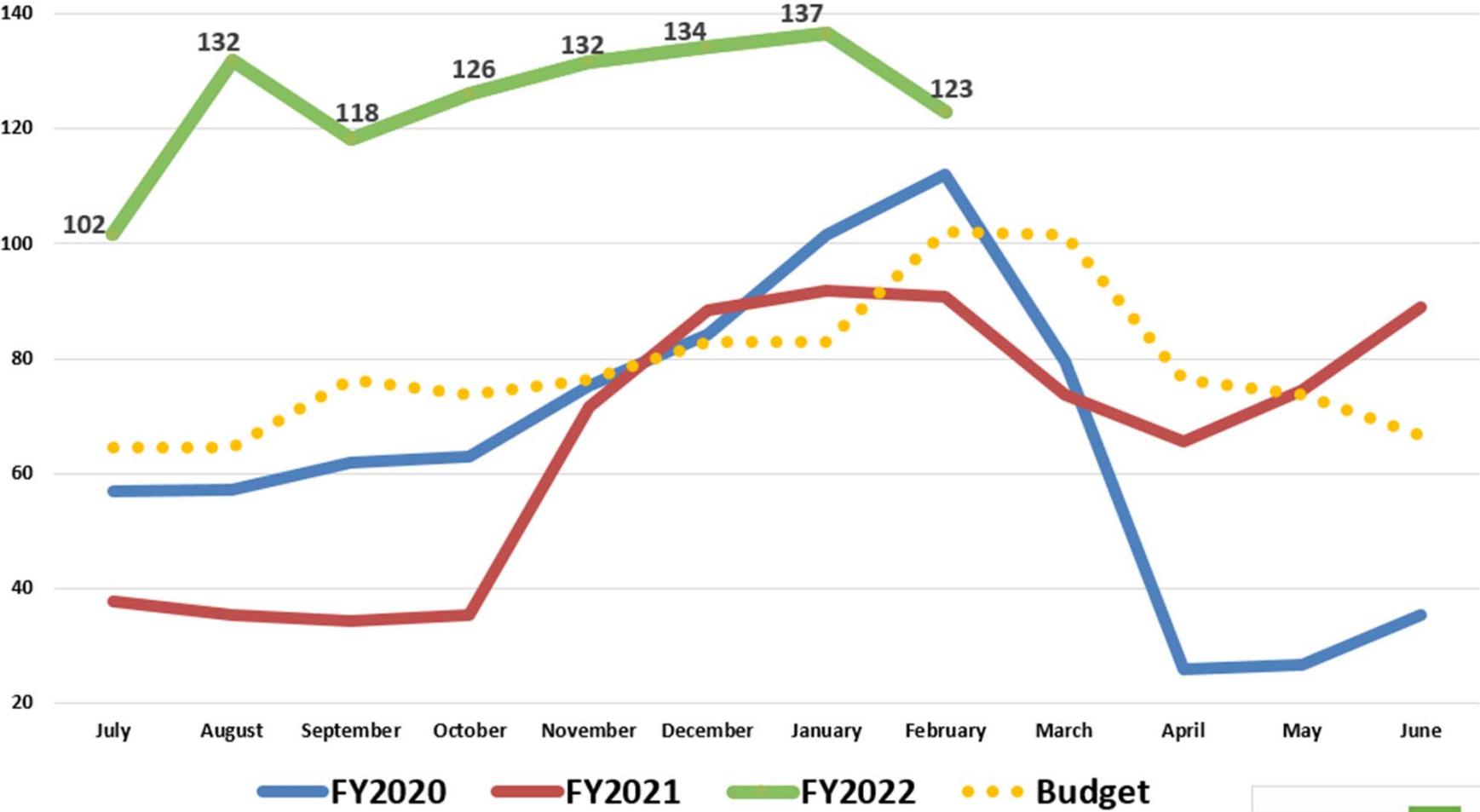


# Urgent Care – Court Average Visits Per Day

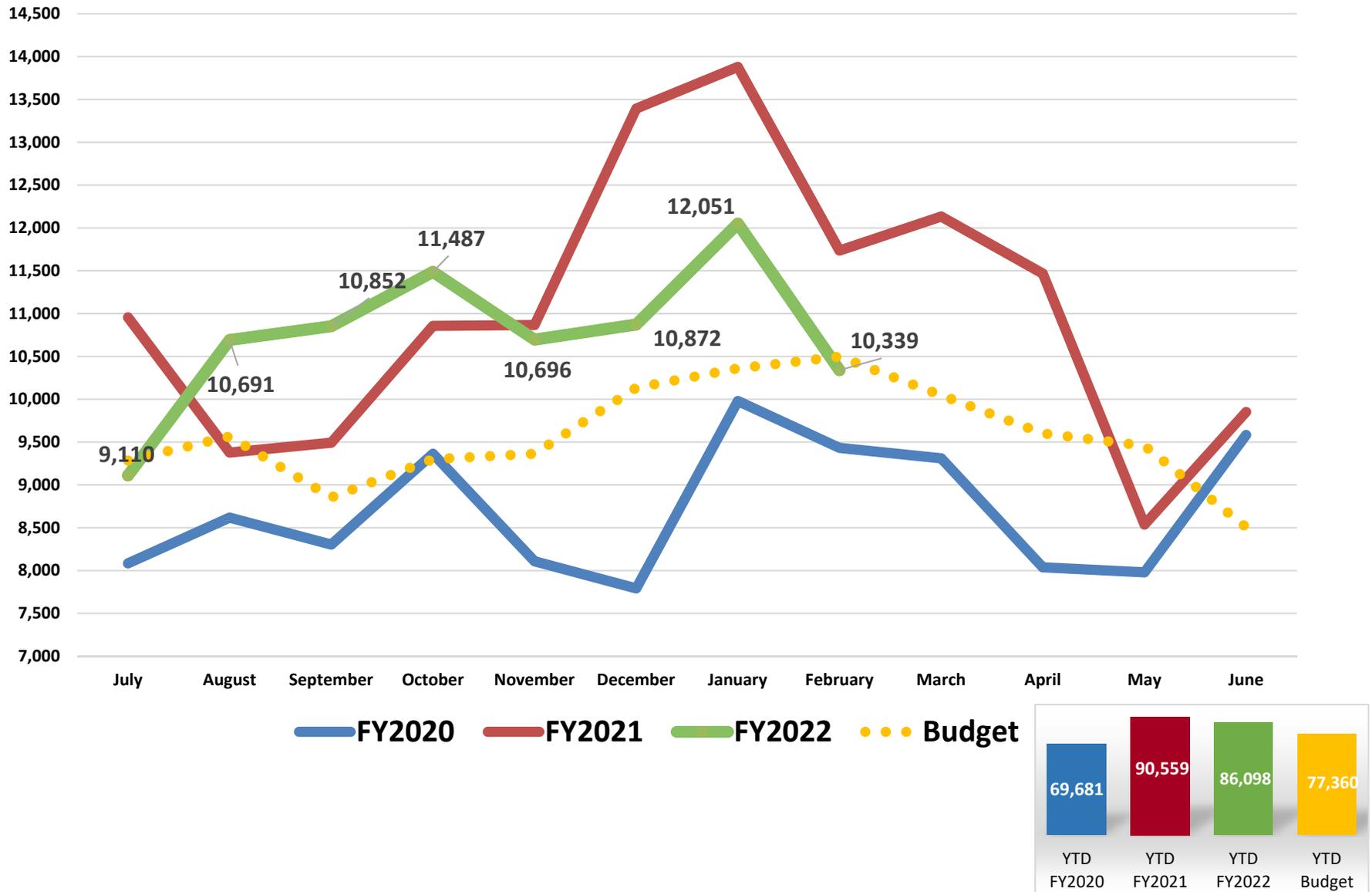


123	133	203	129
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Urgent Care – Demaree Average Visits Per Day



# Rural Health Clinic Registrations



## Statistical Results – Fiscal Year Comparison (Feb)

	Actual Results			Budget	Budget Variance	
	Feb 2021	Feb 2022	% Change	Feb 2022	Change	% Change
<b>Average Daily Census</b>	<b>442</b>	<b>474</b>	<b>7.1%</b>	<b>458</b>	<b>16</b>	<b>3.4%</b>
<b>KDHCD Patient Days:</b>						
Medical Center	8,612	9,485	10.1%	8,326	1,159	13.9%
Acute I/P Psych	937	1,272	35.8%	1,312	(40)	(3.0%)
Sub-Acute	865	719	(16.9%)	866	(147)	(17.0%)
Rehab	465	421	(9.5%)	542	(121)	(22.3%)
TCS-Ortho	434	306	(29.5%)	428	(122)	(28.5%)
TCS	411	409	(0.5%)	526	(117)	(22.2%)
NICU	255	236	(7.5%)	325	(89)	(27.4%)
Nursery	409	415	1.5%	504	(89)	(17.7%)
<b>Total KDHCD Patient Days</b>	<b>12,388</b>	<b>13,263</b>	<b>7.1%</b>	<b>12,829</b>	<b>434</b>	<b>3.4%</b>
<b>Total Outpatient Volume</b>	<b>41,944</b>	<b>45,108</b>	<b>7.5%</b>	<b>43,045</b>	<b>2,063</b>	<b>4.8%</b>

## Statistical Results – Fiscal Year Comparison (Jul-Feb)

	Actual Results			Budget	Budget Variance	
	FYTD 2021	FYTD 2022	% Change	FYTD 2022	Change	% Change
<b>Average Daily Census</b>	<b>434</b>	<b>470</b>	<b>8.4%</b>	<b>444</b>	<b>27</b>	<b>6.1%</b>
<b>KDHCD Patient Days:</b>						
Medical Center	71,969	80,811	12.3%	69,511	11,300	16.3%
Acute I/P Psych	10,120	9,314	(8.0%)	11,408	(2,094)	(18.4%)
Sub-Acute	7,332	6,687	(8.8%)	7,477	(790)	(10.6%)
Rehab	3,220	3,856	19.8%	4,451	(595)	(13.4%)
TCS-Ortho	2,974	2,744	(7.7%)	3,292	(548)	(16.6%)
TCS	3,238	3,176	(1.9%)	4,082	(906)	(22.2%)
NICU	2,936	3,615	23.1%	3,110	505	16.2%
Nursery	3,702	4,108	11.0%	4,449	(341)	(7.7%)
<b>Total KDHCD Patient Days</b>	<b>105,491</b>	<b>114,311</b>	<b>8.4%</b>	<b>107,780</b>	<b>6,531</b>	<b>6.1%</b>
<b>Total Outpatient Volume</b>	<b>342,570</b>	<b>389,085</b>	<b>13.6%</b>	<b>373,567</b>	<b>15,518</b>	<b>4.2%</b>

# Other Statistical Results – Fiscal Year Comparison (Feb)

	Actual Results				Budget	Budget Variance	
	Feb 2021	Feb 2022	Change	% Change	Feb 2022	Change	% Change
<b>Adjusted Patient Days</b>	<b>23,578</b>	<b>24,973</b>	<b>1,395</b>	<b>5.9%</b>	<b>25,538</b>	<b>(565)</b>	<b>(2.2%)</b>
<b>Outpatient Visits</b>	<b>41,944</b>	<b>45,108</b>	<b>3,164</b>	<b>7.5%</b>	<b>43,045</b>	<b>2,063</b>	<b>4.8%</b>
Urgent Care - Demaree	2,541	3,445	904	35.6%	2,860	585	20.5%
Radiation Oncology Treatments (I/P & O/P)	1,489	1,799	310	20.8%	2,130	(331)	(15.5%)
ED Total Registered	5,234	5,838	604	11.5%	6,861	(1,023)	(14.9%)
Dialysis Treatments	1,401	1,543	142	10.1%	1,750	(207)	(11.8%)
Radiology/CT/US/MRI Proc (I/P & O/P)	13,900	14,762	862	6.2%	14,537	225	1.5%
Surgery Minutes-General & Robotic (I/P & O/P)	881	926	45	5.1%	1,371	(445)	(32.5%)
Urgent Care - Court	4,854	5,066	212	4.4%	4,696	370	7.9%
Hospice Days	3,812	3,968	156	4.1%	3,817	151	4.0%
KHMG RVU	33,162	33,106	(56)	(0.2%)	38,948	(5,842)	(15.0%)
O/P Rehab Units	18,030	17,634	(396)	(2.2%)	18,074	(440)	(2.4%)
OB Deliveries	315	307	(8)	(2.5%)	341	(34)	(10.0%)
Infusion Center	351	338	(13)	(3.7%)	426	(88)	(20.7%)
Cath Lab Minutes (IP & OP)	274	259	(15)	(5.5%)	398	(139)	(34.9%)
Endoscopy Procedures (I/P & O/P)	403	371	(32)	(7.9%)	526	(155)	(29.5%)
Physical & Other Therapy Units	17,346	15,862	(1,484)	(8.6%)	17,476	(1,614)	(9.2%)
Home Health Visits	2,808	2,539	(269)	(9.6%)	2,815	(276)	(9.8%)
GME Clinic visits	1,068	945	(123)	(11.5%)	1,175	(230)	(19.6%)
RHC Registrations	11,736	10,339	(1,397)	(11.9%)	10,497	(158)	(1.5%)

# Other Statistical Results – Fiscal Year Comparison (Jul-Feb)

	Actual Results				Budget	Budget Variance	
	FY 2021	FY 2022	Change	% Change	FY 2022	Change	% Change
<b>Adjusted Patient Days</b>	<b>197,967</b>	<b>216,043</b>	<b>18,076</b>	<b>9.1%</b>	<b>213,367</b>	<b>2,676</b>	<b>1.3%</b>
<b>Outpatient Visits</b>	<b>342,570</b>	<b>389,085</b>	<b>46,515</b>	<b>13.6%</b>	<b>373,567</b>	<b>15,518</b>	<b>4.2%</b>
Urgent Care - Demaree	14,676	30,488	15,812	<b>107.7%</b>	18,876	11,612	<b>61.5%</b>
Urgent Care - Court	32,160	49,296	17,136	<b>53.3%</b>	31,117	18,179	<b>58.4%</b>
Infusion Center	2,528	3,185	657	<b>26.0%</b>	3,219	(34)	<b>(1.1%)</b>
ED Total Registered	47,693	53,423	5,730	<b>12.0%</b>	56,332	(2,909)	<b>(5.2%)</b>
Radiology/CT/US/MRI Proc (I/P & O/P)	118,298	130,448	12,150	<b>10.3%</b>	121,656	8,792	<b>7.2%</b>
OB Deliveries	2,862	3,116	254	<b>8.9%</b>	3,092	24	<b>0.8%</b>
Endoscopy Procedures (I/P & O/P)	3,727	3,966	239	<b>6.4%</b>	4,107	(141)	<b>(3.4%)</b>
KHMG RVU	268,302	276,099	7,797	<b>2.9%</b>	307,644	(31,545)	<b>(10.3%)</b>
O/P Rehab Units	149,266	153,460	4,194	<b>2.8%</b>	152,898	562	<b>0.4%</b>
Physical & Other Therapy Units	135,964	138,385	2,421	<b>1.8%</b>	150,611	(12,226)	<b>(8.1%)</b>
Cath Lab Minutes (IP & OP)	2,537	2,544	7	<b>0.3%</b>	3,168	(624)	<b>(19.7%)</b>
Hospice Days	34,038	34,045	7	<b>0.0%</b>	32,504	1,541	<b>4.7%</b>
Surgery Minutes-General & Robotic (I/P & O/P)	7,774	7,688	(86)	<b>(1.1%)</b>	10,799	(3,111)	<b>(28.8%)</b>
GME Clinic visits	8,872	8,772	(100)	<b>(1.1%)</b>	9,760	(988)	<b>(10.1%)</b>
RHC Registrations	90,559	86,098	(4,461)	<b>(4.9%)</b>	77,360	8,738	<b>11.3%</b>
Radiation Oncology Treatments (I/P & O/P)	16,461	15,436	(1,025)	<b>(6.2%)</b>	18,670	(3,234)	<b>(17.3%)</b>
Dialysis Treatments	13,279	12,377	(902)	<b>(6.8%)</b>	14,710	(2,333)	<b>(15.9%)</b>
Home Health Visits	23,576	21,839	(1,737)	<b>(7.4%)</b>	23,153	(1,314)	<b>(5.7%)</b>

# Trended Financial Comparison (000's)

Kaweah Delta Health Care District

Trended Income Statement (000's)

	Adjusted Patient Days												
	23,570	25,807	25,268	25,026	25,797	26,085	27,742	28,344	28,267	26,571	27,106	26,955	24,973
	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
<b>Operating Revenue</b>													
Net Patient Service Revenue	\$44,505	\$56,144	\$52,593	\$50,531	\$43,233	\$51,502	\$49,714	\$57,879	\$55,674	\$54,846	\$51,115	\$56,862	\$47,933
Supplemental Gov't Programs	5,279	5,279	4,990	4,990	6,845	4,286	4,286	4,286	4,383	11,778	10,297	4,383	5,579
Prime Program	358	715	4,872	715	721	667	667	667	667	667	667	3,285	667
Premium Revenue	5,027	4,894	4,710	5,036	6,584	4,902	5,425	5,163	5,156	5,054	5,173	5,272	6,574
Management Services Revenue	2,430	3,303	3,301	2,877	3,251	3,172	3,298	3,523	3,137	2,690	2,921	2,536	2,910
Other Revenue	1,425	2,915	1,810	2,074	2,188	2,009	2,348	1,873	2,250	1,974	2,300	1,993	1,796
Other Operating Revenue	14,519	17,106	19,684	15,692	19,589	15,036	16,024	15,513	15,592	22,162	21,358	17,469	17,526
<b>Total Operating Revenue</b>	<b>59,024</b>	<b>73,250</b>	<b>72,277</b>	<b>66,223</b>	<b>62,822</b>	<b>66,537</b>	<b>65,737</b>	<b>73,391</b>	<b>71,266</b>	<b>77,008</b>	<b>72,473</b>	<b>74,331</b>	<b>65,459</b>
<b>Operating Expenses</b>													
Salaries & Wages	25,134	28,879	26,741	27,786	26,249	27,474	28,198	31,872	30,538	28,408	29,967	29,407	27,297
Contract Labor	1,404	887	1,694	1,169	2,080	1,116	1,358	1,721	1,872	1,745	3,238	4,958	3,882
Employee Benefits	5,027	5,739	8,650	5,087	(7,812)	4,087	3,878	4,728	4,217	3,481	4,161	4,566	4,923
<b>Total Employment Expenses</b>	<b>31,565</b>	<b>35,505</b>	<b>37,084</b>	<b>34,042</b>	<b>20,517</b>	<b>32,678</b>	<b>33,434</b>	<b>38,321</b>	<b>36,627</b>	<b>33,634</b>	<b>37,366</b>	<b>38,931</b>	<b>36,102</b>
Medical & Other Supplies	9,685	10,923	11,011	10,170	11,772	9,596	13,004	11,942	11,714	10,623	10,687	10,913	10,406
Physician Fees	8,484	8,278	8,320	7,754	8,207	7,922	8,527	7,736	9,674	10,261	9,479	9,210	8,812
Purchased Services	1,507	1,538	1,520	1,383	2,697	1,100	1,368	1,680	1,683	1,565	1,745	1,261	1,511
Repairs & Maintenance	2,115	2,019	2,544	2,282	2,319	2,074	2,425	2,425	2,702	2,330	2,331	2,324	2,588
Utilities	467	523	630	729	1,175	688	740	696	860	760	654	753	736
Rents & Leases	519	487	535	489	504	475	519	487	474	522	505	528	525
Depreciation & Amortization	2,423	2,412	2,413	2,923	3,924	2,635	2,632	2,636	2,634	2,636	2,631	2,614	2,634
Interest Expense	555	555	555	555	666	555	646	499	501	500	498	655	671
Other Expense	1,280	2,762	1,840	1,537	2,053	1,450	1,466	1,641	1,563	1,557	1,804	2,110	1,731
Humana Cap Plan Expenses	2,707	3,164	3,771	3,780	3,018	3,472	2,503	3,642	3,982	3,130	2,902	2,327	2,617
Management Services Expense	2,256	3,531	3,088	2,892	3,521	2,768	3,115	3,734	2,988	2,628	2,462	2,570	2,835
<b>Total Other Expenses</b>	<b>31,998</b>	<b>36,191</b>	<b>36,227</b>	<b>34,493</b>	<b>39,856</b>	<b>32,735</b>	<b>36,945</b>	<b>37,116</b>	<b>38,774</b>	<b>36,512</b>	<b>35,698</b>	<b>35,266</b>	<b>35,066</b>
<b>Total Operating Expenses</b>	<b>63,562</b>	<b>71,696</b>	<b>73,310</b>	<b>68,535</b>	<b>60,373</b>	<b>65,413</b>	<b>70,379</b>	<b>75,437</b>	<b>75,402</b>	<b>70,146</b>	<b>73,064</b>	<b>74,197</b>	<b>71,168</b>
<b>Operating Margin</b>	<b>(\$4,538)</b>	<b>\$1,554</b>	<b>(\$1,033)</b>	<b>(\$2,312)</b>	<b>\$2,449</b>	<b>\$1,124</b>	<b>(\$4,642)</b>	<b>(\$2,046)</b>	<b>(\$4,136)</b>	<b>\$6,862</b>	<b>(\$591)</b>	<b>\$134</b>	<b>(\$5,709)</b>
Stimulus Funds	\$3,460	\$3,449	\$920	\$1,076	\$525	\$0	\$438	\$0	\$137	\$6,542	\$0	\$0	\$93
<b>Operating Margin after Stimulus</b>	<b>(\$1,078)</b>	<b>\$5,003</b>	<b>(\$113)</b>	<b>(\$1,236)</b>	<b>\$2,974</b>	<b>\$1,124</b>	<b>(\$4,204)</b>	<b>(\$2,046)</b>	<b>(\$3,999)</b>	<b>\$13,404</b>	<b>(\$591)</b>	<b>\$134</b>	<b>(\$5,616)</b>
Nonoperating Revenue (Loss)	513	(1,182)	1,725	753	248	582	552	(388)	595	587	2,495	568	693
<b>Excess Margin</b>	<b>(\$565)</b>	<b>\$3,821</b>	<b>\$1,612</b>	<b>(\$483)</b>	<b>\$3,222</b>	<b>\$1,706</b>	<b>(\$3,651)</b>	<b>(\$2,434)</b>	<b>(\$3,404)</b>	<b>\$13,991</b>	<b>\$1,904</b>	<b>\$702</b>	<b>(\$4,924)</b>

## February Financial Comparison (000's)

	Actual Results		Budget	Budget Variance	
	Feb 2021	Feb 2022	Feb 2022	Change	% Change
<b>Operating Revenue</b>					
Net Patient Service Revenue	\$44,505	\$47,933	\$51,362	(\$3,430)	(6.7%)
Other Operating Revenue	14,519	17,526	15,568	1,958	12.6%
<b>Total Operating Revenue</b>	<b>59,024</b>	<b>65,459</b>	<b>66,931</b>	<b>(1,472)</b>	<b>(2.2%)</b>
<b>Operating Expenses</b>					
Employment Expense	31,565	36,102	30,712	5,390	17.5%
Other Operating Expense	31,998	35,066	34,152	914	2.7%
<b>Total Operating Expenses</b>	<b>63,562</b>	<b>71,168</b>	<b>64,865</b>	<b>6,304</b>	<b>9.7%</b>
<b>Operating Margin</b>	<b>(\$4,538)</b>	<b>(\$5,709)</b>	<b>\$2,066</b>	<b>(\$7,776)</b>	
Stimulus Funds	3,460	93	92	1	
<b>Operating Margin after Stimulus</b>	<b>(\$1,078)</b>	<b>(\$5,616)</b>	<b>\$2,158</b>	<b>(\$7,775)</b>	
Non Operating Revenue (Loss)	513	693	354	339	
<b>Excess Margin</b>	<b>(\$565)</b>	<b>(\$4,924)</b>	<b>\$2,512</b>	<b>(\$7,436)</b>	

Operating Margin %	(7.7%)	(8.7%)	3.1%
OM after Stimulus%	(1.8%)	(8.6%)	3.2%
Excess Margin %	(0.9%)	(7.4%)	3.7%
Operating Cash Flow Margin %	(2.6%)	(3.7%)	8.3%

## February Financial Comparison To Forecast (000's)

	Actual	Forecast	Actual - Forecast Variance		
	Feb-21	Feb-21	Change	% Change	
<b>Operating Revenue</b>					
Net Patient Service Revenue	47,933	51,784	(3,851)	(8.0%)	Lower volume: Surgical/Cath lab and outpatient clinics
Other Operating Revenue	17,526	15,660	1,866	10.6%	Unanticipated Supplemental Revenue from prior years
<b>Total Operating Revenue</b>	<b>65,459</b>	<b>67,444</b>	<b>(1,985)</b>	<b>(3.0%)</b>	
<b>Operating Expenses</b>					
Employment Expense	36,102	34,705	1,397	3.9%	Increased reliance on contract labor. Forecasted \$2.2M in contract labor, actual was \$3.8M.
Other Operating Expense	35,066	35,534	(468)	(1.3%)	
<b>Total Operating Expenses</b>	<b>71,168</b>	<b>70,239</b>	<b>929</b>	<b>1.3%</b>	
<b>Operating Margin</b>	<b>(\$5,709)</b>	<b>(\$2,795)</b>	<b>(\$2,914)</b>		
Stimulus Funds	93	0	93		
<b>Operating Margin after Stimulus</b>	<b>(\$5,616)</b>	<b>(\$2,795)</b>	<b>(\$2,821)</b>		
Nonoperating Income					
Nonoperating Revenue (Loss)	693	354	339		
<b>Excess Margin</b>	<b>(\$4,924)</b>	<b>(\$2,441)</b>	<b>(\$2,483)</b>		

Operating Margin %	(2.2%)	(6.2%)
OM after Stimulus%	4.7%	(6.2%)
Excess Margin %	5.3%	(5.3%)
Operating Cash Flow Margin %	2.5%	(1.8%)

## YTD (July-Feb) Financial Comparison (000's)

	Actual Results FYTD Jul-Feb		Budget FYTD	Budget Variance	FYTD
	FYTD2021	FYTD2022	FYTD2022	Change	% Change
<b>Operating Revenue</b>					
Net Patient Service Revenue	<b>\$391,874</b>	<b>\$425,524</b>	<b>\$422,499</b>	<b>\$3,025</b>	<b>0.7%</b>
Other Operating Revenue	108,249	141,116	123,672	17,443	14.1%
<b>Total Operating Revenue</b>	<b>500,123</b>	<b>566,640</b>	<b>546,171</b>	<b>20,468</b>	<b>3.7%</b>
<b>Operating Expenses</b>					
Employment Expense	261,735	287,105	259,134	27,971	10.8%
Other Operating Expense	268,249	288,112	277,861	10,252	3.7%
<b>Total Operating Expenses</b>	<b>529,984</b>	<b>575,217</b>	<b>536,994</b>	<b>38,222</b>	<b>7.1%</b>
<b>Operating Margin</b>	<b>(\$29,861)</b>	<b>(\$8,577)</b>	<b>\$9,177</b>	<b>(\$17,754)</b>	
Stimulus Funds	26,491	6,772	795	5,977	
<b>Operating Margin after Stimulus</b>	<b>(\$3,370)</b>	<b>(\$1,805)</b>	<b>\$9,972</b>	<b>(\$11,777)</b>	
Nonoperating Revenue (Loss)	5,914	5,685	3,840	1,846	
<b>Excess Margin</b>	<b>\$2,545</b>	<b>\$3,880</b>	<b>\$13,812</b>	<b>(\$9,931)</b>	

<b>Operating Margin %</b>	<b>(6.0%)</b>	<b>(1.5%)</b>	<b>1.7%</b>
<b>OM after Stimulus%</b>	<b>(0.7%)</b>	<b>(0.3%)</b>	<b>1.8%</b>
<b>Excess Margin %</b>	<b>0.5%</b>	<b>0.7%</b>	<b>2.5%</b>
<b>Operating Cash Flow Margin %</b>	<b>(1.1%)</b>	<b>3.0%</b>	<b>6.5%</b>

## February Financial Comparison (000's)

	Actual Results			Budget	Budget Variance	
	Feb 2021	Feb 2022	% Change	Feb 2022	Change	% Change
<b>Operating Revenue</b>						
Net Patient Service Revenue	\$44,505	\$47,933	7.7%	\$51,362	(\$3,430)	(6.7%)
Supplemental Gov't Programs	5,279	5,579	5.7%	4,426	1,154	26.1%
Prime Program	358	667	86.4%	614	53	8.6%
Premium Revenue	5,027	6,574	30.8%	5,861	713	12.2%
Management Services Revenue	2,430	2,910	19.8%	2,784	126	4.5%
Other Revenue	1,425	1,796	26.0%	1,884	(88)	(4.7%)
Other Operating Revenue	14,519	17,526	20.7%	15,568	1,958	12.6%
<b>Total Operating Revenue</b>	<b>59,024</b>	<b>65,459</b>	<b>10.9%</b>	<b>66,931</b>	<b>(1,472)</b>	<b>(2.2%)</b>
<b>Operating Expenses</b>						
Salaries & Wages	25,134	27,297	8.6%	26,127	1,170	4.5%
Contract Labor	1,404	3,882	176.5%	496	3,386	683.0%
Employee Benefits	5,027	4,923	(2.1%)	4,090	833	20.4%
<b>Total Employment Expenses</b>	<b>31,565</b>	<b>36,102</b>	<b>14.4%</b>	<b>30,712</b>	<b>5,390</b>	<b>17.5%</b>
Medical & Other Supplies	9,685	10,406	7.4%	10,110	297	2.9%
Physician Fees	8,484	8,812	3.9%	8,357	455	5.4%
Purchased Services	1,507	1,511	0.2%	1,217	294	24.1%
Repairs & Maintenance	2,115	2,588	22.3%	2,276	312	13.7%
Utilities	467	736	57.6%	549	188	34.2%
Rents & Leases	519	525	1.2%	539	(14)	(2.6%)
Depreciation & Amortization	2,423	2,634	8.7%	2,912	(278)	(9.6%)
Interest Expense	555	671	21.0%	555	116	20.9%
Other Expense	1,280	1,731	35.2%	1,732	(1)	(0.0%)
Humana Cap Plan Expenses	2,707	2,617	(3.3%)	3,151	(534)	(16.9%)
Management Services Expense	2,256	2,835	25.7%	2,754	81	2.9%
<b>Total Other Expenses</b>	<b>31,998</b>	<b>35,066</b>	<b>9.6%</b>	<b>34,152</b>	<b>914</b>	<b>2.7%</b>
<b>Total Operating Expenses</b>	<b>63,562</b>	<b>71,168</b>	<b>12.0%</b>	<b>64,865</b>	<b>6,304</b>	<b>9.7%</b>
<b>Operating Margin</b>	<b>(\$4,538)</b>	<b>(\$5,709)</b>	<b>25.8%</b>	<b>\$2,066</b>	<b>(\$7,776)</b>	<b>(376%)</b>
Stimulus Funds	3,460	93	(97.3%)	92	(92)	1.1%
<b>Operating Margin after Stimulus</b>	<b>(\$1,078)</b>	<b>(\$5,616)</b>	<b>421%</b>	<b>\$2,158</b>	<b>(\$7,775)</b>	<b>(360%)</b>
Nonoperating Revenue (Loss)	513	693	35.1%	354	339	95.7%
<b>Excess Margin</b>	<b>(\$565)</b>	<b>(\$4,924)</b>	<b>771%</b>	<b>\$2,512</b>	<b>(\$7,436)</b>	<b>(296%)</b>

Operating Margin %	(7.7%)	(8.7%)		3.1%
OM after Stimulus%	(1.8%)	(8.6%)		3.2%
Excess Margin %	(0.9%)	(7.4%)		3.7%
Operating Cash Flow Margin %	(2.6%)	(3.7%)		8.3%

## YTD Financial Comparison (000's)

	Actual Results FYTD Jul-Feb			Budget FYTD	Budget Variance	FYTD
	FYTD2021	FYTD2022	% Change	FYTD2022	Change	% Change
<b>Operating Revenue</b>						
Net Patient Service Revenue	\$391,874	\$425,524	8.6%	\$422,499	\$3,025	0.7%
Supplemental Gov't Programs	33,977	49,280	45.0%	35,404	13,876	39.2%
Prime Program	3,644	7,952	118.2%	5,326	2,626	49.3%
Premium Revenue	35,865	42,719	19.1%	42,431	288	0.7%
Management Services Revenue	21,435	24,186	12.8%	24,160	26	0.1%
Other Revenue	13,328	16,979	27.4%	16,351	628	3.8%
Other Operating Revenue	108,249	141,116	30.4%	123,672	17,443	14.1%
<b>Total Operating Revenue</b>	<b>500,123</b>	<b>566,640</b>	<b>13.3%</b>	<b>546,171</b>	<b>20,468</b>	<b>3.7%</b>
<b>Operating Expenses</b>						
Salaries & Wages	214,497	233,173	8.7%	219,078	14,095	6.4%
Contract Labor	3,947	19,890	403.9%	4,120	15,770	382.8%
Employee Benefits	43,290	34,041	(21.4%)	35,936	(1,895)	(5.3%)
<b>Total Employment Expenses</b>	<b>261,735</b>	<b>287,105</b>	<b>9.7%</b>	<b>259,134</b>	<b>27,971</b>	<b>10.8%</b>
Medical & Other Supplies	87,278	88,884	1.8%	83,552	5,332	6.4%
Physician Fees	64,131	71,621	11.7%	66,527	5,094	7.7%
Purchased Services	14,799	11,911	(19.5%)	10,560	1,351	12.8%
Repairs & Maintenance	16,980	19,199	13.1%	19,138	61	0.3%
Utilities	4,336	5,888	35.8%	5,102	786	15.4%
Rents & Leases	4,177	4,035	(3.4%)	4,129	(95)	(2.3%)
Depreciation & Amortization	19,974	21,052	5.4%	21,532	(479)	(2.2%)
Interest Expense	4,441	4,525	1.9%	4,816	(291)	(6.1%)
Other Expense	12,400	13,324	7.4%	15,036	(1,712)	(11.4%)
Humana Cap Plan Expenses	18,318	24,576	34.2%	23,568	1,008	4.3%
Management Services Expense	21,416	23,098	7.9%	23,900	(802)	(3.4%)
<b>Total Other Expenses</b>	<b>268,249</b>	<b>288,112</b>	<b>7.4%</b>	<b>277,861</b>	<b>10,252</b>	<b>3.7%</b>
<b>Total Operating Expenses</b>	<b>529,984</b>	<b>575,217</b>	<b>8.5%</b>	<b>536,994</b>	<b>38,222</b>	<b>7.1%</b>
<b>Operating Margin</b>	<b>(\$29,861)</b>	<b>(\$8,577)</b>	<b>71.3%</b>	<b>\$9,177</b>	<b>(\$17,754)</b>	<b>(194%)</b>
Stimulus Funds	26,491	6,772	(74.4%)	795	5,977	752%
<b>Operating Margin after Stimulus</b>	<b>(\$3,370)</b>	<b>(\$1,805)</b>	<b>46.4%</b>	<b>\$9,972</b>	<b>(\$11,777)</b>	<b>(118%)</b>
Nonoperating Revenue (Loss)	5,914	5,685	(3.9%)	3,840	1,846	48.1%
<b>Excess Margin</b>	<b>\$2,545</b>	<b>\$3,880</b>	<b>52.5%</b>	<b>\$13,812</b>	<b>(\$9,931)</b>	<b>(71.9%)</b>

Operating Margin %	(6.0%)	(1.5%)		1.7%
OM after Stimulus%	(0.7%)	(0.3%)		1.8%
Excess Margin %	0.5%	0.7%		2.5%
Operating Cash Flow Margin %	(1.1%)	3.0%		6.5%

## Kaweah Health Medical Group

### Fiscal Year Financial Comparison (000's)

	Actual Results FYTD July – Feb			Budget FYTD	Budget Variance	FYTD
	Feb 2021	Feb 2022	% Change	Feb 2022	Change	% Change
<b>Operating Revenue</b>						
Net Patient Service Revenue	\$30,854	\$31,499	2.1%	\$35,714	(\$4,215)	(11.8%)
Other Operating Revenue	201	1,007	400%	560	447	79.7%
<b>Total Operating Revenue</b>	<b>31,056</b>	<b>32,506</b>	<b>4.7%</b>	<b>36,274</b>	<b>(3,768)</b>	<b>(10.4%)</b>
<b>Operating Expenses</b>						
Salaries & Wages	7,474	7,725	3.4%	8,221	(496)	(6.0%)
Contract Labor	0	0	0.0%	0	0	0.0%
Employee Benefits	1,399	1,167	(16.6%)	1,341	(175)	(13.0%)
<b>Total Employment Expenses</b>	<b>8,873</b>	<b>8,891</b>	<b>0.2%</b>	<b>9,562</b>	<b>(671)</b>	<b>(7.0%)</b>
Medical & Other Supplies	4,381	4,285	(2.2%)	4,621	(336)	(7.3%)
Physician Fees	17,662	19,373	9.7%	20,126	(753)	(3.7%)
Purchased Services	564	656	16.4%	564	93	16.4%
Repairs & Maintenance	1,611	1,439	(10.7%)	1,825	(385)	(21.1%)
Utilities	314	305	(2.7%)	344	(38)	(11.2%)
Rents & Leases	1,861	1,680	(9.7%)	1,731	(51)	(2.9%)
Depreciation & Amortization	647	521	(19.4%)	733	(212)	(28.9%)
Interest Expense	2	1	(68.7%)	1	0	8.6%
Other Expense	846	869	2.7%	1,121	(252)	(22.5%)
<b>Total Other Expenses</b>	<b>27,889</b>	<b>29,130</b>	<b>4.5%</b>	<b>31,065</b>	<b>(1,935)</b>	<b>(6.2%)</b>
<b>Total Operating Expenses</b>	<b>36,762</b>	<b>38,021</b>	<b>3.4%</b>	<b>40,627</b>	<b>(2,606)</b>	<b>(6.4%)</b>
Stimulus Funds	0	194	100%	0	194	0.0%
<b>Excess Margin</b>	<b>(\$5,706)</b>	<b>(\$5,322)</b>	<b>6.7%</b>	<b>(\$4,353)</b>	<b>(\$968)</b>	<b>(22.2%)</b>
<b>Excess Margin %</b>	<b>(18.4%)</b>	<b>(16.4%)</b>		<b>(12.0%)</b>		

# Month of February - Budget Variances

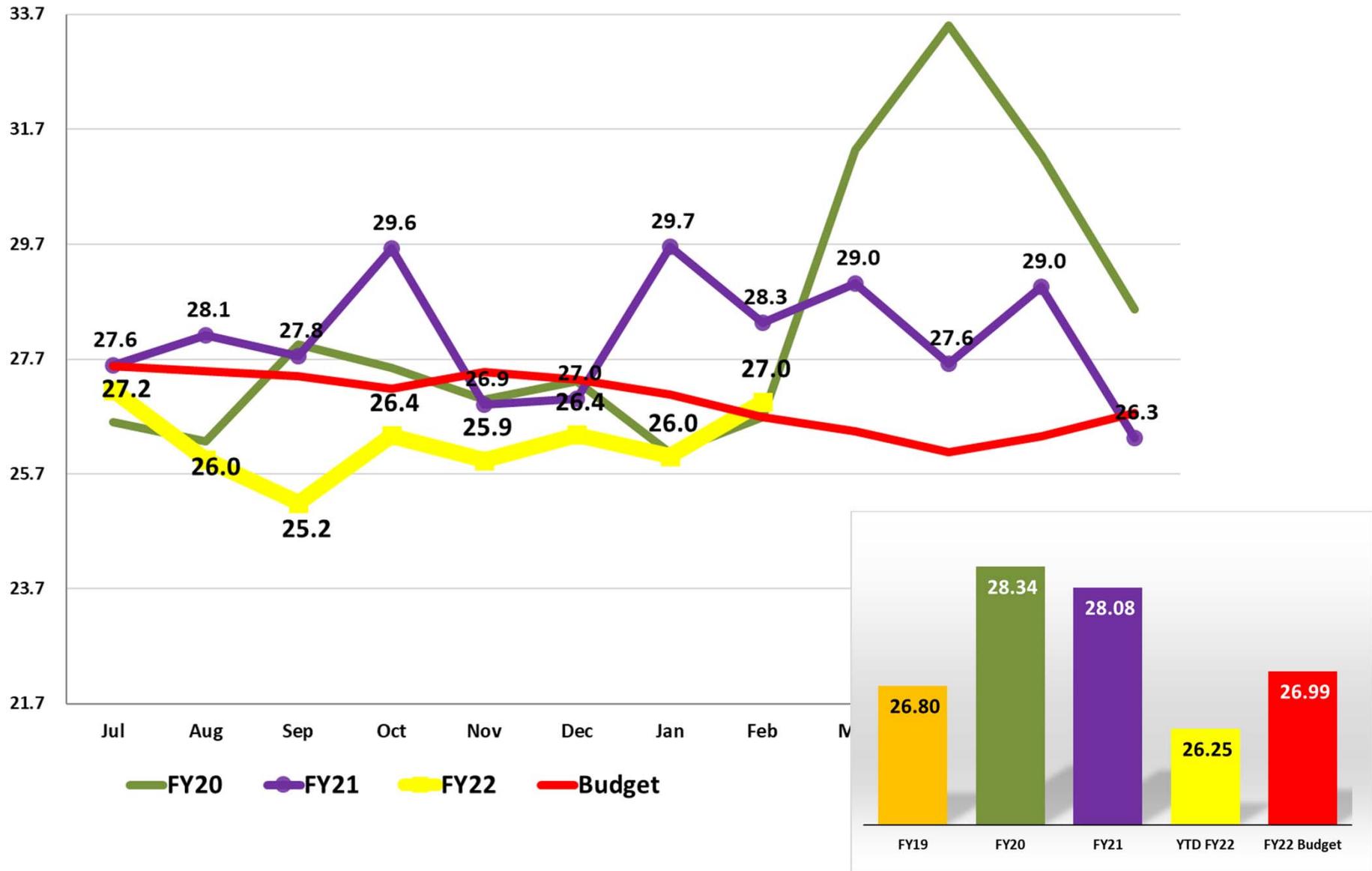
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- **Net Patient Revenues:** Net patient revenue fell short of budget by \$3.4M (6.7%) primarily due to less revenue recognized on an adjusted patient day basis. This was mainly due to less surgeries and cardiac catheterization procedures than expected in February.
- **Supplemental Revenue:** A \$937K unexpected Medi-Cal DSH payment related to a redistribution for FY18 resulted in the budget excess in this area.
- **Salaries and Contract Labor:** We experienced an unfavorable budget variance of \$5.4M in February. The unfavorable variance is primarily due to the higher patient volume (with longer lengths of stay) than expected, the premium rates associated with contract labor hours (\$1.9M) and shift bonuses (\$1.5M) paid in February.
- **Employee Benefits:** Benefits expense exceeded budget by \$833K primarily due to the increased cost of employee health insurance claims.

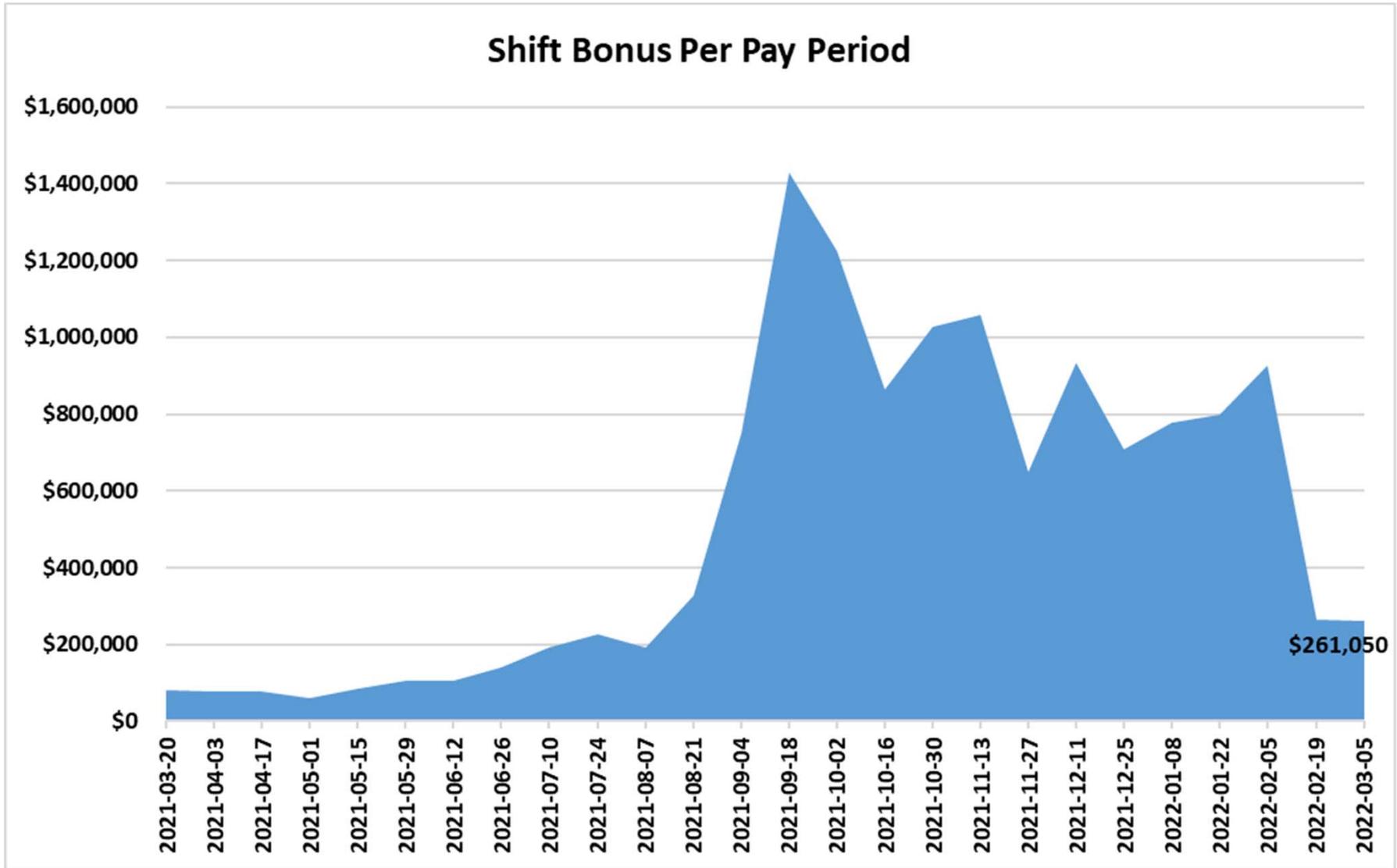
# Productive Hours



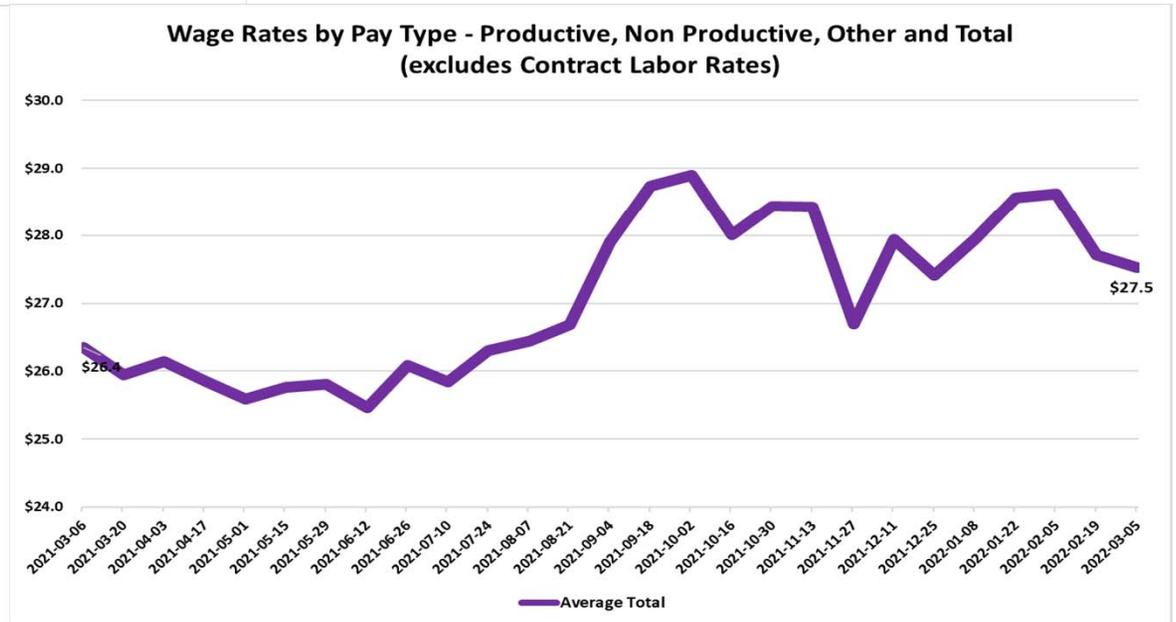
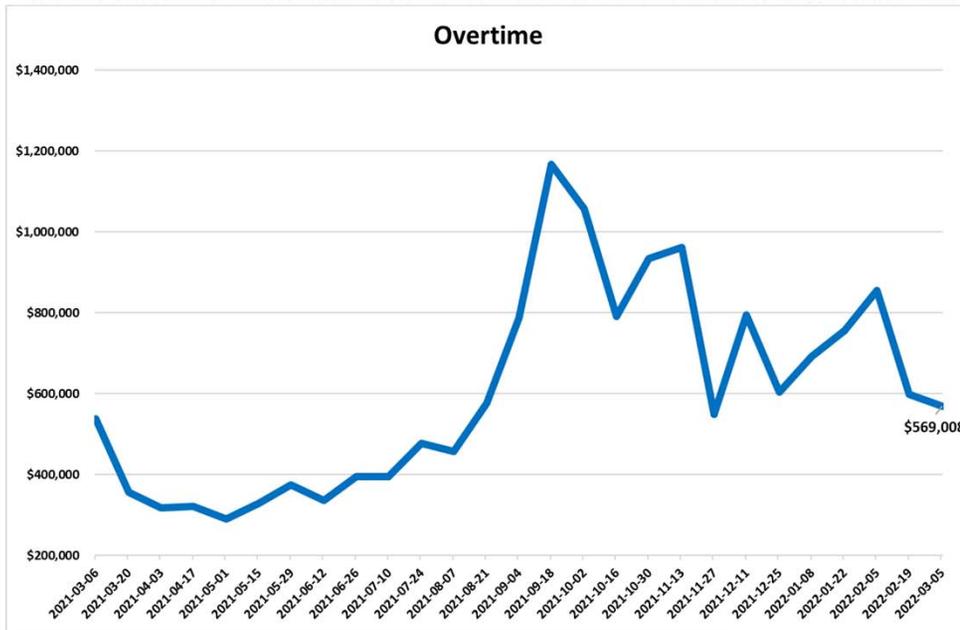
# Productivity: Worked Hours/Adjusted Patient Days



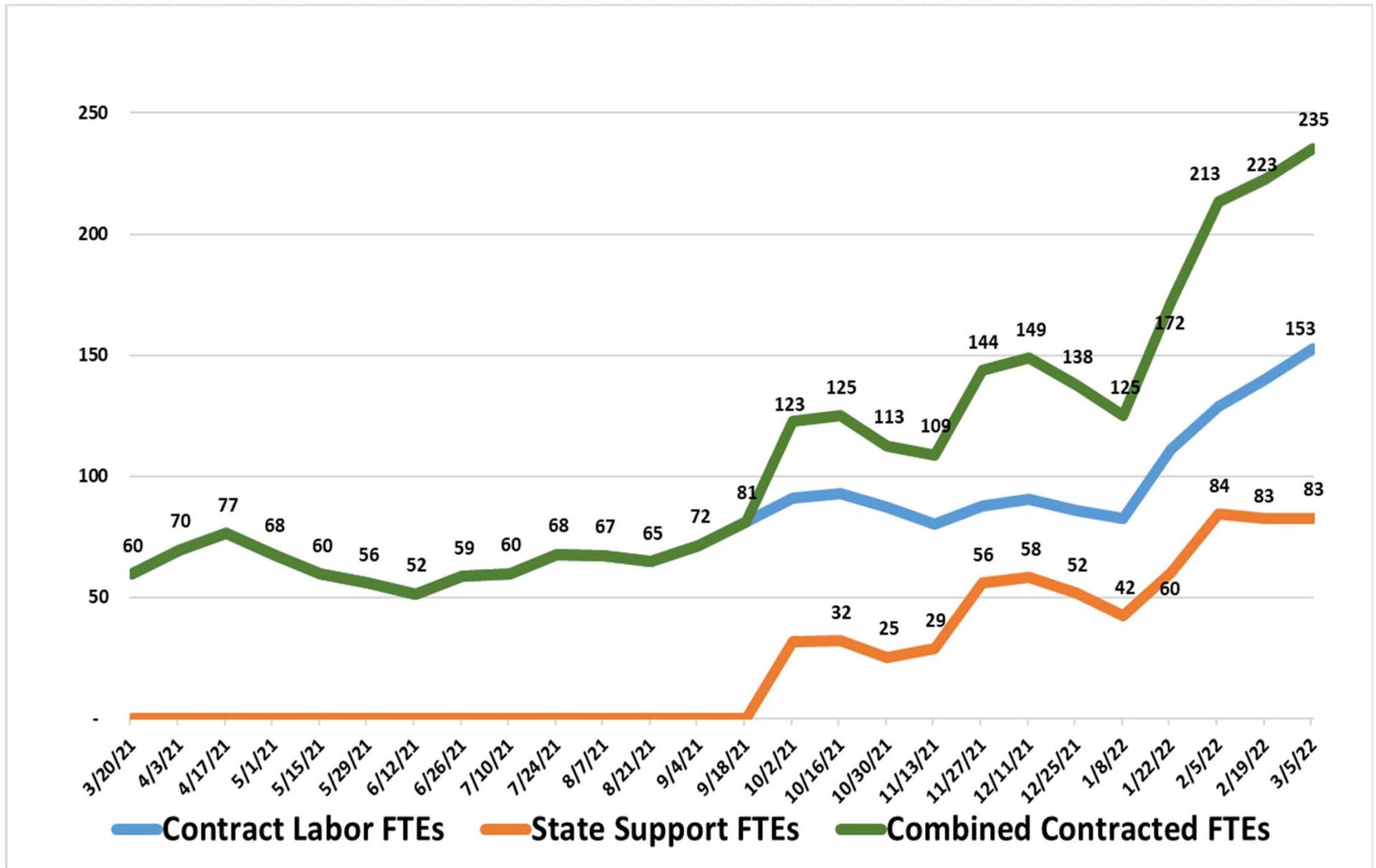
# Shift Bonus



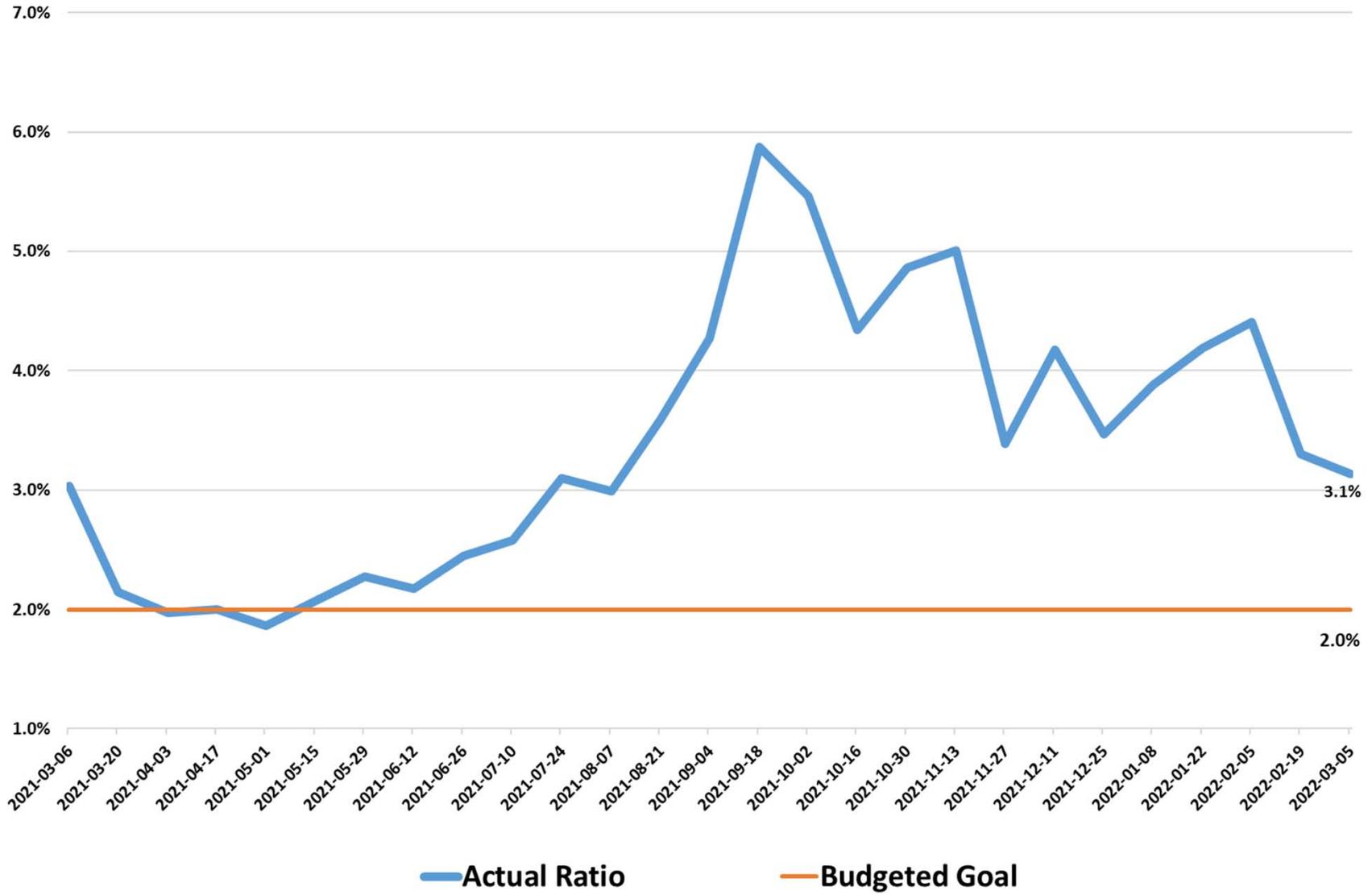
# Overtime & Extra Pay Impact on Rates

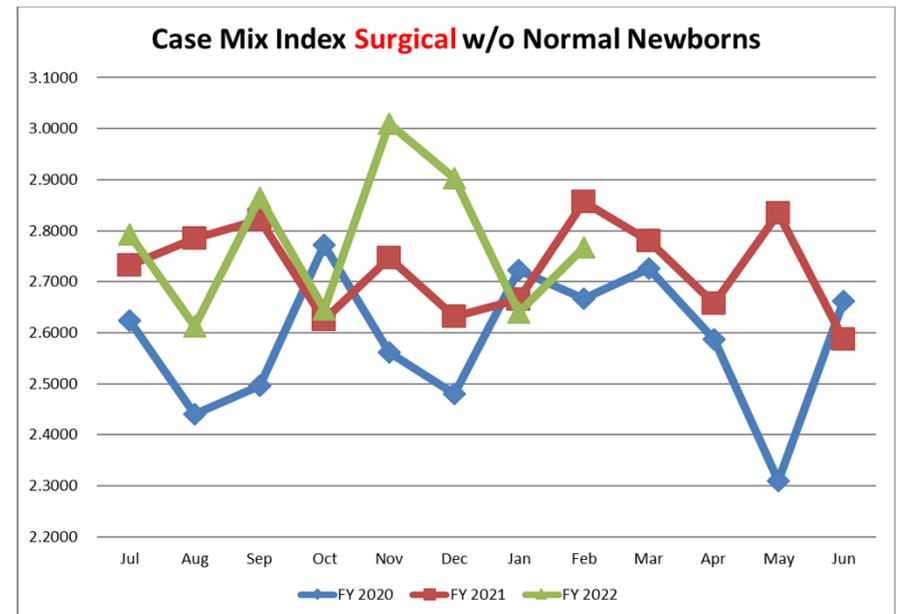
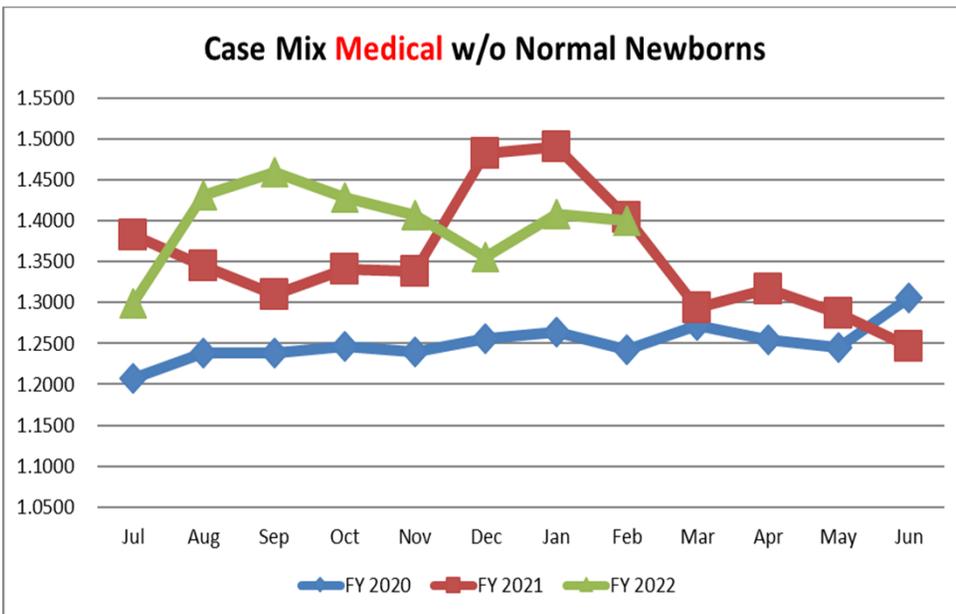
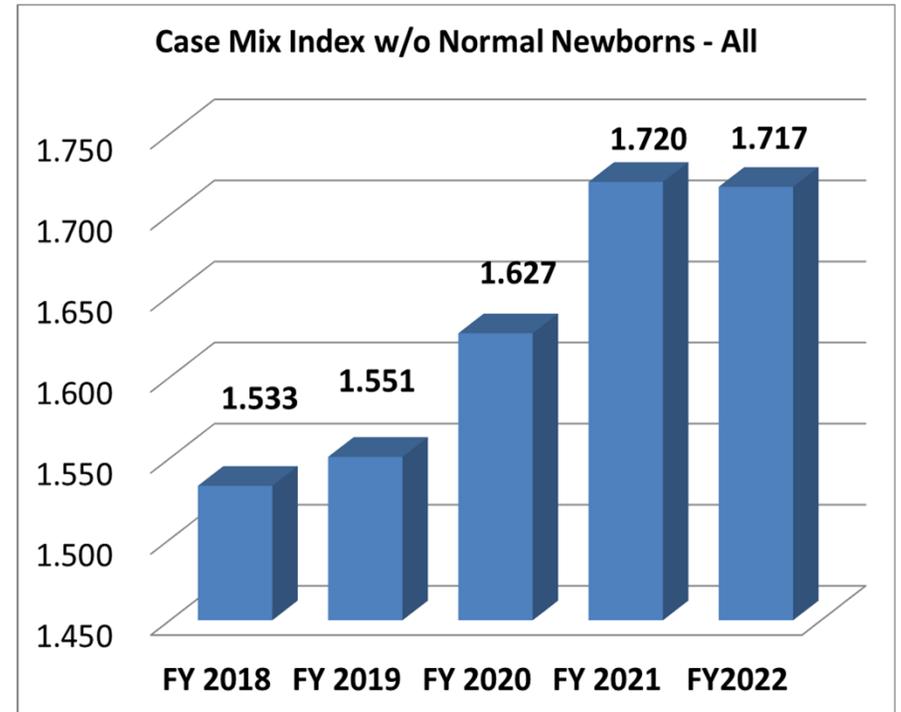
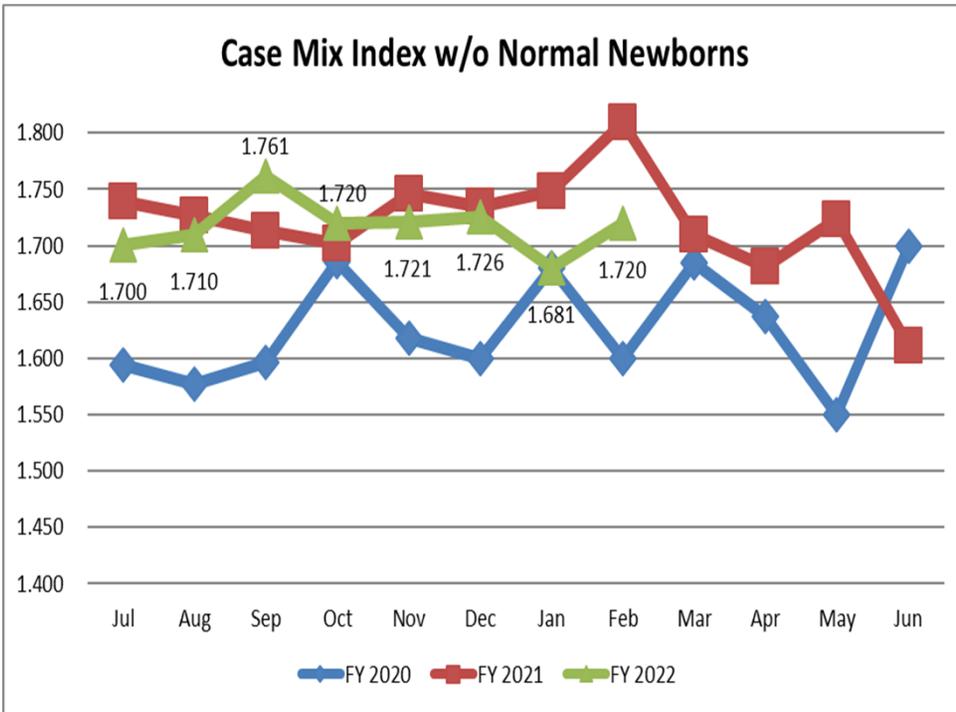


# Contract Labor Full Time Equivalents (FTEs)

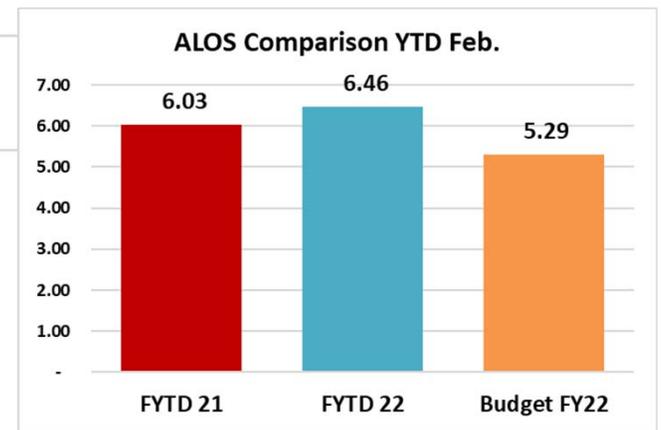
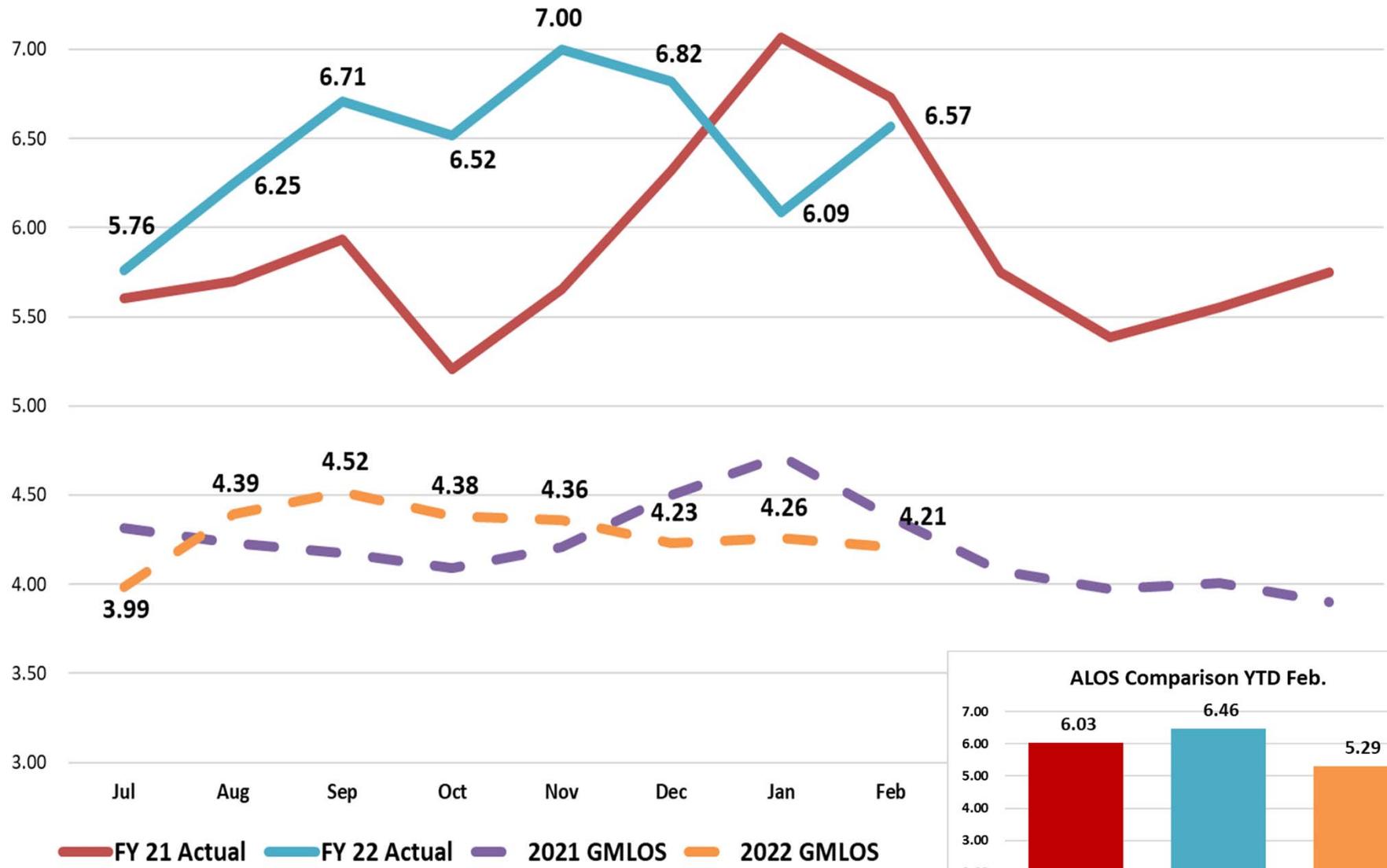


# Overtime





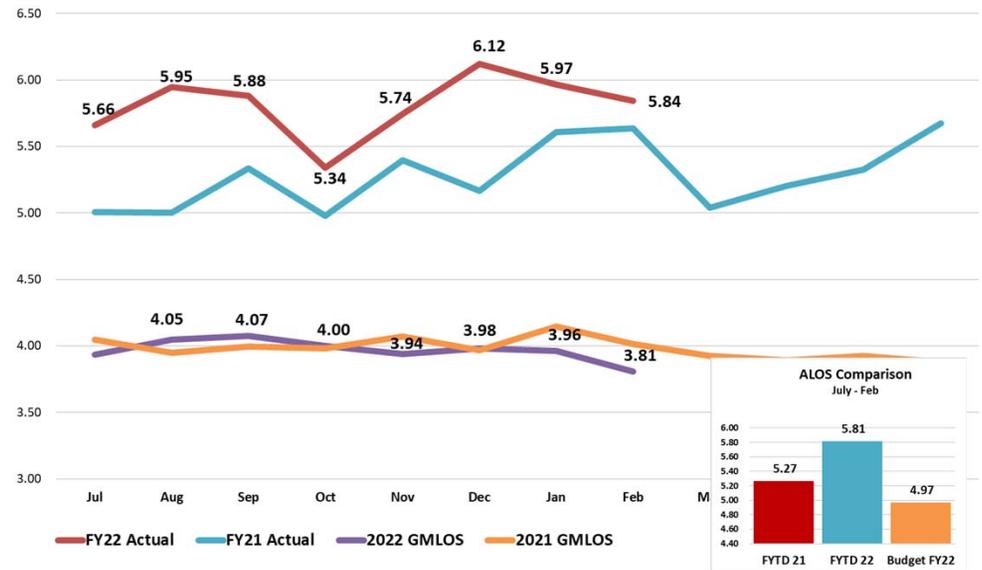
# Average Length of Stay versus National Average (GMLOS)



# Average Length of Stay versus National Average (GMLOS)

	Including COVID Patients			Excluding COVID Patients			Gap Diff	%
	ALOS	GMLOS	GAP	ALOS	GMLOS	GAP		
Mar-20	5.20	4.04	1.16	5.16	4.03	1.13	0.03	2%
Apr-20	5.30	4.25	1.05	5.19	4.17	1.03	0.02	2%
May-20	5.25	4.16	1.09	4.74	4.06	0.68	0.40	37%
Jun-20	5.61	4.11	1.50	4.98	3.95	1.03	0.47	31%
Jul-20	5.60	4.31	1.29	5.01	4.05	0.96	0.33	25%
Aug-20	5.70	4.23	1.47	5.00	3.95	1.05	0.42	28%
Sep-20	5.93	4.17	1.76	5.33	4.00	1.33	0.43	24%
Oct-20	5.20	4.09	1.11	4.98	3.98	1.00	0.11	10%
Nov-20	5.66	4.21	1.45	5.40	4.07	1.33	0.12	8%
Dec-20	6.32	4.50	1.82	5.16	3.97	1.19	0.63	34%
Jan-21	7.07	4.72	2.35	5.61	4.14	1.47	0.89	38%
Feb-21	6.73	4.38	2.35	5.64	4.01	1.63	0.72	31%
Mar-21	5.75	4.07	1.68	5.04	3.92	1.12	0.56	33%
Apr-21	5.38	3.97	1.41	5.20	3.89	1.31	0.10	7%
May-21	5.55	4.01	1.54	5.32	3.92	1.40	0.14	9%
Jun-21	5.75	3.90	1.85	5.67	3.88	1.79	0.06	3%
Jul-21	5.76	3.99	1.77	5.66	3.94	1.72	0.05	3%
Aug-21	6.25	4.39	1.86	5.95	4.05	1.90	(0.04)	-2%
Sep-21	6.71	4.52	2.19	5.88	4.07	1.81	0.38	17%
Oct-21	6.52	4.38	2.14	5.34	4.00	1.34	0.80	37%
Nov-21	7.00	4.36	2.64	5.74	3.94	1.80	0.84	32%
Dec-21	6.82	4.23	2.59	6.12	3.98	2.14	0.45	17%
Jan-22	6.09	4.26	1.83	5.97	3.96	2.01	(0.18)	-10%
Feb-22	6.57	4.21	2.36	5.84	3.81	2.03	0.33	14%
<b>Average</b>	<b>5.99</b>	<b>4.23</b>	<b>1.76</b>	<b>5.41</b>	<b>3.99</b>	<b>1.43</b>	<b>0.34</b>	<b>19%</b>

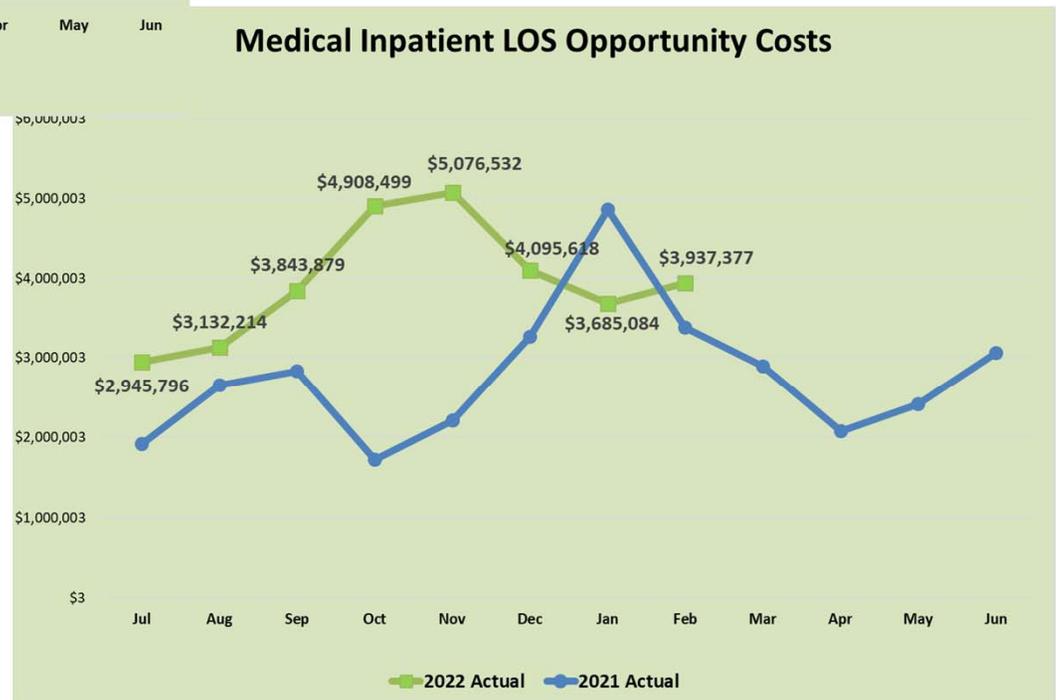
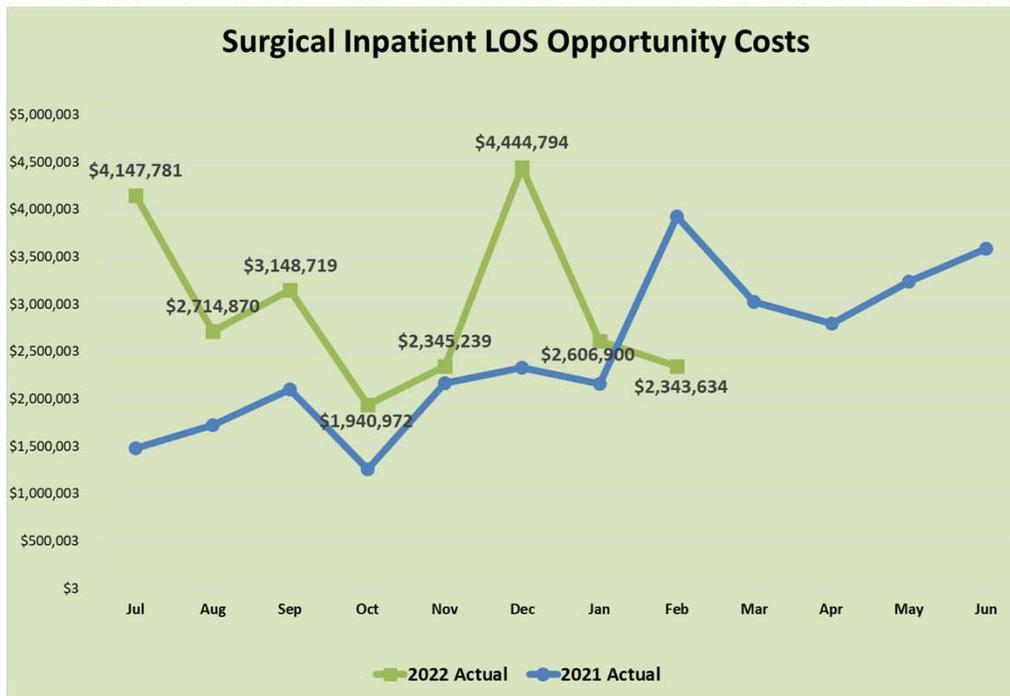
Average Length of Stay versus National Average (GMLOS)  
WITHOUT COVID



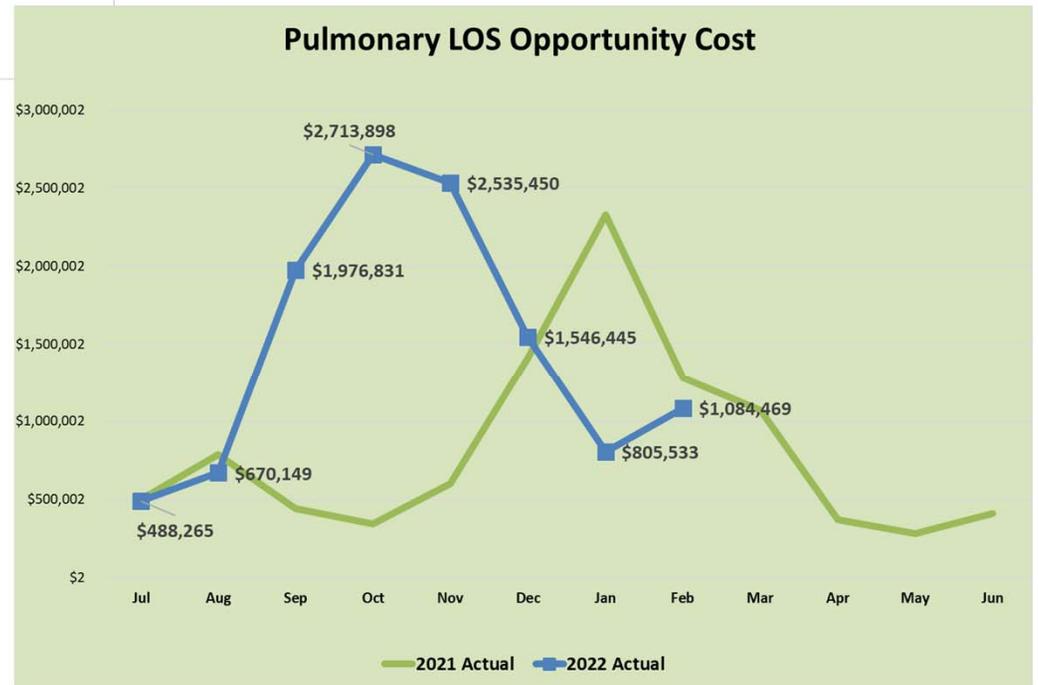
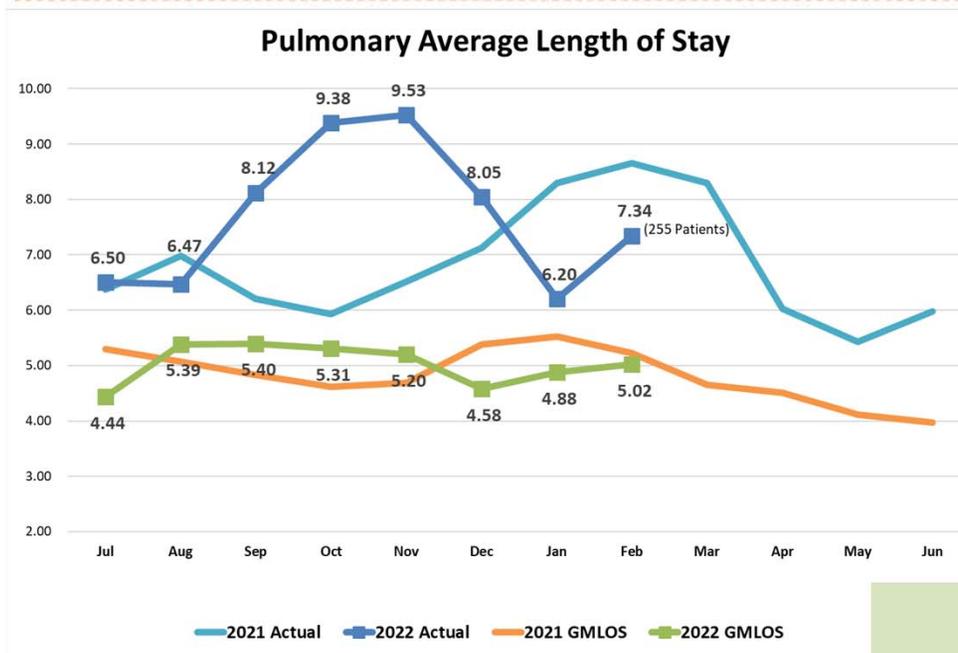
# Opportunity Cost of Reducing LOS to National Average - \$62.7M FY21



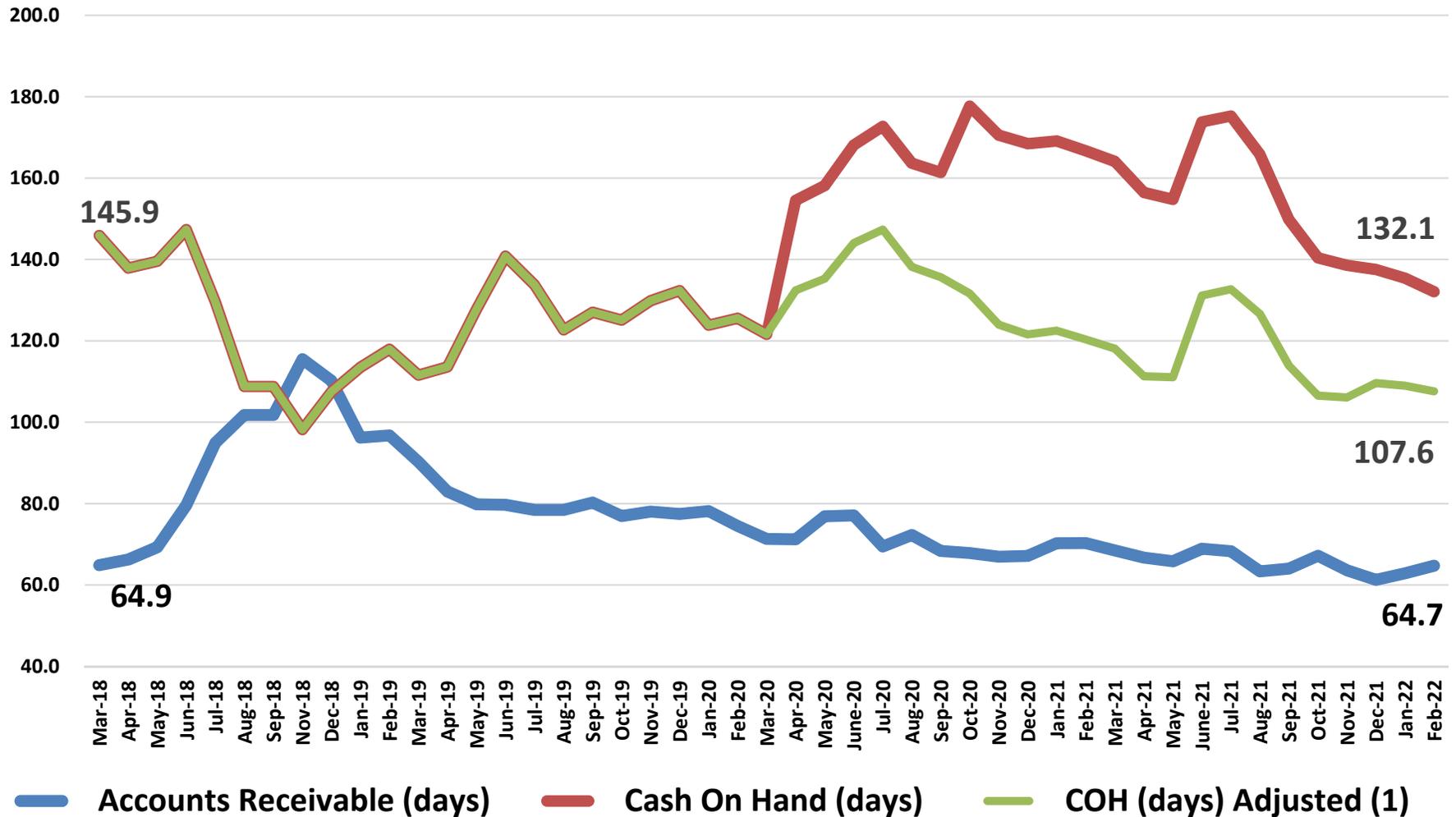
# Surgical Versus Medical Grouping – Opportunity Costs



# Pulmonary Decrease – Opportunity Costs



# Trended Liquidity Ratios



(1) Adjusted for Medicare accelerated payments and the deferral of employer portion of FICA as allowed by the CARES act.

# KAWEAH DELTA HEALTH CARE DISTRICT

## RATIO ANALYSIS REPORT

### FEBRUARY 28, 2022

	Current Month Value	Prior Month Value	June 30, 2021 Audited Value	2020 Moody's Median Benchmark		
				Aa	A	Baa
<b>LIQUIDITY RATIOS</b>						
Current Ratio (x)	1.6	1.6	1.2	1.5	<b>1.7</b>	1.8
Accounts Receivable (days)	64.7	62.9	67.0	47.2	<b>46.3</b>	45.9
Cash On Hand (days)	132.1	135.4	173.3	334.8	<b>261.4</b>	207.2
Cushion Ratio (x)	19.1	19.4	22.9	45.9	<b>28.8</b>	19.0
Average Payment Period (days)	71.7	72.1	93.2	100.5	<b>89.4</b>	95.2
<b>CAPITAL STRUCTURE RATIOS</b>						
Cash-to-Debt	135.1%	137.1%	137.1%	285.0%	<b>200.8%</b>	149.7%
Debt-To-Capitalization	31.3%	31.1%	31.1%	24.8%	<b>31.7%</b>	40.1%
Debt-to-Cash Flow (x)	5.3	4.4	4.4	2.4	<b>3.0</b>	3.9
Debt Service Coverage	2.5	3.0	3.0	7.5	<b>5.2</b>	3.7
Maximum Annual Debt Service Coverage (x)	2.5	3.0	3.0	6.6	<b>4.4</b>	3.0
Age Of Plant (years)	14.2	14.3	14.3	10.6	<b>11.8</b>	12.9
<b>PROFITABILITY RATIOS</b>						
Operating Margin	(1.5%)	(.6%)	(3.5%)	2.2%	<b>1.4%</b>	0.6%
Excess Margin	0.7%	1.7%	1.5%	6.3%	<b>4.8%</b>	3.0%
Operating Cash Flow Margin	3.0%	3.9%	1.4%	7.4%	<b>7.6%</b>	6.2%
Return on Assets	0.6%	1.6%	1.3%	4.4%	<b>3.8%</b>	2.8%

**KAWEAH DELTA HEALTH CARE DISTRICT**  
**CONSOLIDATED INCOME STATEMENT (000's)**  
**FISCAL YEAR 2021 & 2022**

Fiscal Year	Operating Revenue			Operating Expenses				Operating Expenses Total	Operating Income	Non-Operating Income	Net Income	Operating Margin %	Excess Margin
	Net Patient Revenue	Other Operating Revenue	Operating Revenue Total	Personnel Expense	Physician Fees	Supplies Expense	Other Operating Expense						
<b>2021</b>													
Jul-20	47,402	13,608	61,009	32,213	7,807	10,036	13,502	63,559	(2,550)	4,542	1,993	(4.2%)	3.0%
Aug-20	48,393	13,339	61,732	32,203	8,699	10,720	14,744	66,366	(4,634)	4,444	(191)	(7.5%)	(0.3%)
Sep-20	48,769	13,548	62,317	32,837	6,871	11,619	14,643	65,971	(3,654)	3,138	(515)	(5.9%)	(0.8%)
Oct-20	51,454	13,083	64,537	33,385	7,746	10,713	15,033	66,876	(2,339)	5,177	2,837	(3.6%)	4.1%
Nov-20	50,994	12,719	63,713	31,225	8,079	10,999	14,837	65,140	(1,427)	2,807	1,380	(2.2%)	2.1%
Dec-20	50,409	13,317	63,726	34,298	8,024	11,492	15,152	68,965	(5,240)	1,963	(3,276)	(8.2%)	(5.0%)
Jan-21	49,949	14,115	64,064	34,008	8,421	12,014	15,101	69,544	(5,480)	6,363	883	(8.6%)	1.3%
Feb-21	44,505	14,519	59,024	31,565	8,484	9,685	13,829	63,562	(4,538)	3,973	(565)	(7.7%)	(0.9%)
Mar-21	56,144	17,106	73,250	35,505	8,278	10,923	16,990	71,696	1,554	2,267	3,821	2.1%	5.1%
Apr-21	52,593	19,684	72,277	37,084	8,320	11,011	16,895	73,310	(1,033)	2,645	1,612	(1.4%)	2.2%
May-21	50,531	15,692	66,223	34,042	7,754	10,170	16,569	68,535	(2,312)	1,829	(483)	(3.5%)	(0.7%)
Jun-21	45,033	20,967	66,000	21,557	8,207	12,067	20,023	61,854	4,146	773	4,919	6.3%	7.4%
<b>2021 FY Total</b>	<b>\$ 596,175</b>	<b>\$ 181,697</b>	<b>\$ 777,872</b>	<b>\$ 389,923</b>	<b>\$ 96,690</b>	<b>\$ 131,449</b>	<b>\$ 187,317</b>	<b>\$ 805,379</b>	<b>\$ (27,507)</b>	<b>\$ 39,921</b>	<b>\$ 12,414</b>	<b>(3.5%)</b>	<b>1.5%</b>
<b>2022</b>													
Jul-21	51,502	15,035	66,537	32,678	7,922	9,596	15,217	65,413	1,124	582	1,706	1.7%	2.5%
Aug-21	49,714	16,024	65,737	33,434	8,527	13,004	15,414	70,379	(4,642)	990	(3,651)	(7.1%)	(5.5%)
Sep-21	57,879	15,513	73,391	38,332	7,736	11,942	17,438	75,448	(2,056)	(388)	(2,445)	(2.8%)	(3.3%)
Oct-21	55,674	15,592	71,266	36,627	9,674	11,714	17,386	75,402	(4,136)	732	(3,403)	(5.8%)	(4.8%)
Nov-21	54,846	22,162	77,008	33,634	10,261	10,623	15,629	70,146	6,862	7,129	13,991	8.9%	18.2%
Dec-21	51,115	21,358	72,473	37,366	9,479	10,687	15,532	73,064	(591)	2,495	1,904	(0.8%)	2.6%
Jan-22	56,862	17,469	74,331	38,931	9,210	10,913	15,143	74,197	134	568	702	0.2%	0.9%
Feb-22	47,933	17,619	65,552	36,102	8,812	10,406	15,848	71,168	(5,616)	693	(4,924)	(8.6%)	(7.5%)
<b>2022 FY Total</b>	<b>\$ 425,524</b>	<b>\$ 140,772</b>	<b>\$ 566,296</b>	<b>\$ 287,105</b>	<b>\$ 71,621</b>	<b>\$ 88,884</b>	<b>\$ 127,607</b>	<b>\$ 575,217</b>	<b>\$ (8,921)</b>	<b>\$ 12,801</b>	<b>\$ 3,880</b>	<b>(1.6%)</b>	<b>0.7%</b>
<b>FYTD Budget</b>	<b>422,499</b>	<b>124,467</b>	<b>546,966</b>	<b>259,134</b>	<b>66,527</b>	<b>83,552</b>	<b>127,781</b>	<b>536,994</b>	<b>9,972</b>	<b>3,840</b>	<b>13,812</b>	<b>1.8%</b>	<b>2.5%</b>
<b>Variance</b>	<b>\$ 3,025</b>	<b>\$ 16,304</b>	<b>\$ 19,329</b>	<b>\$ 27,971</b>	<b>\$ 5,094</b>	<b>\$ 5,332</b>	<b>\$ (174)</b>	<b>\$ 38,222</b>	<b>\$ (18,893)</b>	<b>\$ 8,961</b>	<b>\$ (9,932)</b>		
<b>Current Month Analysis</b>													
<b>Feb-22</b>	<b>\$ 47,933</b>	<b>\$ 17,619</b>	<b>\$ 65,552</b>	<b>\$ 36,102</b>	<b>\$ 8,812</b>	<b>\$ 10,406</b>	<b>\$ 15,848</b>	<b>\$ 71,168</b>	<b>\$ (5,616)</b>	<b>\$ 693</b>	<b>\$ (4,924)</b>	<b>(8.6%)</b>	<b>(7.4%)</b>
<b>Budget</b>	<b>51,362</b>	<b>15,660</b>	<b>67,023</b>	<b>30,712</b>	<b>8,357</b>	<b>10,110</b>	<b>15,685</b>	<b>64,865</b>	<b>2,158</b>	<b>354</b>	<b>2,512</b>	<b>3.2%</b>	<b>3.7%</b>
<b>Variance</b>	<b>\$ (3,430)</b>	<b>\$ 1,959</b>	<b>\$ (1,471)</b>	<b>\$ 5,390</b>	<b>\$ 455</b>	<b>\$ 297</b>	<b>\$ 163</b>	<b>\$ 6,304</b>	<b>\$ (7,775)</b>	<b>\$ 339</b>	<b>(7,436)</b>		

# KAWEAH DELTA HEALTH CARE DISTRICT

## FISCAL YEAR 2021 & 2022

Fiscal Year	Patient Days	ADC	Adjusted	I/P Revenue %	DFR & Bad Debt %	Net Patient	Personnel	Physician	Supply	Total	Personnel Expense/ Net Patient Revenue	Physician Fees/ Net Patient Revenue	Supply	Total
			Patient Days			Revenue/ Ajusted Patient Day	Expense/ Ajusted Patient Day	Fees/ Ajusted Patient Day	Expense/ Ajusted Patient Day	Expense/ Ajusted Patient Day			Expense/ Net Patient Revenue	Expense/ Net Patient Revenue
<b>2021</b>														
Jul-20	13,016	420	24,934	52.2%	76.8%	1,901	1,292	313	403	2,549	68.0%	16.5%	21.2%	134.1%
Aug-20	13,296	429	24,893	53.4%	75.7%	1,944	1,294	349	431	2,666	66.5%	18.0%	22.2%	137.1%
Sep-20	13,024	434	24,587	53.0%	75.6%	1,984	1,336	279	473	2,683	67.3%	14.1%	23.8%	135.3%
Oct-20	12,478	403	24,749	50.4%	74.2%	2,079	1,349	313	433	2,702	64.9%	15.1%	20.8%	130.0%
Nov-20	12,898	430	24,958	51.7%	74.0%	2,043	1,251	324	441	2,610	61.2%	15.8%	21.6%	127.7%
Dec-20	14,389	464	25,827	55.7%	75.2%	1,952	1,328	311	445	2,670	68.0%	15.9%	22.8%	136.8%
Jan-21	14,002	452	24,471	57.2%	75.5%	2,041	1,390	344	491	2,842	68.1%	16.9%	24.1%	139.2%
Feb-21	12,388	442	23,578	52.5%	77.3%	1,888	1,339	360	411	2,696	70.9%	19.1%	21.8%	142.8%
Mar-21	13,030	420	25,820	50.5%	74.9%	2,174	1,375	321	423	2,777	63.2%	14.7%	19.5%	127.7%
Apr-21	12,361	412	25,268	48.9%	75.8%	2,081	1,468	329	436	2,901	70.5%	15.8%	20.9%	139.4%
May-21	13,115	423	25,026	52.4%	76.4%	2,019	1,360	310	406	2,739	67.4%	15.3%	20.1%	135.6%
Jun-21	12,916	431	25,797	50.1%	79.6%	1,746	836	318	468	2,398	47.9%	18.2%	26.8%	137.4%
<b>2021 FY Total</b>	<b>156,913</b>	<b>430</b>	<b>300,105</b>	<b>52.3%</b>	<b>75.9%</b>	<b>1,987</b>	<b>1,299</b>	<b>322</b>	<b>438</b>	<b>2,684</b>	<b>65.4%</b>	<b>16.2%</b>	<b>22.0%</b>	<b>135.1%</b>
<b>2022</b>														
Jul-21	13,388	432	26,085	51.3%	76.2%	1,974	1,253	304	368	2,508	63.4%	15.4%	18.6%	127.0%
Aug-21	14,421	465	27,742	52.0%	77.3%	1,792	1,205	307	469	2,537	67.3%	17.2%	26.2%	141.6%
Sep-21	14,836	495	28,344	52.3%	75.0%	2,042	1,352	273	421	2,662	66.2%	13.4%	20.6%	130.4%
Oct-21	15,518	501	28,267	54.9%	75.8%	1,970	1,296	342	414	2,667	65.8%	17.4%	21.0%	135.4%
Nov-21	13,969	466	26,571	52.6%	74.8%	2,064	1,266	386	400	2,640	61.3%	18.7%	19.4%	127.9%
Dec-21	14,305	461	27,106	52.8%	76.4%	1,886	1,378	350	394	2,695	73.1%	18.5%	20.9%	142.9%
Jan-22	14,611	471	26,955	54.2%	74.3%	2,109	1,444	342	405	2,753	68.5%	16.2%	19.2%	130.5%
Feb-22	13,263	474	24,973	53.1%	75.8%	1,919	1,446	353	417	2,850	75.3%	18.4%	21.7%	148.5%
<b>2022 FY Total</b>	<b>114,311</b>	<b>470</b>	<b>216,043</b>	<b>52.9%</b>	<b>75.7%</b>	<b>1,970</b>	<b>1,329</b>	<b>332</b>	<b>411</b>	<b>2,663</b>	<b>67.5%</b>	<b>16.8%</b>	<b>20.9%</b>	<b>135.2%</b>
<b>FYTD Budget</b>	<b>107,780</b>	<b>444</b>	<b>213,367</b>	<b>50.5%</b>	<b>75.5%</b>	<b>1,980</b>	<b>1,215</b>	<b>312</b>	<b>392</b>	<b>2,486</b>	<b>61.3%</b>	<b>15.7%</b>	<b>19.8%</b>	<b>127.1%</b>
<b>Variance</b>	<b>6,531</b>	<b>27</b>	<b>2,677</b>	<b>2.4%</b>	<b>0.1%</b>	<b>(11)</b>	<b>114</b>	<b>20</b>	<b>20</b>	<b>177</b>	<b>6.1%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>8.1%</b>
<b>Current Month Analysis</b>														
<b>Feb-22</b>	<b>13,263</b>	<b>474</b>	<b>24,973</b>	<b>53.1%</b>	<b>75.8%</b>	<b>1,919</b>	<b>1,446</b>	<b>353</b>	<b>417</b>	<b>2,850</b>	<b>75.3%</b>	<b>18.4%</b>	<b>21.7%</b>	<b>148.5%</b>
<b>Budget</b>	<b>12,829</b>	<b>458</b>	<b>25,538</b>	<b>50.2%</b>	<b>75.7%</b>	<b>2,011</b>	<b>1,203</b>	<b>327</b>	<b>396</b>	<b>2,597</b>	<b>59.8%</b>	<b>16.3%</b>	<b>19.7%</b>	<b>126.3%</b>
<b>Variance</b>	<b>434</b>	<b>16</b>	<b>(565)</b>	<b>2.9%</b>	<b>0.0%</b>	<b>(92)</b>	<b>243</b>	<b>26</b>	<b>21</b>	<b>252</b>	<b>15.5%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>22.2%</b>

**KAWEAH DELTA HEALTH CARE DISTRICT  
CONSOLIDATED STATEMENTS OF NET POSITION (000's)**

	Feb-22	Jan-22	Change	% Change	Jun-21 (Audited)
<b>ASSETS AND DEFERRED OUTFLOWS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 13,462	\$ 9,953	\$ 3,509	35.26%	\$ 30,081
Current Portion of Board designated and trusted assets	20,232	20,358	(126)	-0.62%	13,695
Accounts receivable:					
Net patient accounts	126,682	129,351	(2,669)	-2.06%	121,553
Other receivables	26,836	21,547	5,288	24.54%	16,048
	153,518	150,898	2,619	1.74%	137,601
Inventories	12,375	12,746	(371)	-2.91%	10,800
Medicare and Medi-Cal settlements	45,672	48,775	(3,103)	-6.36%	37,339
Prepaid expenses	12,855	11,547	1,309	11.34%	12,210
Total current assets	258,114	254,277	3,838	1.51%	241,726
<b>NON-CURRENT CASH AND INVESTMENTS -</b>					
less current portion					
Board designated cash and assets	303,321	311,414	(8,092)	-2.60%	349,933
Revenue bond assets held in trust	22,313	22,310	3	0.01%	22,271
Assets in self-insurance trust fund	2,055	2,052	3	0.15%	2,073
Total non-current cash and investments	327,690	335,776	(8,087)	-2.41%	374,277
<b>CAPITAL ASSETS</b>					
Land	17,542	17,542	-	0.00%	17,542
Buildings and improvements	385,255	385,255	-	0.00%	384,399
Equipment	320,750	319,902	848	0.27%	316,636
Construction in progress	57,754	57,757	(3)	0.00%	53,113
	781,302	780,457	845	0.11%	771,690
Less accumulated depreciation	447,697	445,148	2,549	0.57%	427,307
	333,605	335,309	(1,704)	-0.51%	344,383
Property under capital leases -					
less accumulated amortization	(122)	(65)	(58)	89.10%	376
Total capital assets	333,483	335,244	(1,762)	-0.53%	344,759
<b>OTHER ASSETS</b>					
Property not used in operations	1,601	1,605	(4)	-0.27%	1,635
Health-related investments	5,135	5,266	(131)	-2.49%	5,216
Other	12,457	12,492	(35)	-0.28%	11,569
Total other assets	19,193	19,363	(170)	-0.88%	18,419
Total assets	938,480	944,660	(6,181)	-0.65%	979,182
<b>DEFERRED OUTFLOWS</b>					
	(36,082)	(36,052)	(30)	0.08%	(35,831)
Total assets and deferred outflows	\$ 902,398	\$ 908,609	\$ (6,211)	-0.68%	\$ 943,351

**KAWEAH DELTA HEALTH CARE DISTRICT**

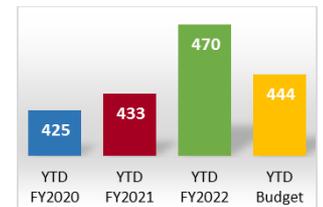
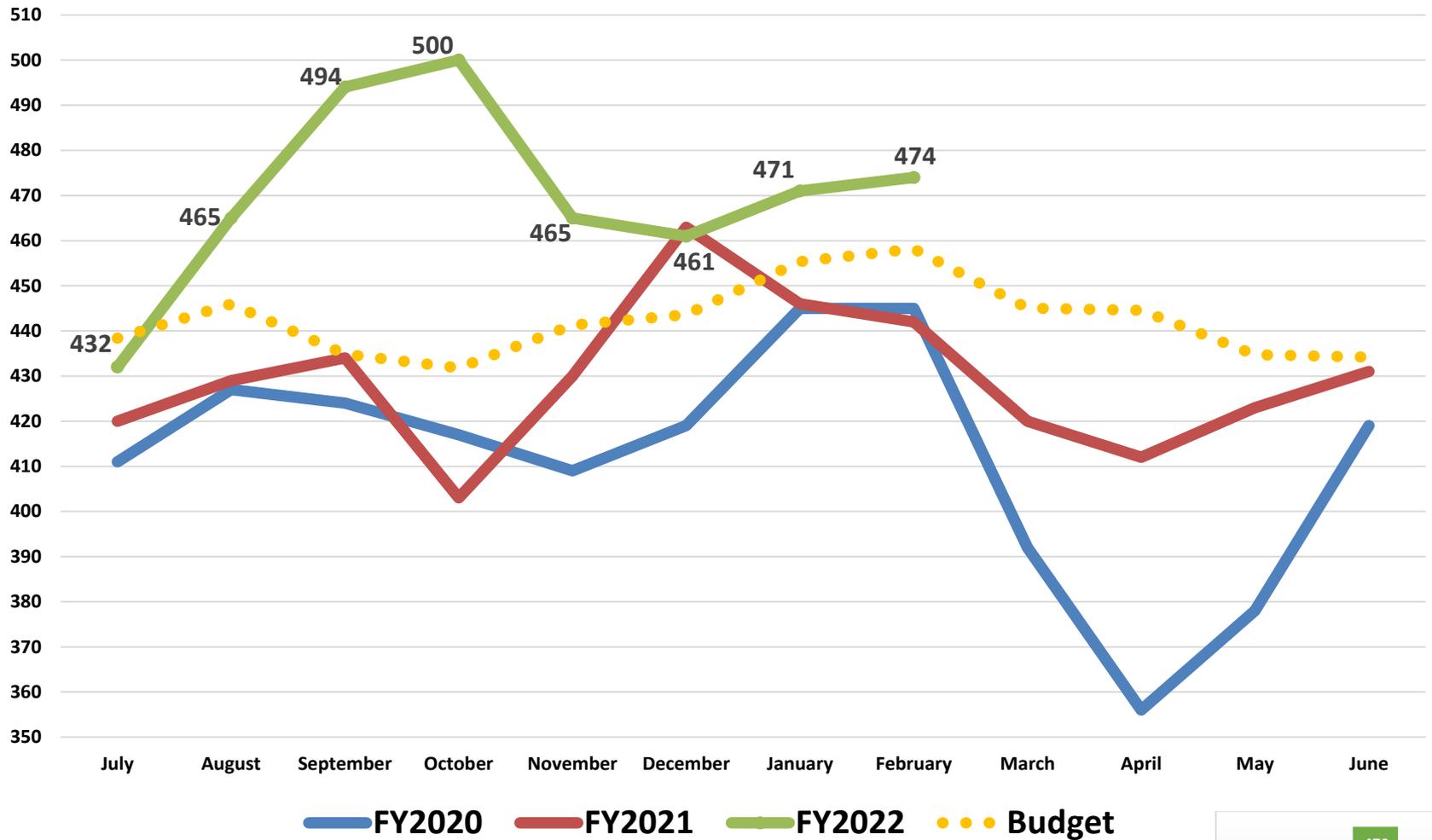
**CONSOLIDATED STATEMENTS OF NET POSITION (000's)**

	Feb-22	Jan-22	Change	% Change	Jun-21 (Audited)
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 89,358	\$ 89,152	\$ 206	0.23%	\$ 114,900
Accrued payroll and related liabilities	62,974	62,522	452	0.72%	71,537
Long-term debt, current portion	11,227	11,227	-	0.00%	11,128
Total current liabilities	163,560	162,901	658	0.40%	197,565
<b>LONG-TERM DEBT, less current portion</b>					
Bonds payable	248,306	248,363	(57)	-0.02%	250,675
Capital leases	86	92	(6)	-6.47%	123
Total long-term debt	248,391	248,454	(63)	-0.03%	250,797
<b>NET PENSION LIABILITY</b>	(38,600)	(36,559)	(2,041)	5.58%	(22,273)
<b>OTHER LONG-TERM LIABILITIES</b>	34,270	34,133	137	0.40%	30,894
Total liabilities	407,622	408,930	(1,308)	-0.32%	456,983
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	98,807	100,528	(1,721)	-1.71%	107,949
Restricted	41,943	42,042	(99)	-0.24%	31,668
Unrestricted	354,026	357,108	(3,083)	-0.86%	346,751
Total net position	494,776	499,679	(4,903)	-0.98%	486,368
Total liabilities and net position	<b>\$ 902,398</b>	<b>\$ 908,609</b>	<b>\$ (6,211)</b>	<b>-0.68%</b>	<b>\$ 943,351</b>

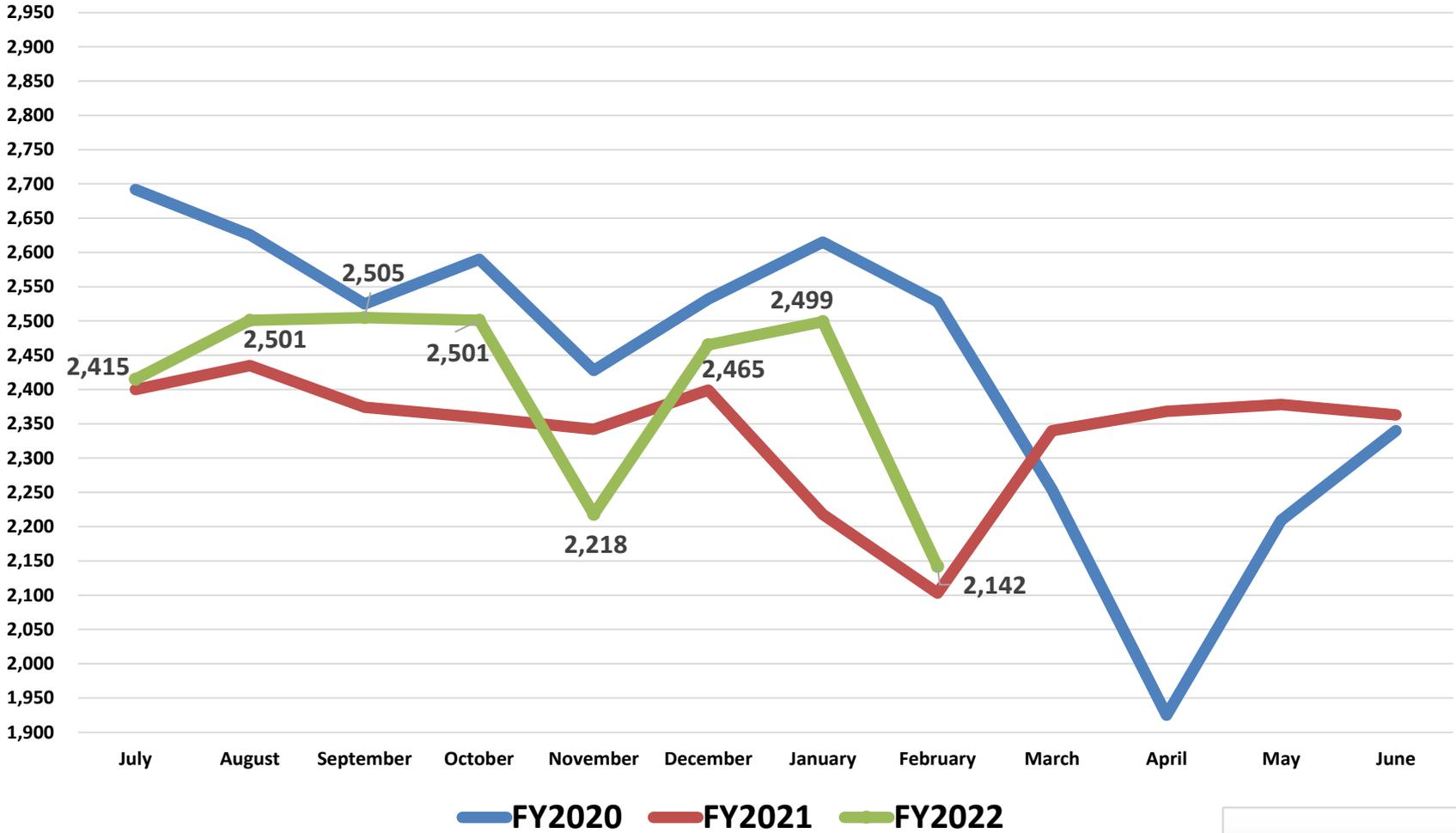
# Statistical Report

## March 2022

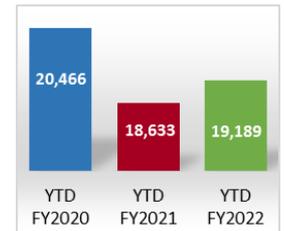
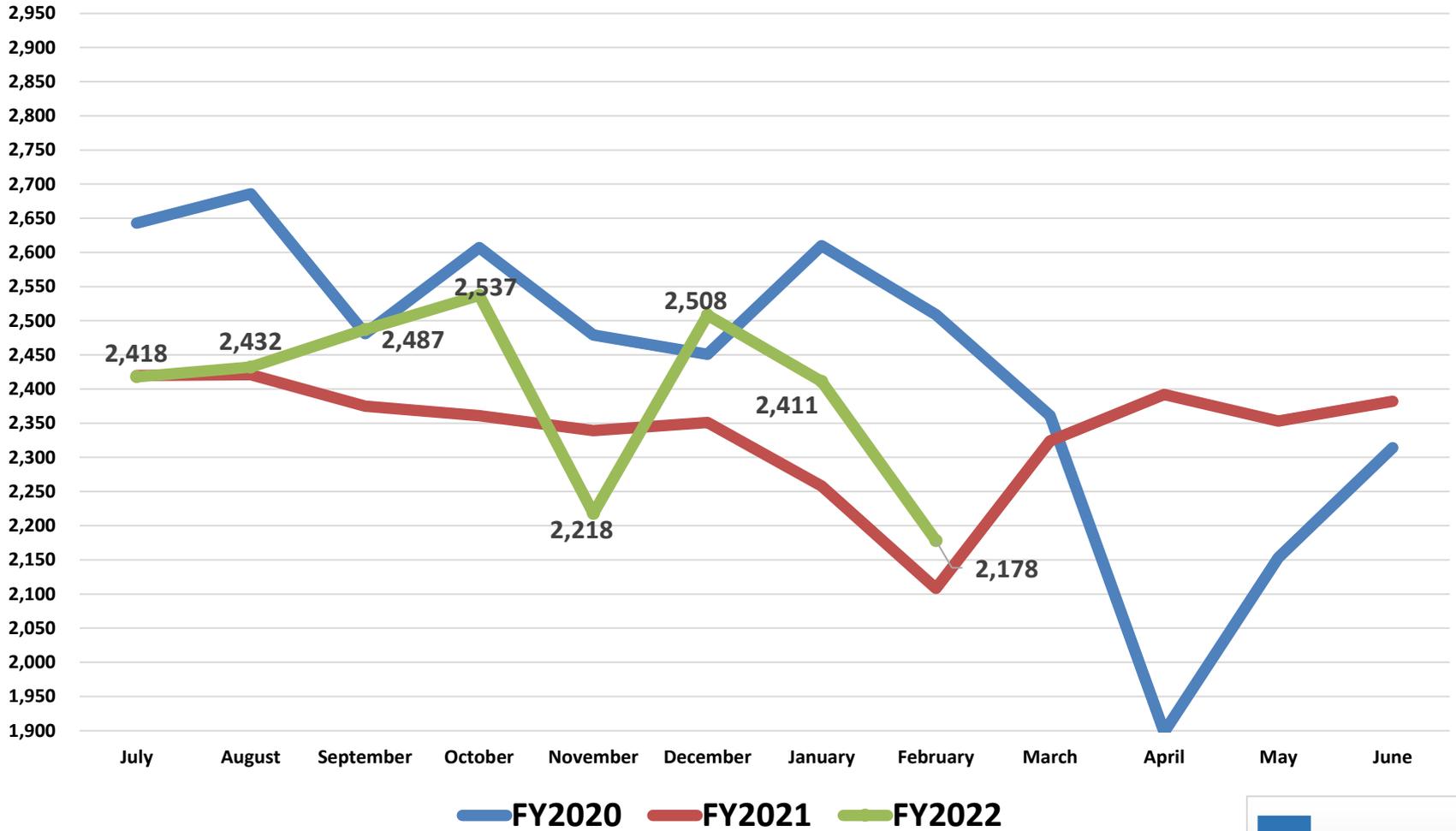
# Average Daily Census



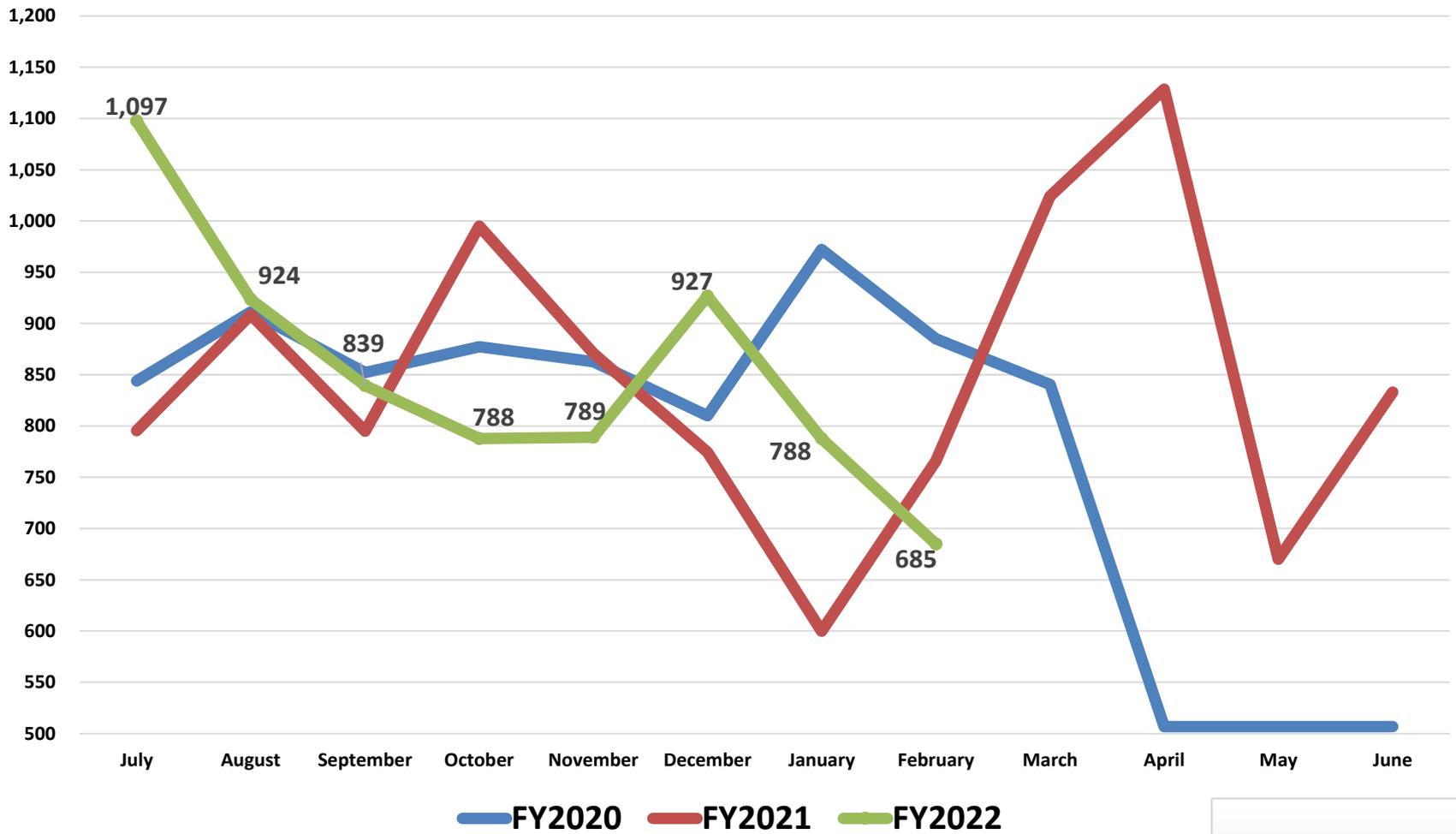
# Admissions



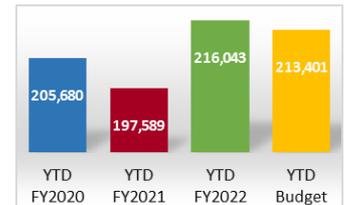
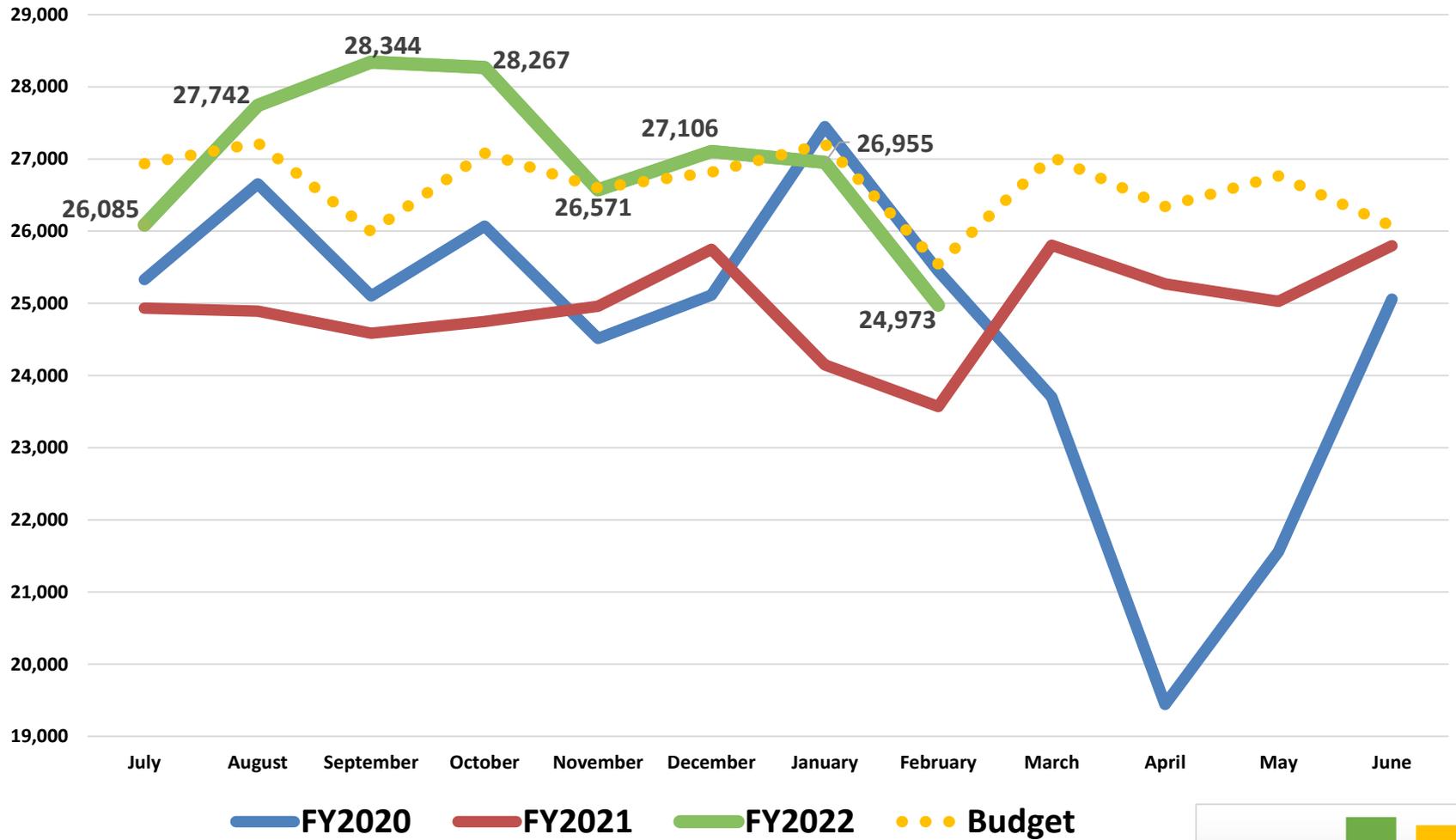
# Discharges



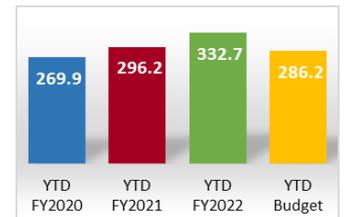
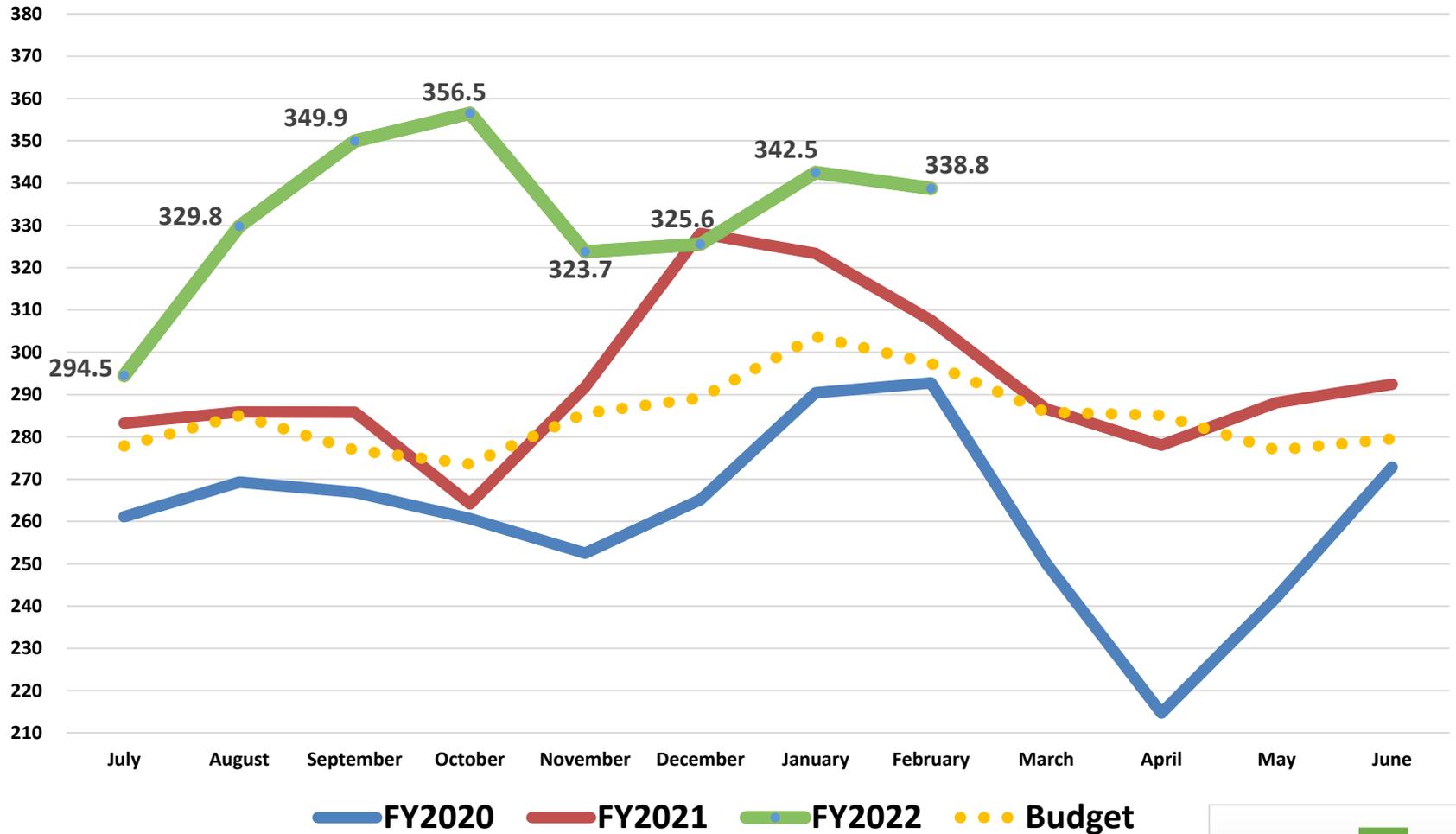
# Observation Days



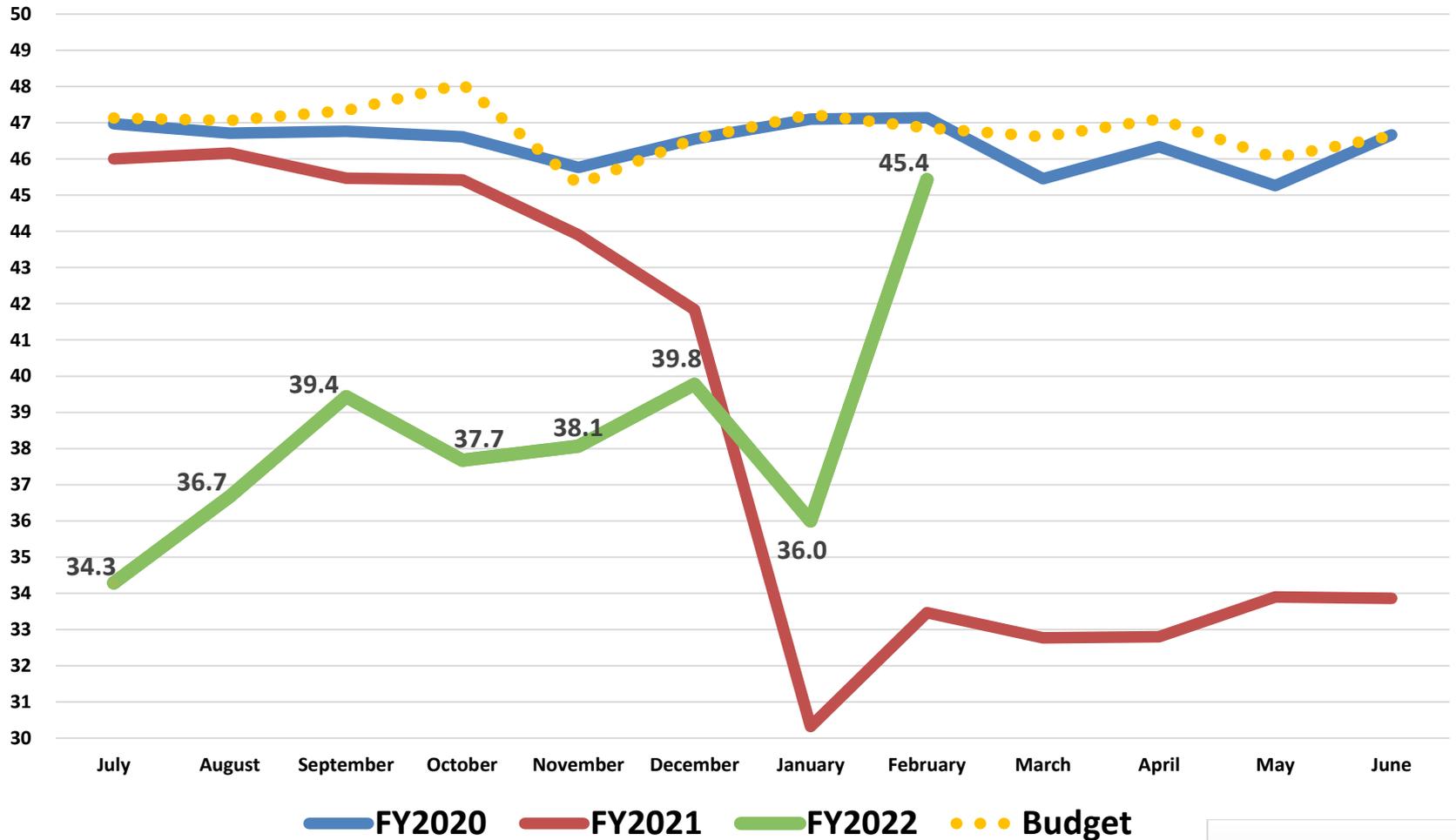
# Adjusted Patient Days



# Medical Center – Avg. Patients Per Day

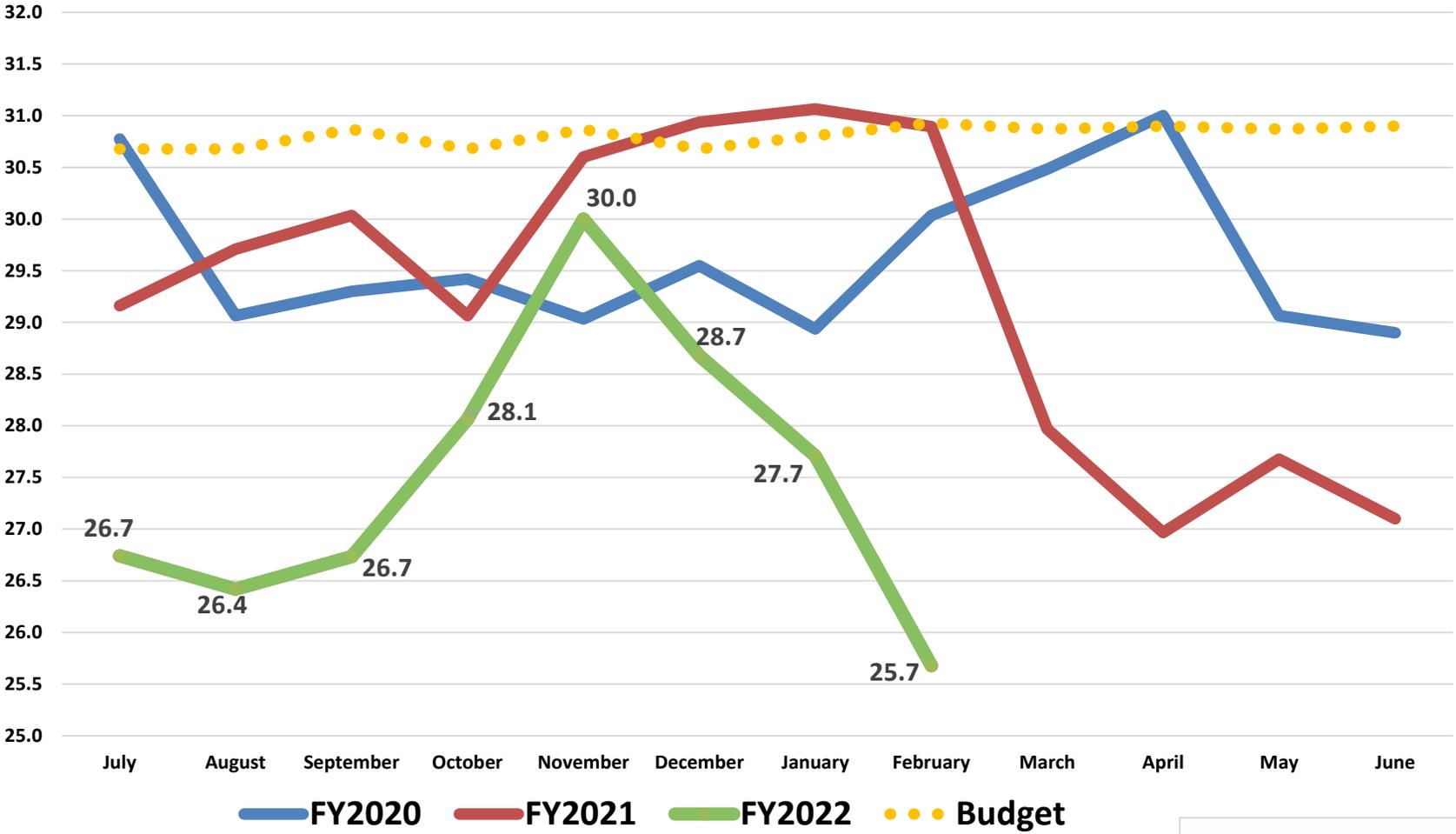


# Acute I/P Psych - Avg. Patients Per Day

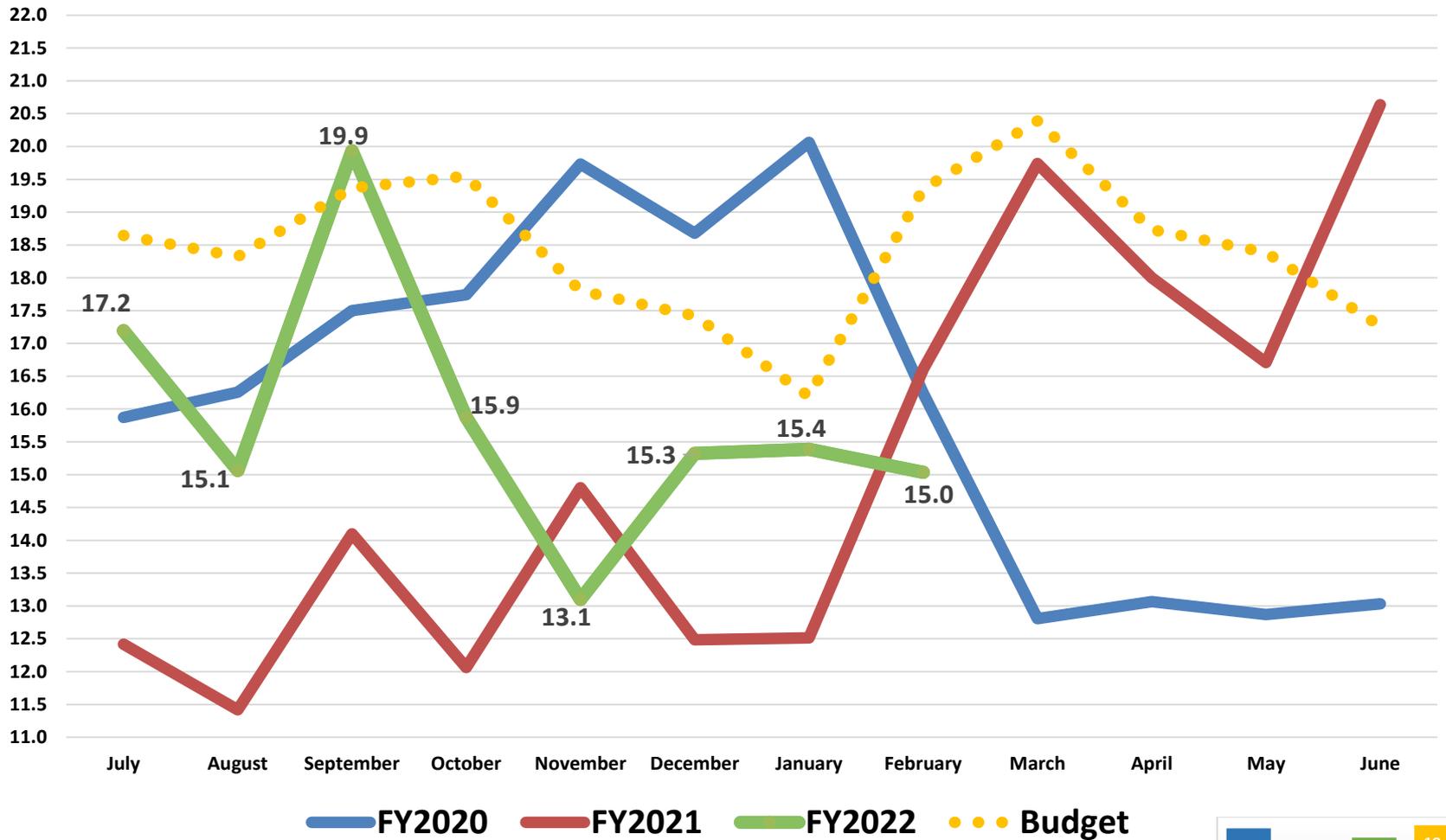


46.7	41.6	38.4	46.9
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Sub-Acute - Avg. Patients Per Day

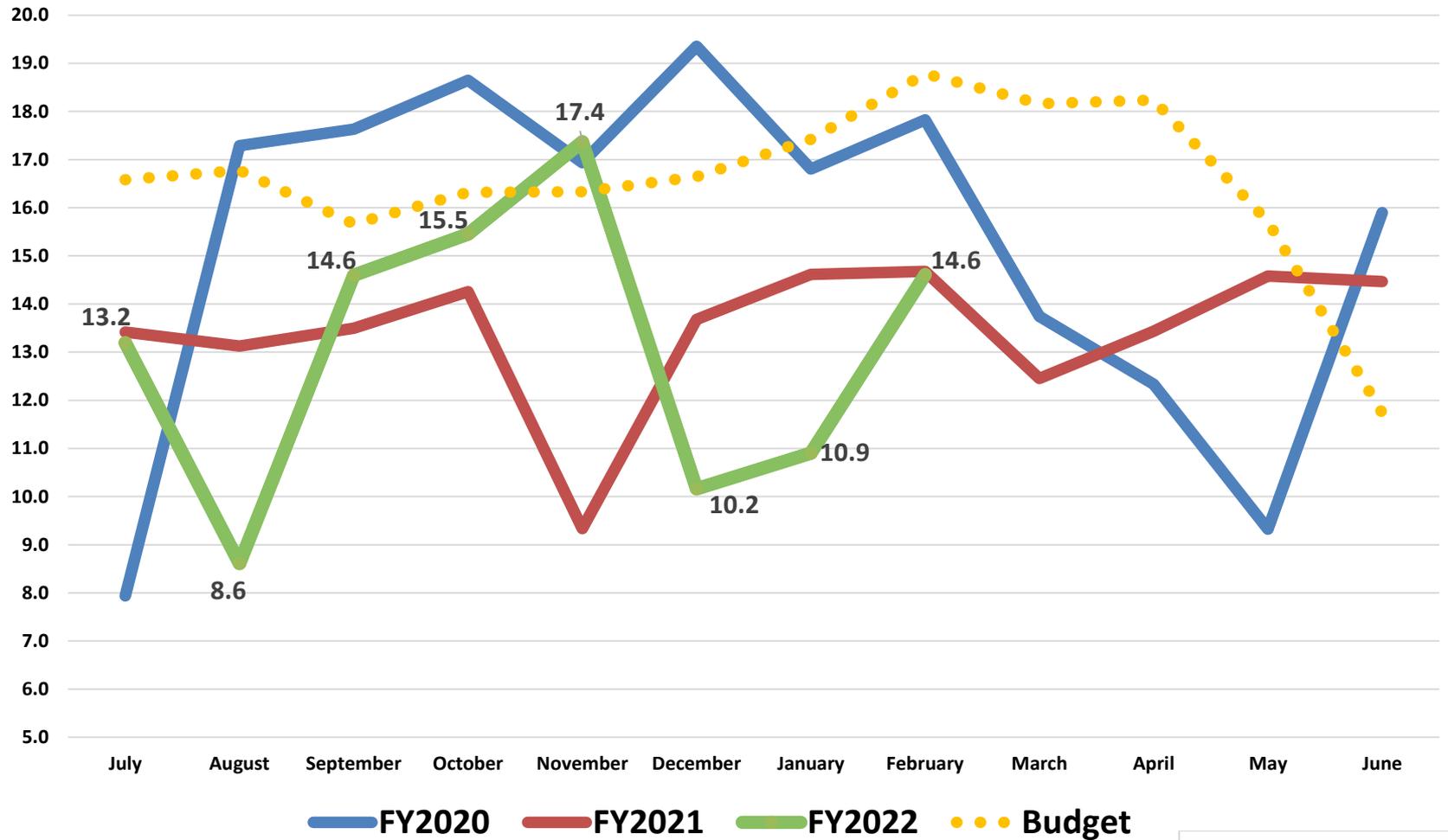


# Rehabilitation Hospital - Avg. Patients Per Day



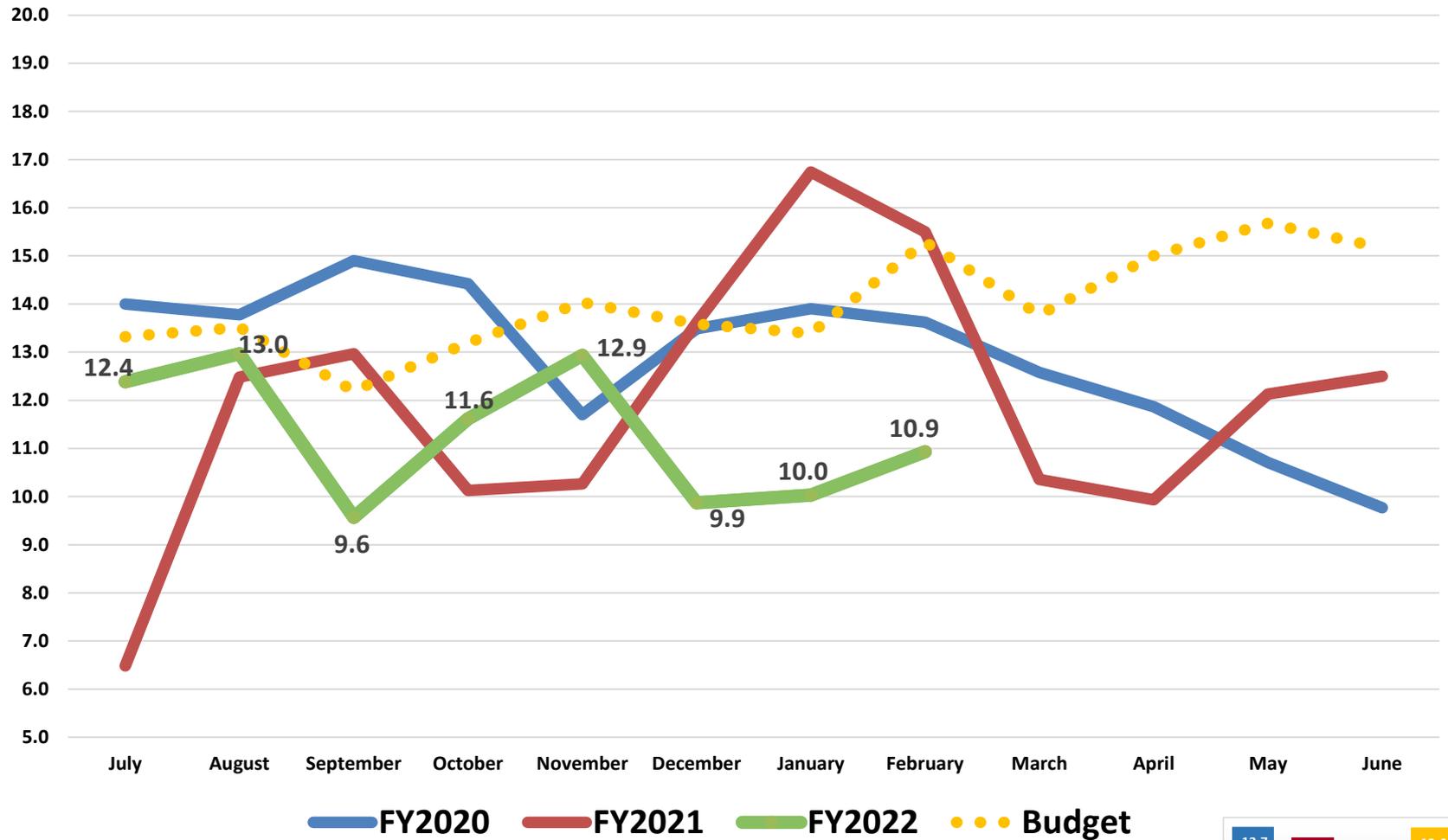
17.8	13.3	15.9	18.3
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Transitional Care Services (TCS) - Avg. Patients Per Day

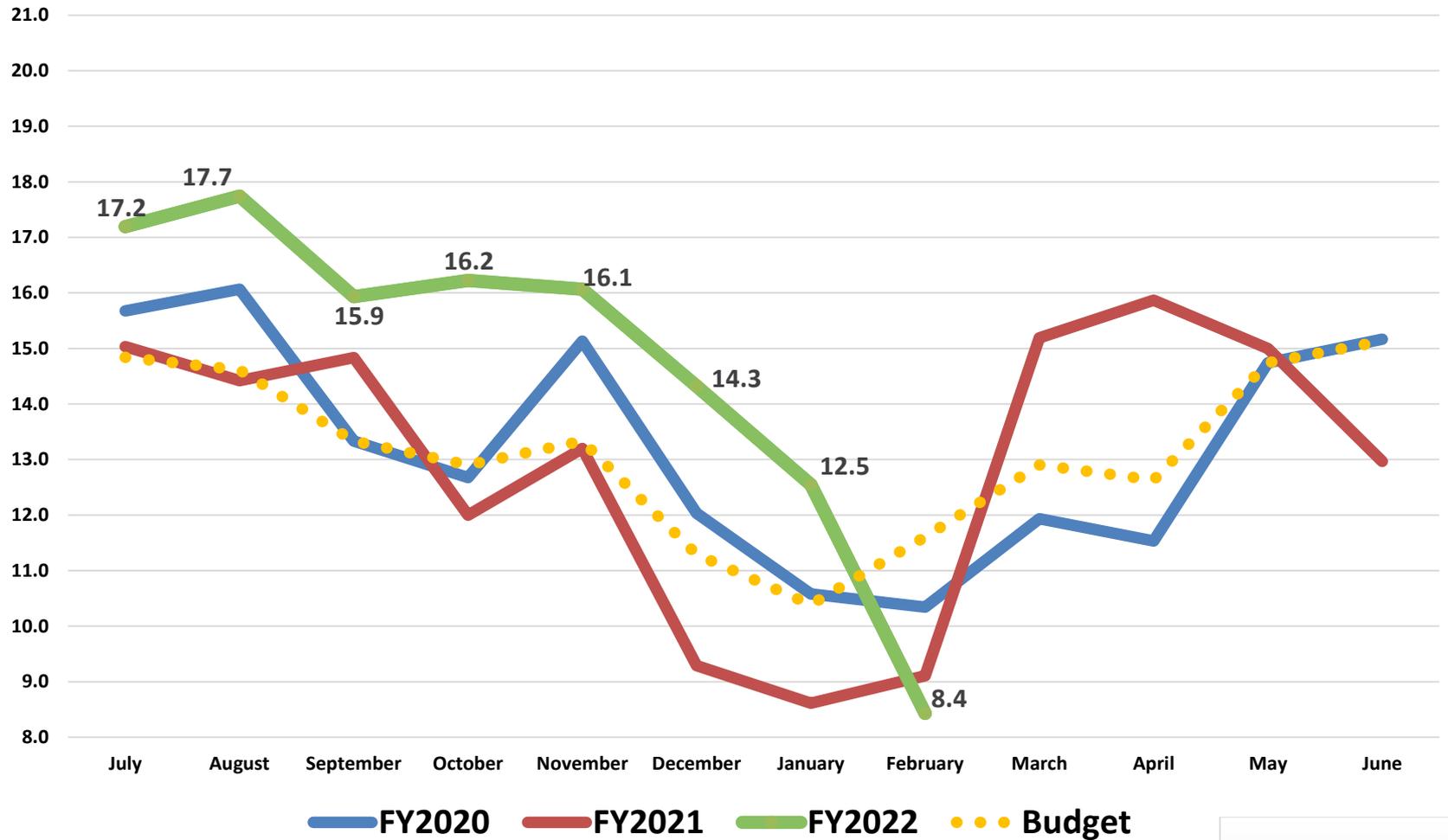


16.6	13.3	13.1	16.8
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

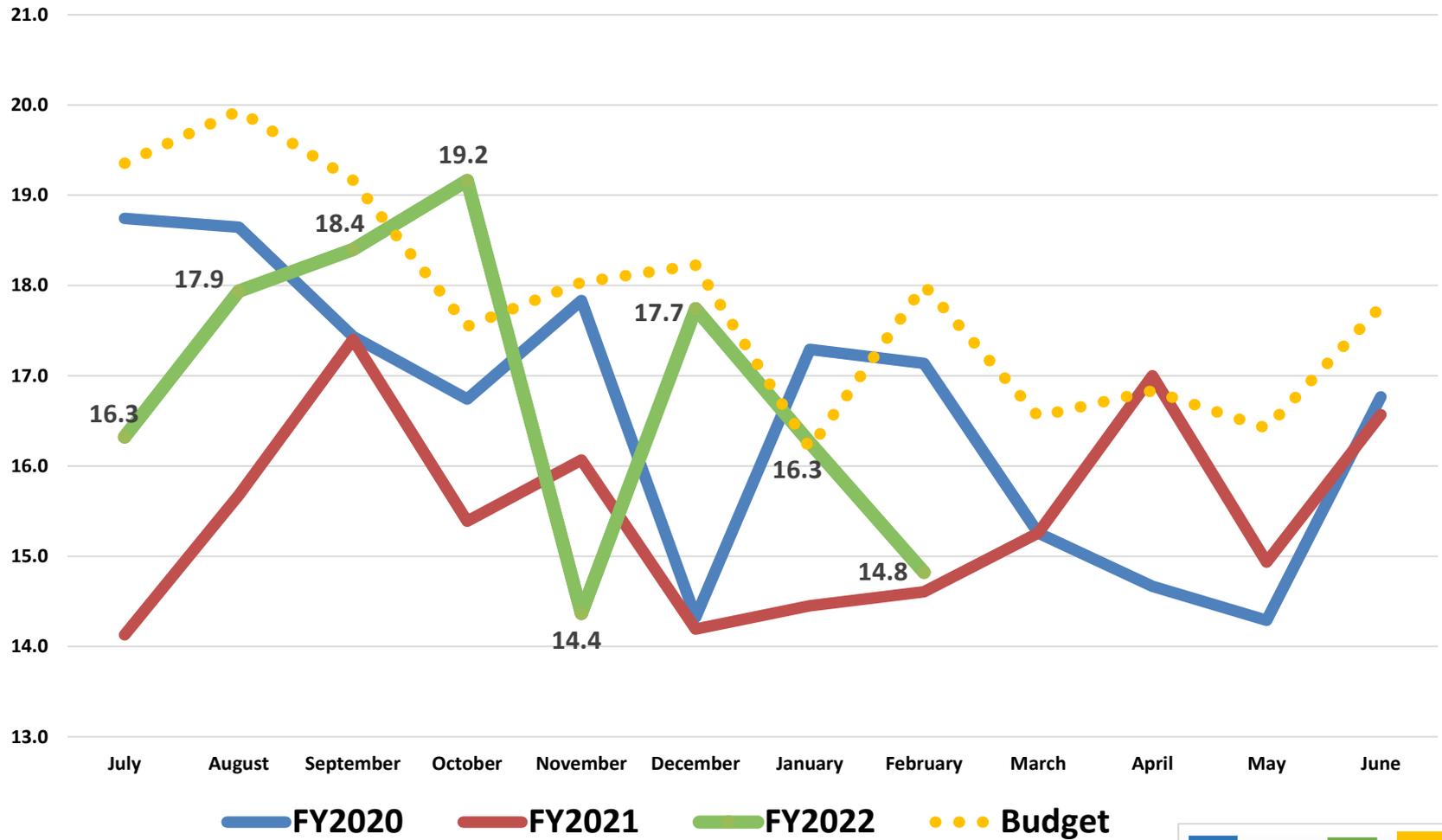
# TCS Ortho - Avg. Patients Per Day



# NICU - Avg. Patients Per Day

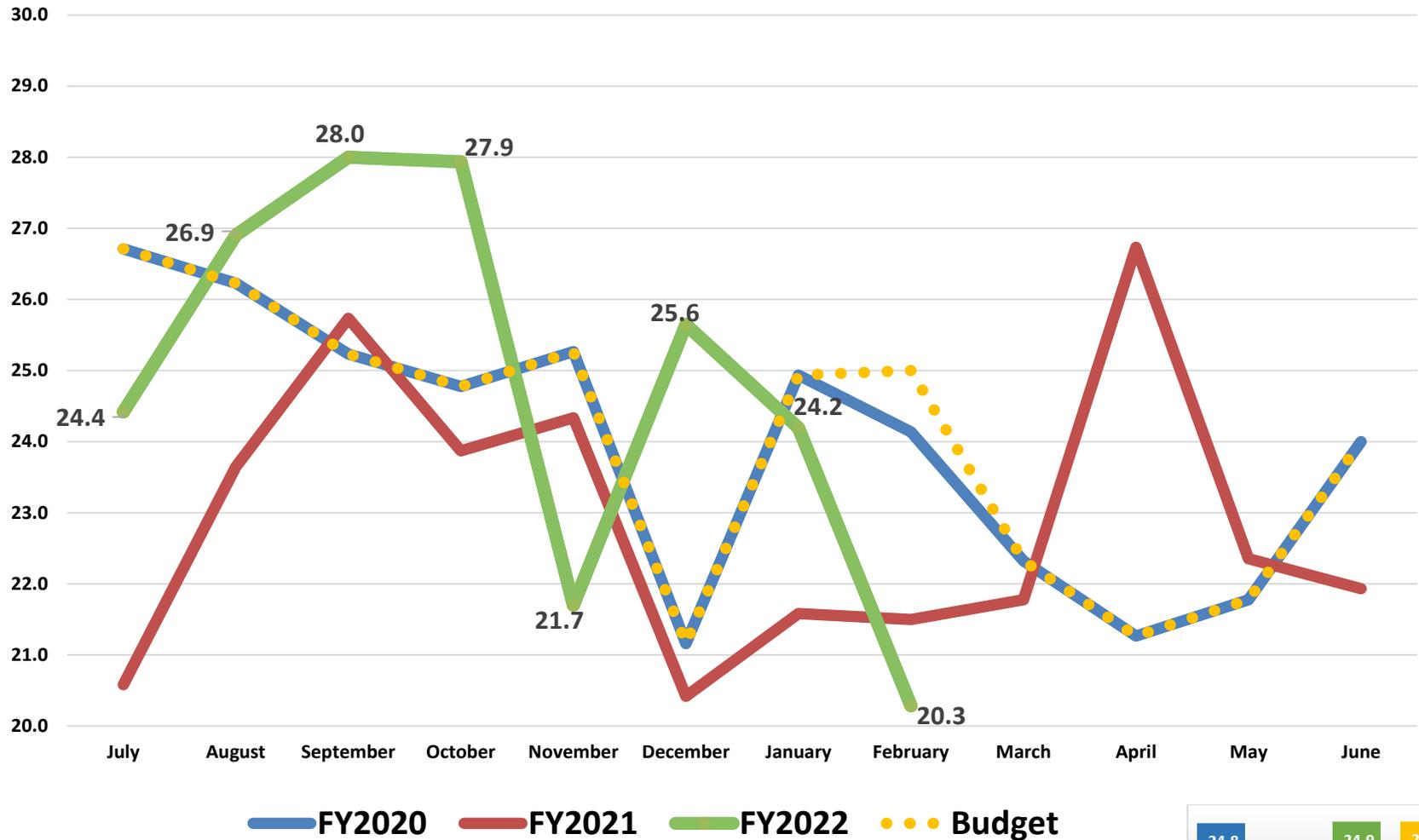


# Nursery - Avg. Patients Per Day



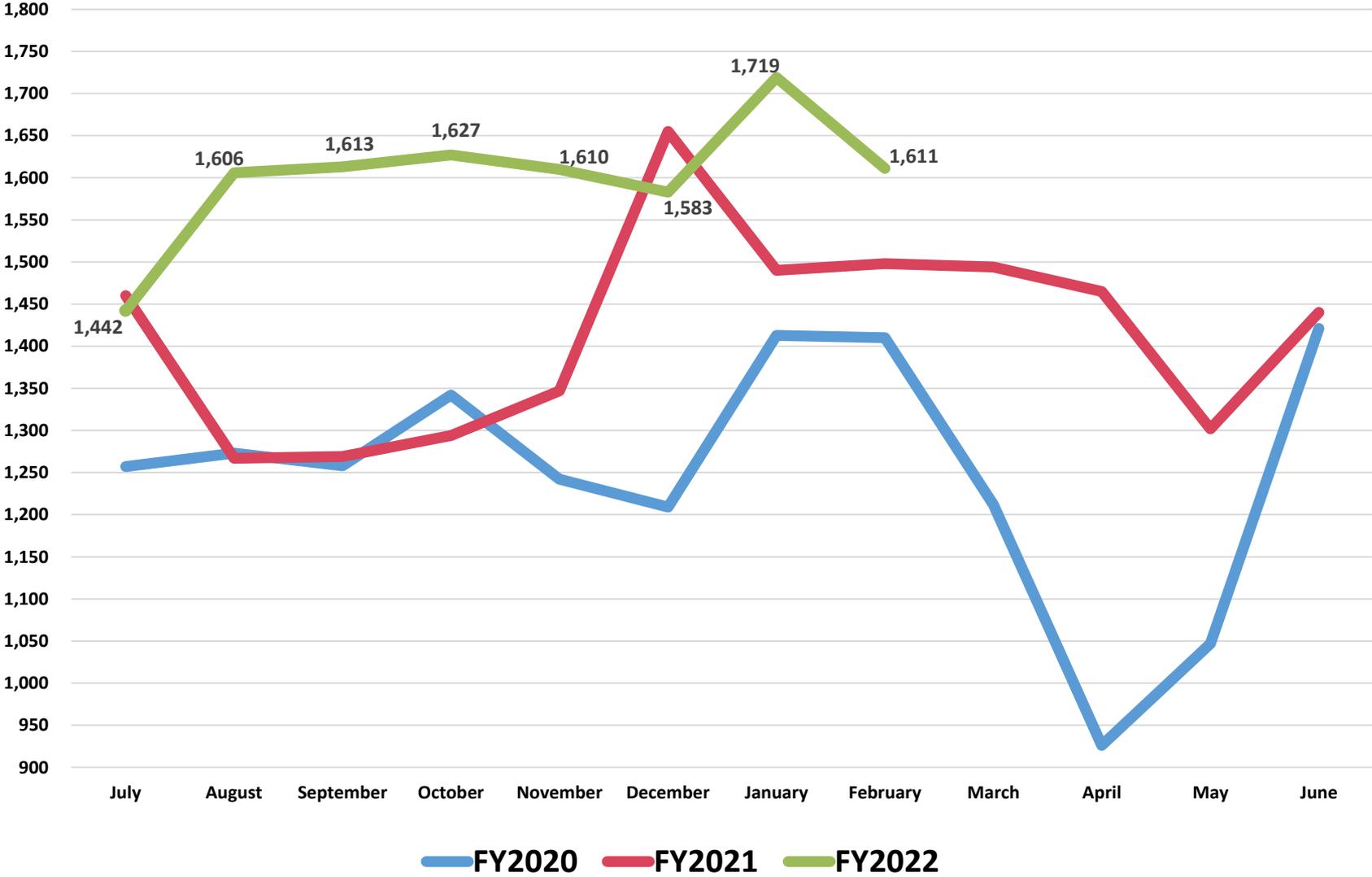
17.3	15.2	16.9	18.3
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Obstetrics - Avg. Patients Per Day

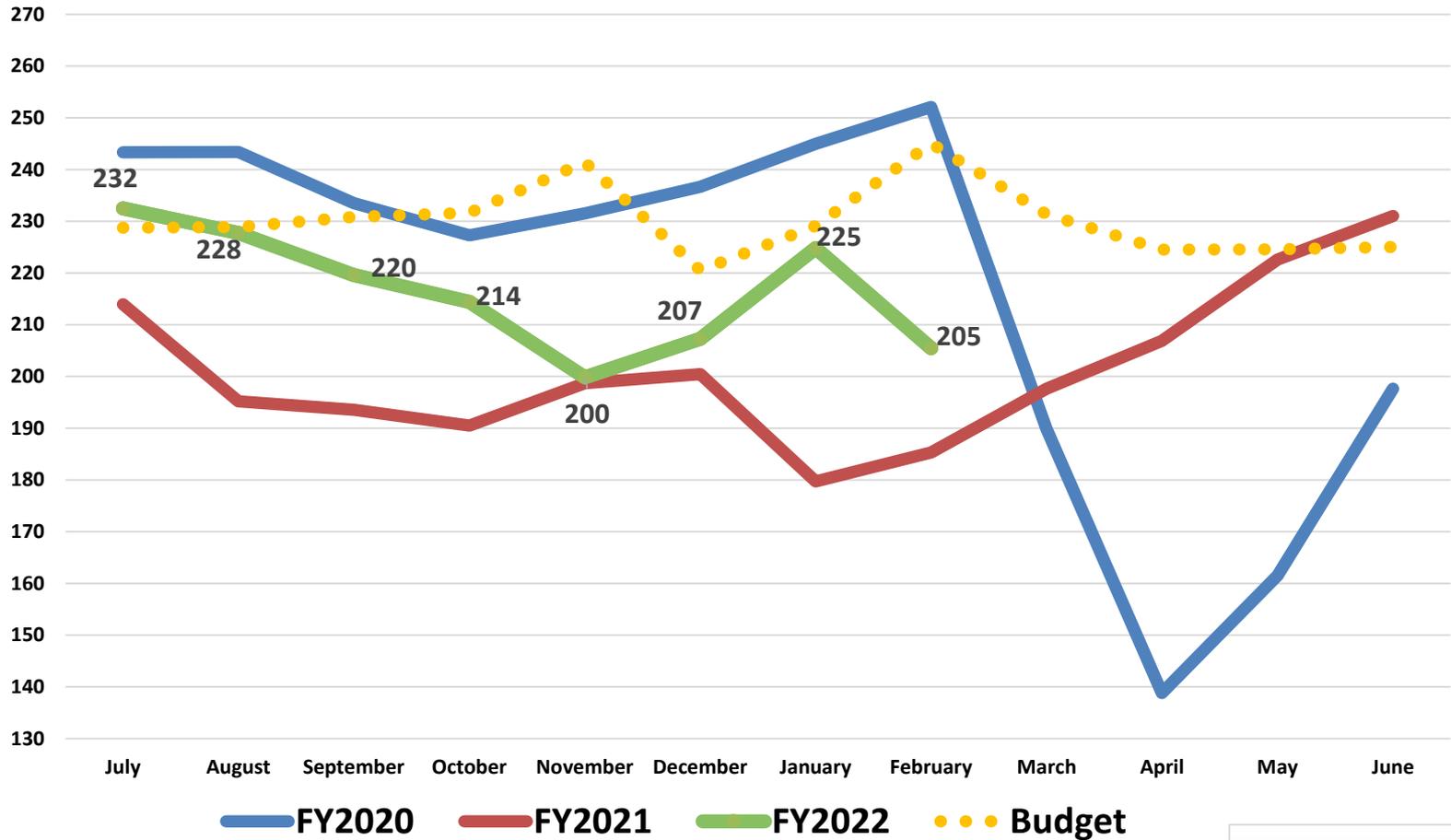


24.8	22.7	24.9	24.9
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Outpatient Registrations per Day

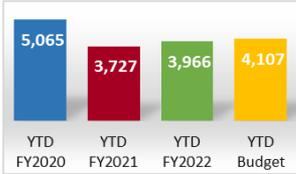
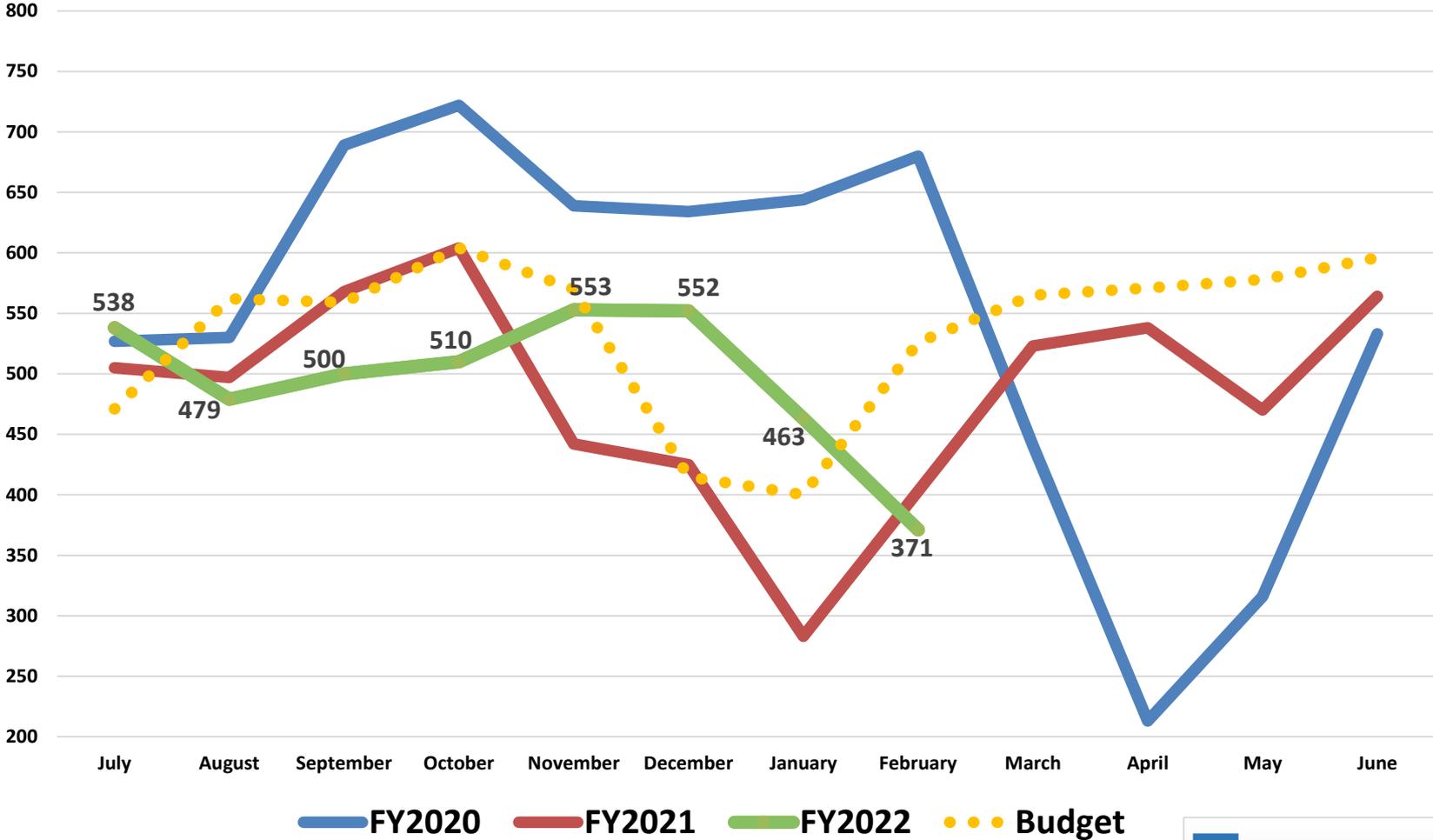


# Emergency Dept – Avg Treated Per Day

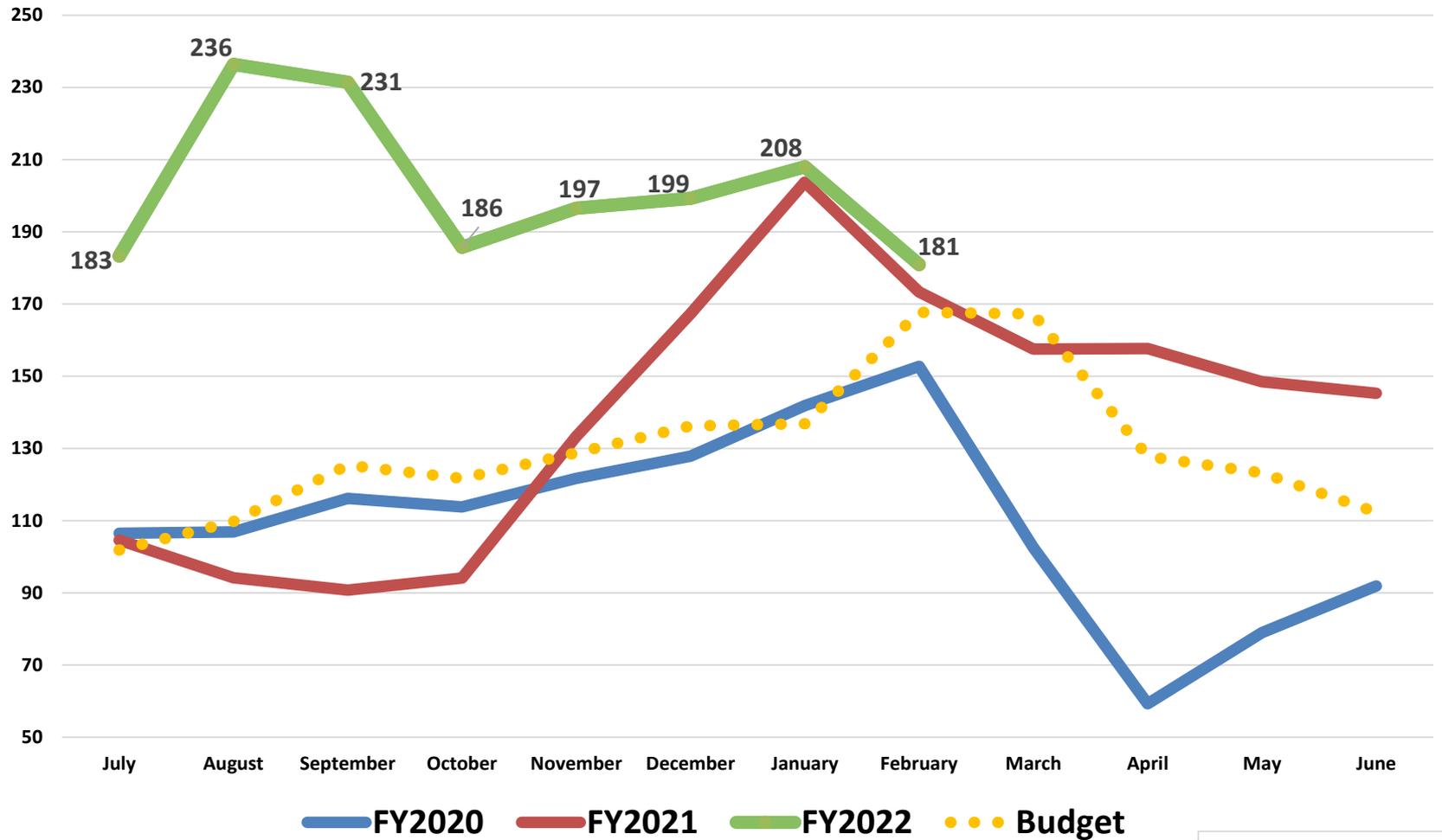


239	195	216	232
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Endoscopy Procedures

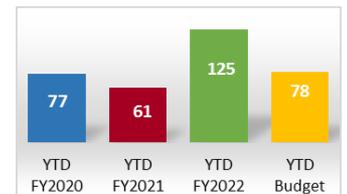
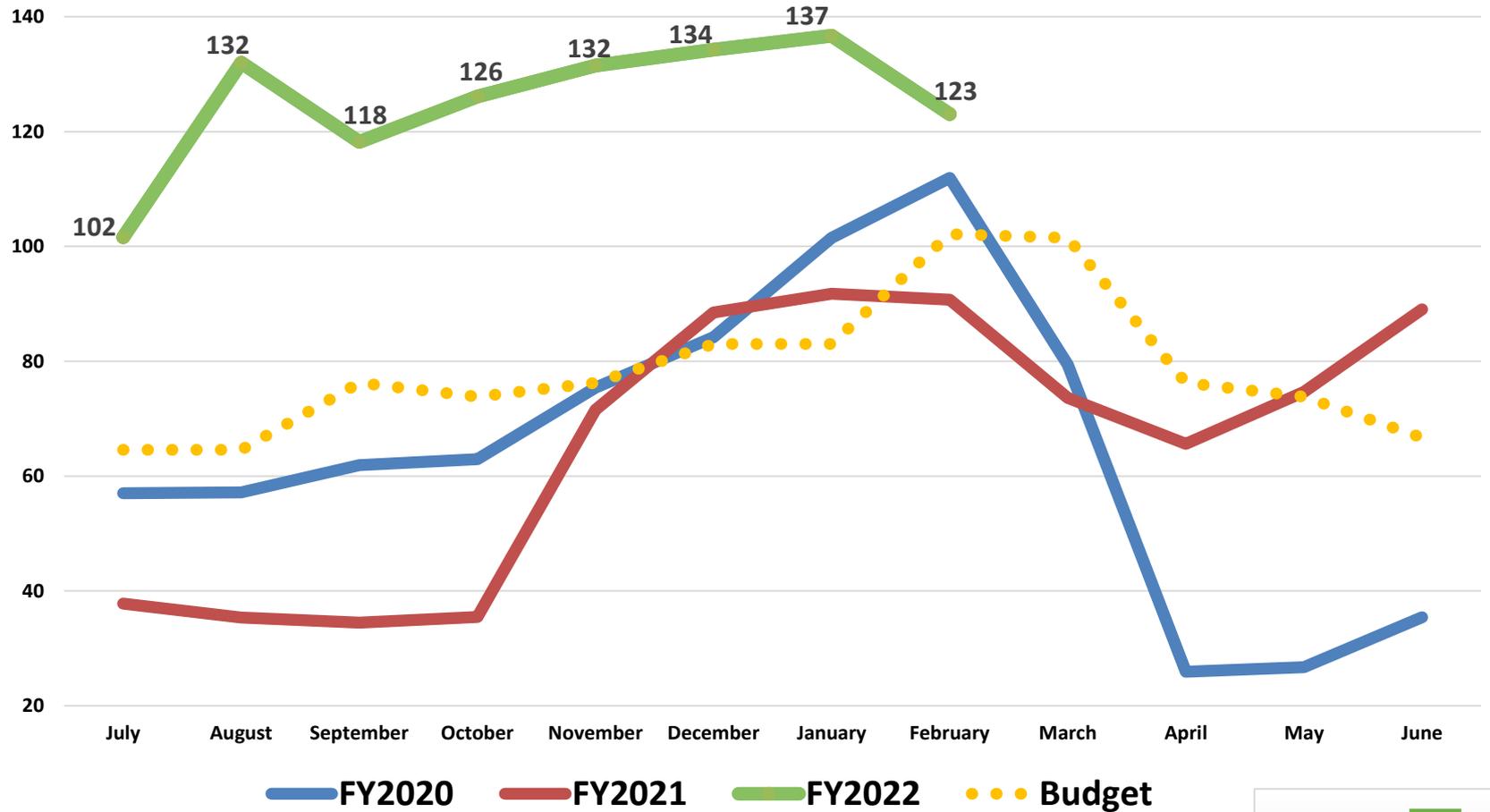


# Urgent Care – Court Average Visits Per Day

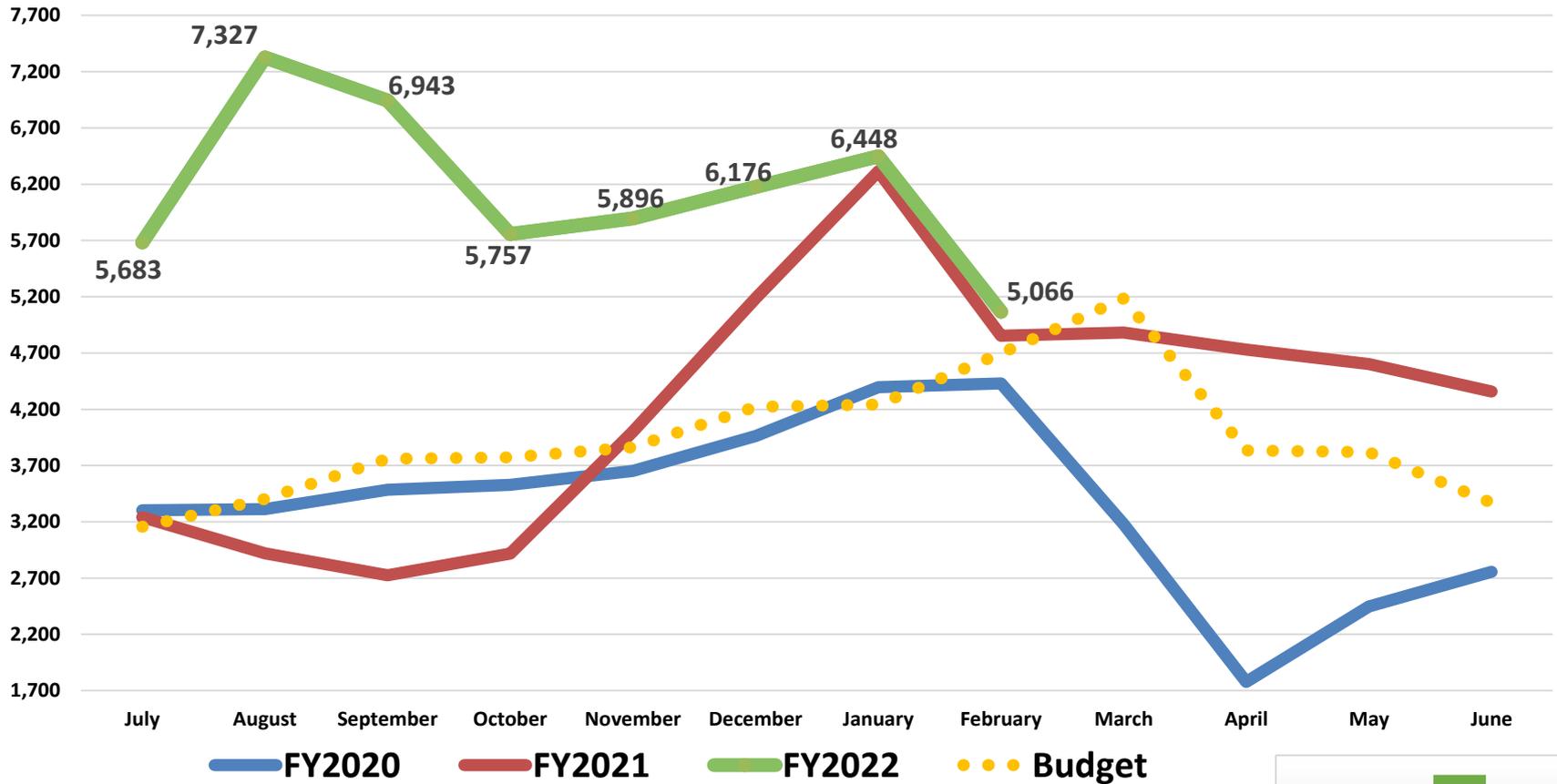


123	133	203	129
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Urgent Care – Demaree Average Visits Per Day

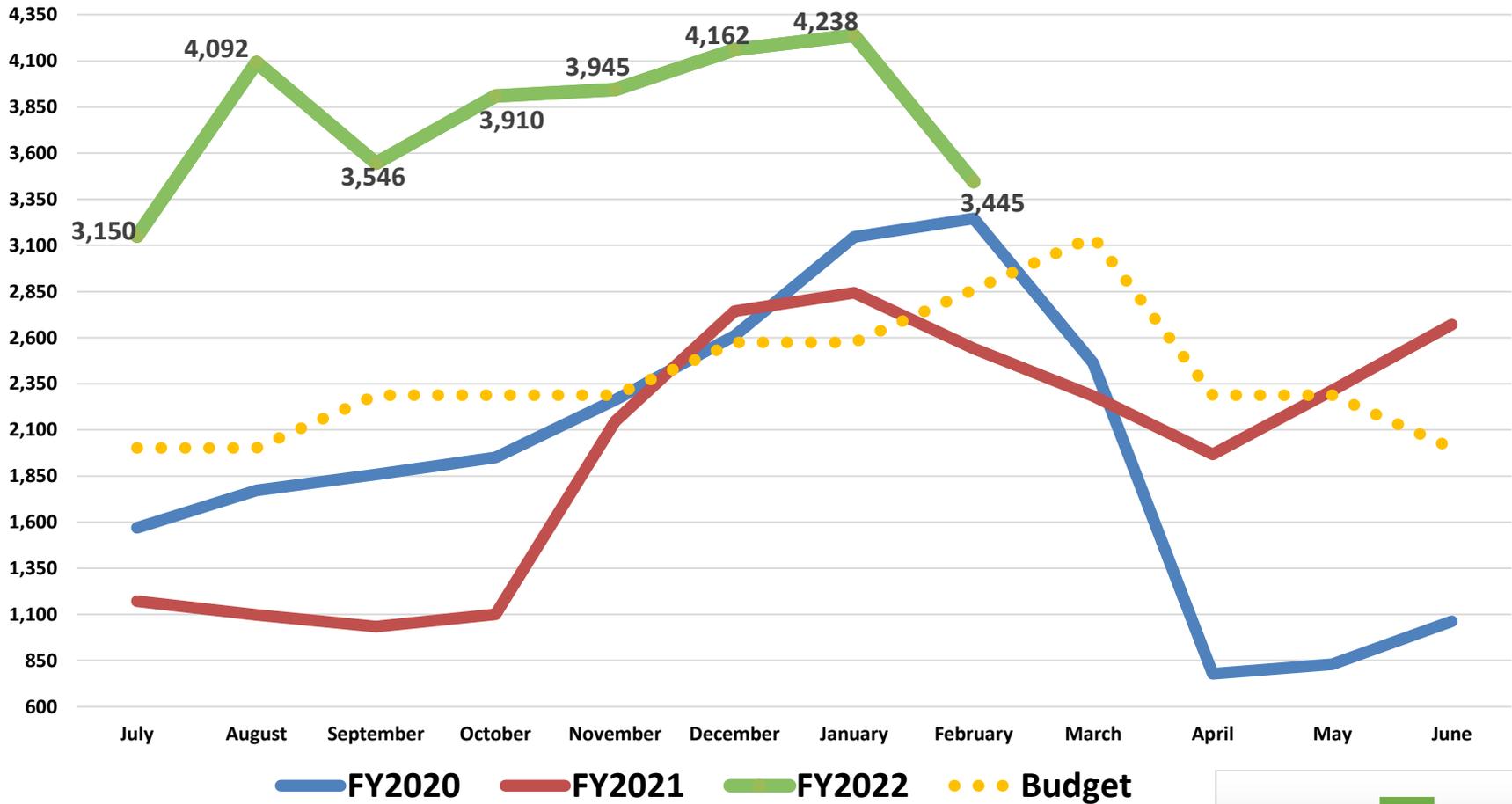


# Urgent Care – Court Total Visits



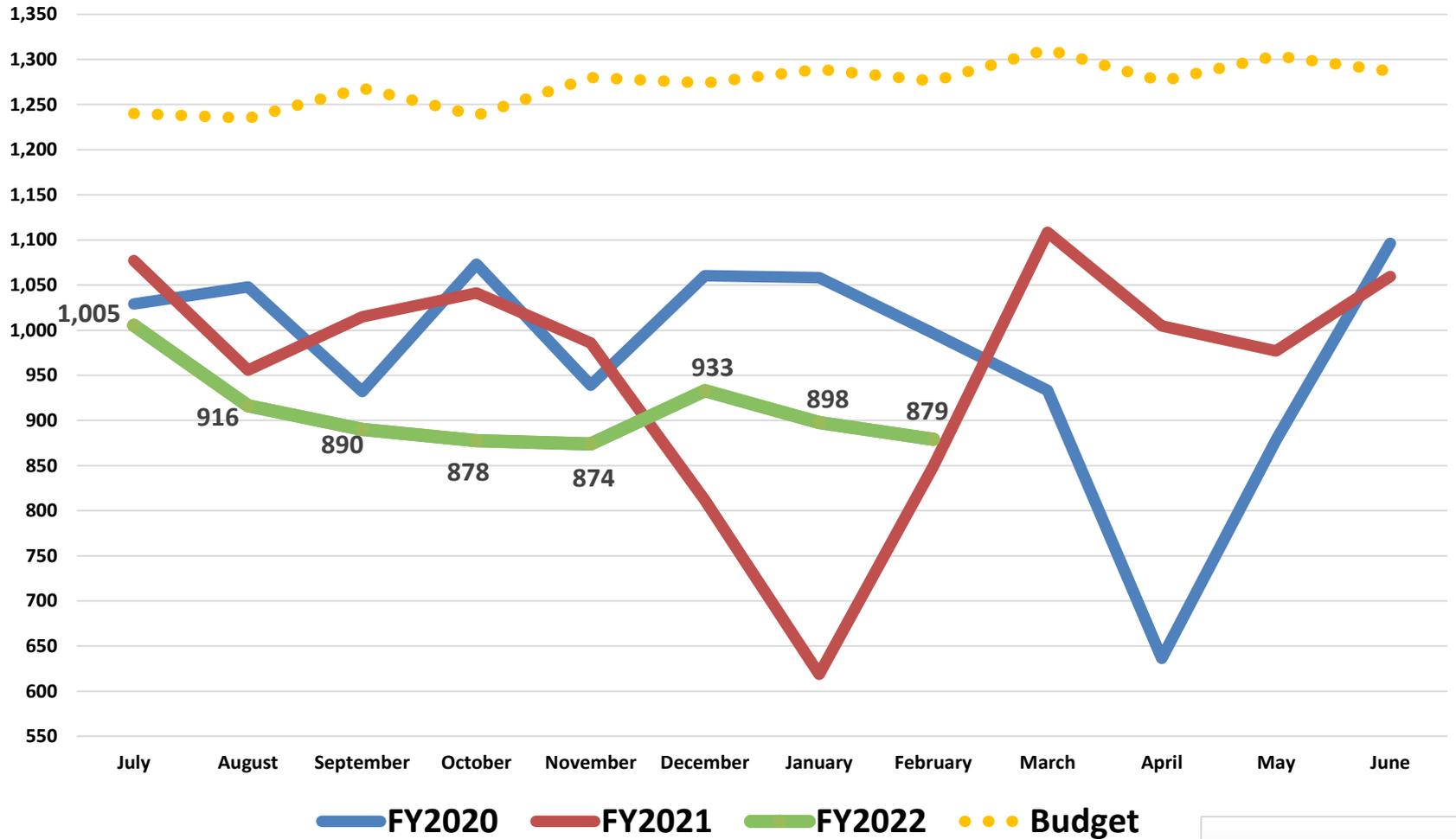
30,071	32,160	49,296	31,117
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Urgent Care – Demaree Total Visits



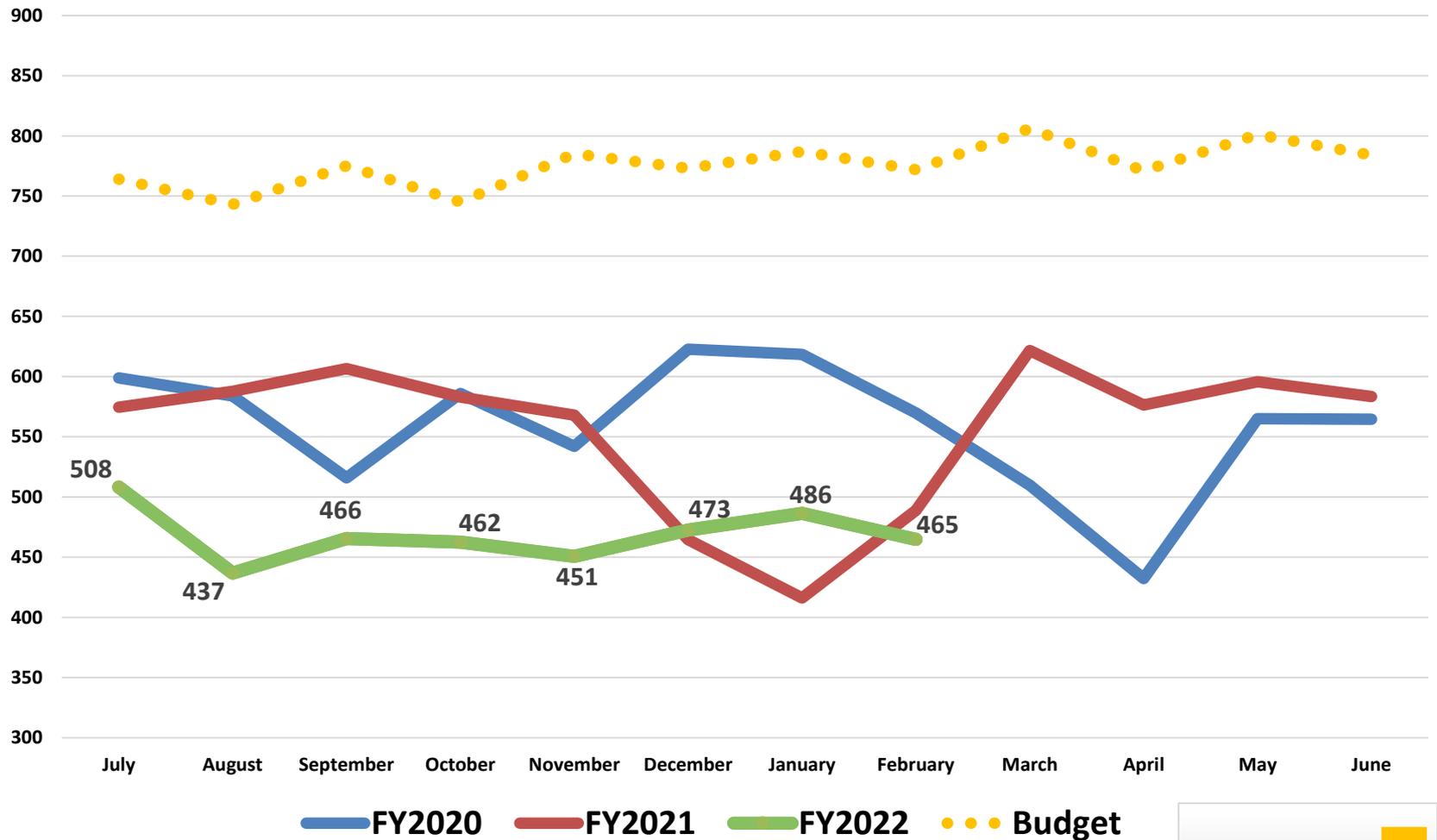
18,415	14,676	30,488	18,876
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Surgery (IP & OP) – 100 Min Units

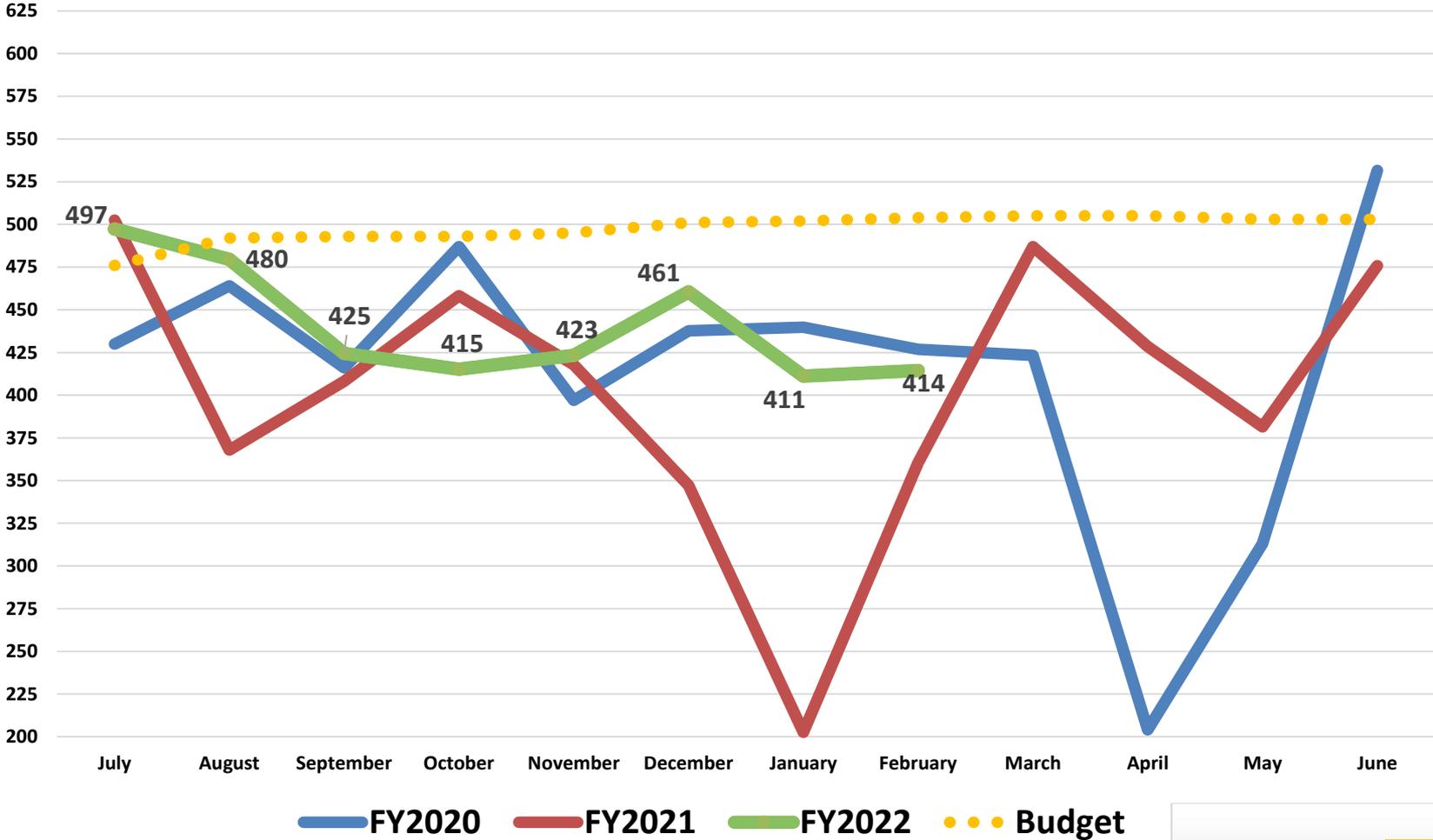


8,136	7,354	7,273	10,100
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

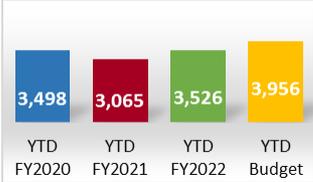
# Surgery (IP Only) – 100 Min Units



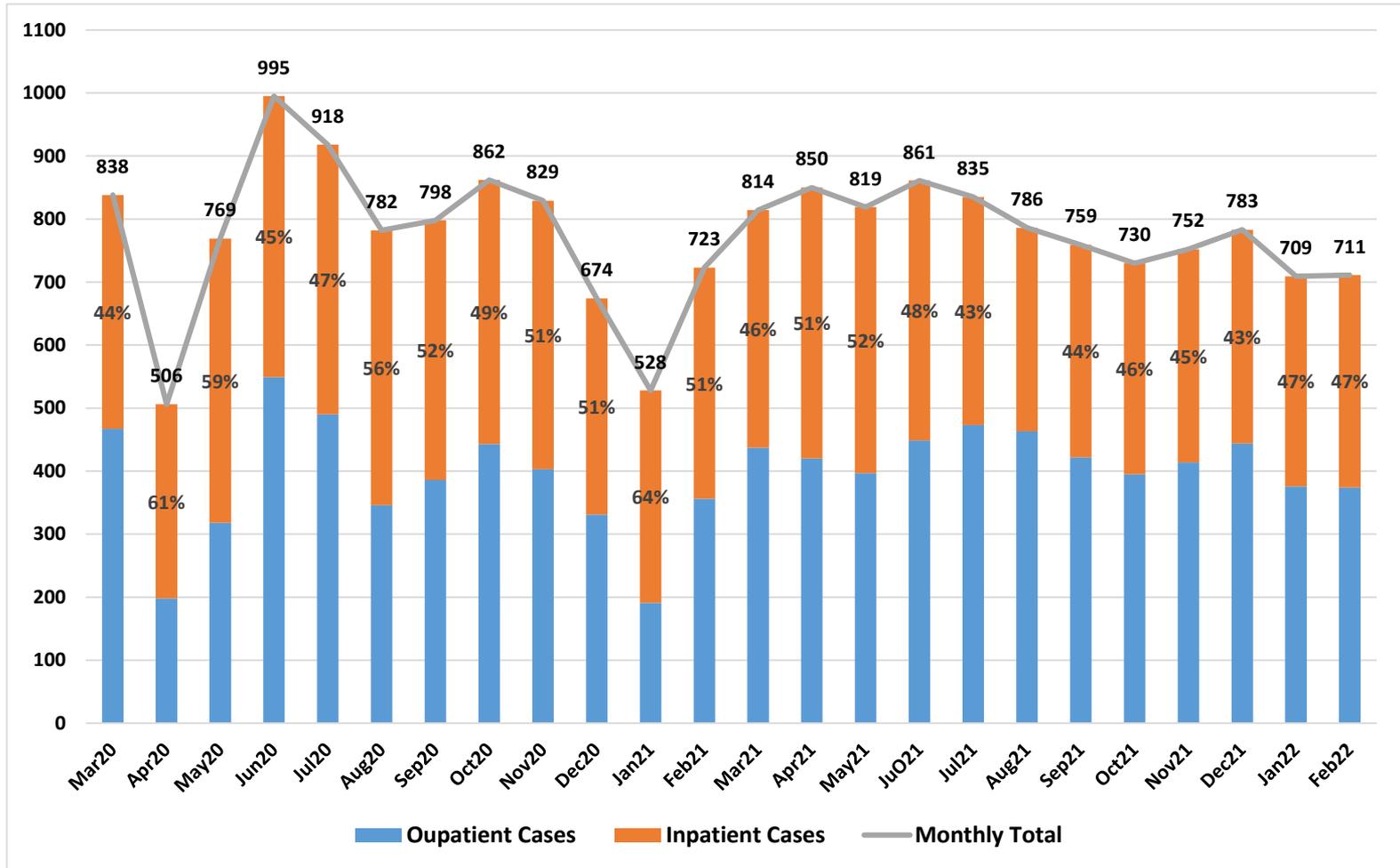
# Surgery (OP Only) – 100 Min Units



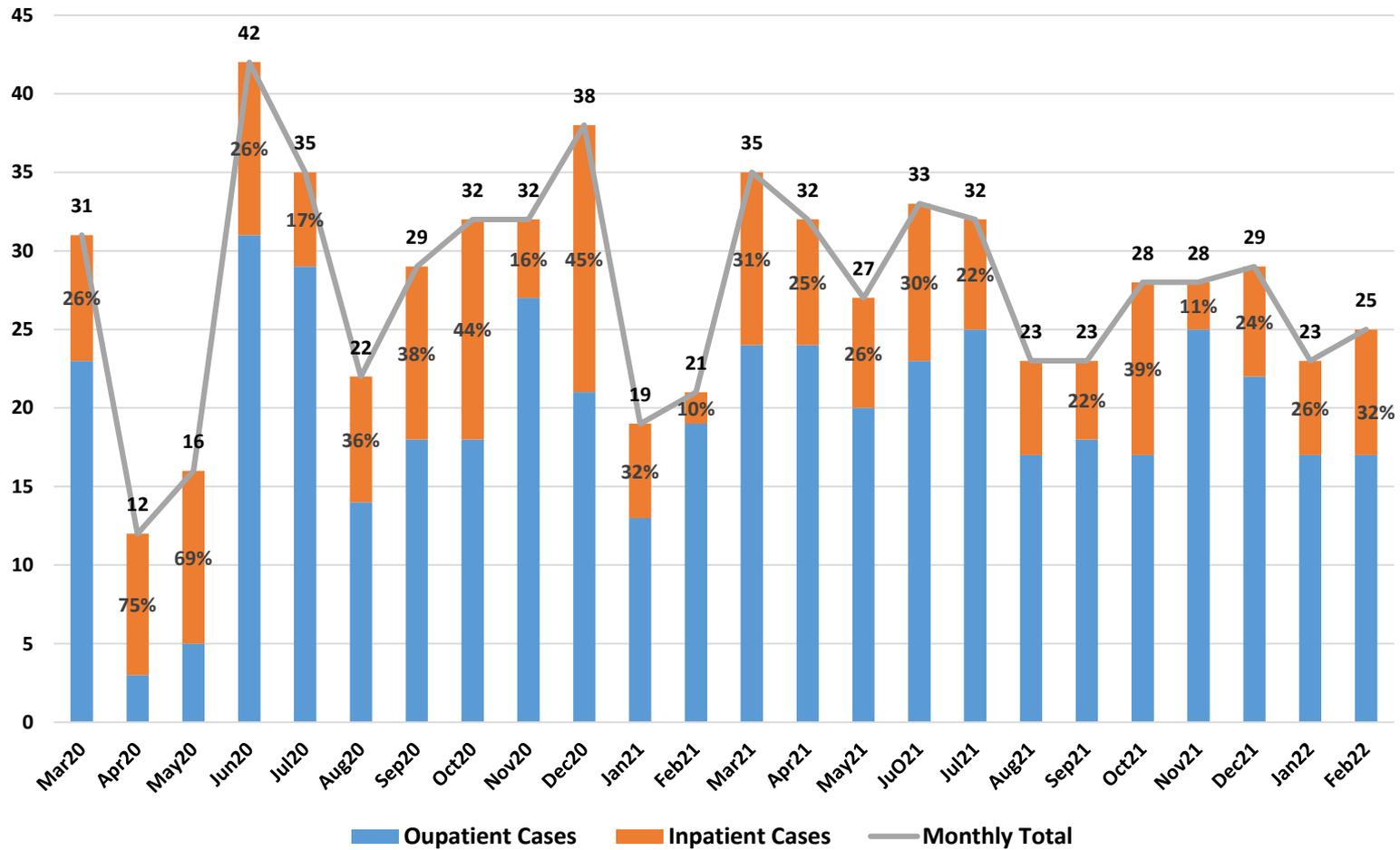
—●— **FY2020**   
 —●— **FY2021**   
 —●— **FY2022**   
 ●●● **Budget**



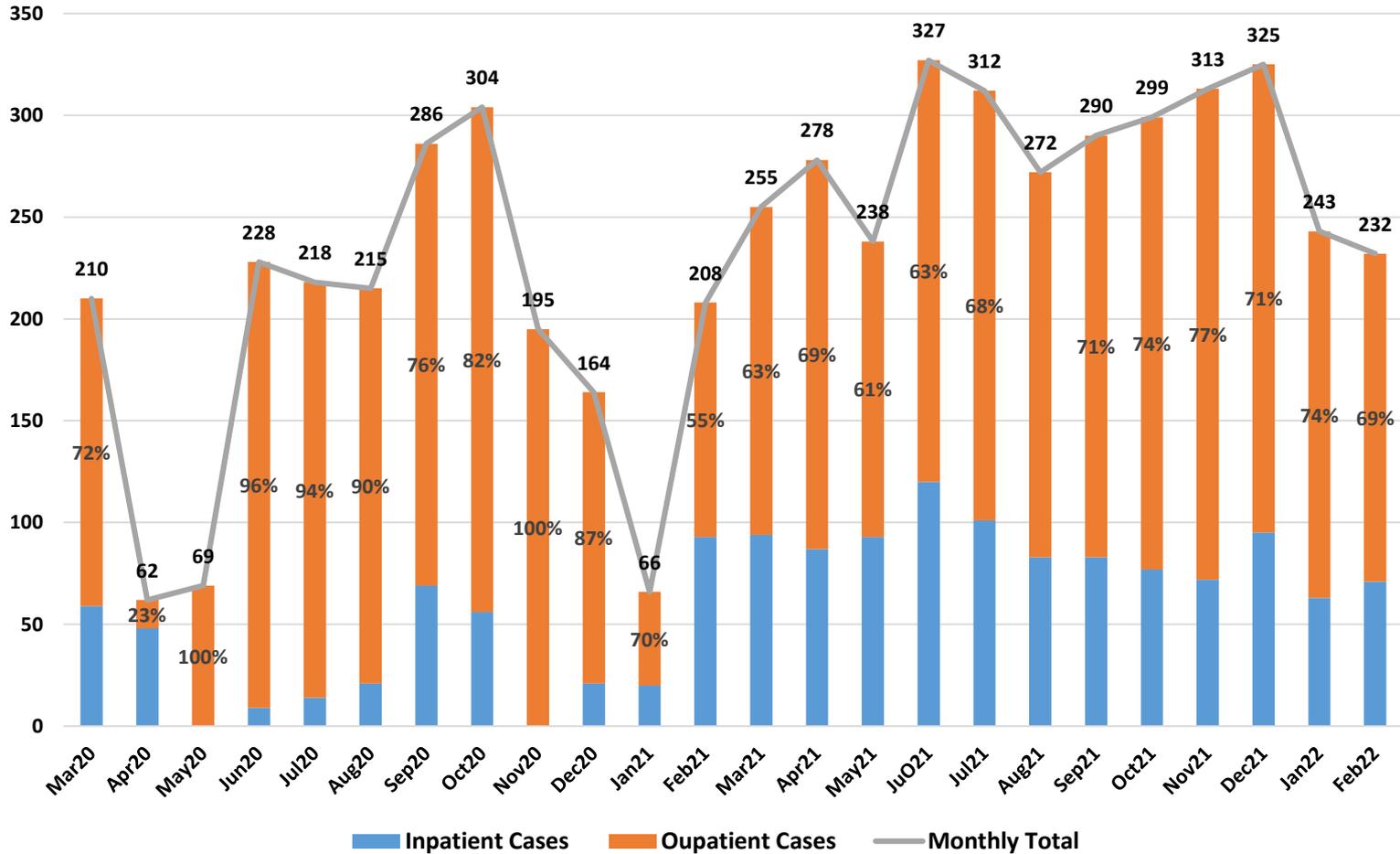
# Surgery Cases



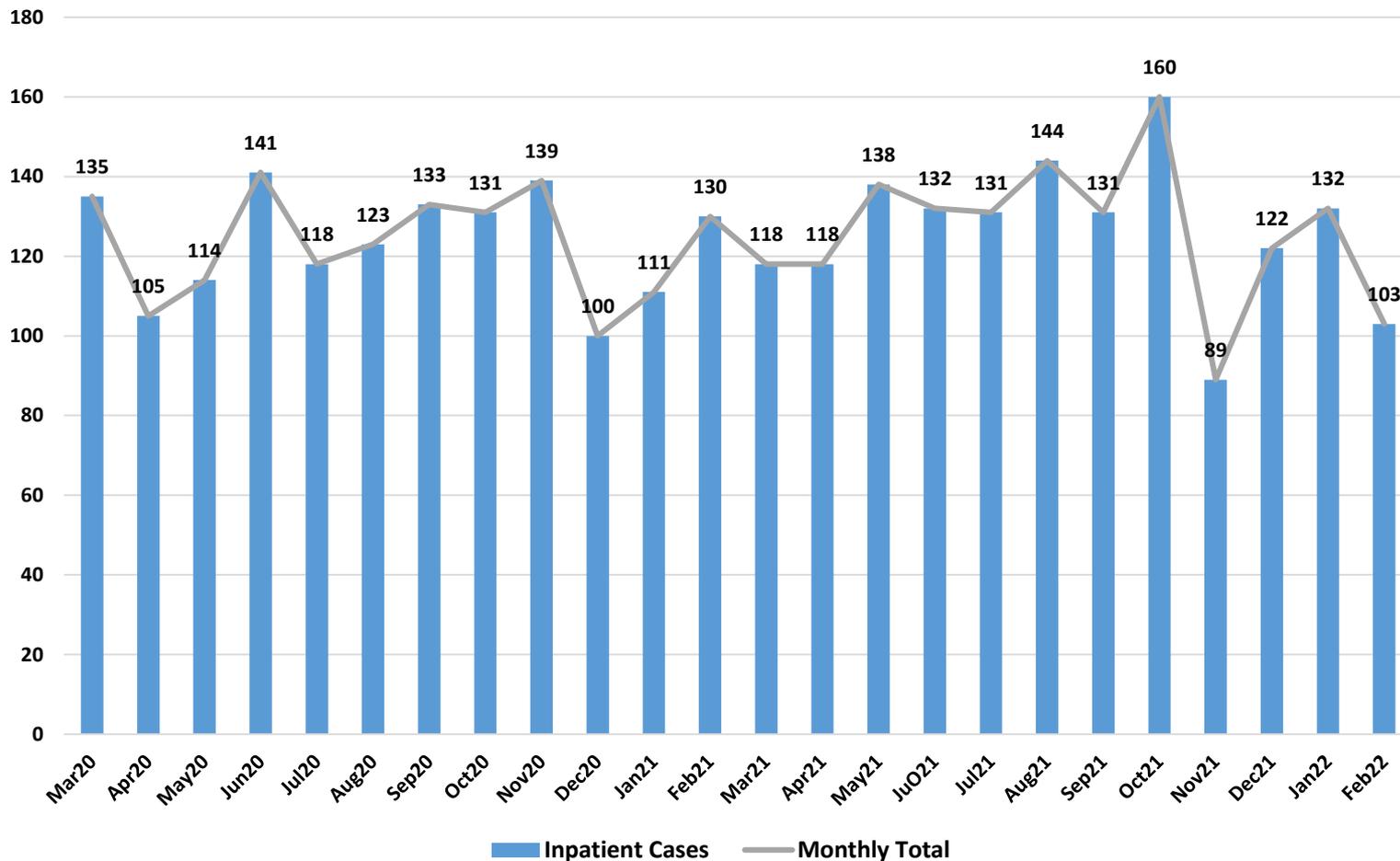
# Robotic Cases



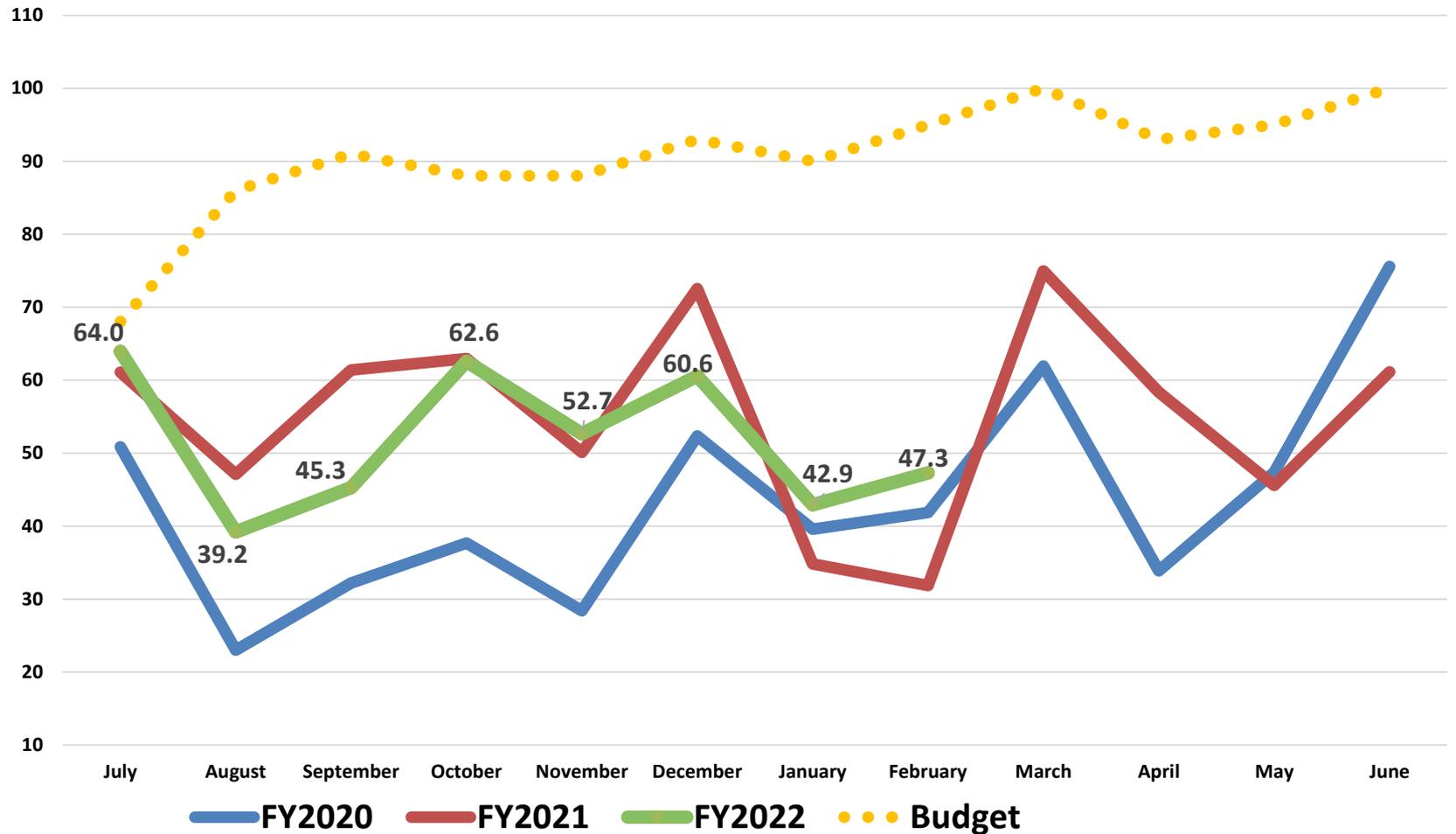
# Endo Cases (Endo Suites)



# OB Cases

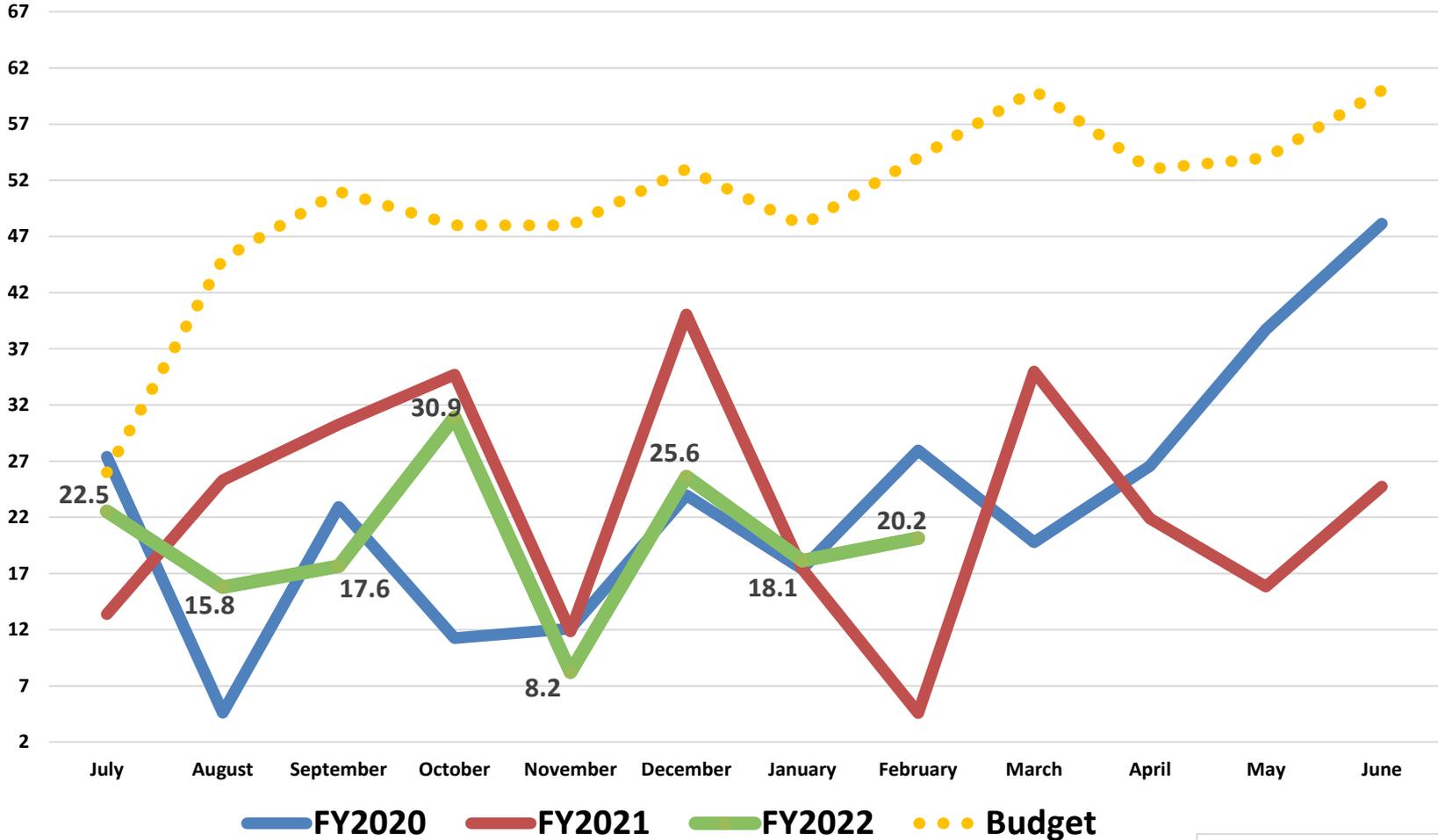


# Robotic Surgery (IP & OP) – 100 Min Units



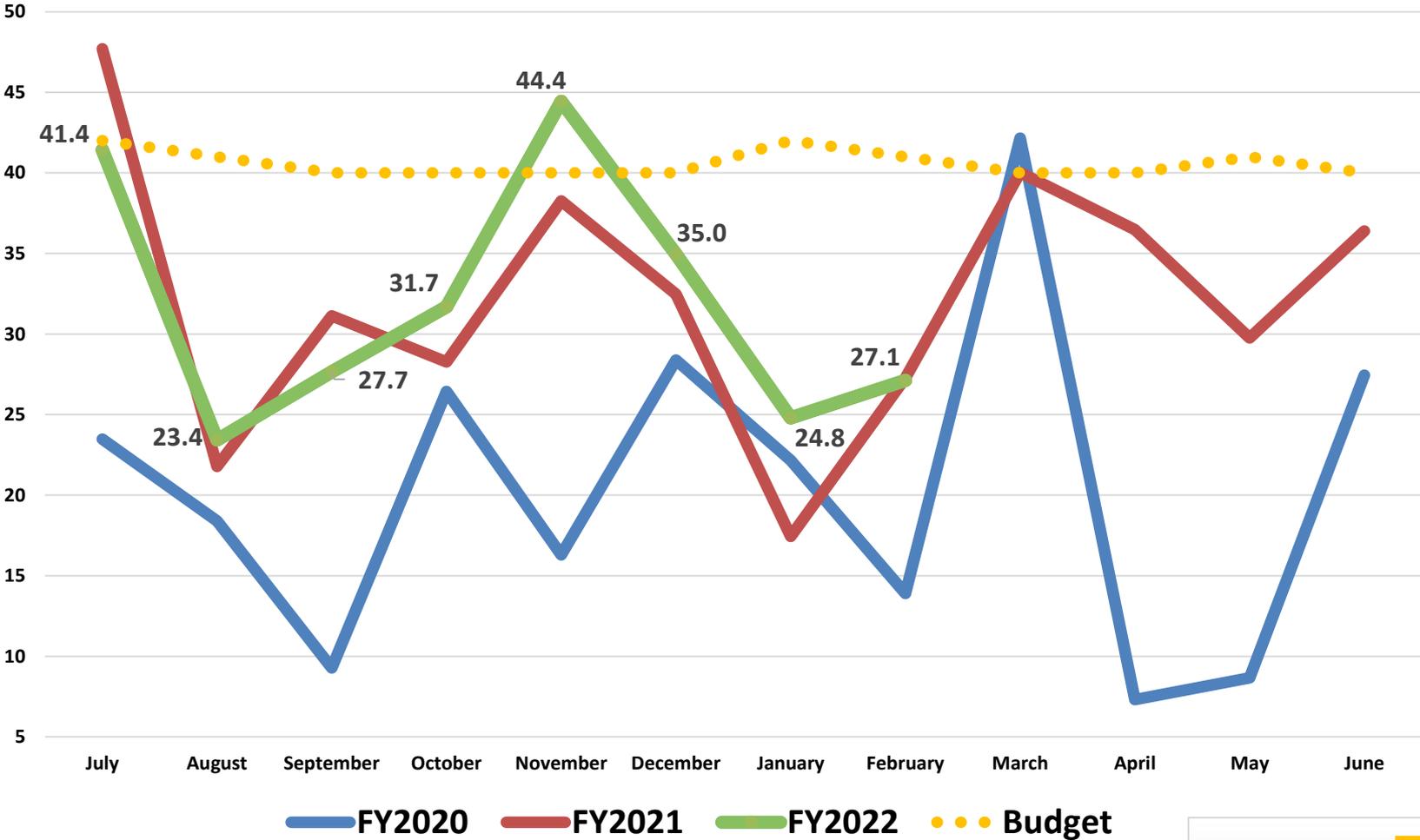
306.0	421.9	414.5	699.0
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Robotic Surgery (IP Only) – 100 Min Units



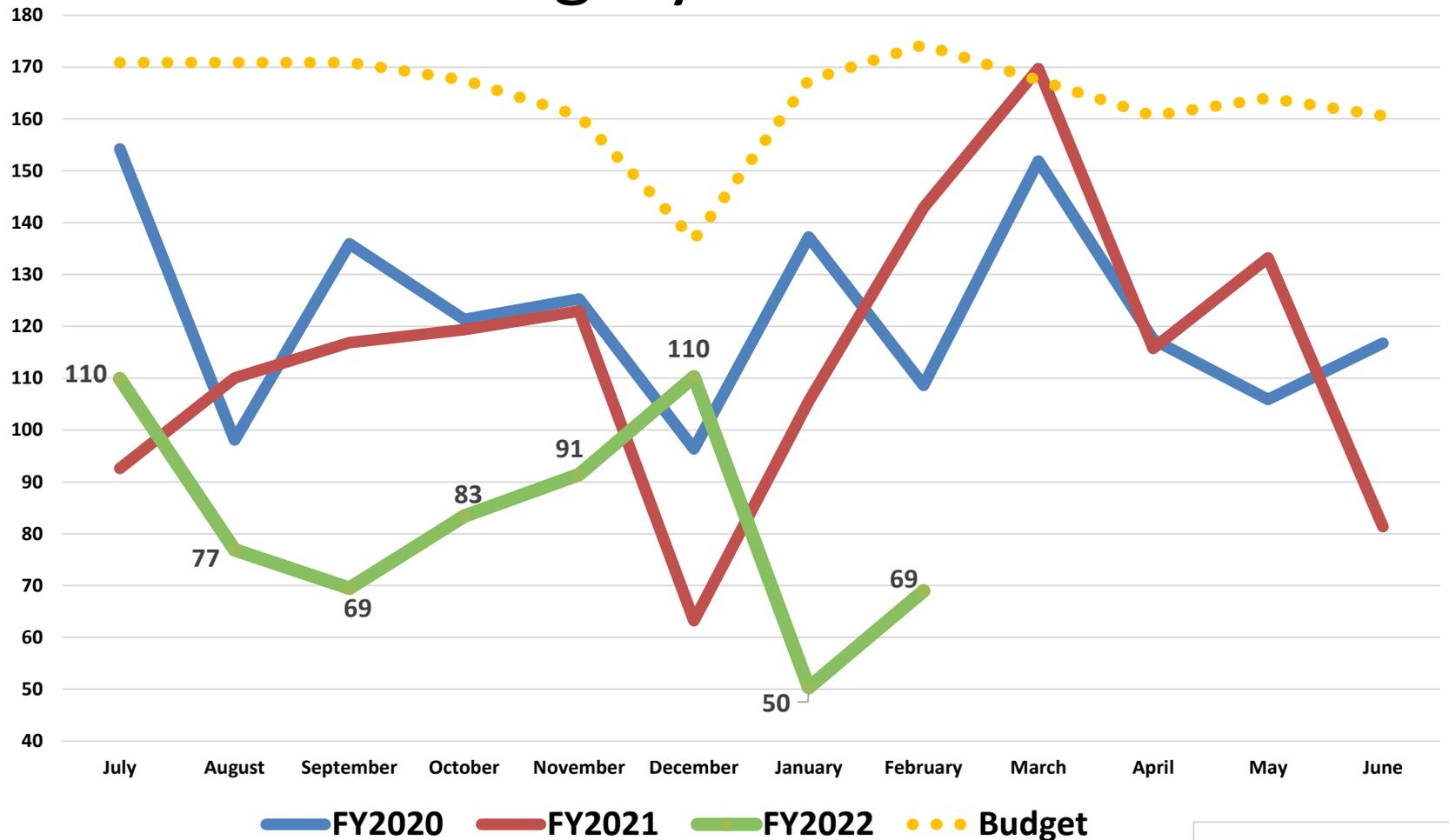
147.6	177.6	159.0	373.0
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Robotic Surgery (OP Only) – 100 Min Units



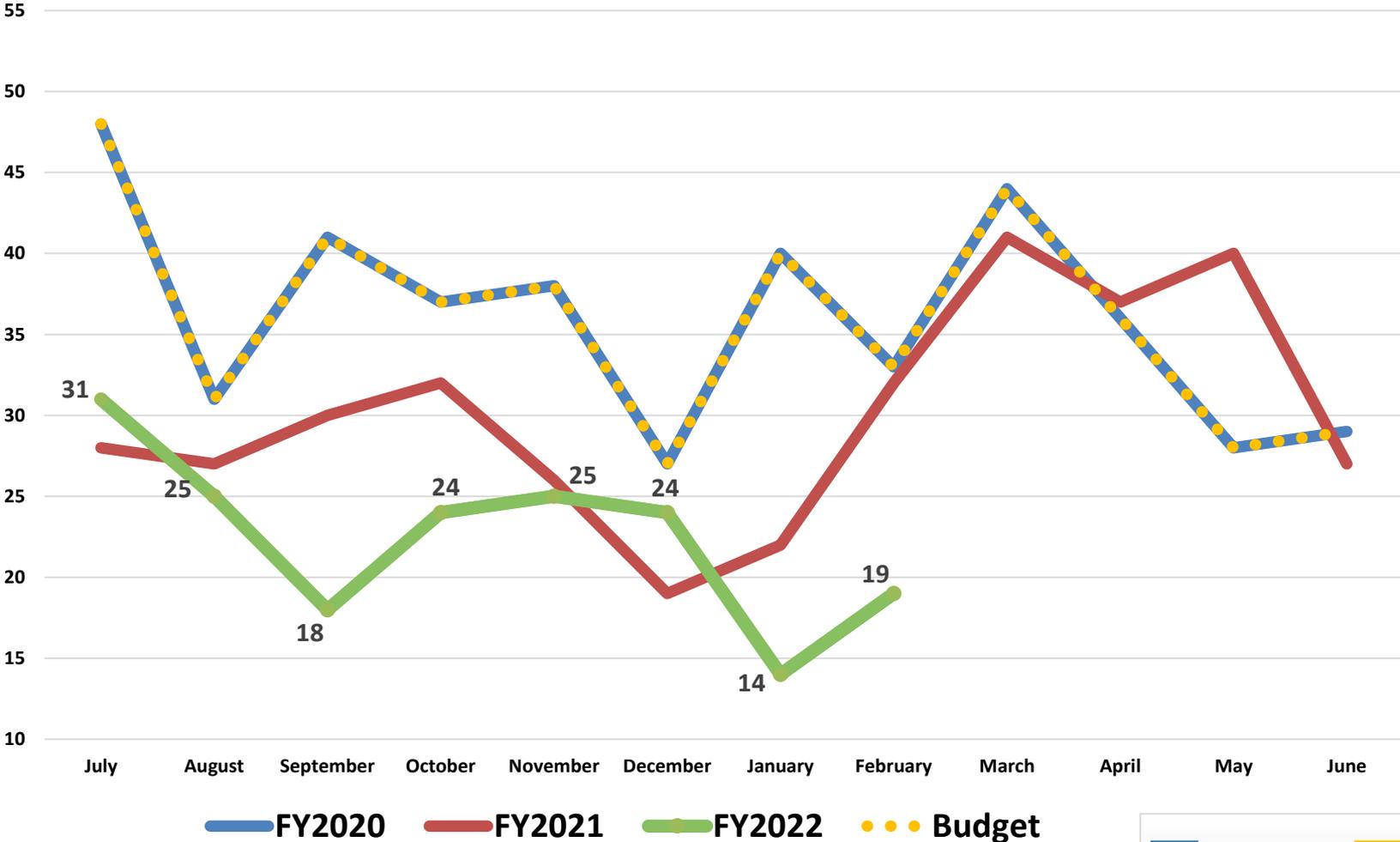
158.3	244.3	255.5	326.0
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Cardiac Surgery – 100 Min Units



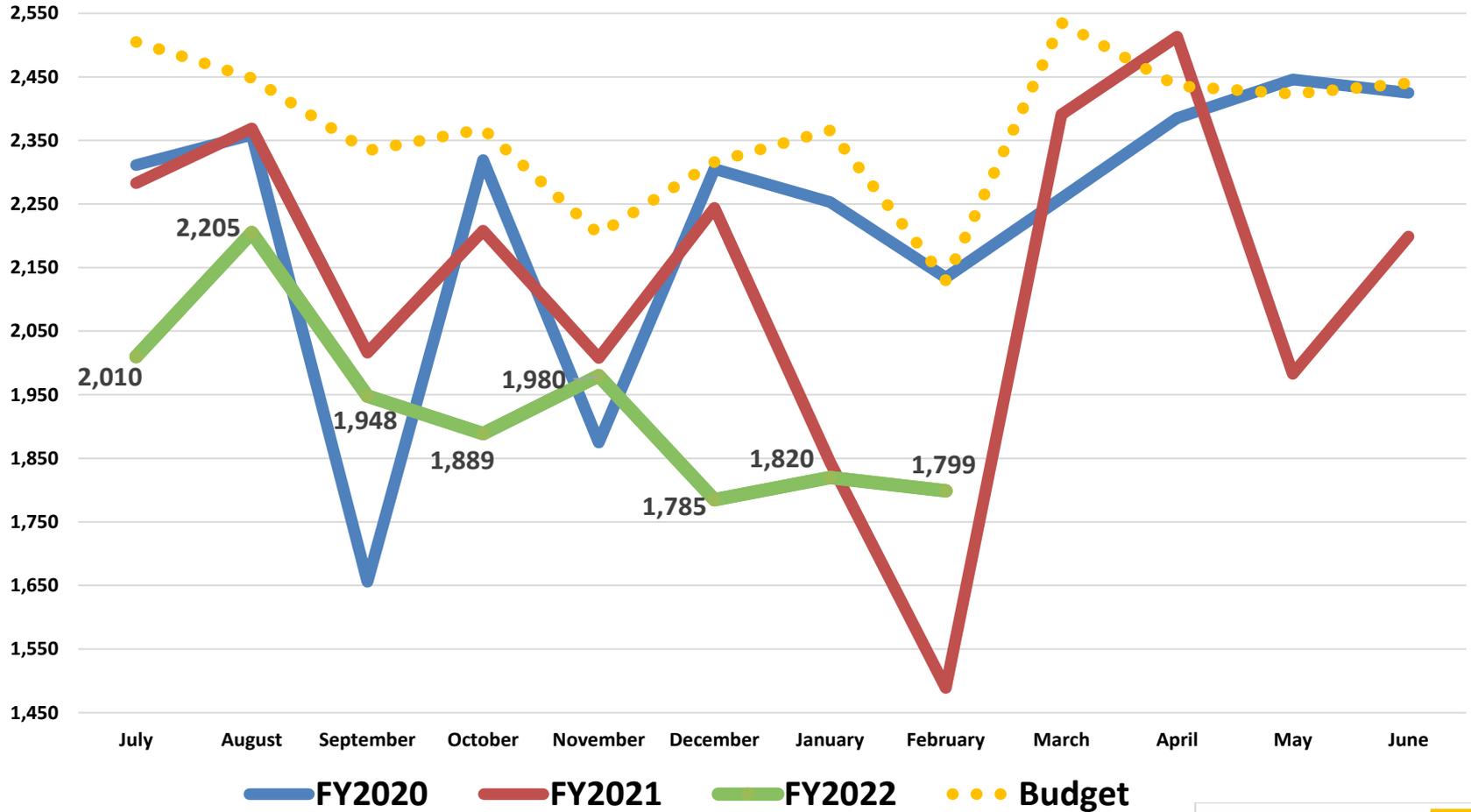
977	873	661	1,319
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Cardiac Surgery – Cases



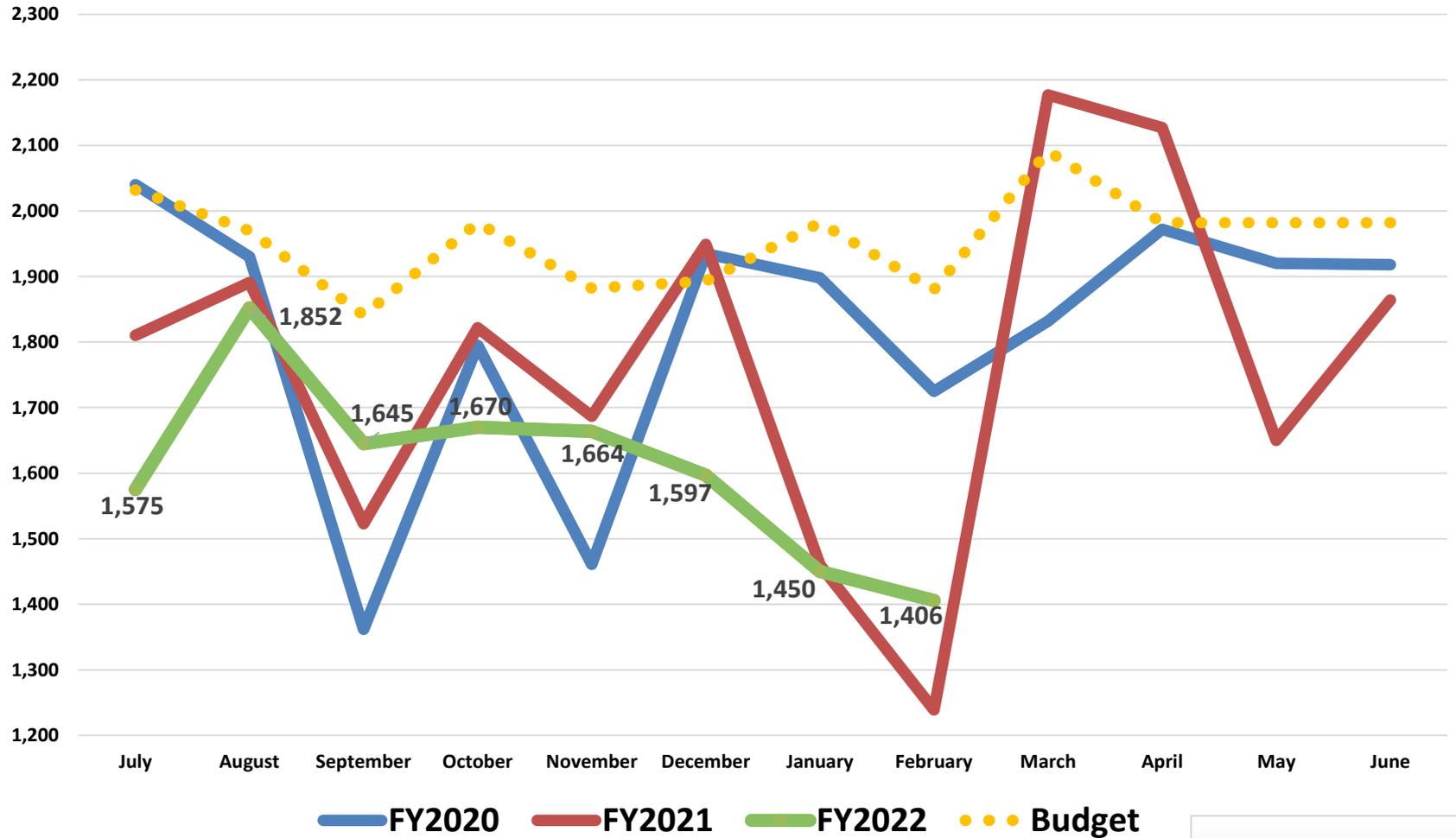
# Radiation Oncology Treatments

## Hanford and Visalia



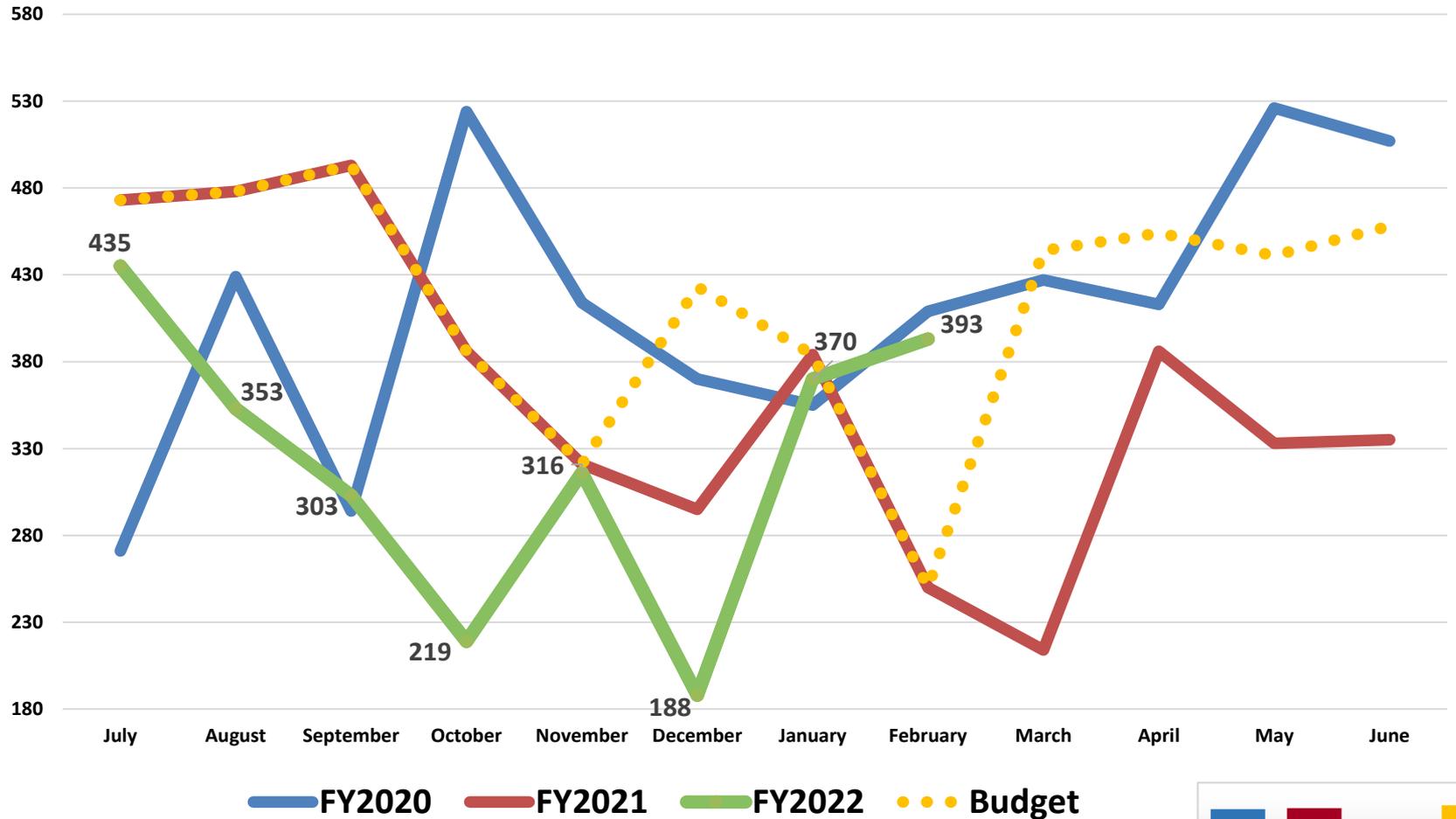
17,212	16,461	15,436	18,670
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Radiation Oncology - Visalia



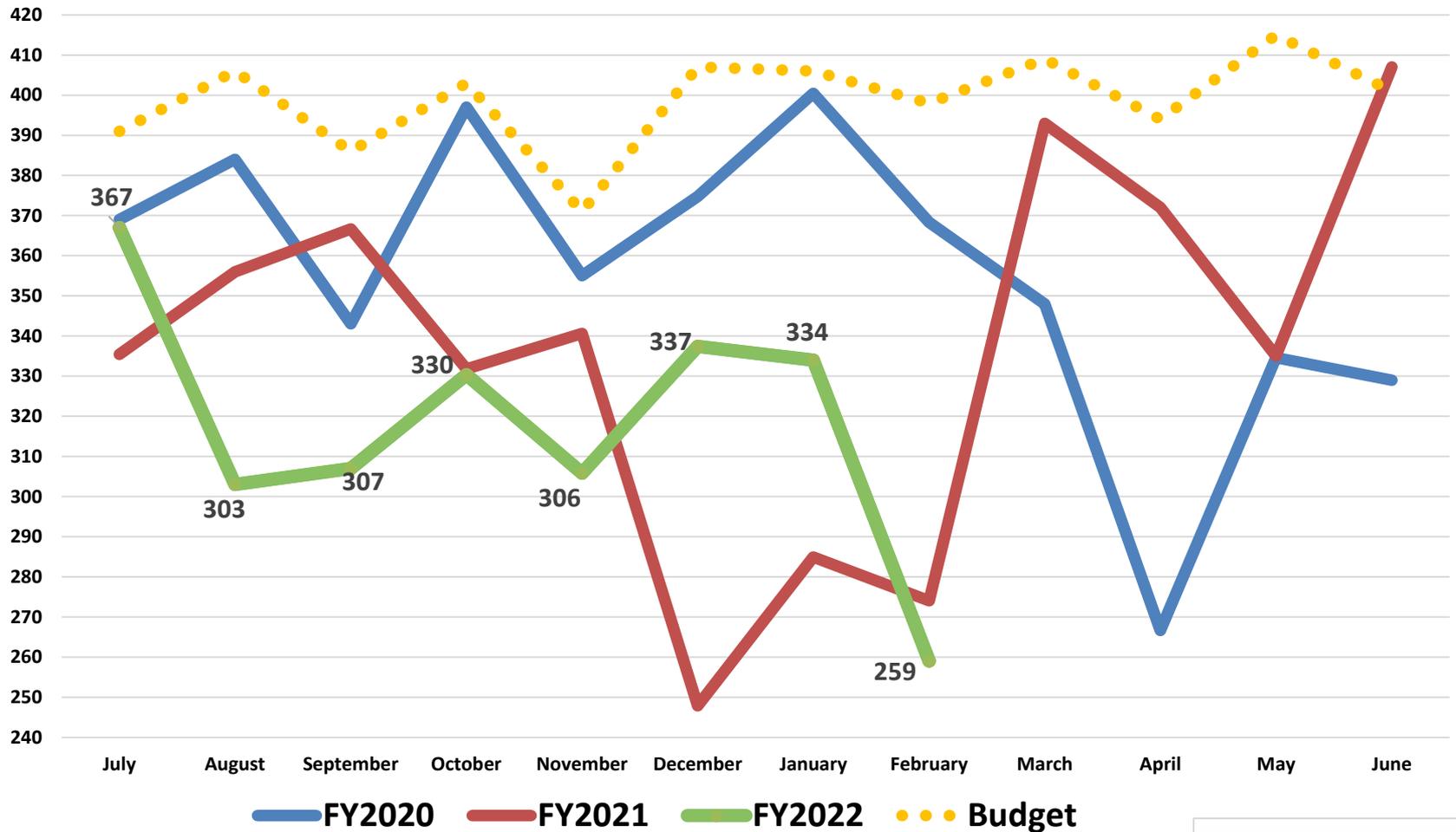
14,146	13,381	12,859	15,462
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Radiation Oncology - Hanford



3,066	3,080	2,577	3,208
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Cath Lab (IP & OP) – 100 Min Units



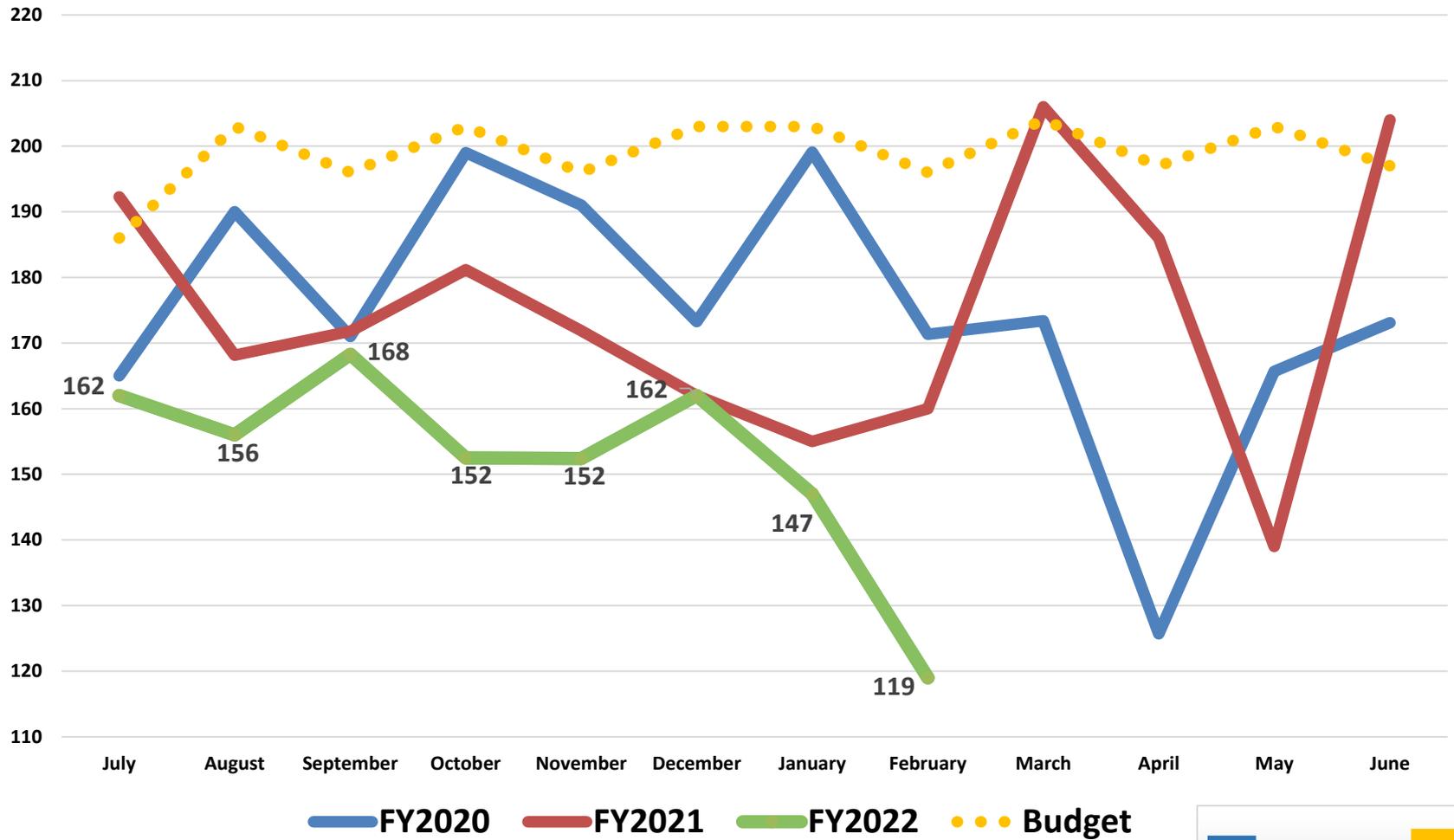
2,992	2,537	2,544	3,168
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Cath Lab (IP Only) – 100 Min Units



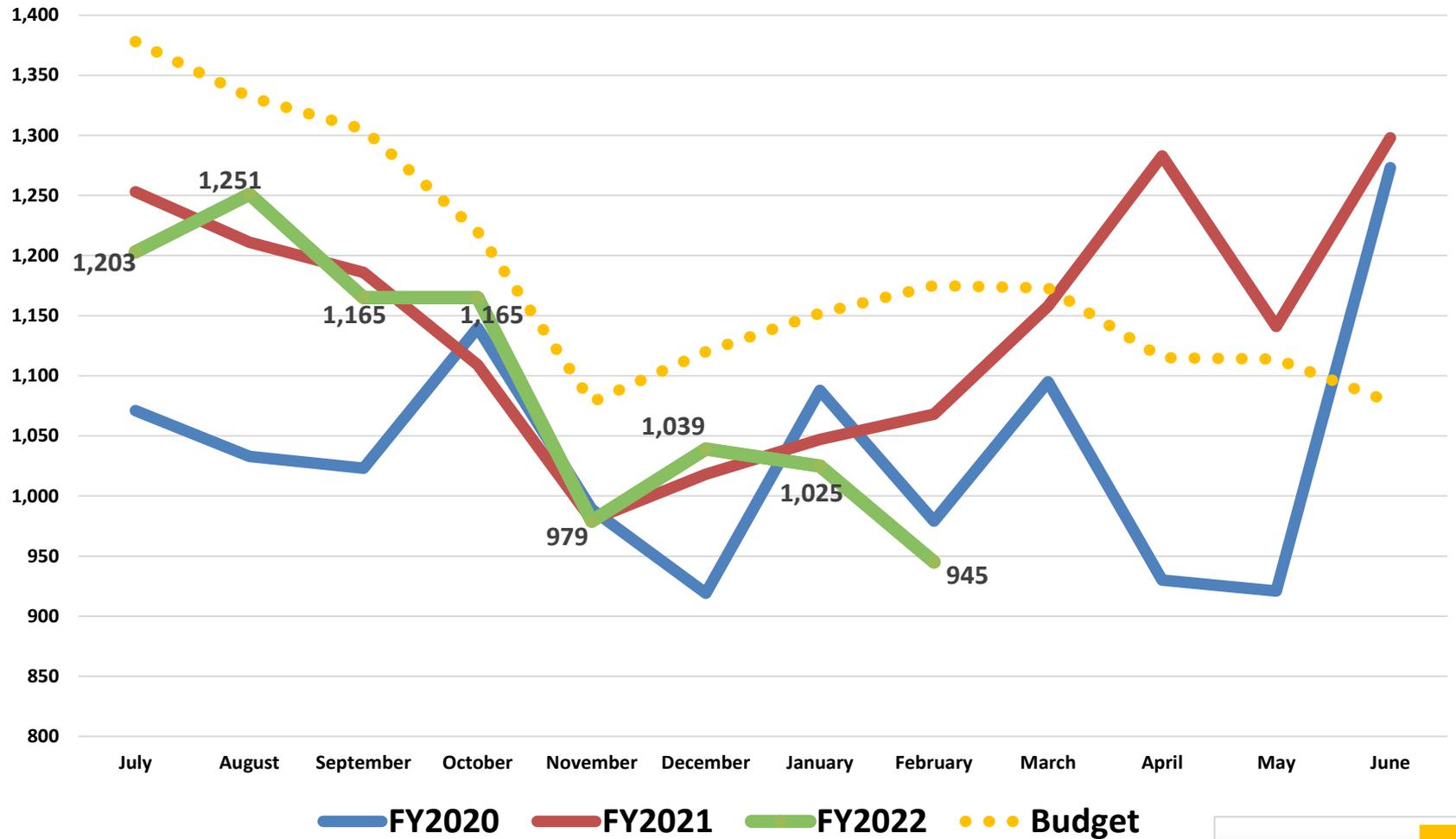
1,532	1,219	1,326	1,582
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Cath Lab (OP Only) – 100 Min Units

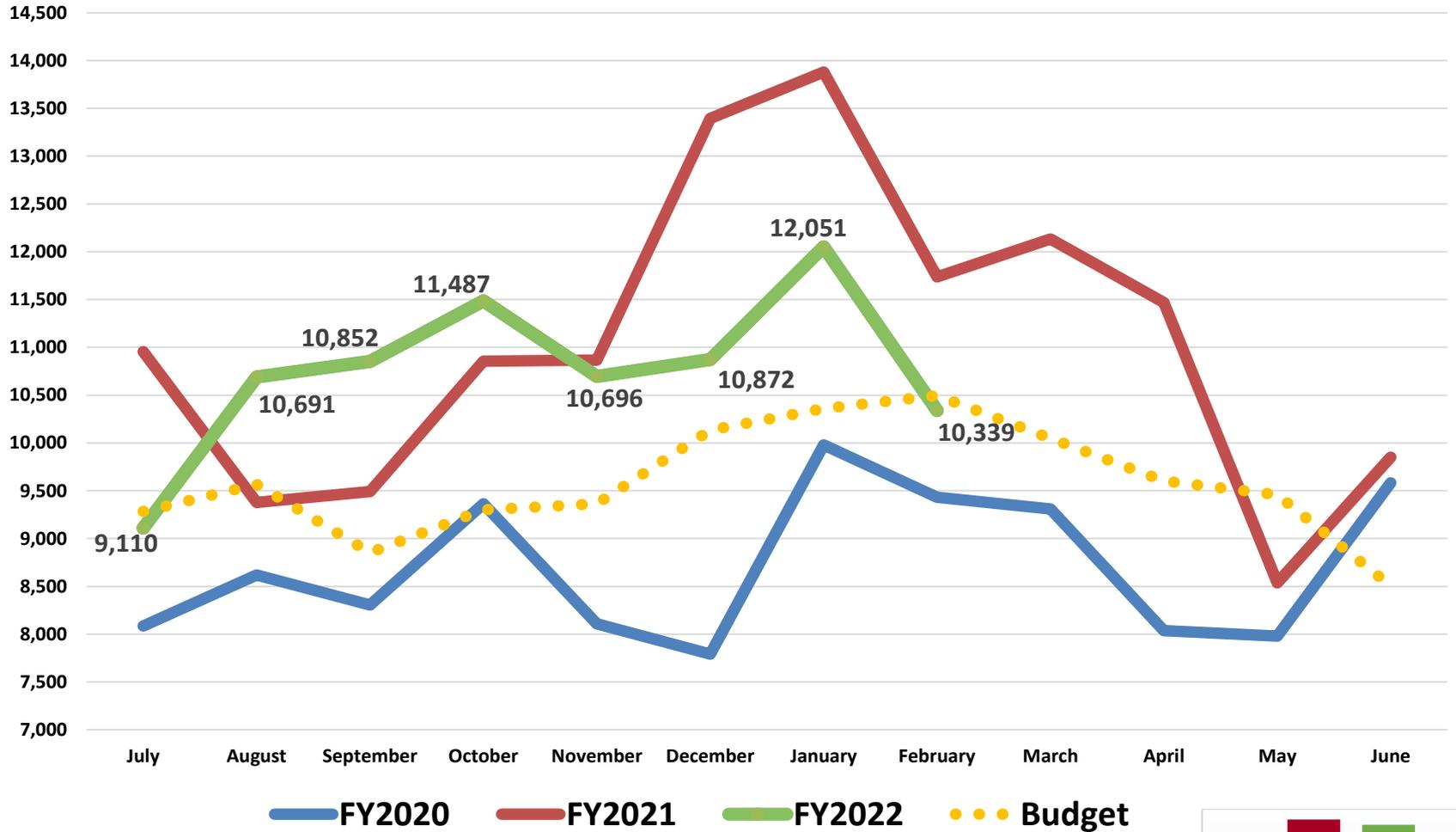


1,460	1,362	1,219	1,586
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

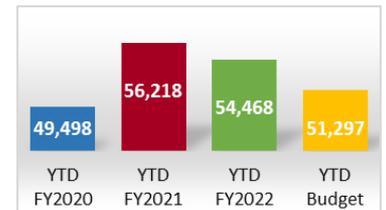
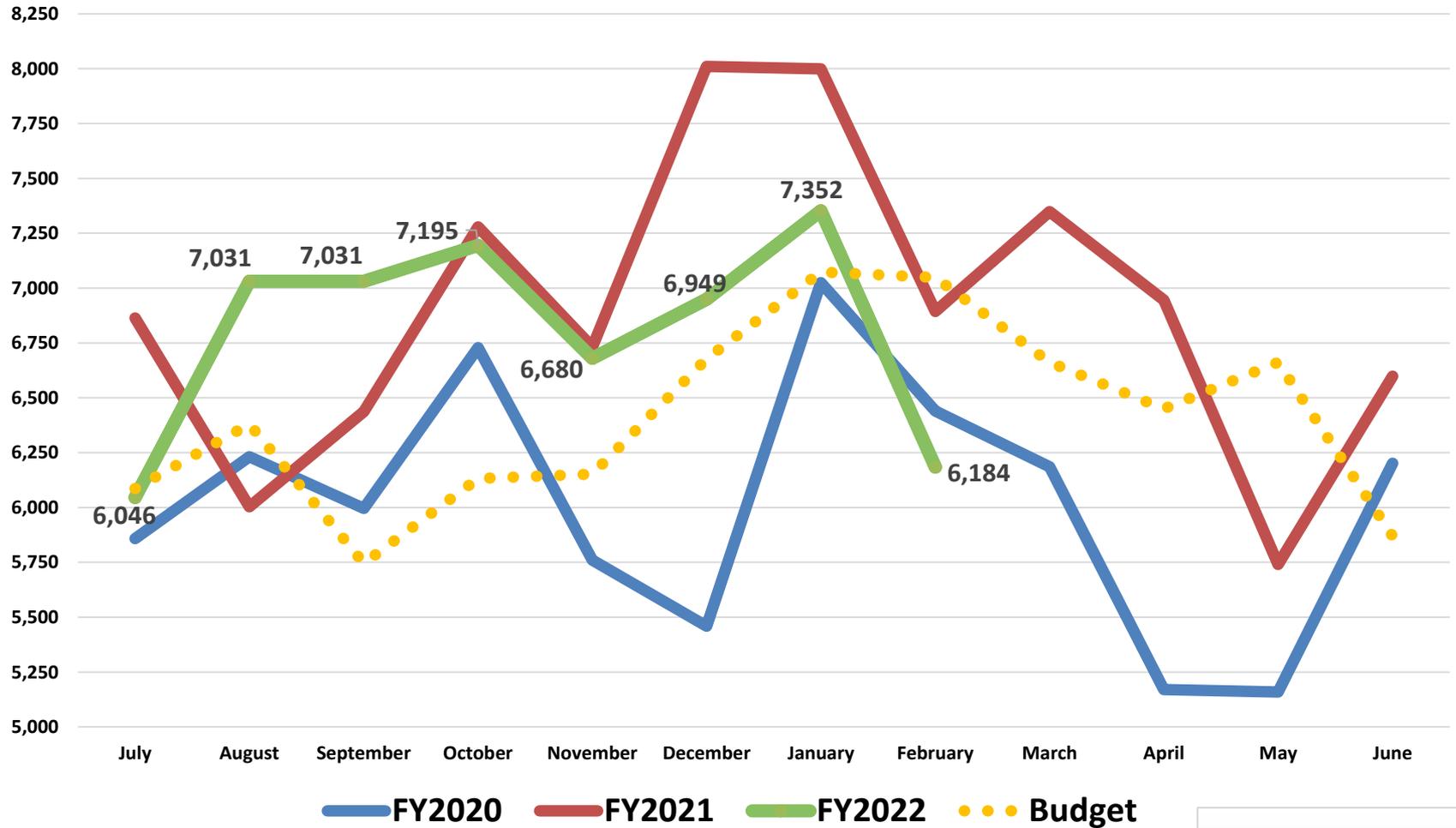
# GME Family Medicine Clinic Visits



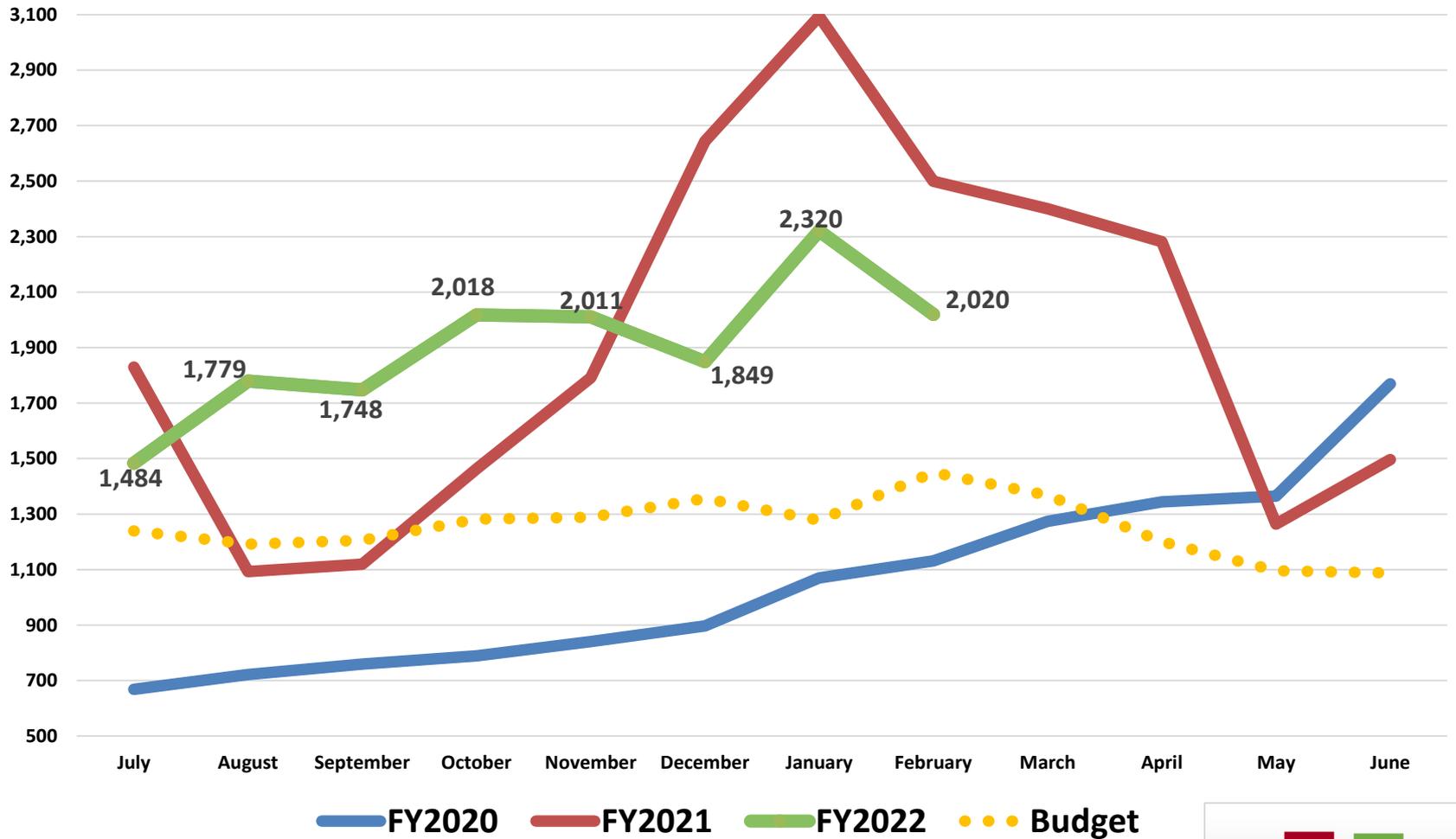
# Rural Health Clinic Registrations



# Exeter RHC - Registrations

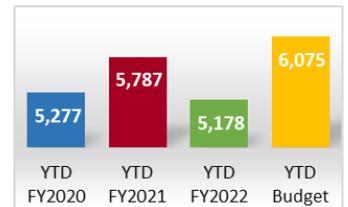
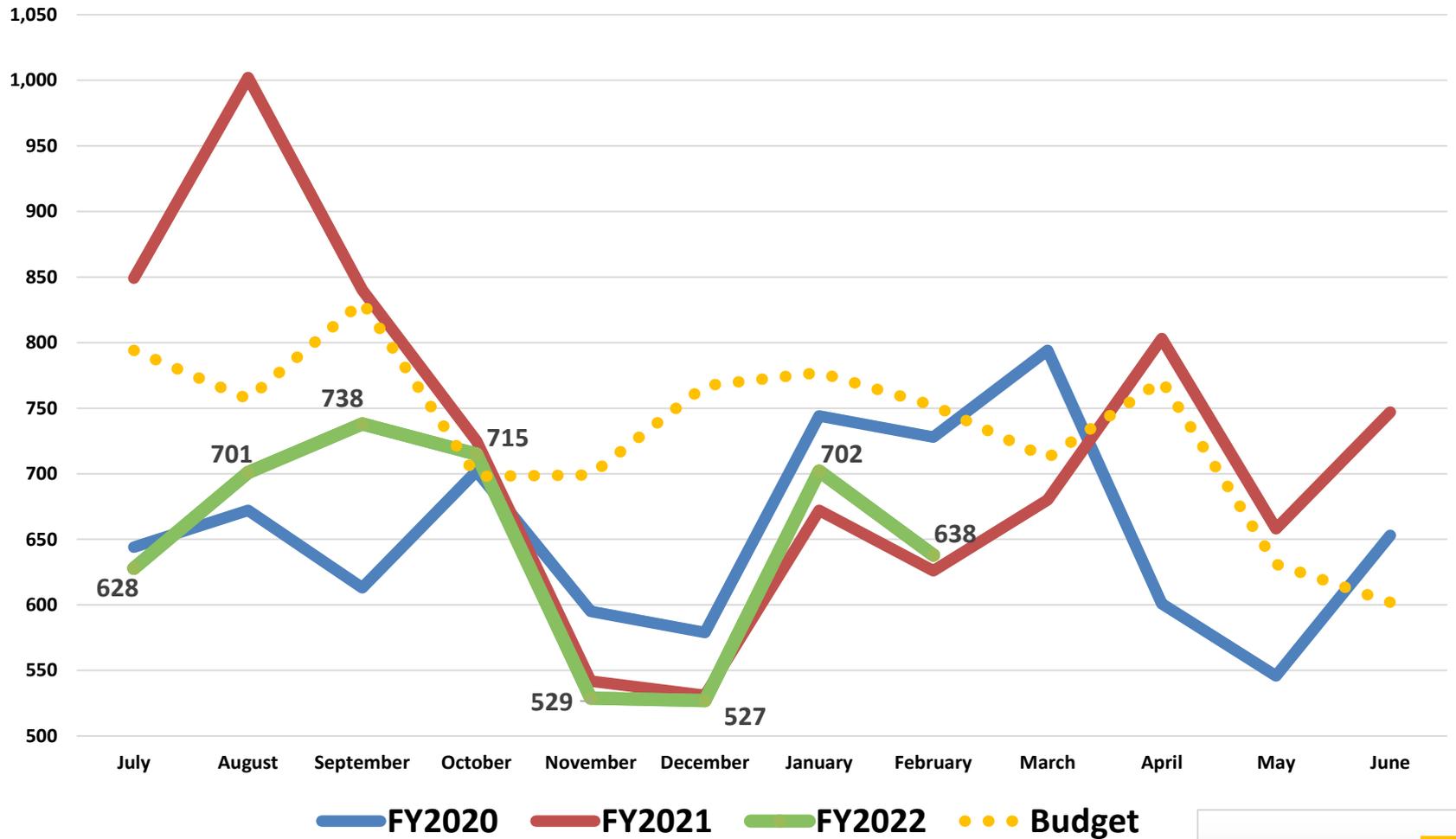


# Lindsay RHC - Registrations

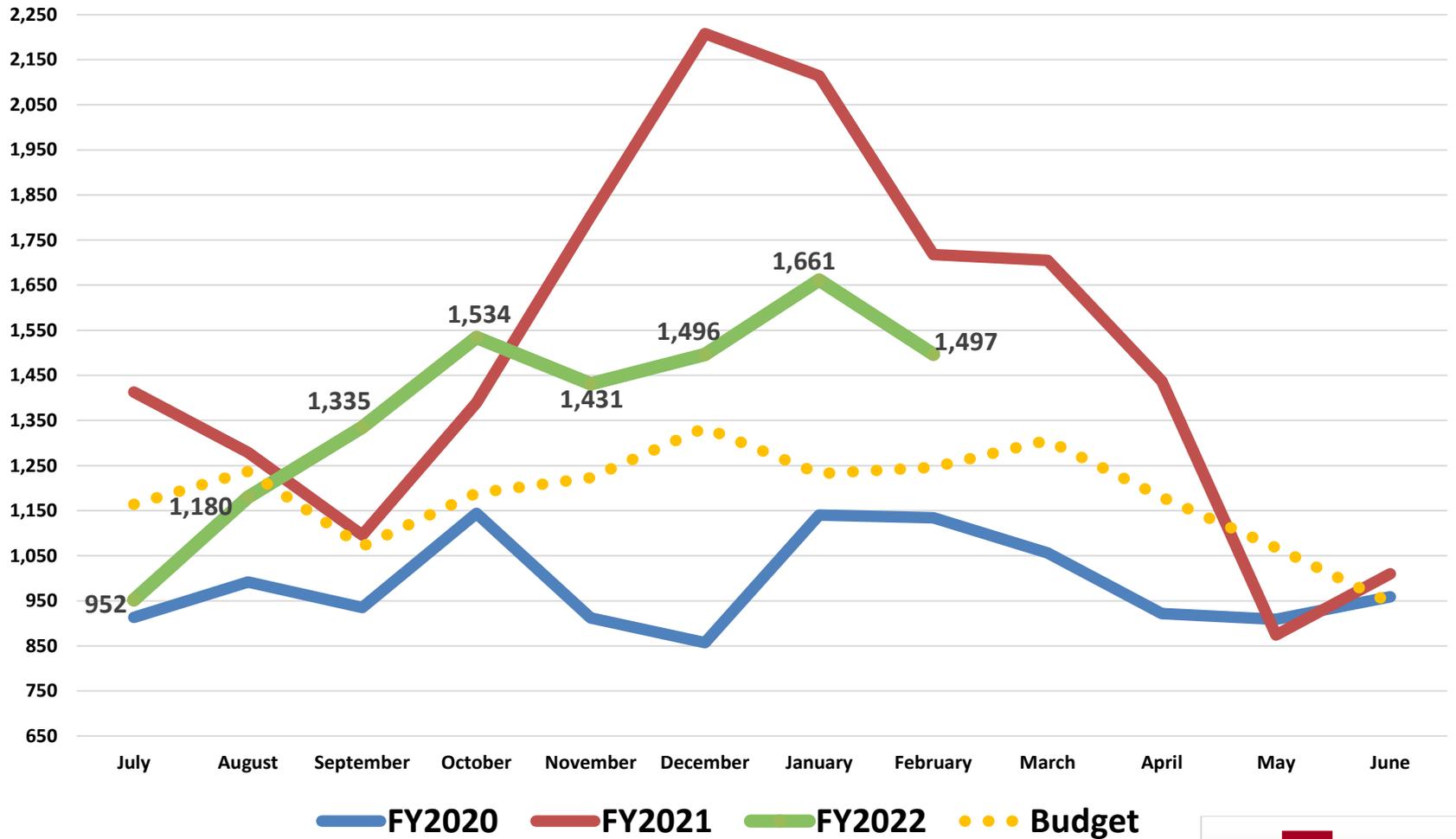


6,879	15,534	15,229	10,292
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Woodlake RHC - Registrations

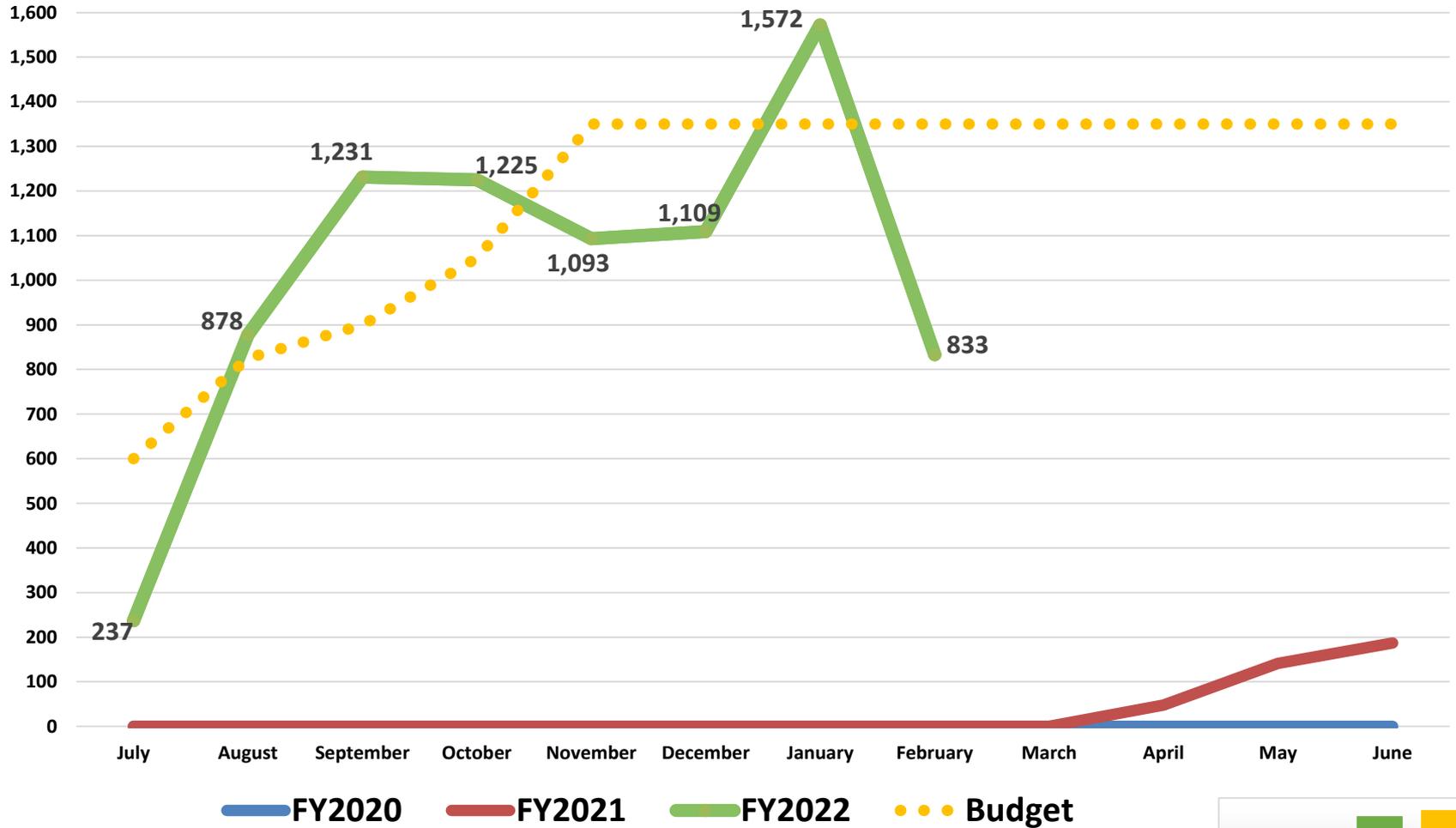


# Dinuba RHC - Registrations



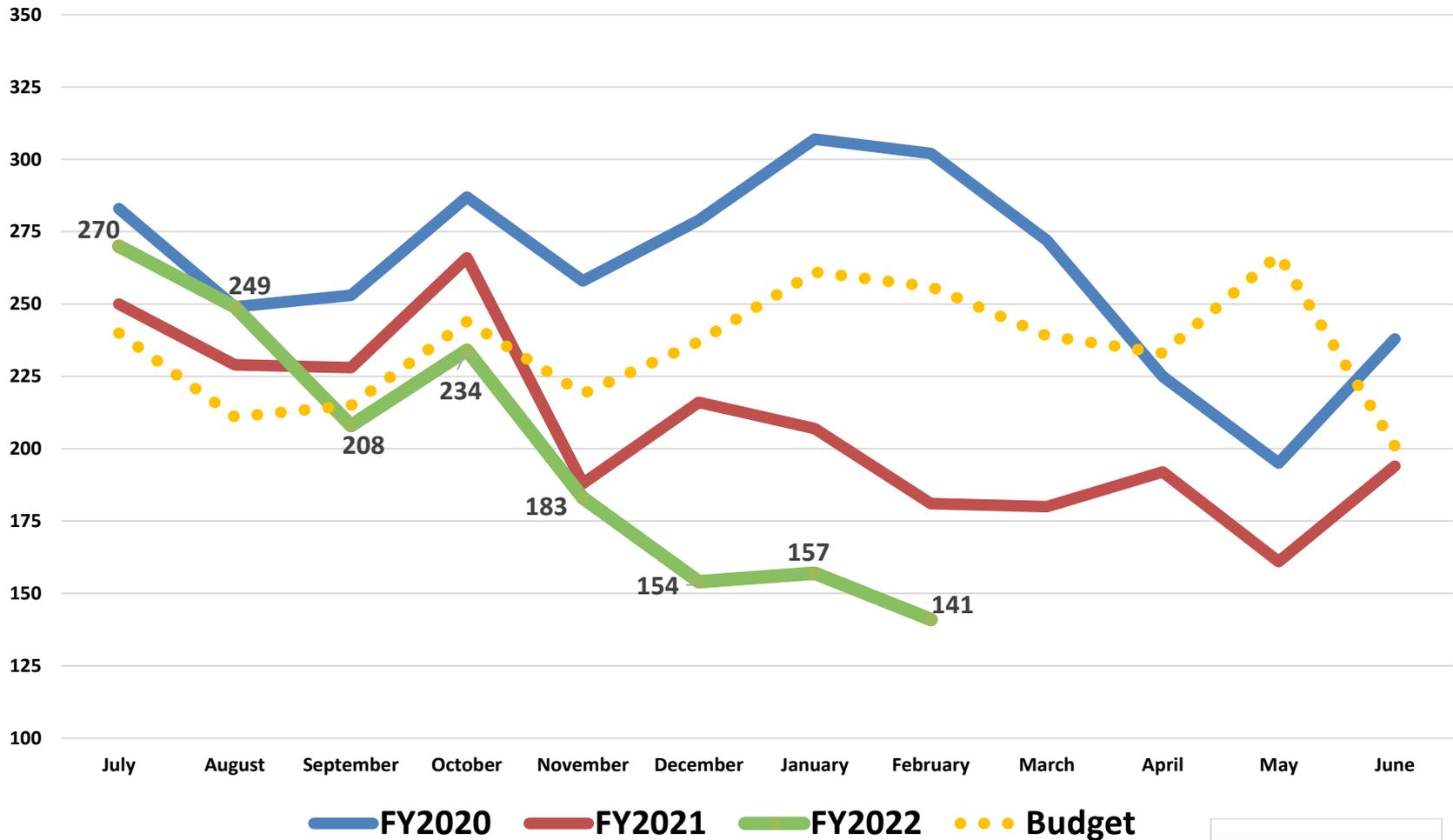
8,027	13,020	11,086	9,696
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Tulare RHC - Registrations



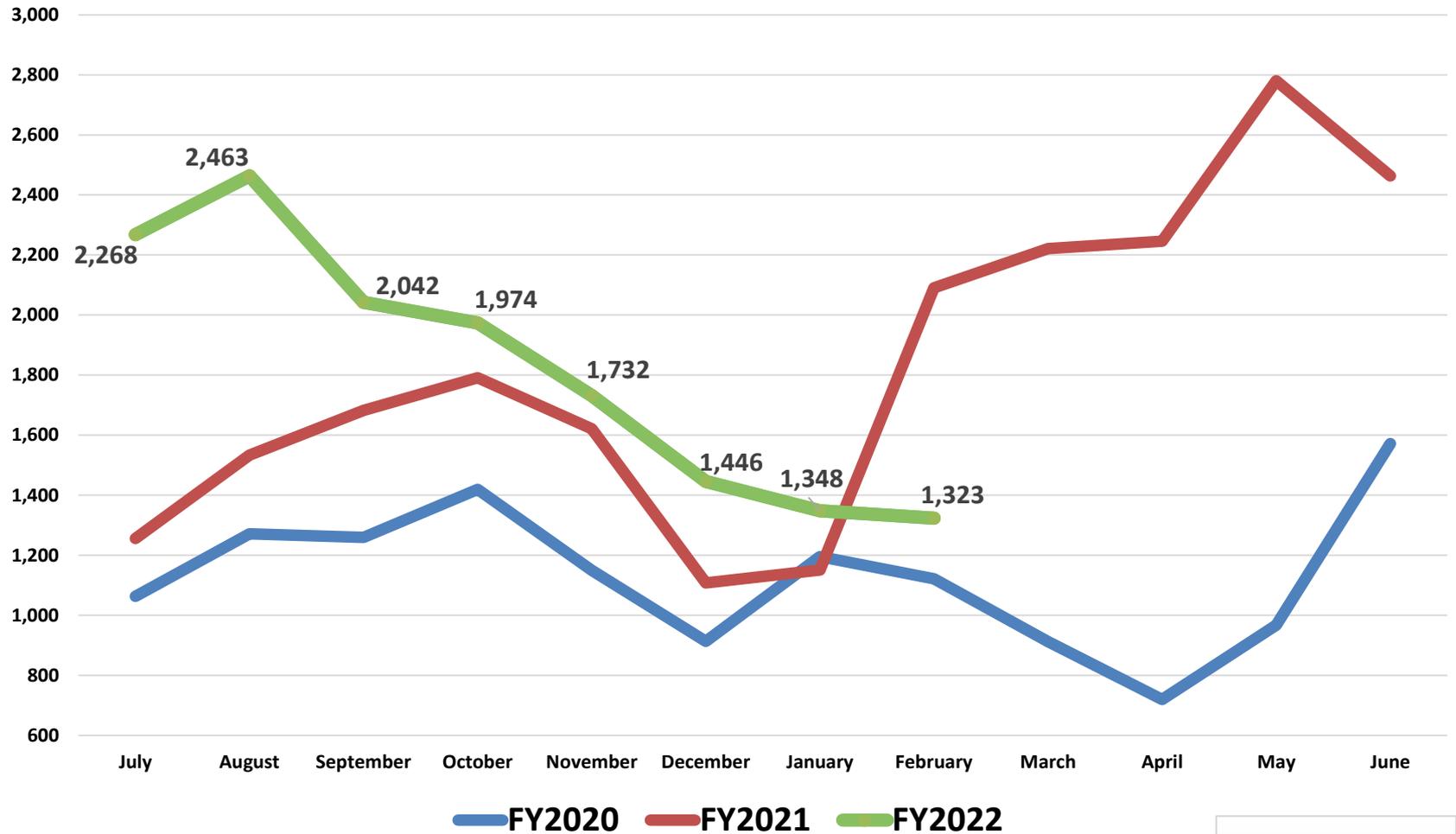
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget
0	0	8,178	8,775

# Neurosurgery Clinic - Registrations



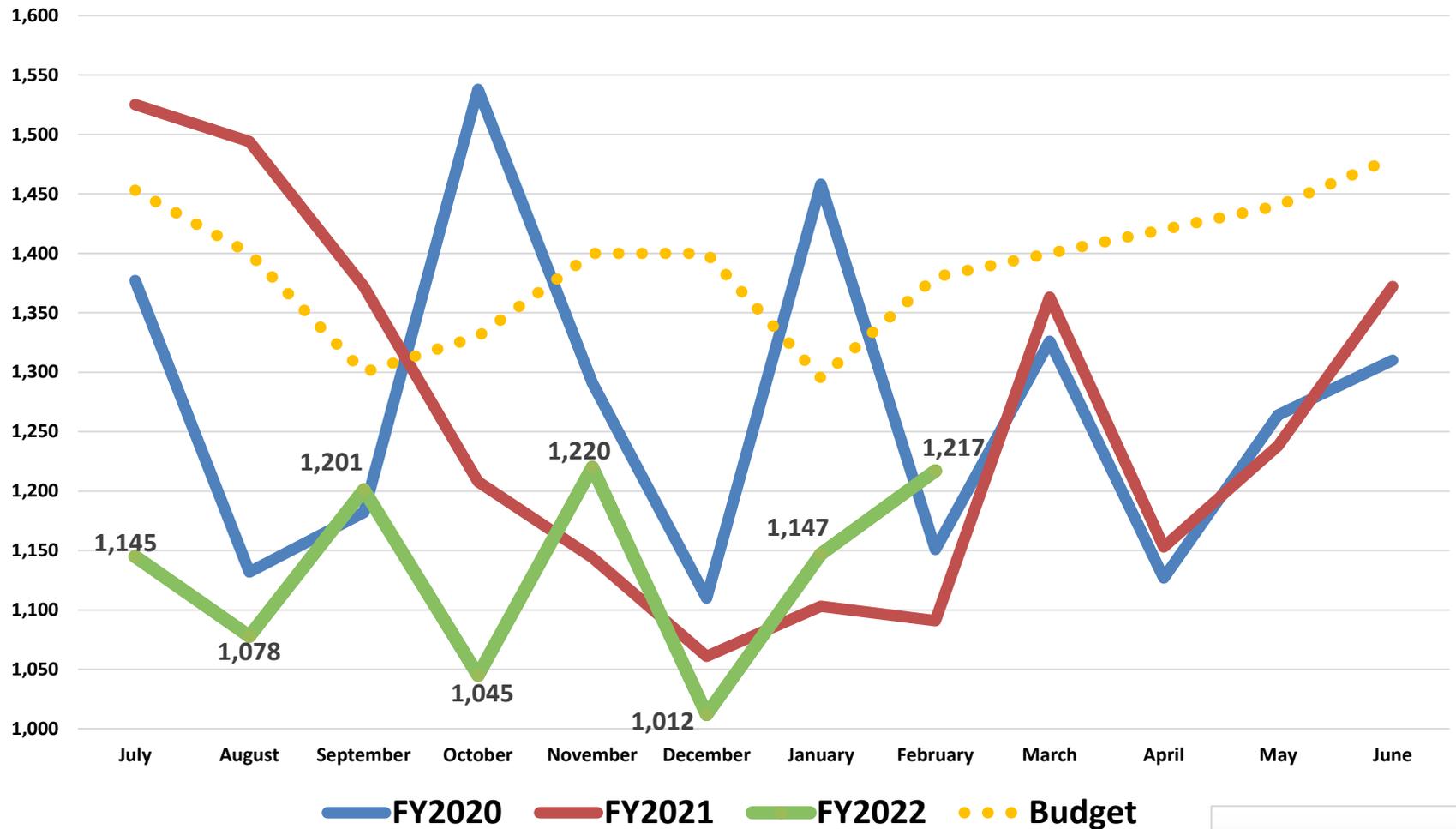
2,218	1,765	1,596	1,883
YTD	YTD	YTD	YTD
FY2020	FY2021	FY2022	Budget

# Neurosurgery Clinic - wRVU's

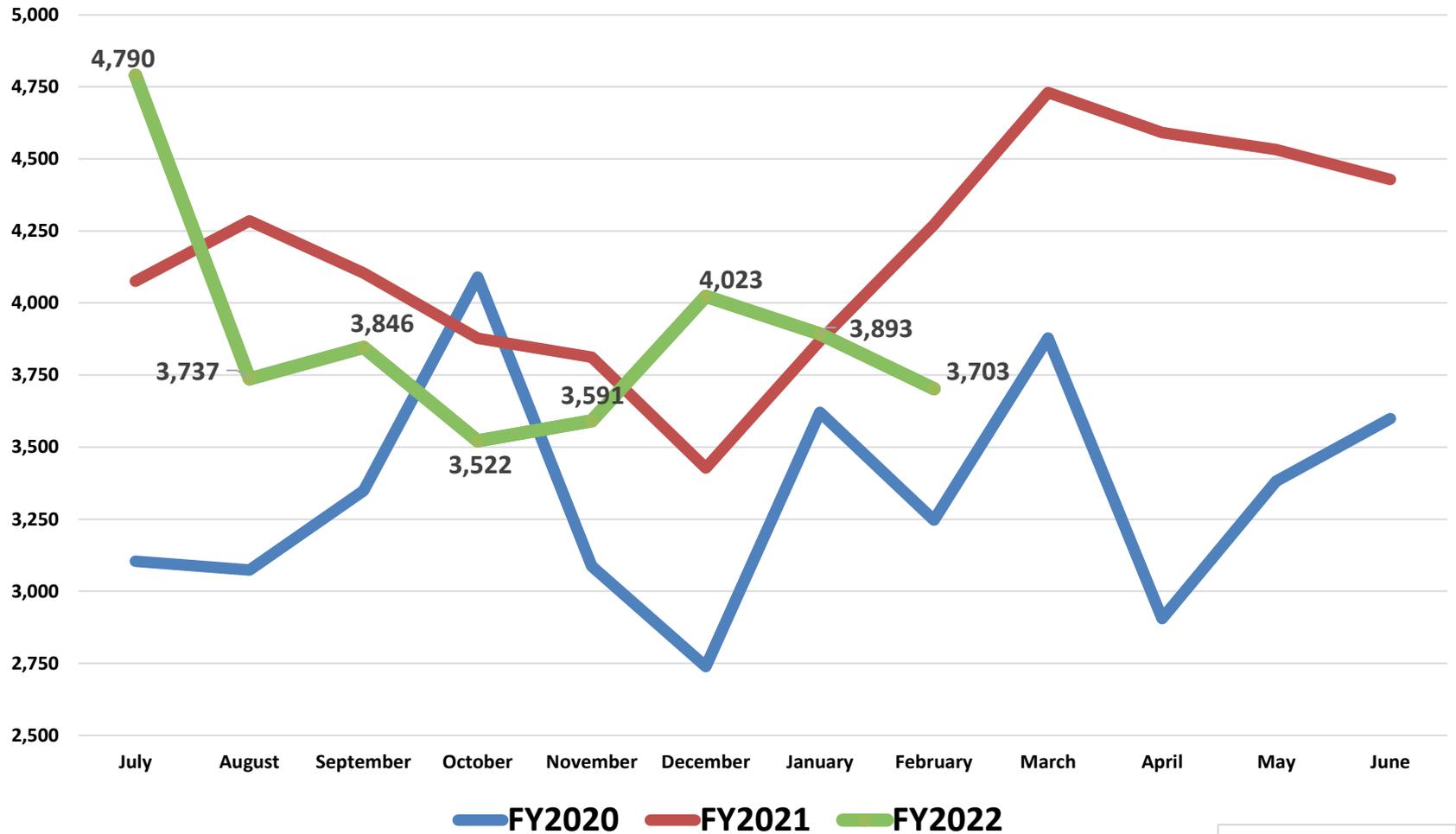


9,391	12,233	14,596
YTD FY2020	YTD FY2021	YTD FY2022

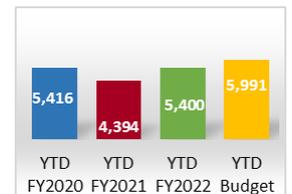
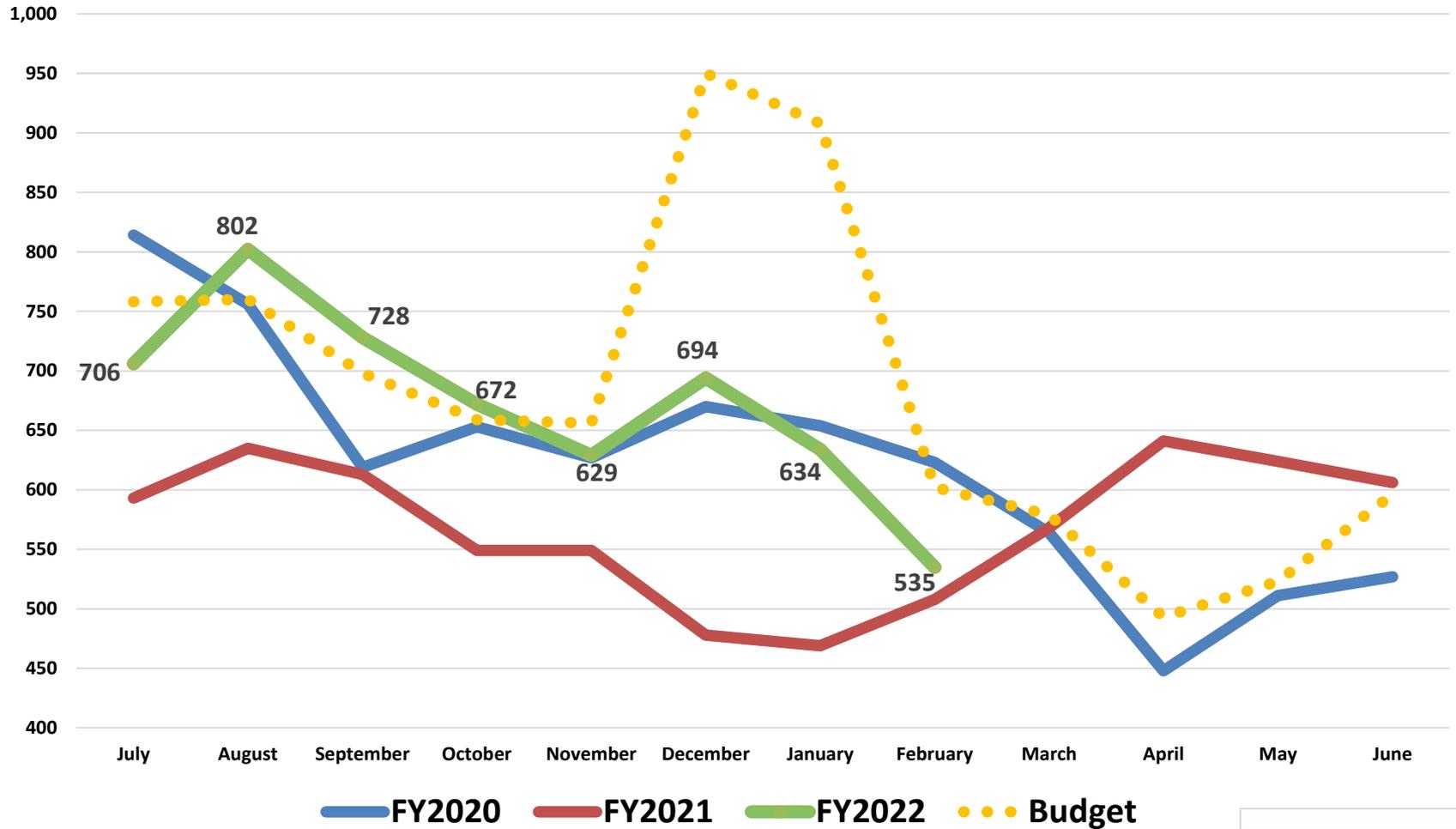
# Sequoia Cardiology - Registrations



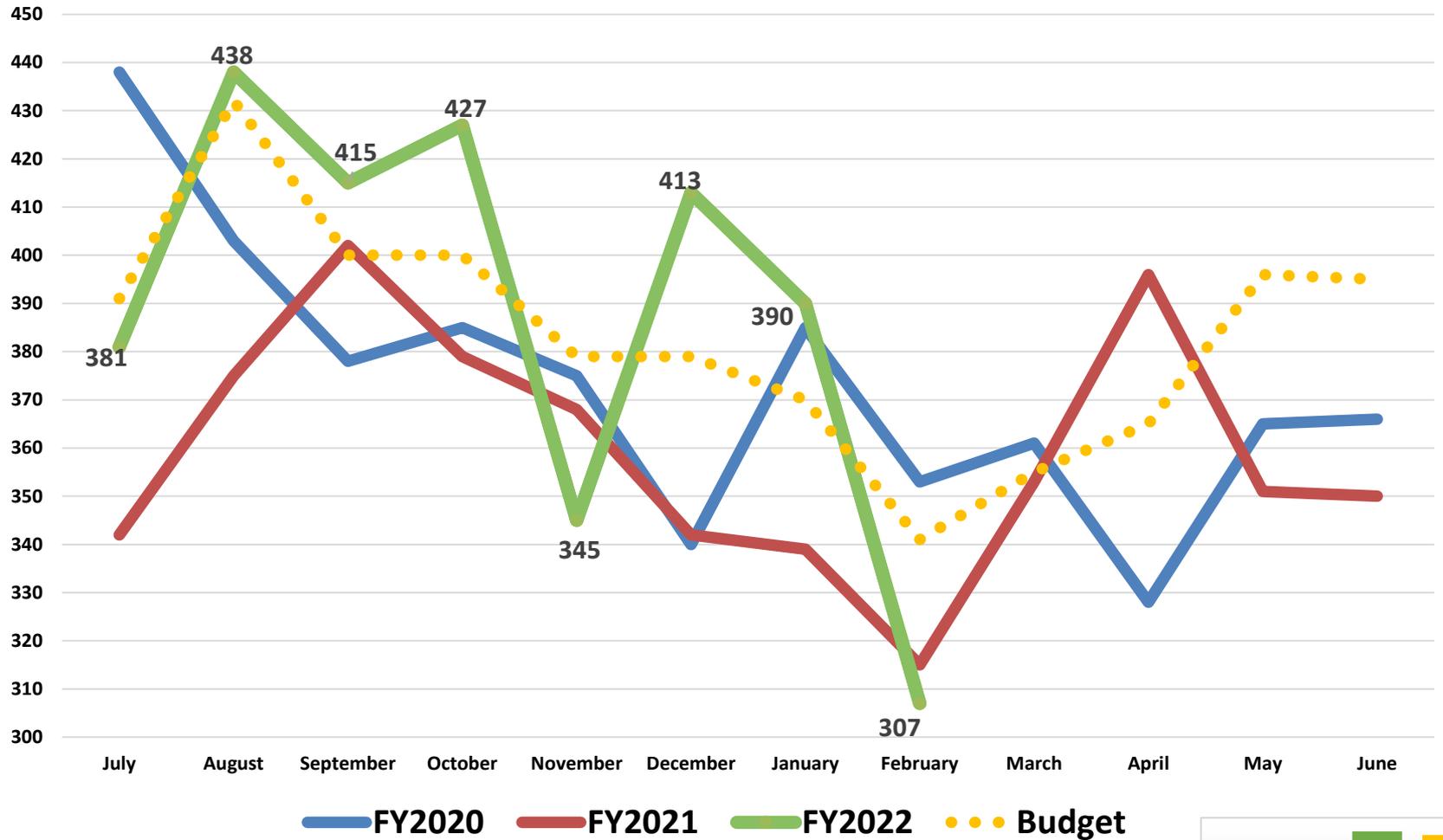
# Sequoia Cardiology – wRVU's



# Labor Triage Registrations

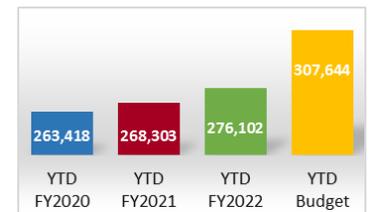
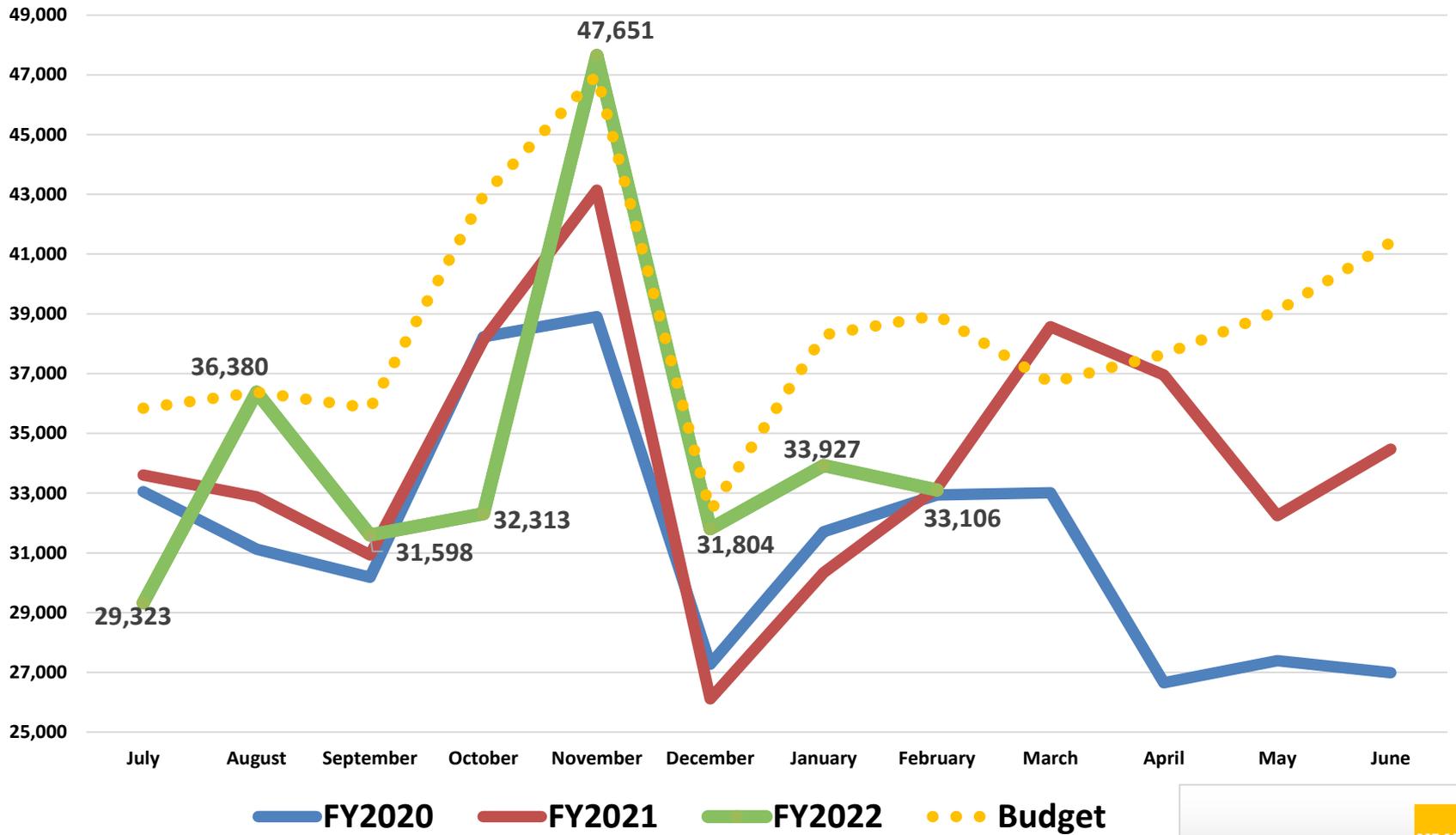


# Deliveries

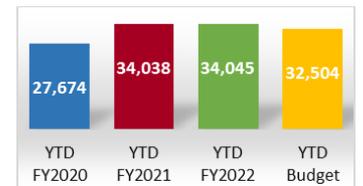
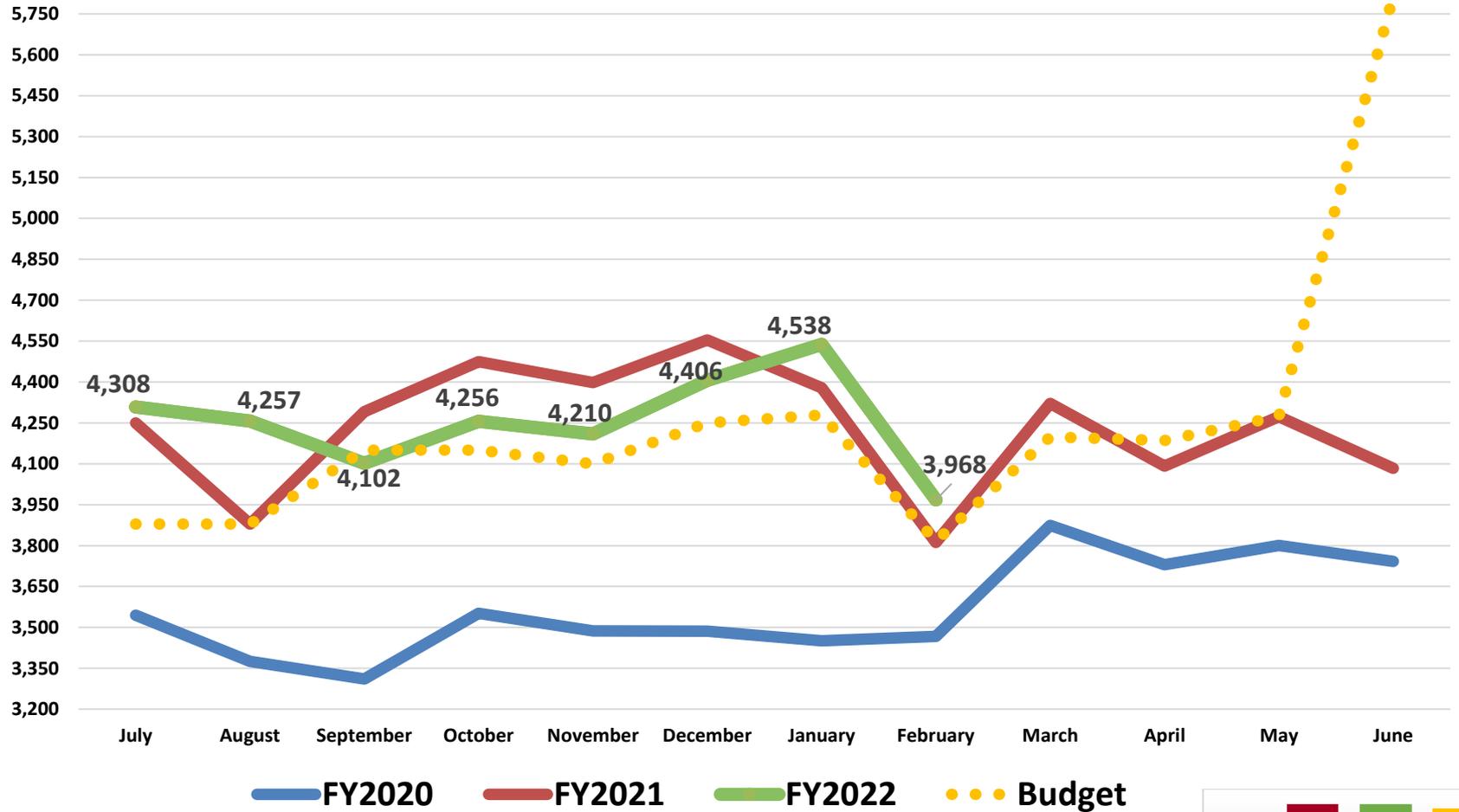


3,057	2,862	3,116	3,092
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

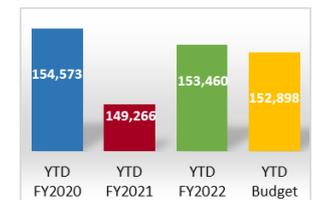
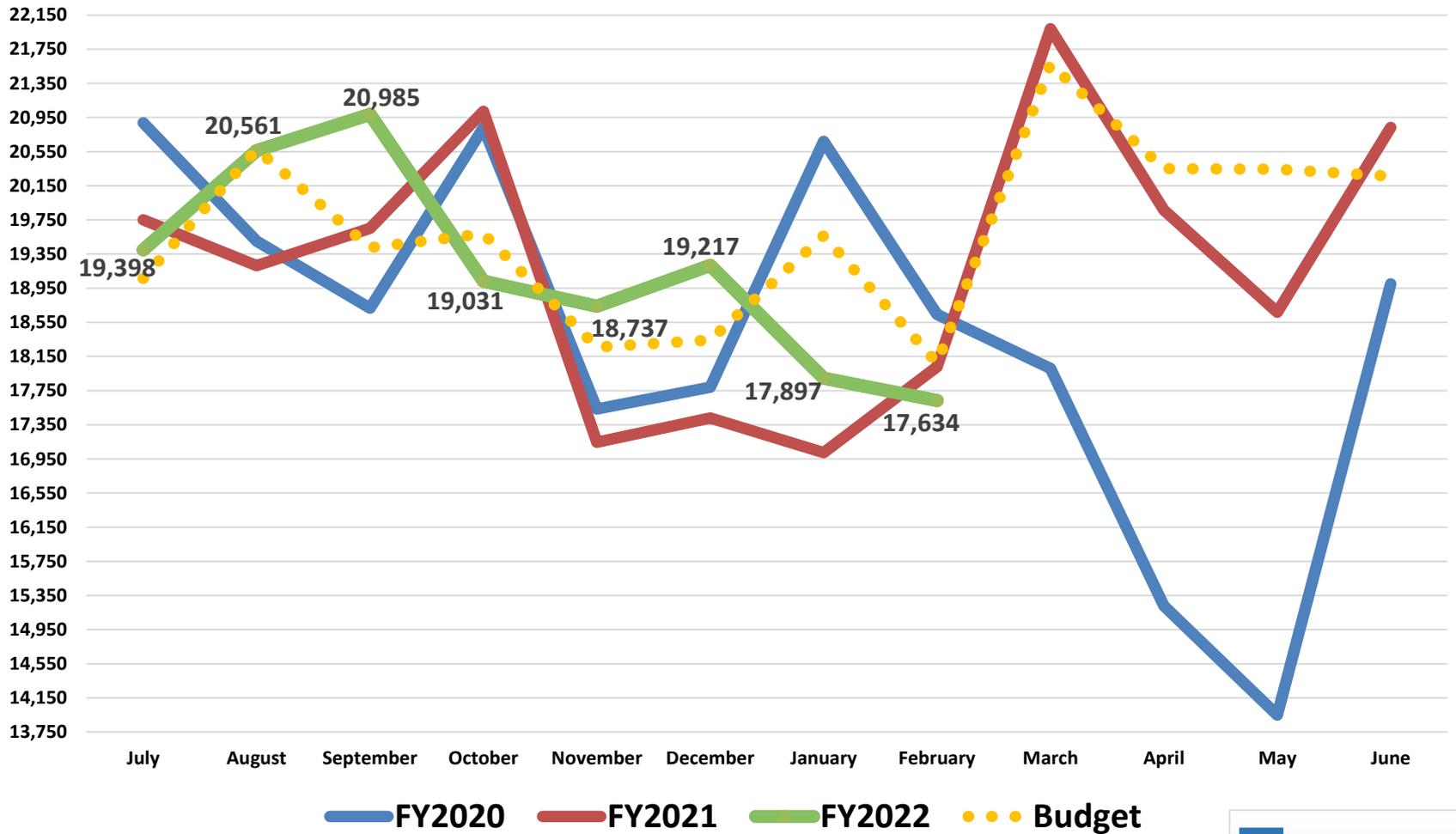
# KHMG RVU's



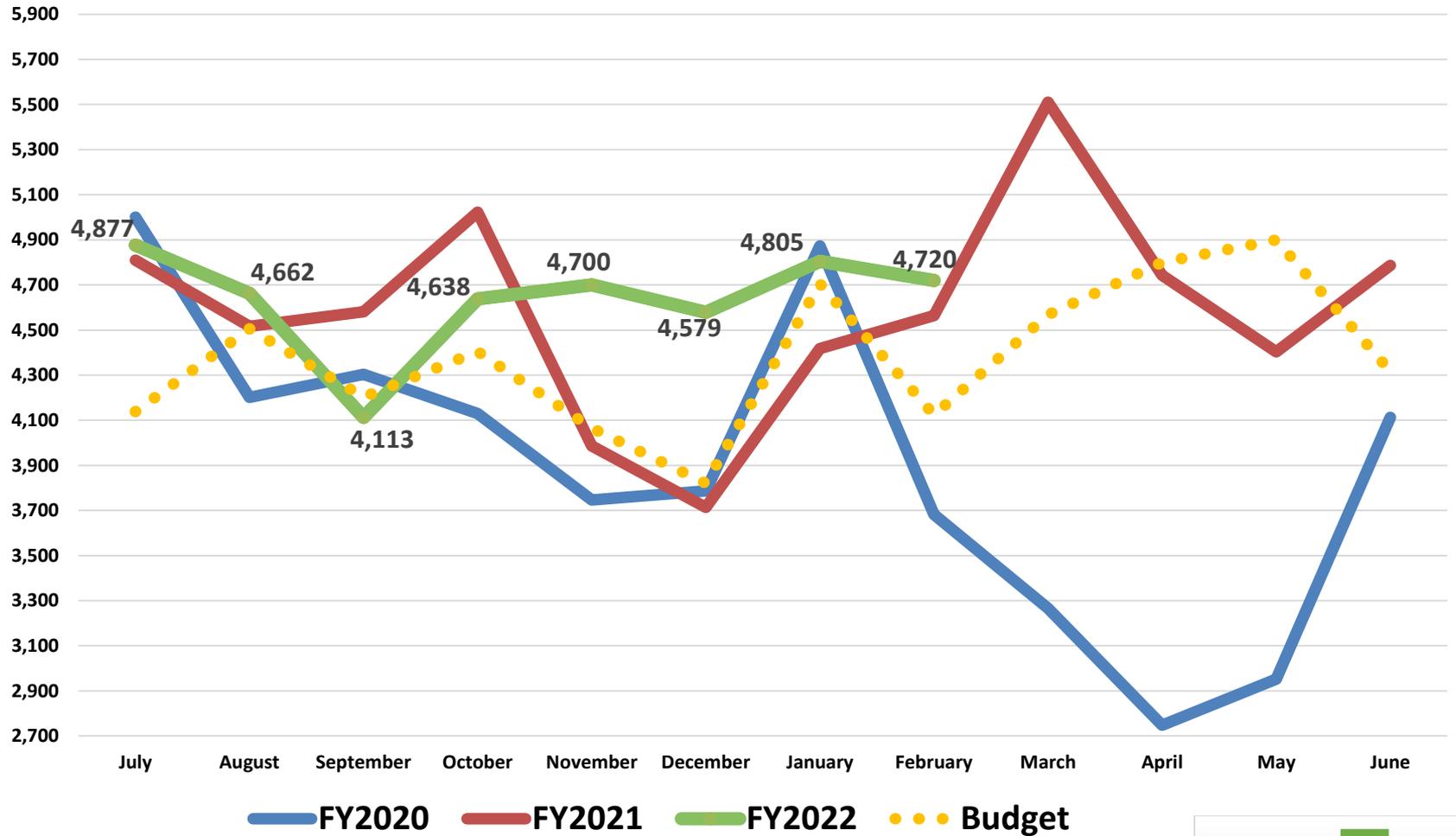
# Hospice Days



# All O/P Rehab Services Across District

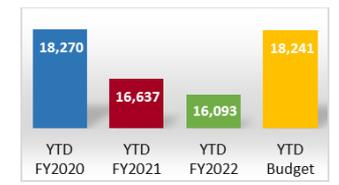
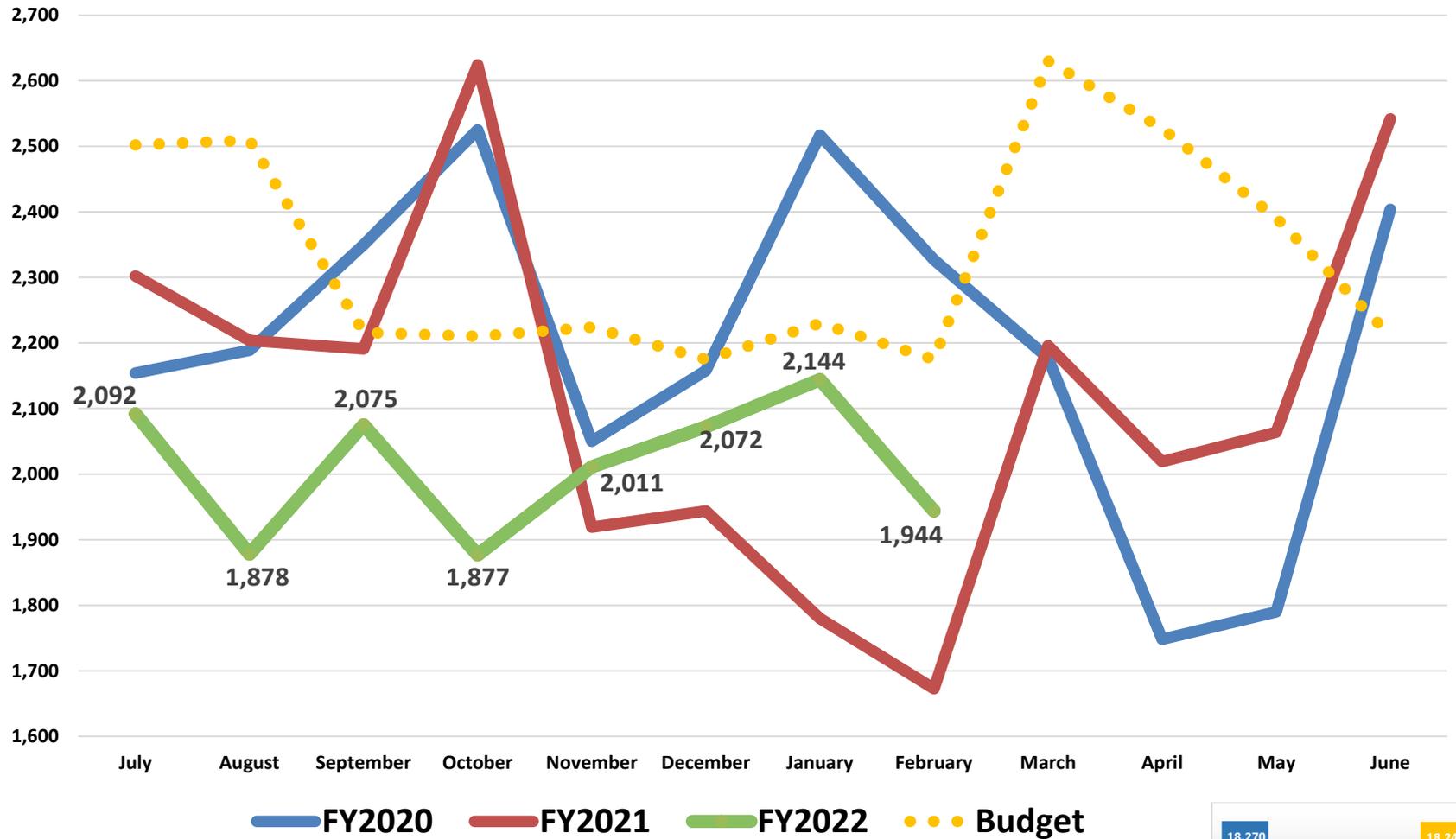


# O/P Rehab Services



33,723	35,612	37,094	33,965
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

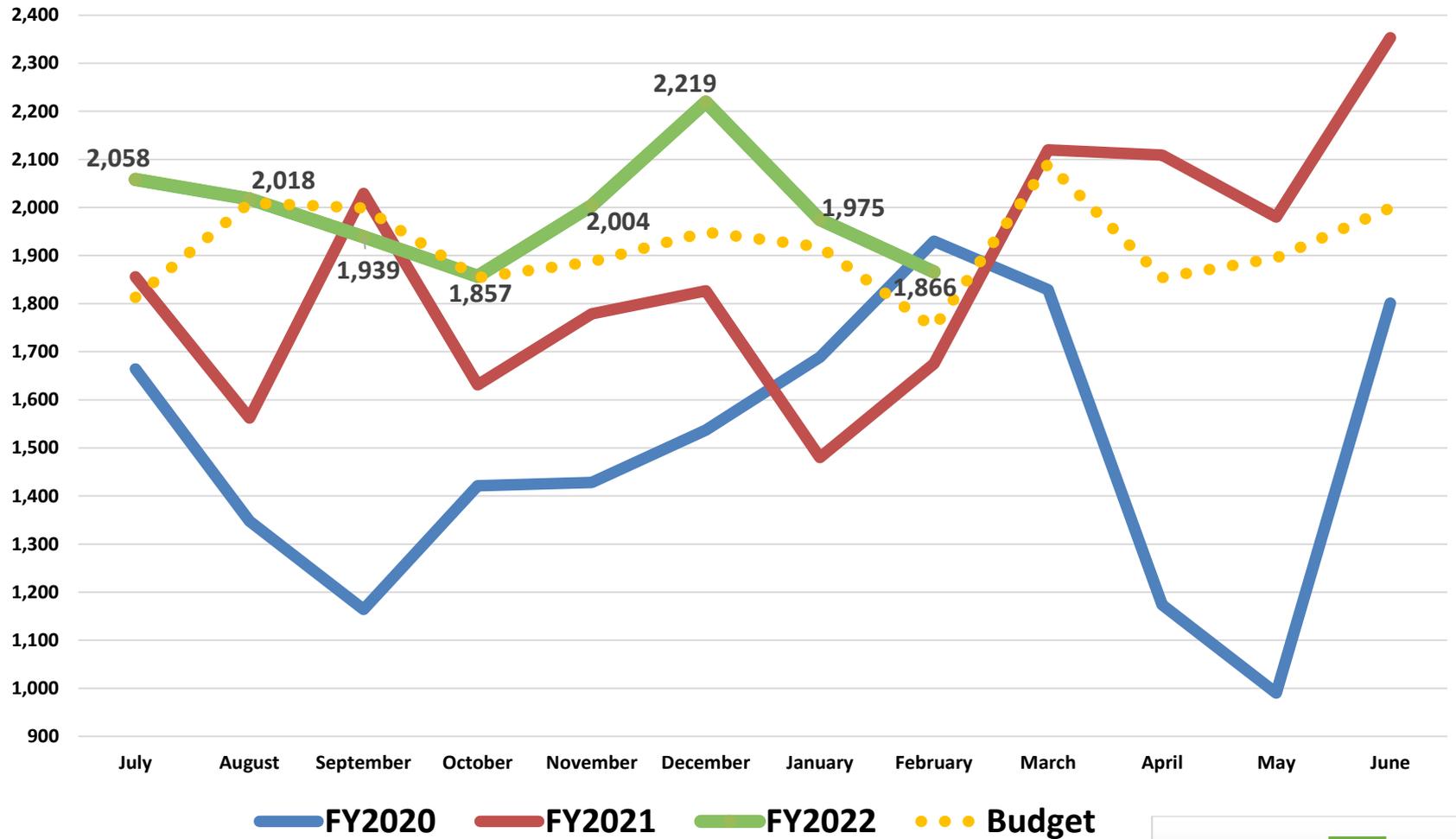
# O/P Rehab - Exeter



# O/P Rehab - Akers

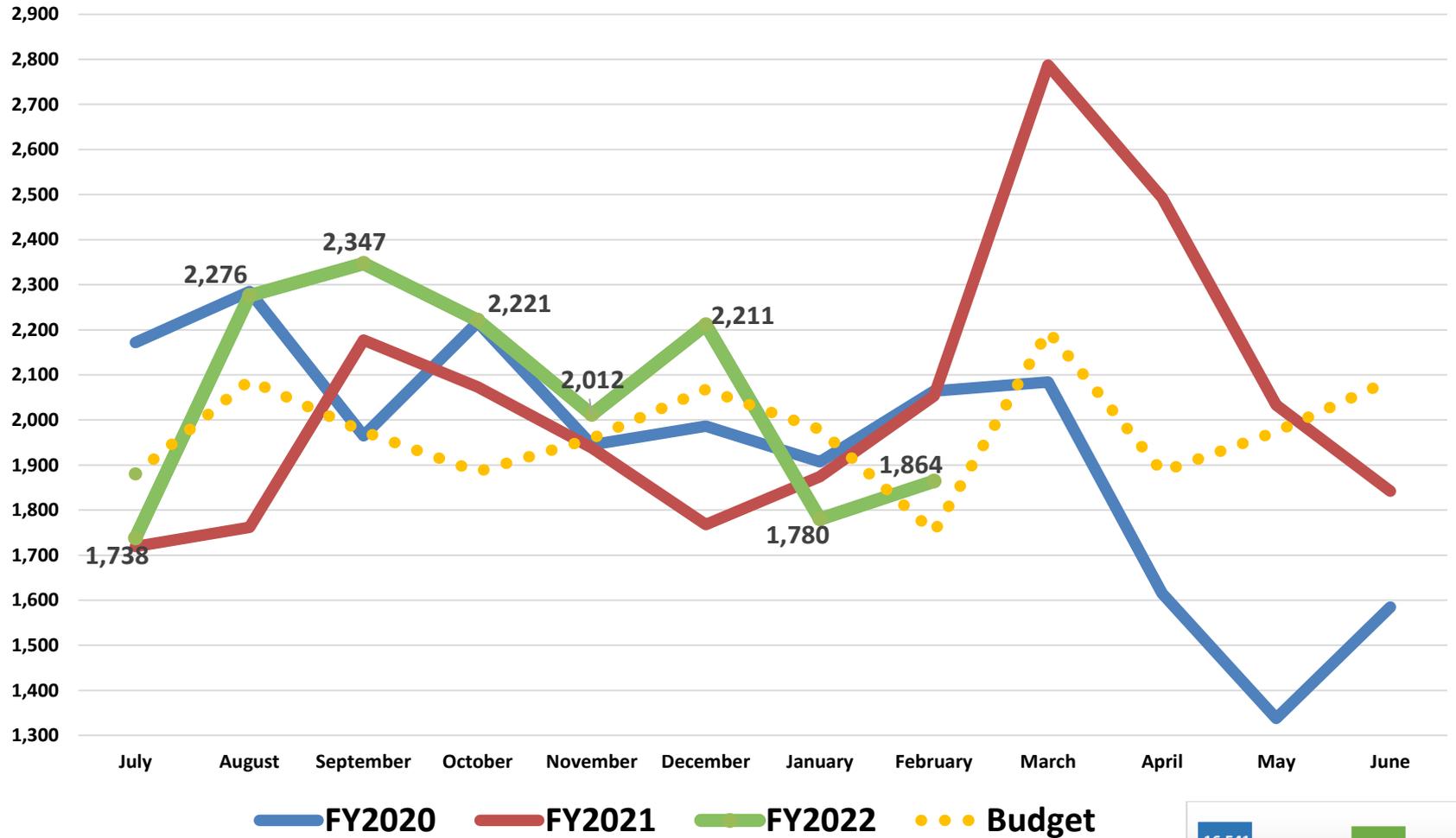


# O/P Rehab - LLOPT

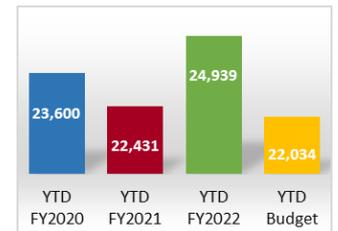
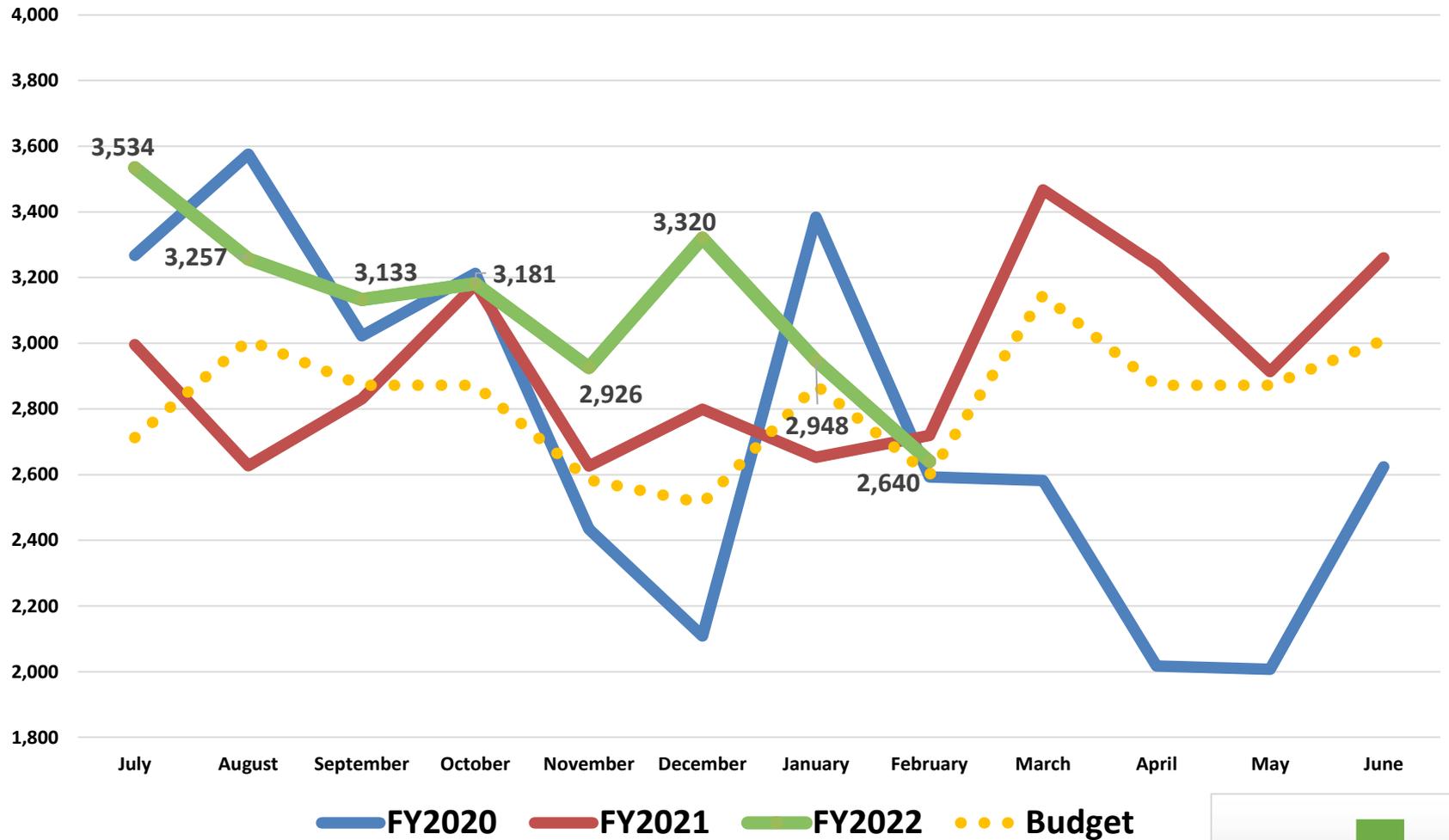


12,181	13,839	15,936	15,180
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

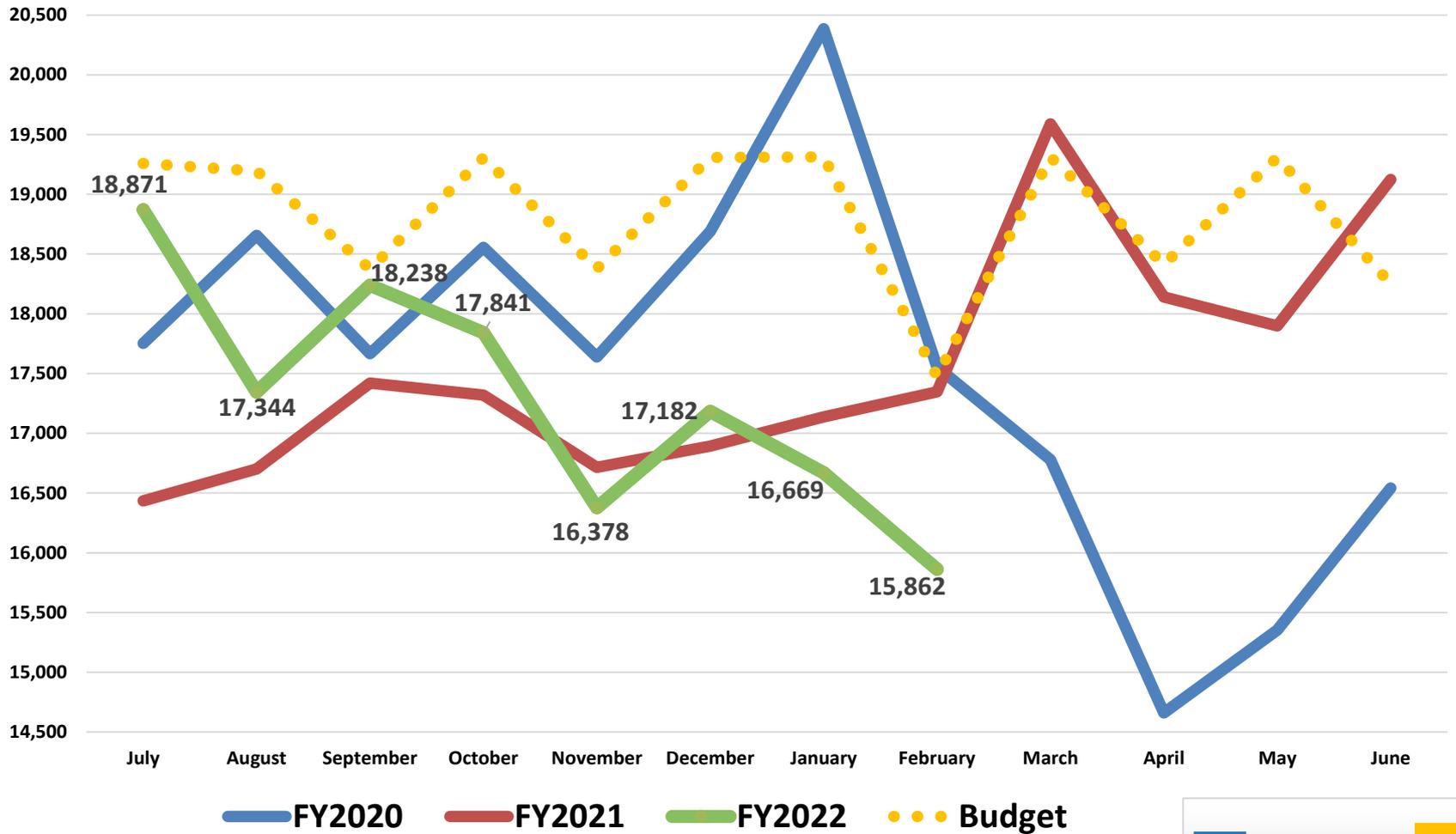
# O/P Rehab - Dinuba



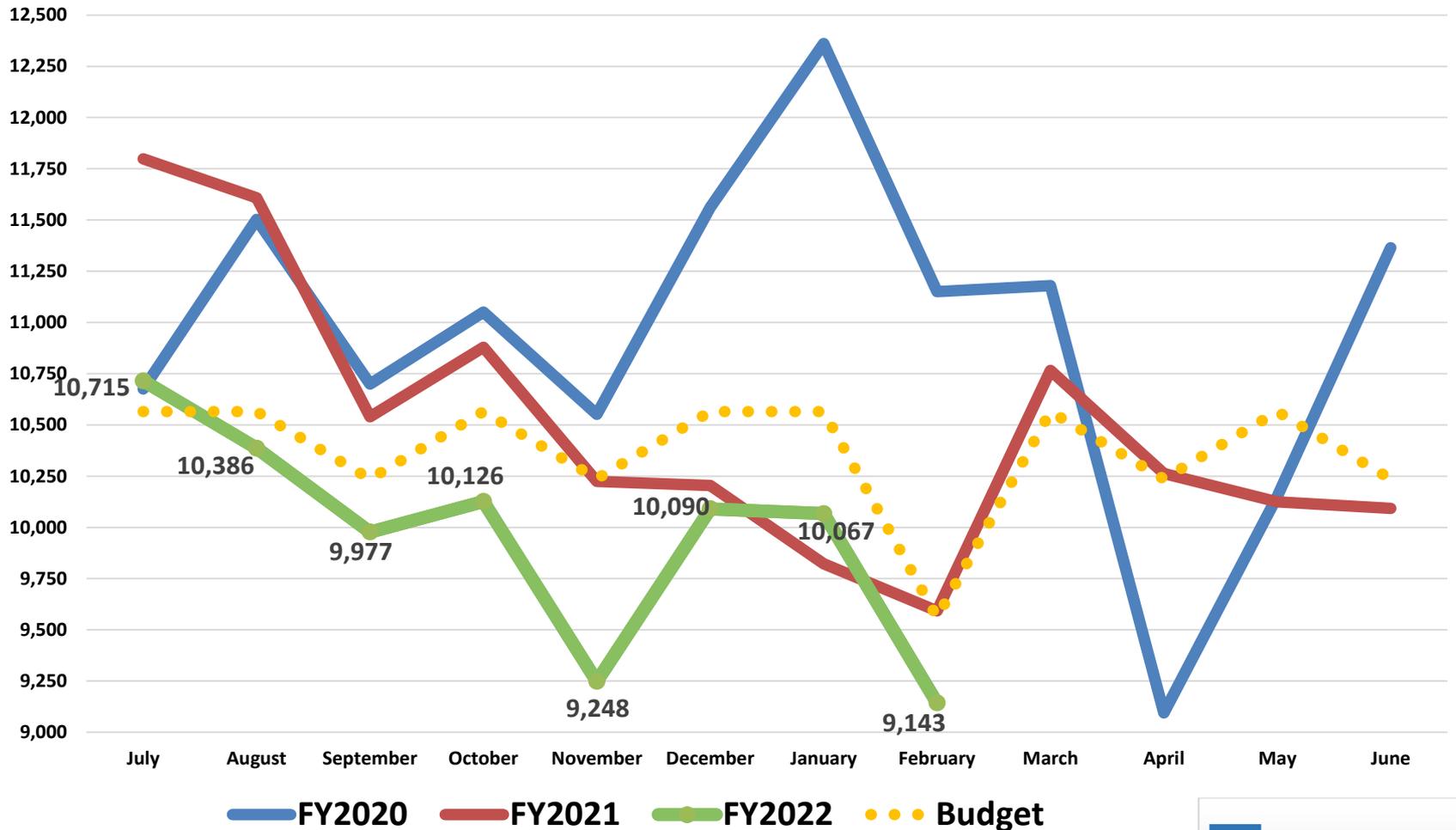
# Therapy - Cypress Hand Center



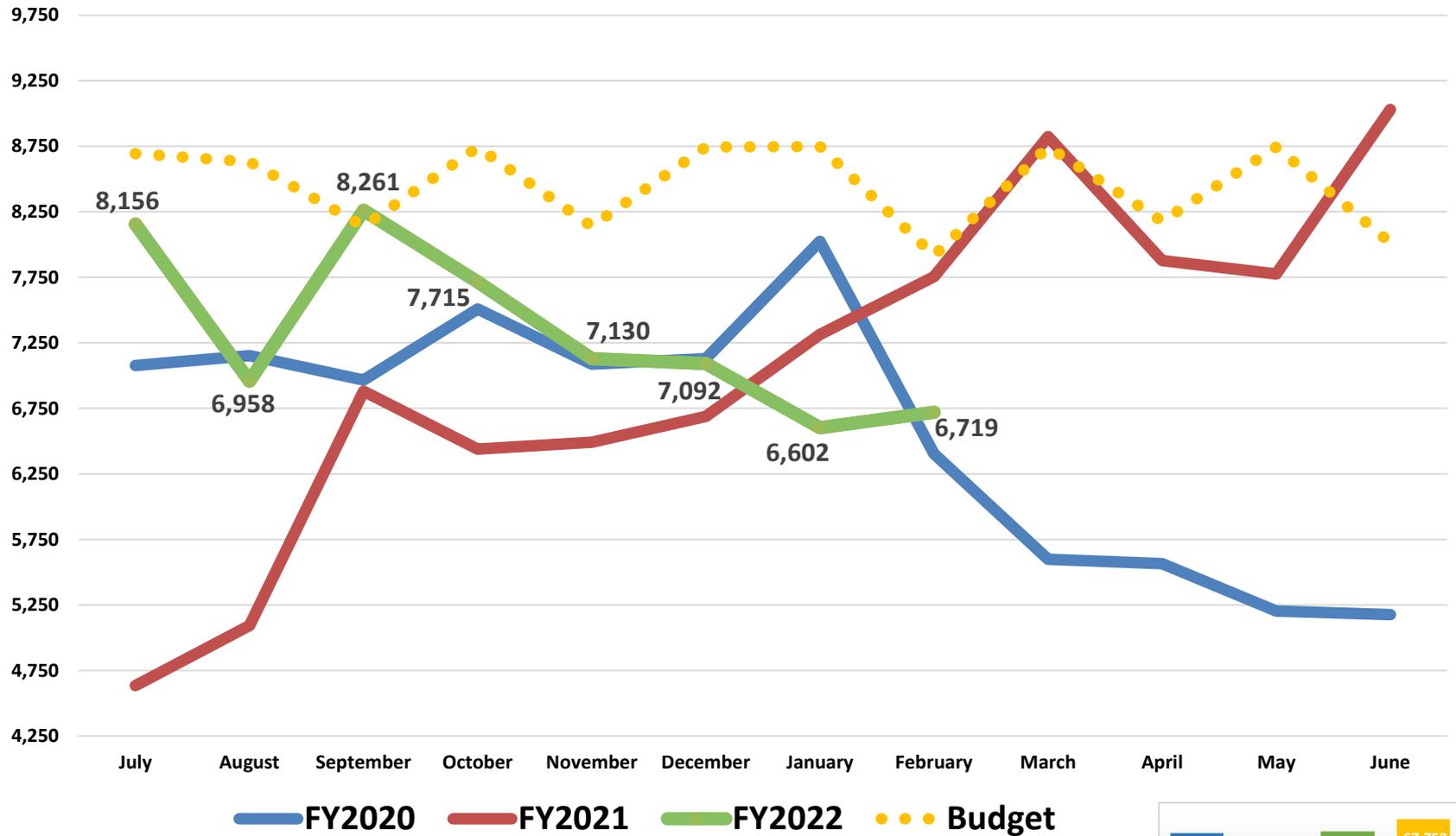
# Physical & Other Therapy Units (I/P & O/P)



# Physical & Other Therapy Units (I/P & O/P)-Main Campus

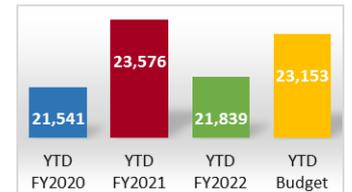
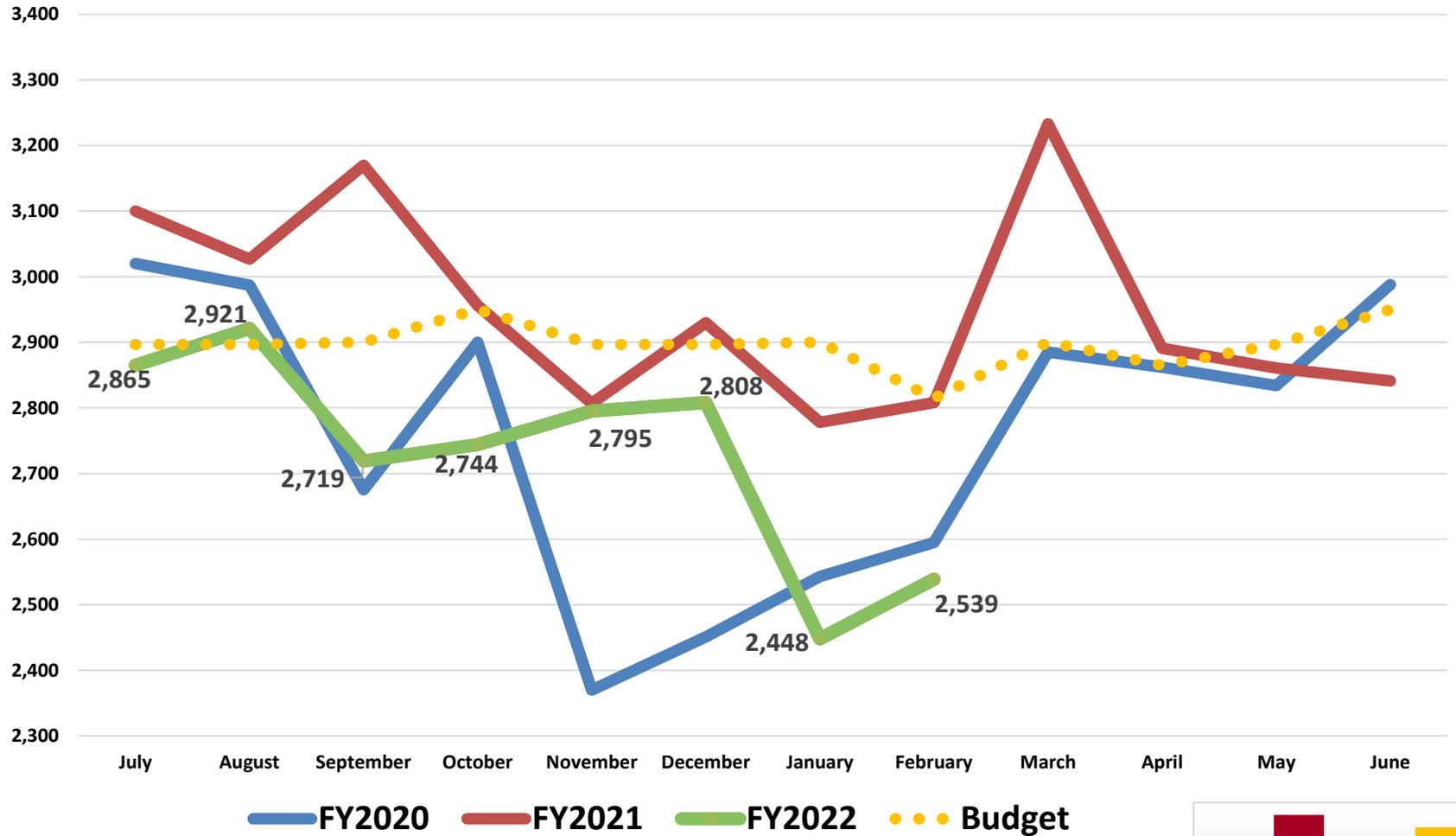


# Physical & Other Therapy Units (I/P & O/P)-KDRH & South Campus

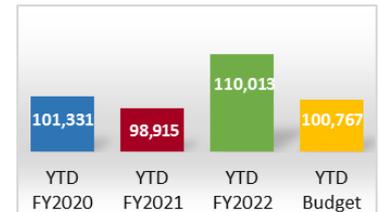
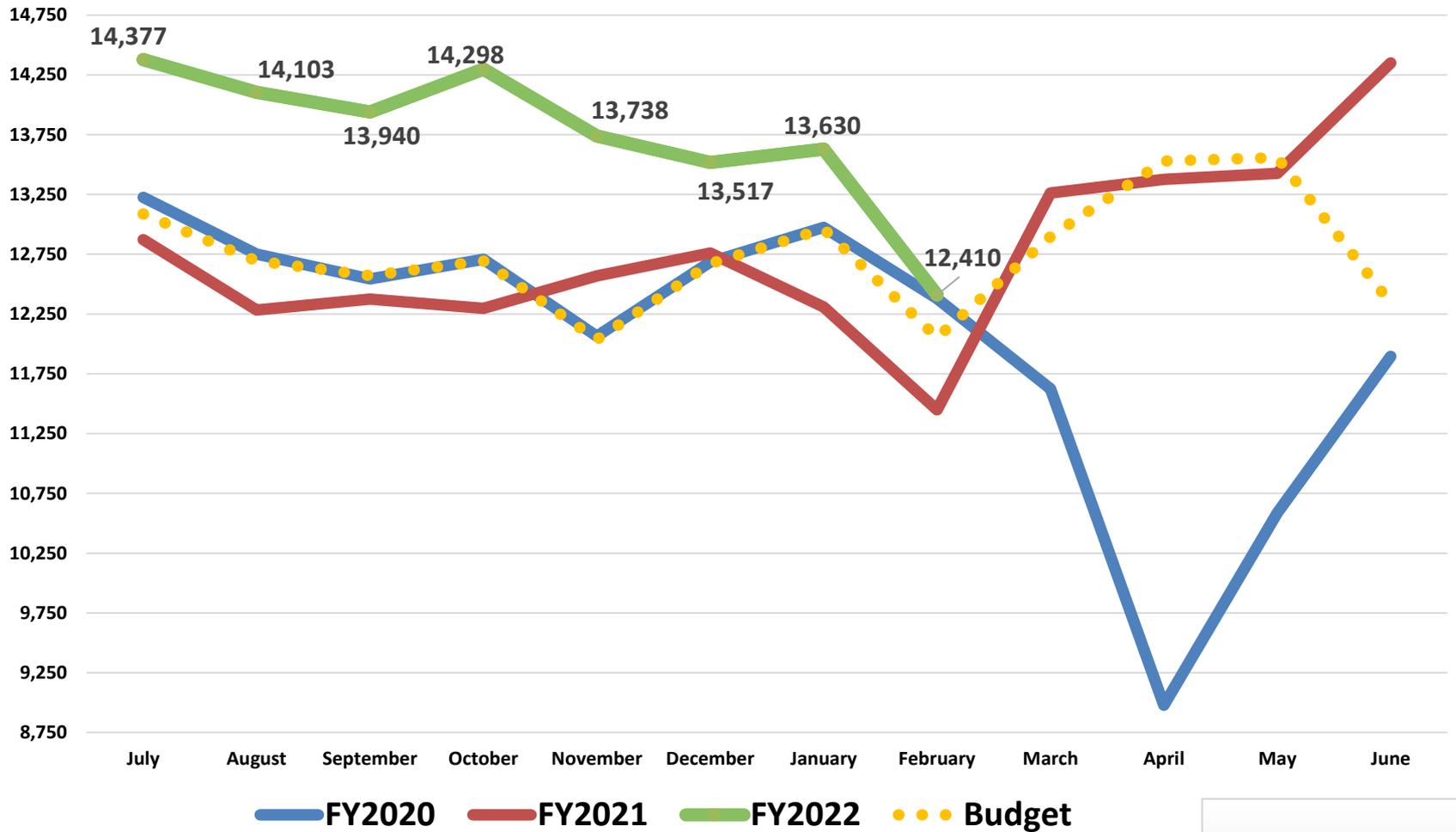


57,348	51,296	58,633	67,753
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

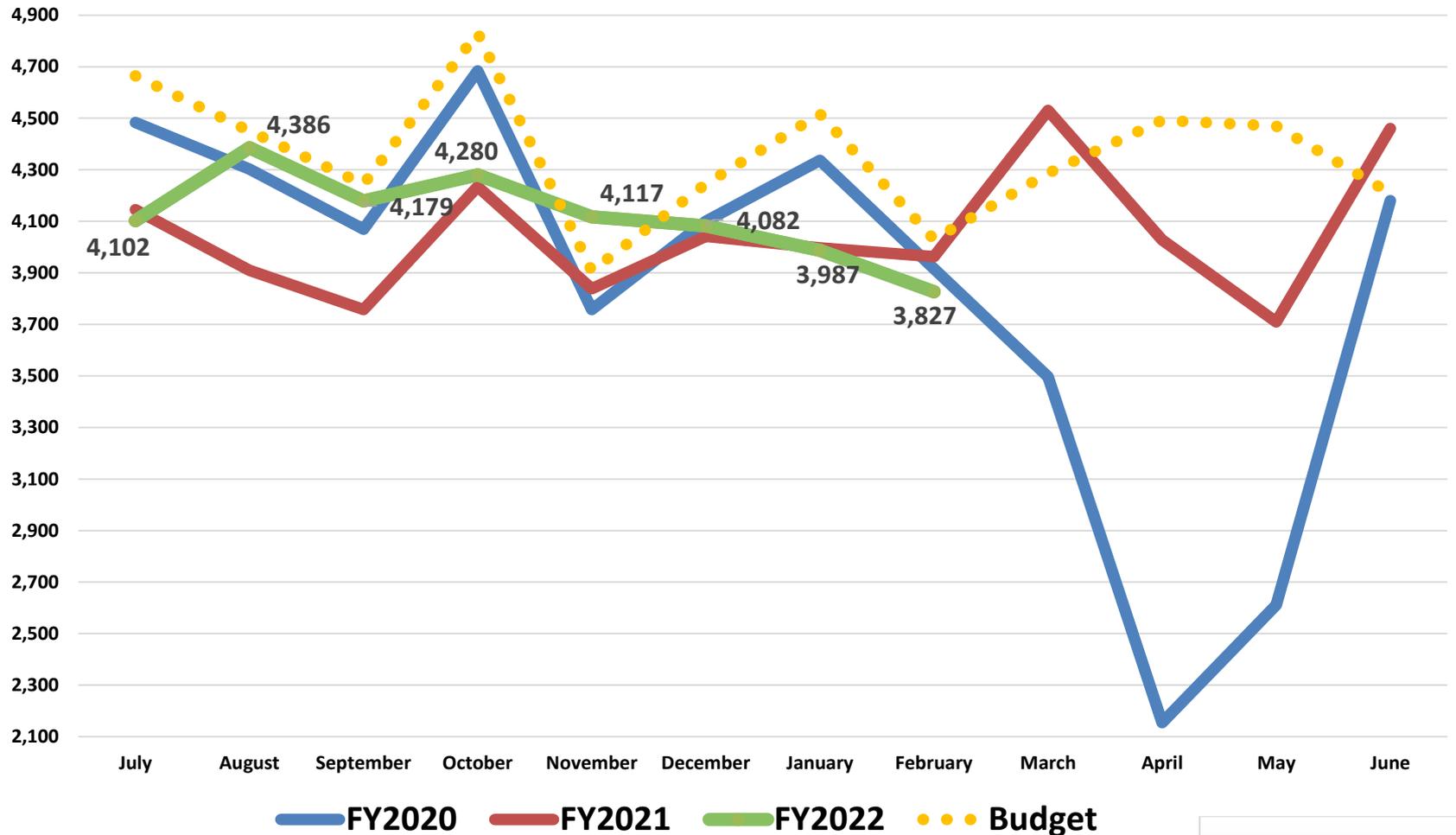
# Home Health Visits



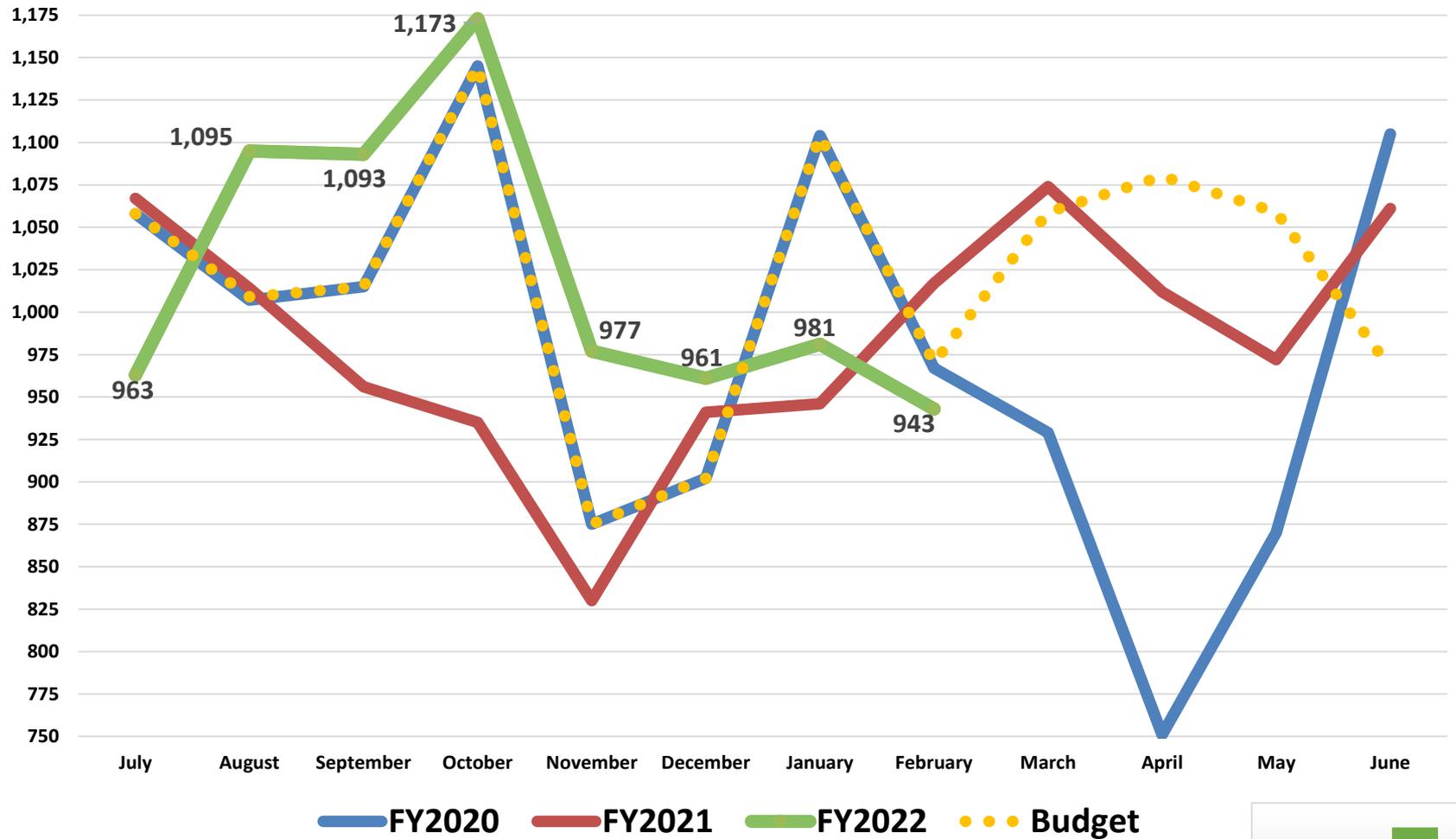
# Radiology – Main Campus



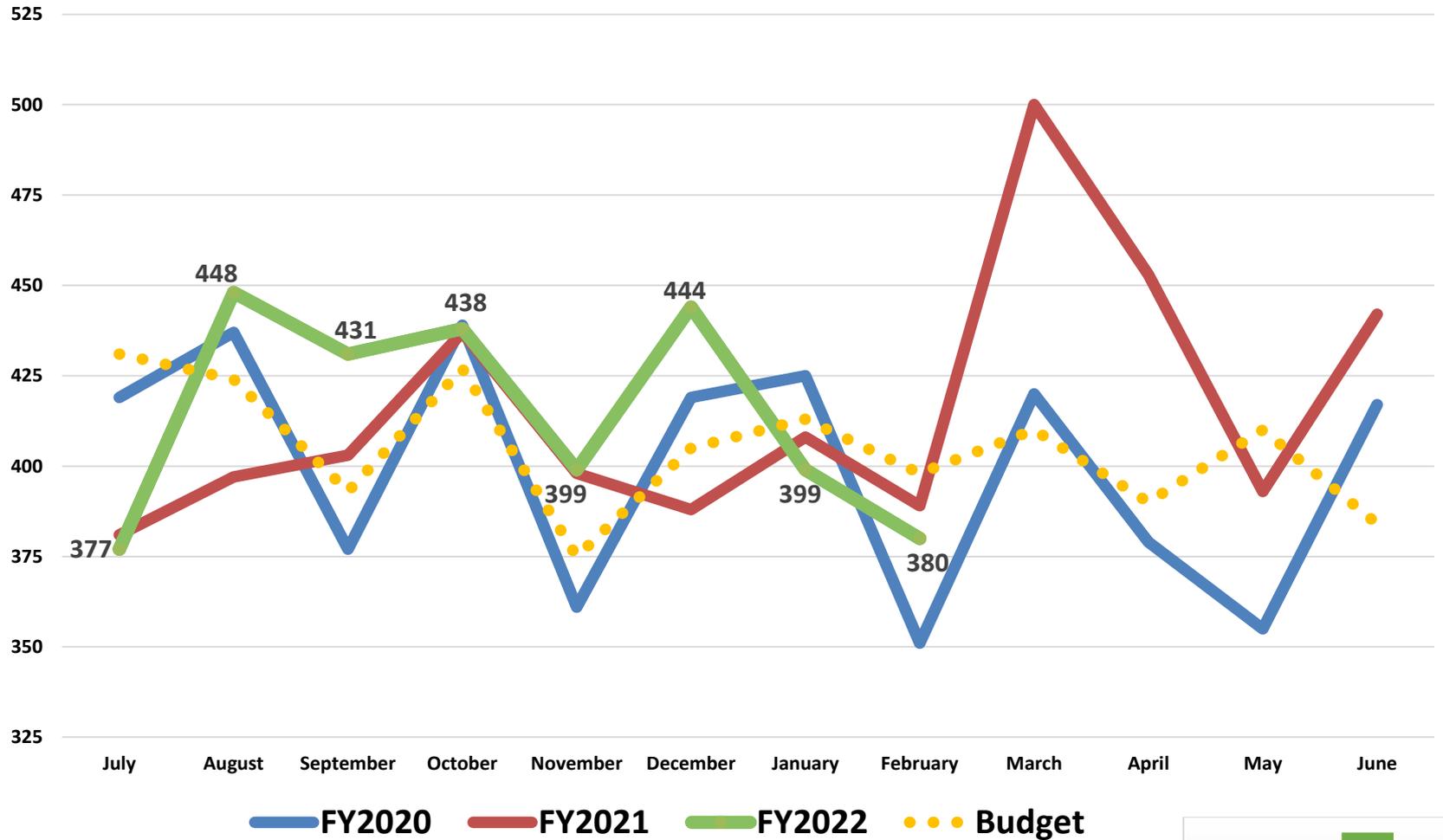
# Radiology – West Campus Imaging



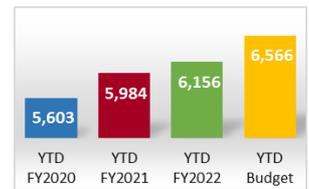
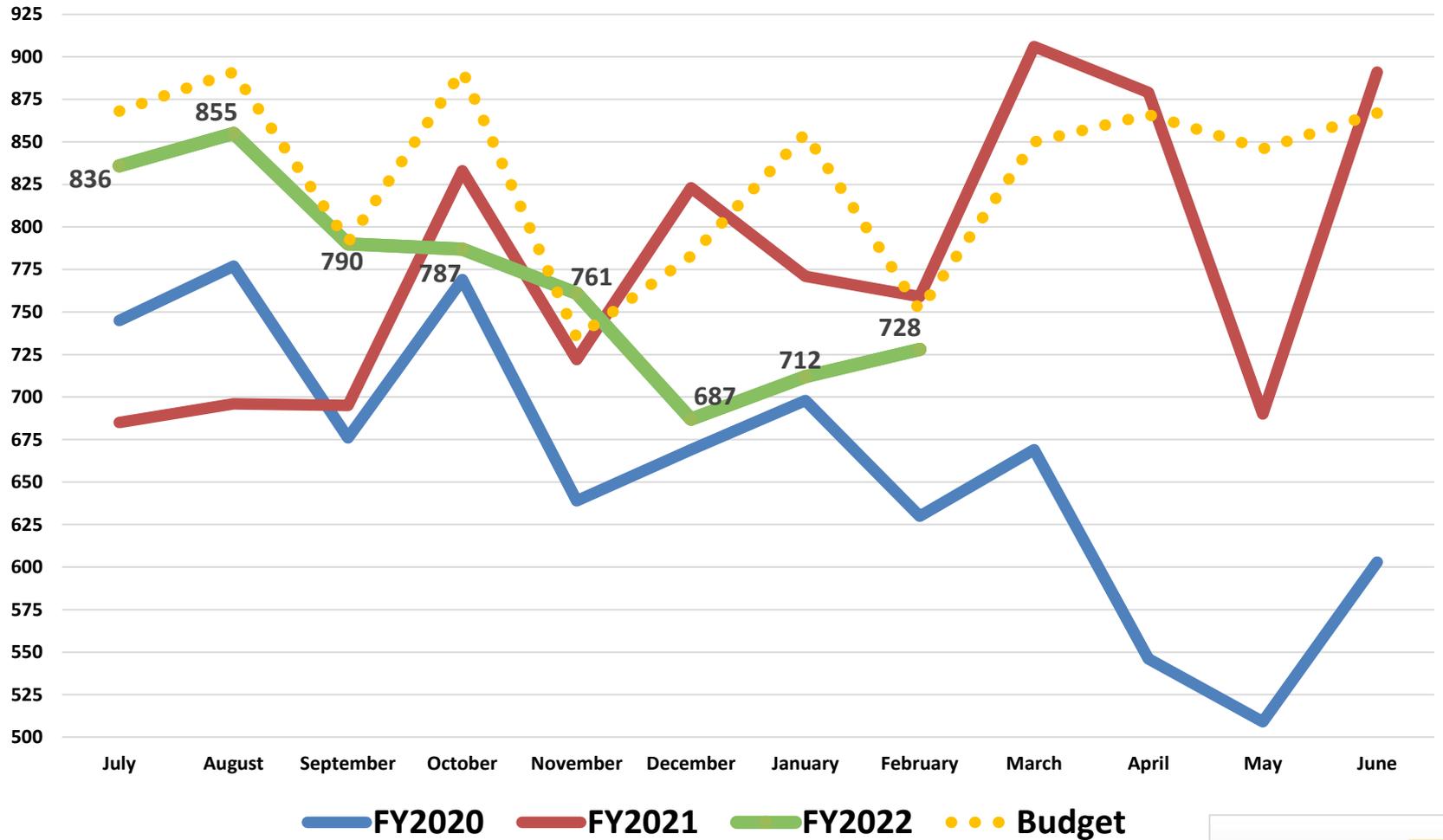
# West Campus – Diagnostic Radiology



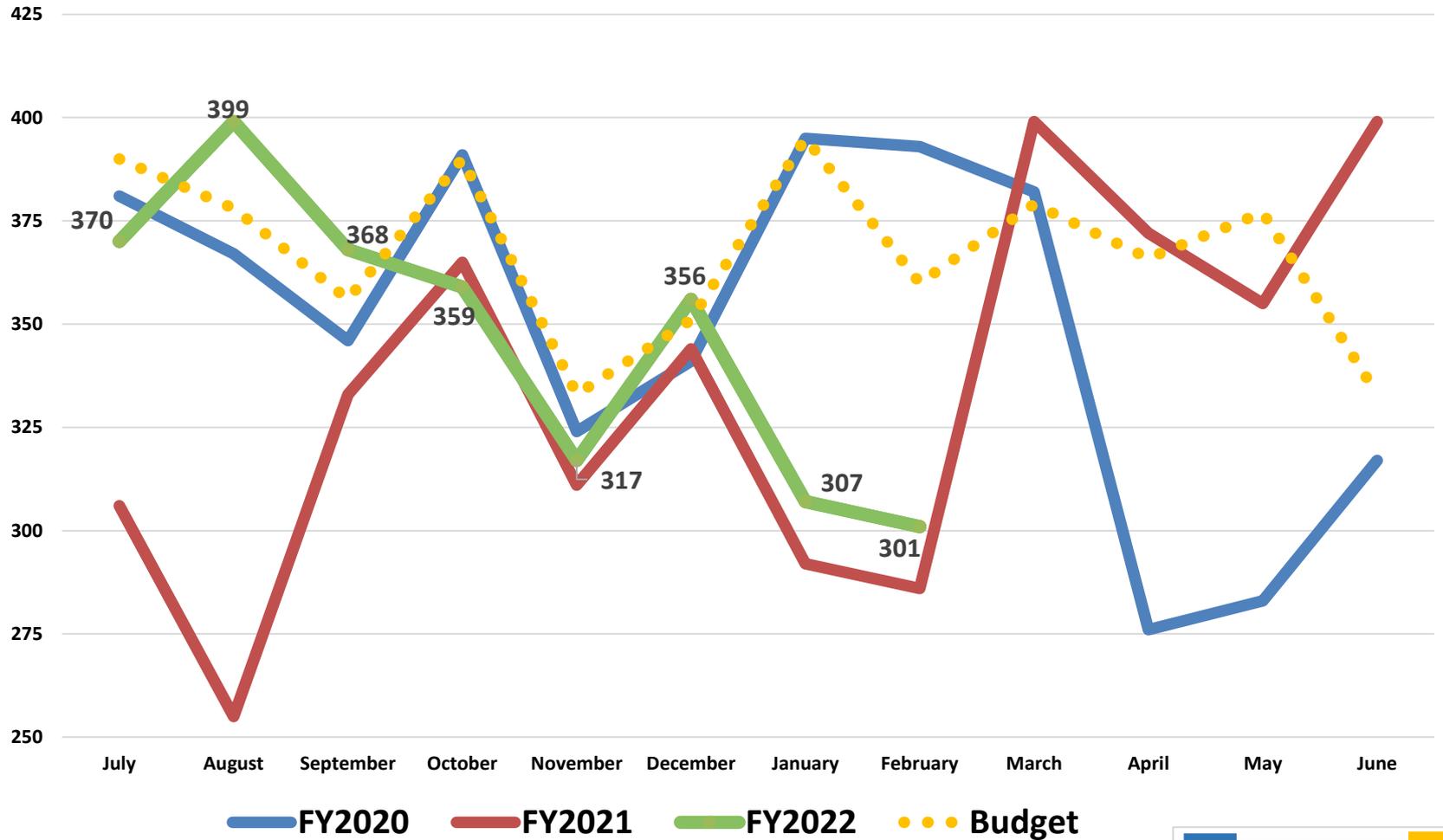
# West Campus – CT Scan



# West Campus - Ultrasound

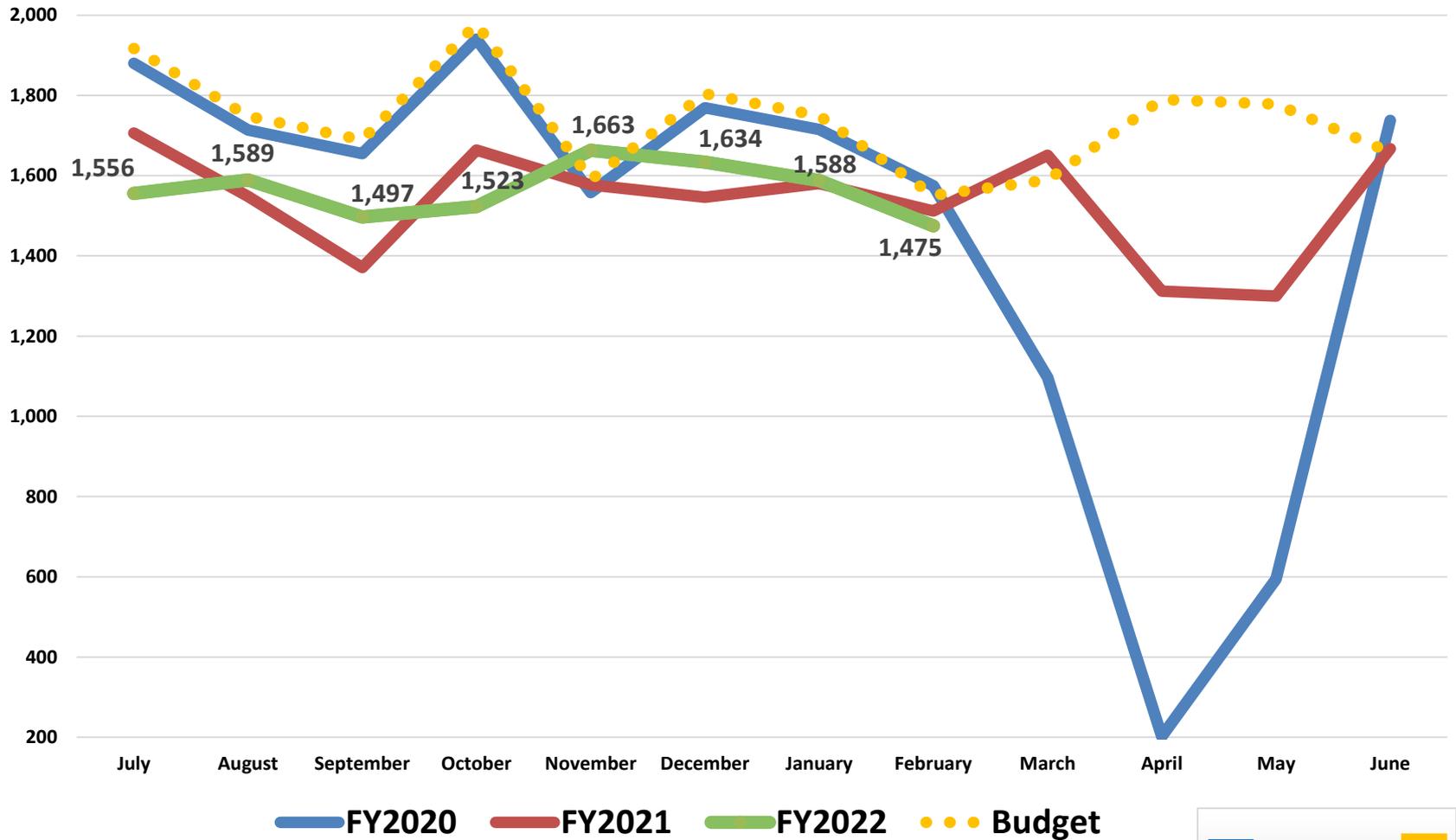


# West Campus - MRI



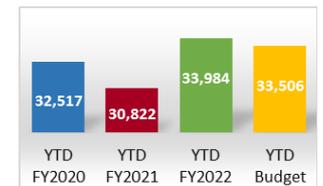
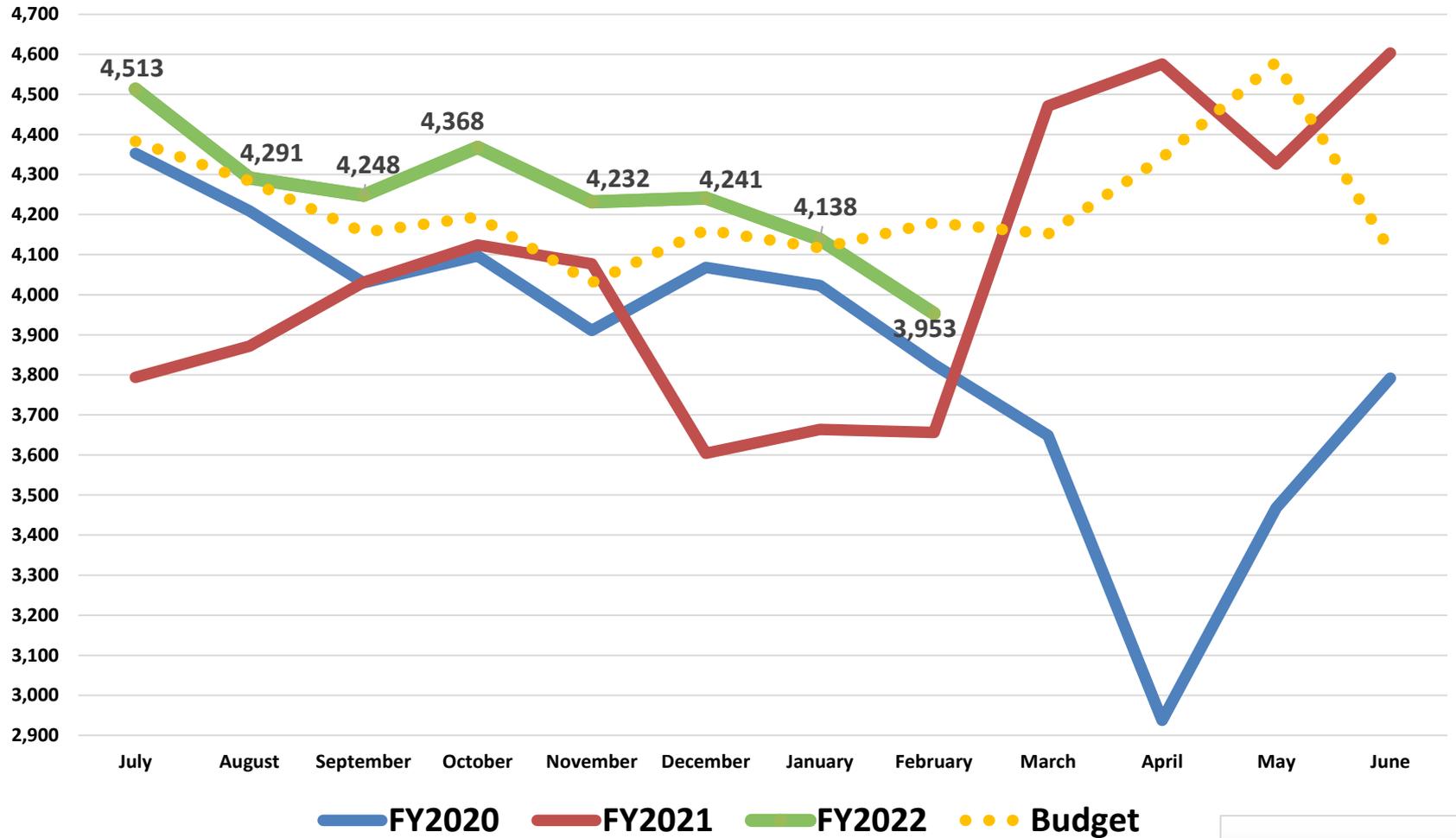
2,938	2,492	2,777	2,953
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# West Campus – Breast Center

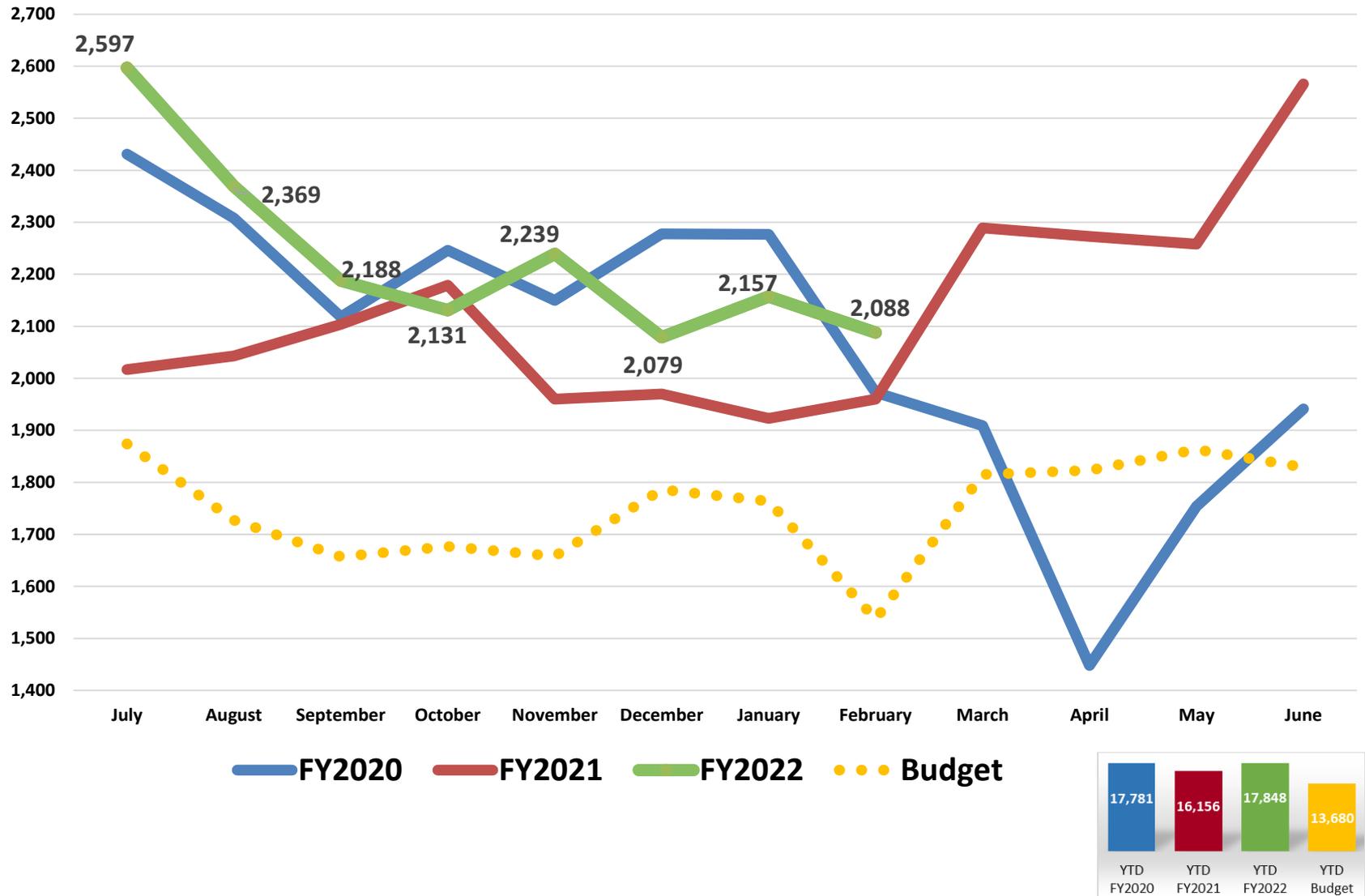


13,806	12,504	12,525	14,026
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

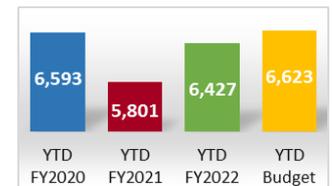
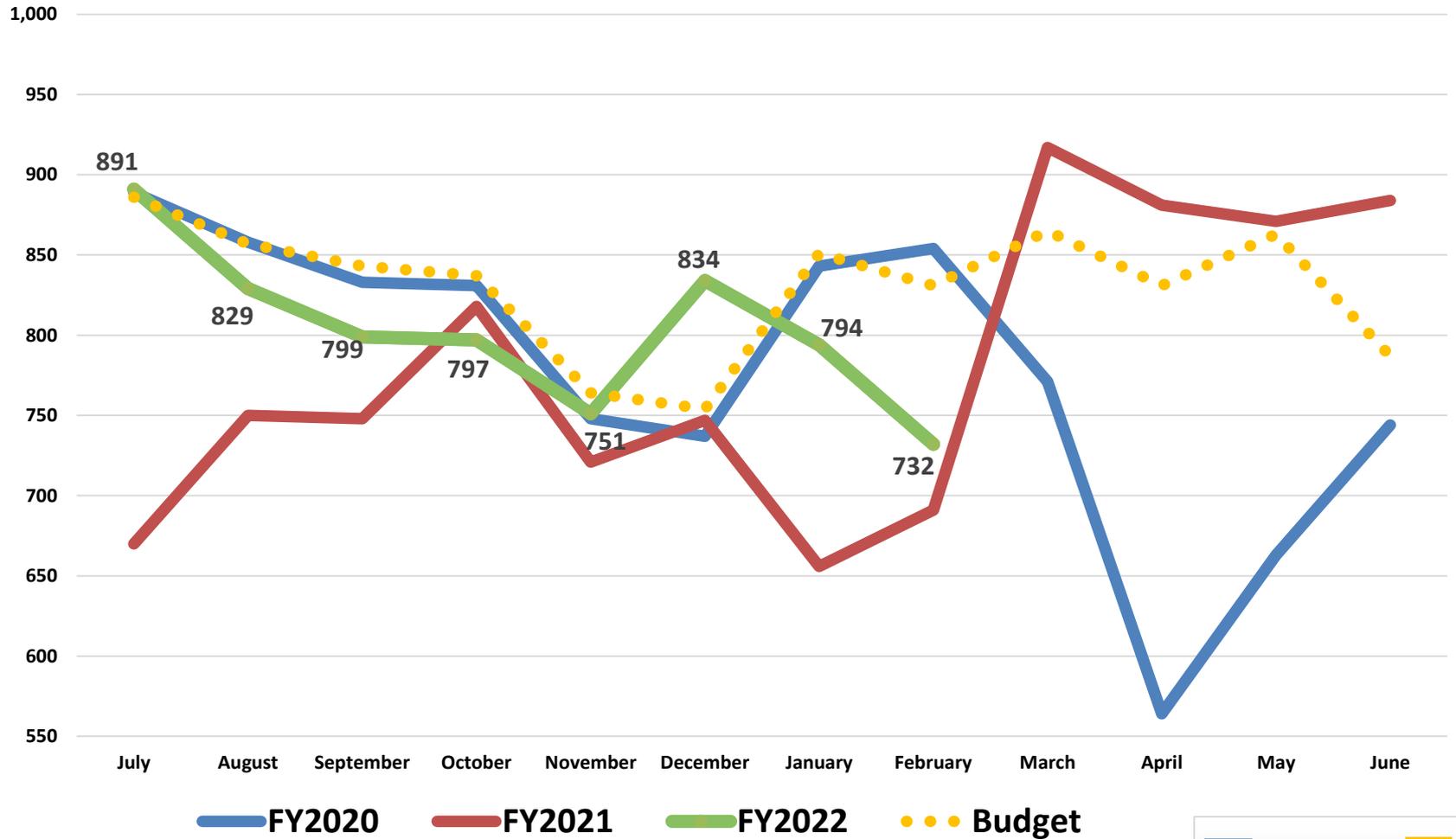
# Radiology all areas – CT



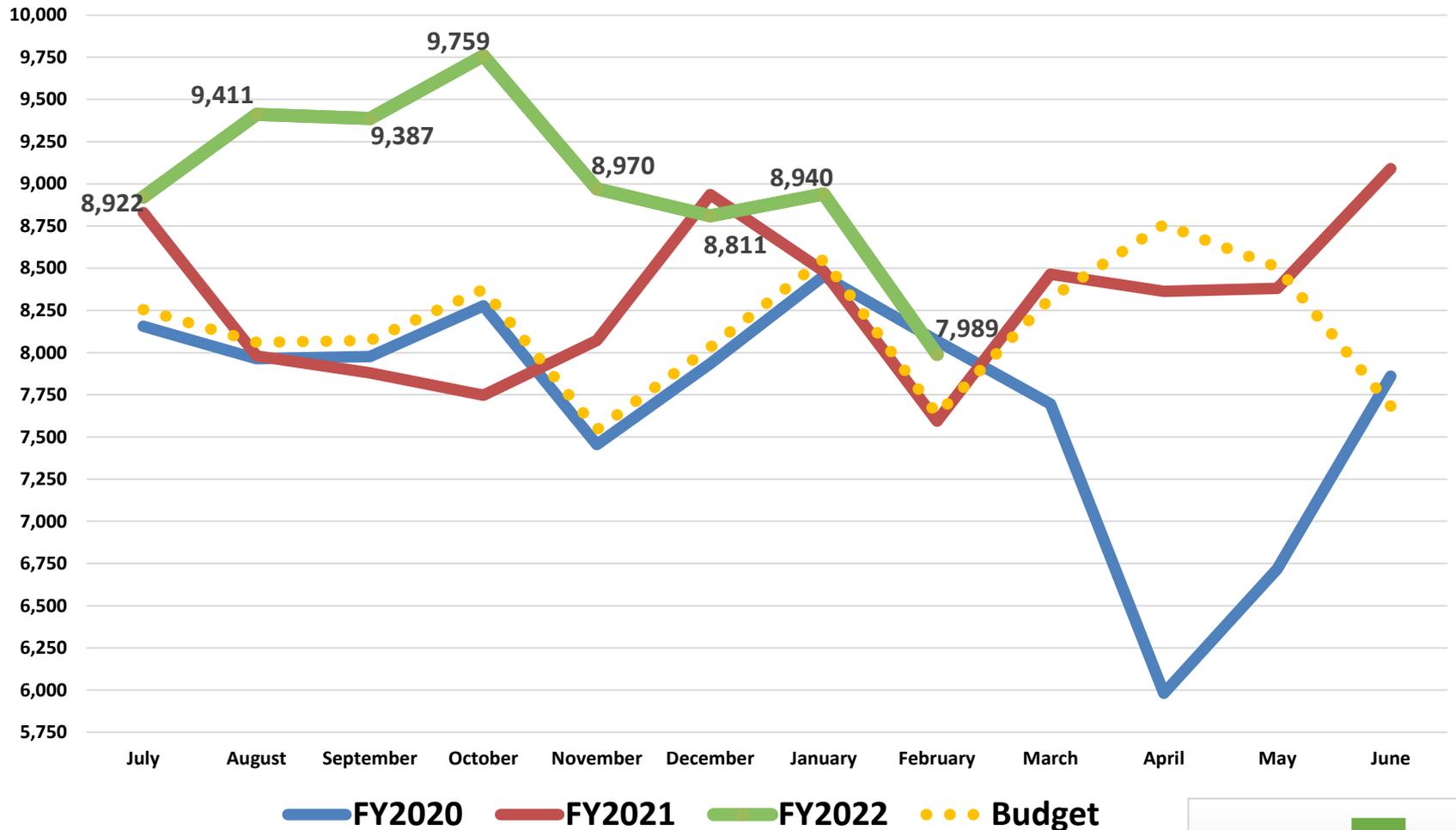
# Radiology all areas – Ultrasound



# Radiology all areas – MRI

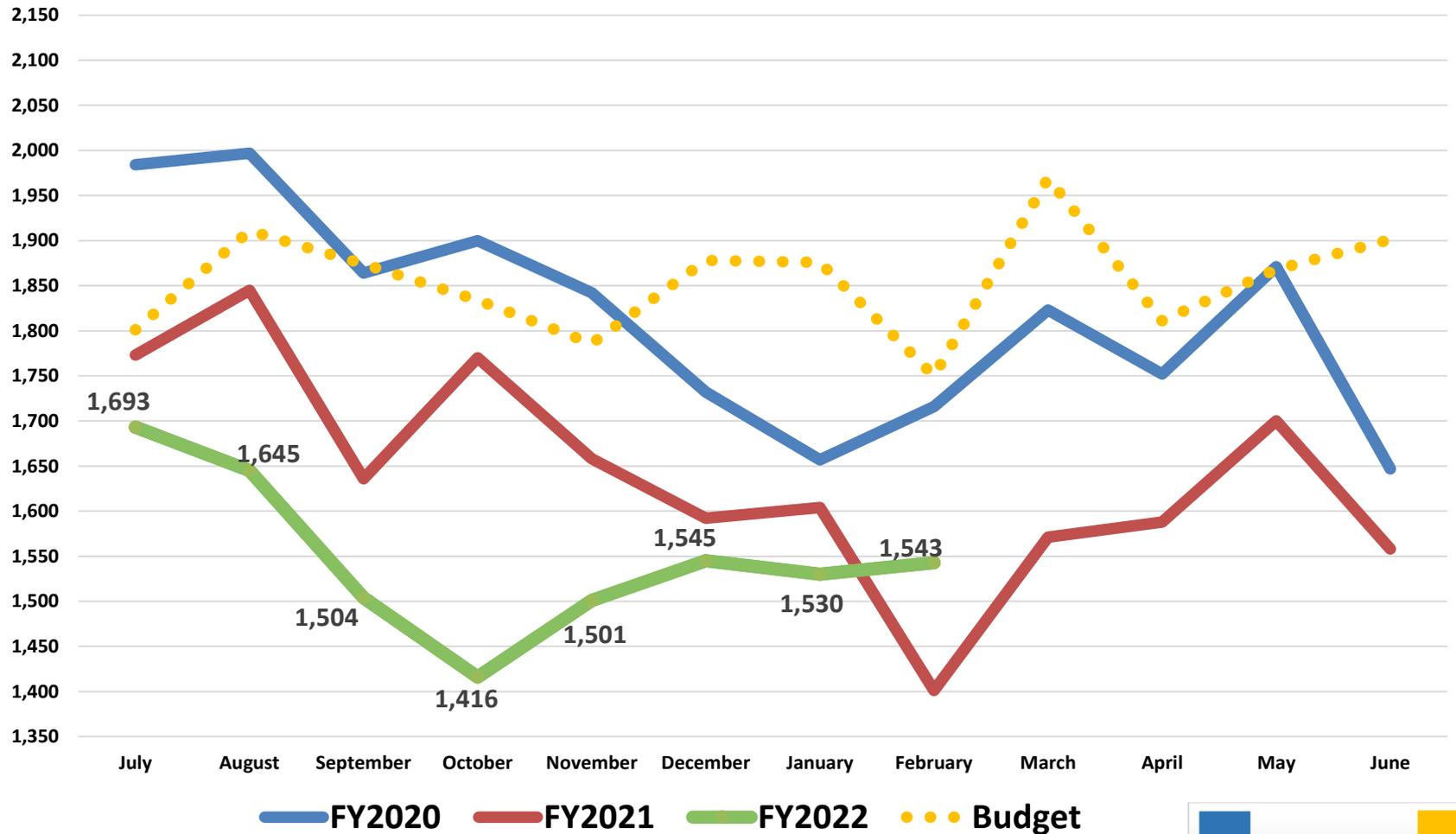


# Radiology Modality – Diagnostic Radiology



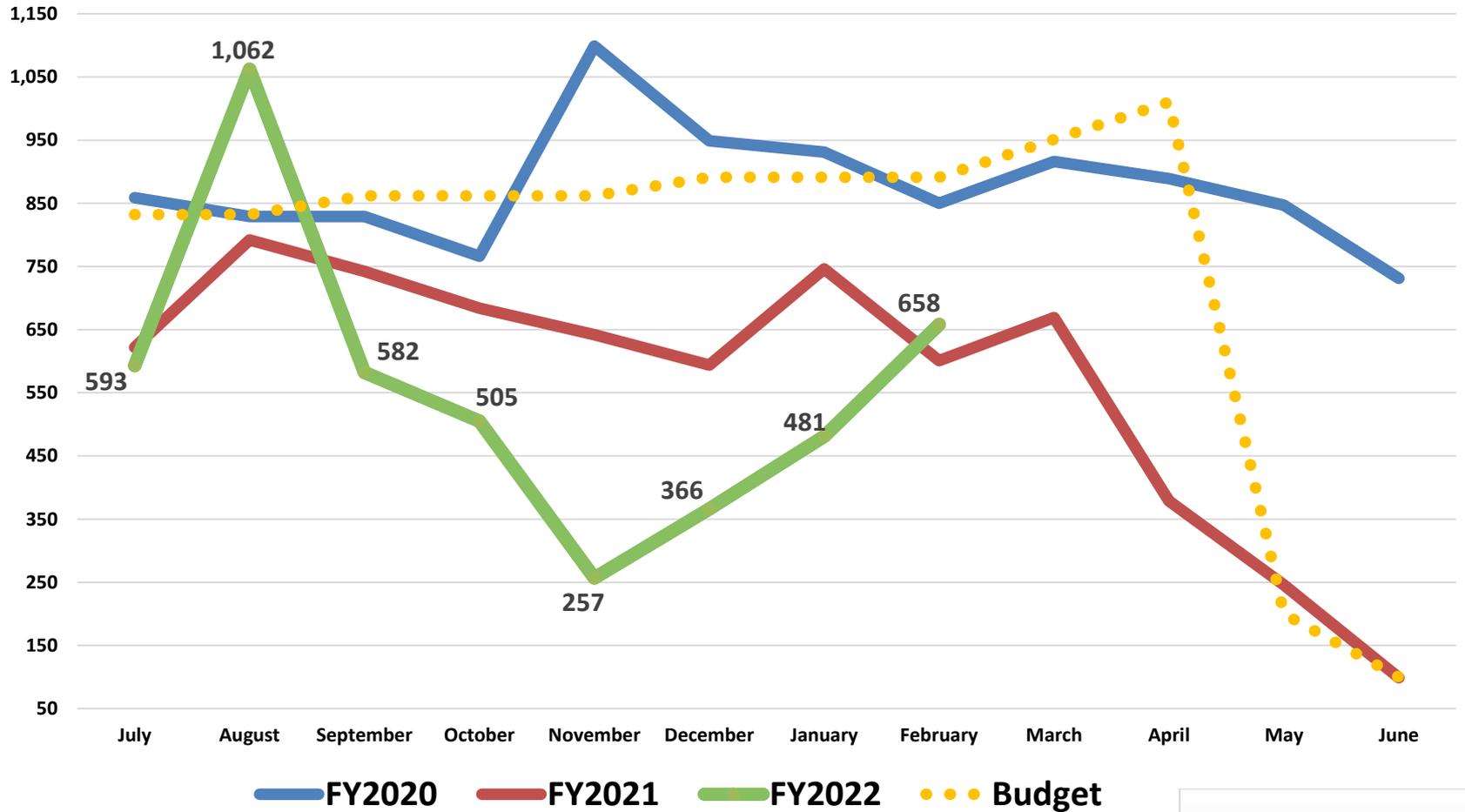
64,282	65,519	72,189	64,521
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# Chronic Dialysis - Visalia



# CAPD/CCPD – Maintenance Sessions

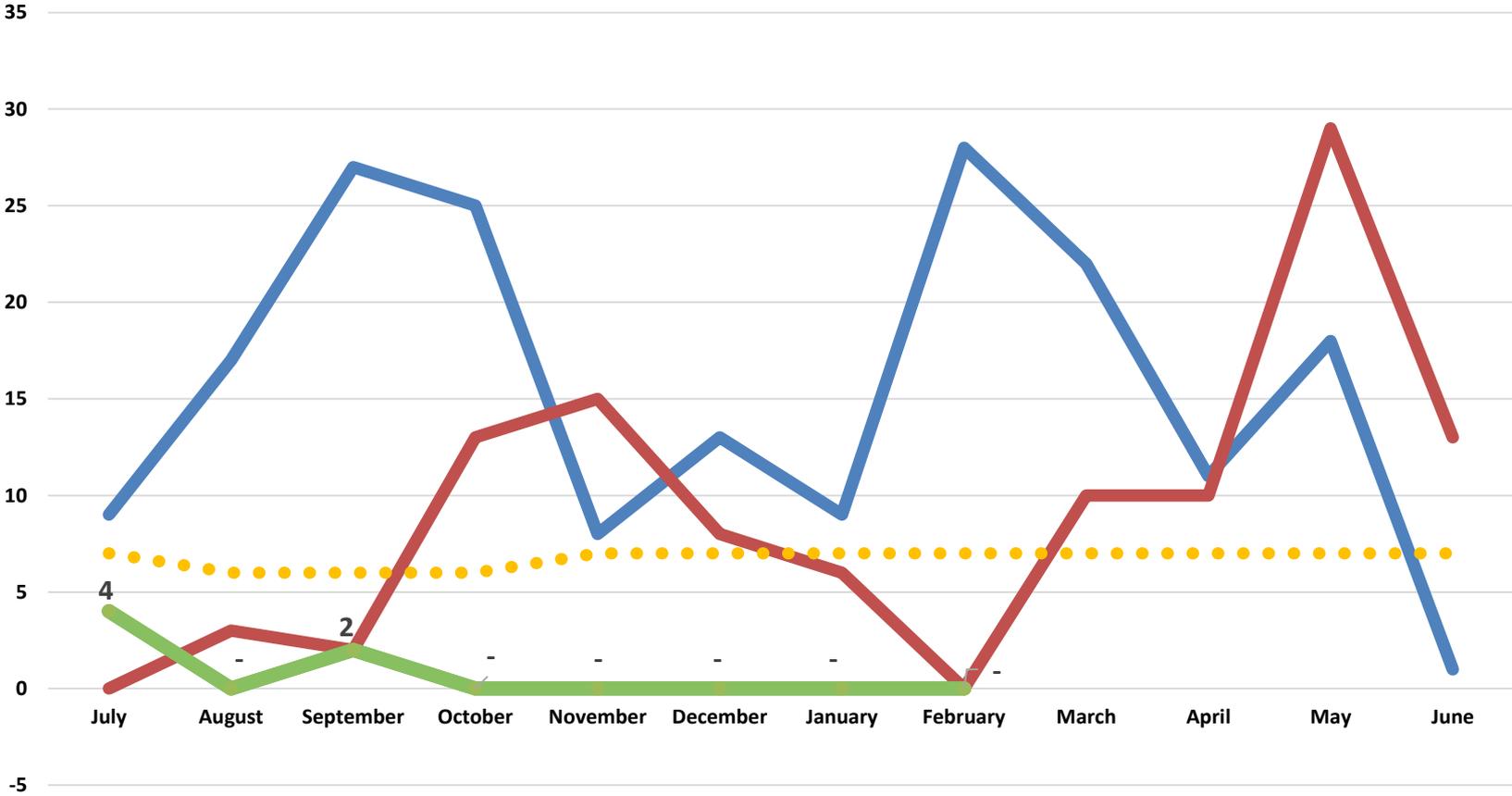
(Continuous peritoneal dialysis)



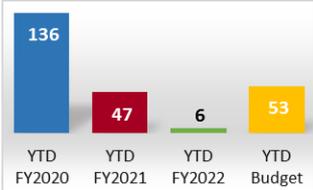
7,112	5,423	4,504	6,923
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

# CAPD/CCPD – Training Sessions

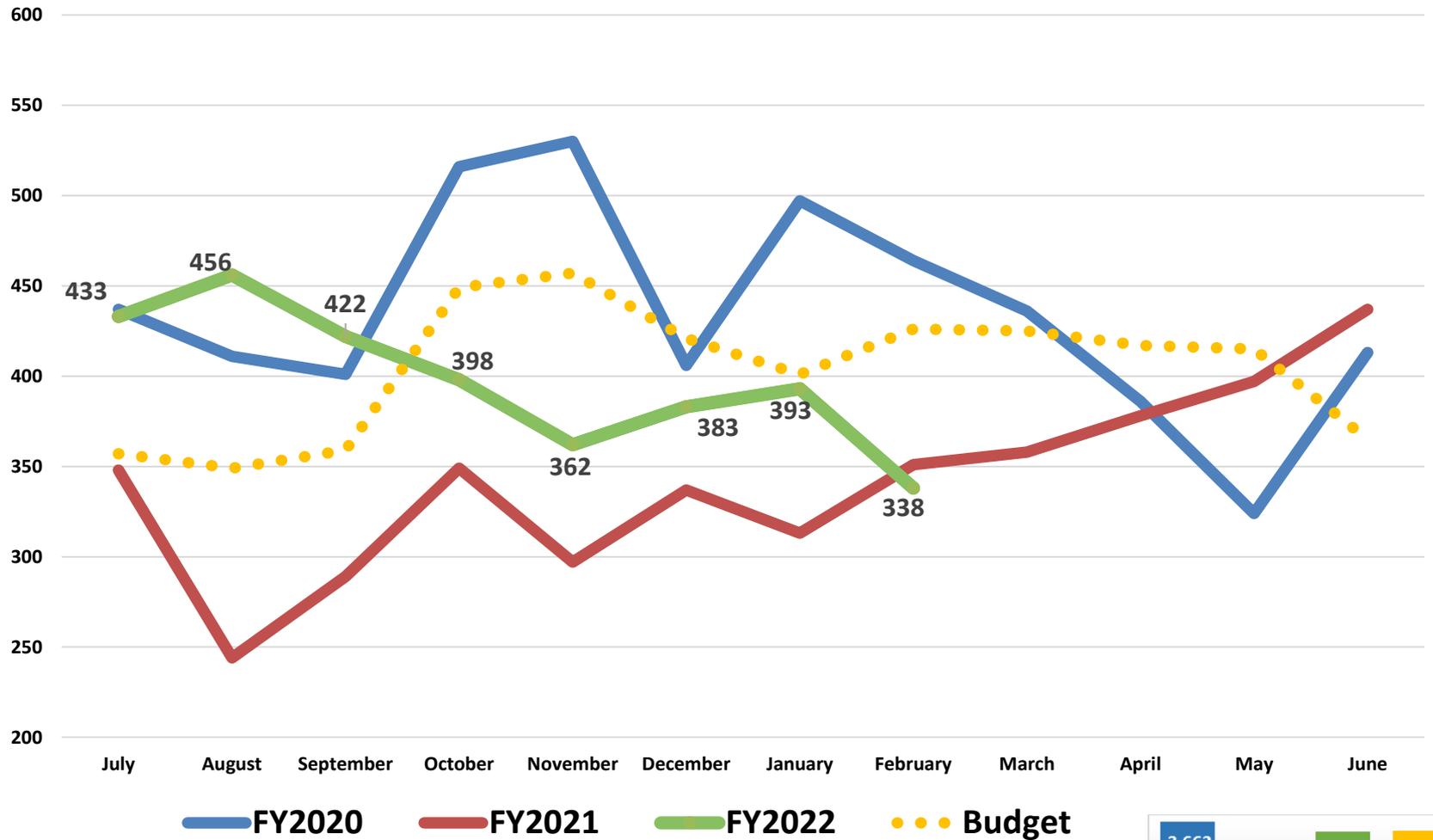
(Continuous peritoneal dialysis)



— FY2020   
 — FY2021   
 — FY2022   
 ●●● Budget



# Infusion Center – Outpatient Visits



3,662	2,528	3,185	3,219
YTD FY2020	YTD FY2021	YTD FY2022	YTD Budget

RESOLUTION 2155 OF KAWEAH DELTA HEALTH CARE DISTRICT AUTHORIZING  
EXECUTION AND DELIVERY OF A LOAN AND SECURITY AGREEMENT,  
PROMISSORY NOTE, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR  
THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY  
NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM

**Nondesignated Public Hospital Bridge Loan Program**

WHEREAS, Kaweah Delta Health Care District (the “Borrower”) is a nondesignated public hospital as defined in Welfare and Institutions Code Section 14165.55, subdivision (1), excluding those affiliated with county health systems pursuant to Chapter 240, Statutes of 2021 (SB 170), Section 25; and

WHEREAS, Borrower has determined that it is in its best interest to borrow an aggregate amount not to exceed **\$6,762,530.00** from the California Health Facilities Financing Authority (the “Lender”), such loan to be funded with the proceeds of the Lender’s Nondesignated Public Hospital Bridge Loan Program; and

WHEREAS, the Borrower intends to use the funds solely to fund its working capital needs to support its operations;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Borrower as follows:

Section 1. The Board of Directors of Borrower hereby ratifies the submission of the application for a loan from the Nondesignated Public Hospital Bridge Loan Program.

Section 2. **Malinda Tupper, Chief Financial Officer**, an “Authorized Officer”) is hereby authorized and directed, for and on behalf of the Borrower, to do any and all things and to execute and deliver any and all documents that the Authorized Officer(s) deem(s) necessary or advisable in order to consummate the borrowing of moneys from the Lender and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby.

Section 3. The proposed form of Loan and Security Agreement (the “Agreement”), which contains the terms of the loan is hereby approved. The loan shall be in a principal amount not to exceed **6,762,530.00**, shall not bear interest, and shall mature 24 months from the date of the executed Loan and Security Agreement between the Borrower and the Lender. The Authorized Officer is hereby authorized and directed, for and on behalf of the Borrower, to execute the Agreement in substantially said form that includes the redirection of up to 20% of Medi-Cal reimbursements (checkwrite payments) to Lender in the event of default, with such changes therein as the Authorized Officer(s) may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The proposed form of Promissory Note (the “Note”) as evidence of the Borrower’s obligation to repay the loan is hereby approved. The Authorized Officer is hereby

authorized and directed, for and on behalf of the Borrower, to execute the Note in substantially said form, with such changes therein as the Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Date of Adoption: \_\_\_\_\_

**SECRETARY'S CERTIFICATE**

I, \_\_\_\_\_, Secretary of {**BORROWER NAME**}, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of {**BORROWER NAME**} duly and regularly held at the regular meeting place thereof on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, of which meeting all of the members of said Board of Directors had due notice and at which the required quorum was present and voting and the required majority approved said resolution by the following vote at said meeting:

**Ayes:**

**Noes:**

**Absent:**

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

***KAWEAH DELTA HEALTH CARE DISTRICT (the “District”)***  
***FINANCE DIVISION MEMORANDUM***

**TO:** Finance Committee, Board of Directors, Chief Executive Officer and Executive Team

**FROM:** Malinda Tupper, Chief Financial Officer  
Jennifer Stockton, Director of Finance

**DATE:** March 14, 2022

**SUBJECT: 2022 Refunding Revenue Bonds Final Resolution**

On January 26, 2022, the District’s Board of Directors (the “Board”) approved Resolution No. 2145 authorizing certain officers of the District to take steps necessary for the issuance of refunding revenue bonds (the “2022 Refunding Bonds”) in an amount necessary to provide for the refunding of the District’s outstanding 2017A Revenue Refunding Bonds and 2017B Revenue Refunding Bonds (the “Bonds to be Refunded”). On March 2, 2022, the Board authorized management of the District to pursue issuance of the 2022 Refunding Bonds at a net present value savings that could be less than 4% of the outstanding principal amount of the Bonds to be Refunded.

Since approval of Resolution No. 2145, District staff has evaluated the merits of both a public offering and a private placement of the 2022 Refunding Bonds and elected to have Piper Sandler act as Placement Agent with respect to the private placement of the 2022 Refunding Bonds. This selection of Piper Sandler as the District’s Placement Agent was based on a competitive process and information received from three securities firms: Piper Sandler, Hilltop Securities and RBC Capital Markets.

Piper Sandler prepared a Request for Terms that was sent to over 50 different banks and financial institutions. Term sheets were received from four lending institutions with several other lending institutions indicating they were interested in submitting term sheets but their interest rate was too high or their terms and conditions would not be favorable to the District. The most favorable term sheet received was from Zions Bank, located in Salt Lake City, Utah.

The District is pursuing this refinancing with Zions Bank for the purchase of all the 2022 Refunding Bonds. We believe the term sheet from Zions Bank was favorable in all respects with no adverse provisions and no ancillary banking business required by the District.

Information regarding the Bonds to be Refunded and the proposed 2022 Refunding Bonds is provided below as background information:

	<b><u>Bonds to be Refunded</u></b>	<b><u>2022 Refunding Bonds</u></b>
Principal Amount	\$31,351,000	\$32,040,000
Interest Rate (TIC)	3.24%	2.03%
Final Maturity Date	6/1/31	6/1/31
Call Premium	3%	2%

Based on the preliminary term sheet received from Zions Bank, management believes that Zions Bank will provide the most favorable option for the proposed refunding based on current market conditions and based on an evaluation of other term sheets submitted and will offer the District sufficient debt service savings relative to the outstanding principal amount of the Bonds to be Refunded. The final interest rate for these 2022 Refunding Bonds will likely not be known until after the March 23<sup>rd</sup> Board meeting. However, based on an estimated interest rate of 2.00% for the 2022 Refunding Bonds, as provided in the revised term sheet received from Zions Bank, we are estimating total gross debt service savings of approximately \$1.2 million. Our Financial Advisor, G.L. Hicks Financial, and Placement Agent, Piper Sandler, are working to secure a commitment letter and final credit approval from Zions Bank to accomplish this refinancing.

As indicated above, we estimate that total debt service savings over the remaining life of the Bonds to be Refunded to be approximately \$1.2 million, which savings are based on an assumed interest rate of 2.00% and a scheduled closing date for the financing of April 27, 2022. The estimated net present value savings as a percentage of the par amount of Bonds to be Refunded is approximately 3.7%. This net present value savings percentage is slightly less than the District's Debt Policy that establishes a minimum net present value savings of 4.0%, or lower as considered on a case by case basis, of the principal amount of the debt being refunded. It is our belief that there is a greater likelihood that this current savings will exceed any future savings available to the District if we were to not continue with the Zions Bank proposal and attempt to refinance the Bonds to be Refunded at a later date. This belief is founded based on the fundamental inflationary factors that are driving this current rise in interest rates that most likely will continue for some time into the future thus minimizing any opportunity for savings at a later date as the term and amount of the Bonds to be Refunded is reduced, let alone a level of savings currently available as indicated above.

In addition to the above-stated debt service savings, this refunding would also reduce the District's Maximum Annual Debt Service by approximately \$127,000, thus increasing the District's debt capacity when evaluating the issuance of future debt in meeting ongoing capital needs of the District.

The following summarizes the purpose and general content of the final resolution to be reviewed by the Board on March 23, 2022.

**Resolution No. 2154.** The final resolution authorizes certain District management and Board members to act on behalf of the District to complete the issuance and sale of the proposed 2022 Refunding Bonds. The final resolution describes the use of proceeds of the 2022 Refunding Bonds, establishes a limit of \$32,200,000 of principal amount of bonds authorized to be issued, establishes a final maturity of June 1, 2031, and establishes a not-to-exceed true interest cost of 2.10%. The final resolution also approves the Twelfth Supplemental Indenture, and the Depository Trust Agreement, all in substantially final form as presented at the meeting. There will also be a Bond Purchase Agreement that will be executed in a customary format.

The final resolution authorizes the President of the Board, the Vice President of the Board, the District's Chief Executive Officer, its Chief Financial Officer, and/or its Director of Finance to take all necessary action needed to carry out the intended purposes of this final resolution, including the execution of necessary documents to complete the proposed refunding.

For any questions regarding the documents, please contact Malinda Tupper at 624-4065 or Jennifer Stockton at 624-5536.

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SOURCES AND USES OF FUNDS

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Dated Date                    04/27/2022  
Delivery Date                04/27/2022

Sources:

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Bond Proceeds:	
Par Amount	32,040,000.00
Other Sources of Funds:	
Existing Series 2017A&B Funds on Hand	1,020,925.00
	<hr/>
	33,060,925.00
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Uses:

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Refunding Escrow Deposits:	
Cash Deposit	0.28
SLGS Purchases	32,774,199.00
	<hr/>
	32,774,199.28
Delivery Date Expenses:	
Cost of Issuance	285,000.00
Other Uses of Funds:	
Additional Proceeds	1,725.72
	<hr/>
	33,060,925.00
	<hr/> <hr/>

BOND PRICING

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2031:					
	06/01/2023	935,000	2.000%	2.000%	100.000
	06/01/2024	955,000	2.000%	2.000%	100.000
	06/01/2025	2,395,000	2.000%	2.000%	100.000
	06/01/2026	2,120,000	2.000%	2.000%	100.000
	06/01/2027	945,000	2.000%	2.000%	100.000
	06/01/2028	845,000	2.000%	2.000%	100.000
	06/01/2029	4,775,000	2.000%	2.000%	100.000
	06/01/2030	9,450,000	2.000%	2.000%	100.000
	06/01/2031	9,620,000	2.000%	2.000%	100.000
		32,040,000			

Dated Date	04/27/2022	
Delivery Date	04/27/2022	
First Coupon	06/01/2022	
Par Amount	32,040,000.00	
Original Issue Discount		
Production	32,040,000.00	100.000000%
Underwriter's Discount		
Purchase Price	32,040,000.00	100.000000%
Accrued Interest		
Net Proceeds	32,040,000.00	

**BOND SUMMARY STATISTICS**

Kaweah Delta Health Care District  
 (Tulare County, California)  
 Revenue Refunding Bonds, Series 2022  
 --Preliminary, subject to change--

Dated Date	04/27/2022
Delivery Date	04/27/2022
Last Maturity	06/01/2031
Arbitrage Yield	2.029748%
True Interest Cost (TIC)	2.029748%
Net Interest Cost (NIC)	2.029558%
All-In TIC	2.166939%
Average Coupon	2.029558%
Average Life (years)	7.083
Weighted Average Maturity (years)	7.083
Duration of Issue (years)	6.586
Par Amount	32,040,000.00
Bond Proceeds	32,040,000.00
Total Interest	4,605,796.94
Net Interest	4,605,796.94
Total Debt Service	36,645,796.94
Maximum Annual Debt Service	9,836,697.22
Average Annual Debt Service	4,029,470.65

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Term Bond due 2031	32,040,000.00	100.000	2.030%	7.083	6.586	26,593.20
	32,040,000.00			7.083		26,593.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	32,040,000.00	32,040,000.00	32,040,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-285,000.00	
- Other Amounts			
Target Value	32,040,000.00	31,755,000.00	32,040,000.00
Target Date	04/27/2022	04/27/2022	04/27/2022
Yield	2.029748%	2.166939%	2.029748%

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BOND DEBT SERVICE

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2022			62,300.00	62,300.00
06/01/2023	935,000	2.000%	649,700.00	1,584,700.00
06/01/2024	955,000	2.000%	632,468.34	1,587,468.34
06/01/2025	2,395,000	2.000%	611,375.00	3,006,375.00
06/01/2026	2,120,000	2.000%	562,809.72	2,682,809.72
06/01/2027	945,000	2.000%	519,820.83	1,464,820.83
06/01/2028	845,000	2.000%	502,030.00	1,347,030.00
06/01/2029	4,775,000	2.000%	483,523.61	5,258,523.61
06/01/2030	9,450,000	2.000%	386,697.22	9,836,697.22
06/01/2031	9,620,000	2.000%	195,072.22	9,815,072.22
	32,040,000		4,605,796.94	36,645,796.94

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SAVINGS

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/27/2022 @ 2.0297477%
06/01/2022	1,159,886.20	1,020,925.00	138,961.20	62,300.00	76,661.20	76,515.12
06/01/2023	1,719,647.60		1,719,647.60	1,584,700.00	134,947.60	133,700.94
06/01/2024	1,719,157.60		1,719,157.60	1,587,468.34	131,689.26	127,882.73
06/01/2025	3,138,922.40		3,138,922.40	3,006,375.00	132,547.40	126,109.21
06/01/2026	2,815,901.60		2,815,901.60	2,682,809.72	133,091.88	123,984.94
06/01/2027	1,598,045.60		1,598,045.60	1,464,820.83	133,224.77	121,535.64
06/01/2028	1,480,611.60		1,480,611.60	1,347,030.00	133,581.60	119,393.43
06/01/2029	5,390,158.40		5,390,158.40	5,258,523.61	131,634.79	115,296.32
06/01/2030	9,968,308.40		9,968,308.40	9,836,697.22	131,611.18	112,743.85
06/01/2031	9,950,271.20		9,950,271.20	9,815,072.22	135,198.98	113,007.36
	38,940,910.60	1,020,925.00	37,919,985.60	36,645,796.94	1,274,188.66	1,170,169.52

Savings Summary

PV of savings from cash flow	1,170,169.52
Plus: Refunding funds on hand	1,725.72
	1,171,895.24
Net PV Savings	1,171,895.24

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SUMMARY OF REFUNDING RESULTS

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Dated Date	04/27/2022
Delivery Date	04/27/2022
Arbitrage yield	2.029748%
Escrow yield	0.182824%
Value of Negative Arbitrage	56,805.23
Bond Par Amount	32,040,000.00
True Interest Cost	2.029748%
Net Interest Cost	2.029558%
Average Coupon	2.029558%
Average Life	7.083
Par amount of refunded bonds	31,351,000.00
Average coupon of refunded bonds	3.240000%
Average life of refunded bonds	7.067
PV of prior debt to 04/27/2022 @ 2.029748%	34,229,149.15
Net PV Savings	1,171,895.24
Percentage savings of refunded bonds	3.737984%
Percentage savings of refunding bonds	3.657601%

PRIOR BOND DEBT SERVICE

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2022	652,000	3.240%	507,886.20	1,159,886.20	1,159,886.20
12/01/2022			497,323.80	497,323.80	
06/01/2023	725,000	3.240%	497,323.80	1,222,323.80	1,719,647.60
12/01/2023			485,578.80	485,578.80	
06/01/2024	748,000	3.240%	485,578.80	1,233,578.80	1,719,157.60
12/01/2024			473,461.20	473,461.20	
06/01/2025	2,192,000	3.240%	473,461.20	2,665,461.20	3,138,922.40
12/01/2025			437,950.80	437,950.80	
06/01/2026	1,940,000	3.240%	437,950.80	2,377,950.80	2,815,901.60
12/01/2026			406,522.80	406,522.80	
06/01/2027	785,000	3.240%	406,522.80	1,191,522.80	1,598,045.60
12/01/2027			393,805.80	393,805.80	
06/01/2028	693,000	3.240%	393,805.80	1,086,805.80	1,480,611.60
12/01/2028			382,579.20	382,579.20	
06/01/2029	4,625,000	3.240%	382,579.20	5,007,579.20	5,390,158.40
12/01/2029			307,654.20	307,654.20	
06/01/2030	9,353,000	3.240%	307,654.20	9,660,654.20	9,968,308.40
12/01/2030			156,135.60	156,135.60	
06/01/2031	9,638,000	3.240%	156,135.60	9,794,135.60	9,950,271.20
	31,351,000		7,589,910.60	38,940,910.60	38,940,910.60

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SUMMARY OF BONDS REFUNDED

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2017, TERM31:					
	06/01/2022	3.240%	652,000		
	06/01/2023	3.240%	725,000	06/01/2022	103.000
	06/01/2024	3.240%	748,000	06/01/2022	103.000
	06/01/2025	3.240%	2,192,000	06/01/2022	103.000
	06/01/2026	3.240%	1,940,000	06/01/2022	103.000
	06/01/2027	3.240%	785,000	06/01/2022	103.000
	06/01/2028	3.240%	693,000	06/01/2022	103.000
	06/01/2029	3.240%	4,625,000	06/01/2022	103.000
	06/01/2030	3.240%	9,353,000	06/01/2022	103.000
	06/01/2031	3.240%	9,638,000	06/01/2022	103.000
			31,351,000		

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ESCROW REQUIREMENTS

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
06/01/2022	652,000	507,886.20	30,699,000	920,970.00	32,779,856.20
	652,000	507,886.20	30,699,000	920,970.00	32,779,856.20

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ESCROW DESCRIPTIONS

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Apr 27, 2022:						
SLGS	Certificate	06/01/2022	06/01/2022	32,774,199	0.180%	0.180%
				32,774,199		

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SLGS Summary

SLGS Rates File  
Total Certificates of Indebtedness

08MAR22  
32,774,199.00

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DISCLOSURE

Kaweah Delta Health Care District  
(Tulare County, California)  
Revenue Refunding Bonds, Series 2022  
--Preliminary, subject to change--

Piper Sandler is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Sandler is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a 'recommendation' or 'advice' within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Sandler is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Sandler's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Sandler expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Sandler could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Sandler as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

**KAWEAH DELTA HEALTH CARE DISTRICT**

**RESOLUTION NO. 2154**

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**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
KAWEAH DELTA HEALTH CARE DISTRICT  
AUTHORIZING THE ISSUANCE OF ITS REVENUE  
REFUNDING BONDS, SERIES 2022, AND THE  
EXECUTION AND DELIVERY OF A TWELFTH  
SUPPLEMENTAL INDENTURE, ONE OR MORE BOND  
PURCHASE AGREEMENT(S), ONE OR MORE  
DEPOSITORY TRUST AGREEMENT(S) AND CERTAIN  
RELATED MATTERS**

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**WHEREAS**, the Board of Directors (the “*Board*”) of KAWEAH DELTA HEALTH CARE DISTRICT (the “*District*”) proposes to issue its revenue refunding bonds pursuant to the Local Health Care District Law of the State of California and the California Government Code to provide funds for (i) refunding the total outstanding principal amount of the Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017A, originally issued on April 13, 2017, in the aggregate principal amount of \$13,700,000 and the total outstanding principal amount of the Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017B, originally issued on April 13, 2017, in the aggregate principal amount of \$20,000,000 (together, the “*Bonds to be Refunded*”), and (ii) paying the costs of issuance thereof.

**NOW, THEREFORE, BE IT RESOLVED** by the Board as follows:

**Section 1.** The District is a local health care district and a political subdivision organized and existing pursuant to the Local Health Care District Law of the State of California as set forth in Sections 32000 *et seq.* of the California Health and Safety Code. The District currently owns and operates hospitals and other health care facilities (“*Hospital Facilities*”) within and outside the boundaries of the District in Tulare County, California and in Kings County, California. To serve the best interest of the District by generating overall and present-value debt service savings, the District needs to issue bonds to provide funds for the refinancing of the Bonds to be Refunded.

**Section 2.** The District is hereby authorized to issue, sell and deliver in one or more series revenue refunding bonds of the District designated “Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2022” (the “*2022 Bonds*”) in an aggregate principal amount not to exceed thirty-two million two hundred thousand dollars (\$32,200,000) maturing on June 1, 2031, with a true interest cost (TIC) of not to exceed 2.10% *per annum*, payable semi-annually.

**Section 3.** The form of the Twelfth Supplemental Indenture (the “*Twelfth Supplement*”), relating to the 2022 Bonds, and supplementing and amending the Indenture, dated as of May 1, 1999, between the District and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”) (as successor in interest to U.S. Bank National Association, as successor in trust to The Bank of New York Mellon Trust Company, N.A. and BNY Western Trust Company) (as supplemented and amended to date, the “*Indenture*”), as made available to the Board, is hereby approved, and one or more Depository Trust Agreement(s) (the “*Depository Trust Agreement*”), between the District and U.S. Bank Trust Company, National Association, as the depository trustee (the “*Depository Trustee*”), providing for the establishment of a depository trust account for the defeasance and refunding of the Bonds to be Refunded, all as made available to the Board, are hereby approved. The Board also hereby approves the execution and delivery of one or more bond purchase agreement(s), continuing covenants agreement(s), or similar agreement(s) (the “*Bond Purchase Agreement*”), between the District and Zions Bancorporation, N.A. dba Zions First National Bank, as purchaser of the 2022 Bonds (the “*Purchaser*”), in customary form, if so required.

**Section 4.** Each of the President of the Board, the Vice President of the Board, the Chief Executive Officer, the Chief Financial Officer and the Director of Finance of the District, or an individual acting in the capacity of any of them, is hereby authorized, empowered and directed, for and on behalf of the District, to execute and deliver (i) the Twelfth Supplement to the Trustee and the Depository Trust Agreement with the Depository Trustee, both in substantially the respective forms thereof made available to the Board, with such changes and modifications therein as such officer may require or approve, such requirement or approval to be conclusively evidenced by such officer’s execution and delivery thereof, and (ii) the Bond Purchase Agreement with the Purchaser, in customary form. The principal amounts, series, dated dates, maturity dates, interest rates, denominations, forms, registration privileges, place or places of payment, terms of redemption and other terms of the 2022 Bonds shall be as provided in the Twelfth Supplement, as executed.

**Section 5.** The 2022 Bonds shall be executed by the manual or facsimile signature of the President of the Board, the Vice President of the Board, the Chief Executive Officer or the Chief Financial Officer of the District, or an individual acting in the capacity of any of them, and the seal of the District may (but need not) be affixed thereon (or a facsimile reproduced thereon) and attested by the manual or facsimile signature of the Secretary-Treasurer of the Board or the Director of Finance of the District, in the form set forth in and otherwise in accordance with the Indenture, as supplemented by the Twelfth Supplement.

**Section 6.** The 2022 Bonds, when so executed, shall be delivered to the Trustee for authentication. The Trustee is hereby requested and directed to authenticate the 2022 Bonds by manually executing the Trustee’s Certificate of Authentication appearing thereon, and to deliver the 2022 Bonds, when duly executed and authenticated, to the Purchaser in accordance with written instructions executed on behalf of the District by the Chief Executive Officer, the Chief Financial Officer or the Director of Finance of the District, or an individual acting in the capacity of any of them, which instructions such officer is hereby authorized and directed, for and on behalf of the District, to execute and deliver to the Trustee. Such instructions shall provide for the delivery of the 2022 Bonds to the Purchaser upon payment of the purchase price therefor.

**Section 7.** The Secretary-Treasurer of the Board or the Director of Finance of the District is hereby authorized and empowered to attest the signature of the President of the Board, the Vice President of the Board, the Chief Executive Officer or the Chief Financial Officer of the District, or an individual acting in the capacity of any of them, as the case may be, and may (but need not) affix and attest the seal of the District, in any case as may be required in connection with the execution and delivery of the Twelfth Supplement, the Bond Purchase Agreement, the 2022 Bonds and the Depository Trust Agreement, all in accordance with the terms and provisions of this resolution.

**Section 8.** The President of the Board, the Vice President of the Board, the Chief Executive Officer, the Chief Financial Officer and the Director of Finance of the District, and any individual acting in the capacity of any of them, and such other District personnel as shall be directed by any of the foregoing, are hereby authorized, empowered and directed, jointly and severally, to do any and all things, to take any and all actions, and to execute and deliver any and all documents which they deem necessary or appropriate in order to consummate the issuance, sale and delivery of the 2022 Bonds, including, without limitation, (i) one or more Deposit Account Control Agreement(s), or an assignment or amendment to any such existing agreement, pursuant to which the Trustee will be entitled to assume control of the District's commercial bank accounts upon the occurrence of an Event of Default (as defined in the Indenture), subject to applicable law, and (ii) a Tax Certificate and Agreement, executed by the District and acknowledged by the Trustee, and otherwise to effectuate the purposes of this resolution and the transactions contemplated hereby.

**Section 9.** The 2022 Bonds and all obligations of the District with respect thereto shall be and remain limited obligations of the District payable exclusively from the revenues of the Hospital Facilities. No recourse shall be had against any properties, funds or assets of the District other than the District's revenues for the payment of any amounts owing pursuant to the 2022 Bonds. The 2022 Bonds will not be secured by the taxing power of the District. No recourse shall be had for the payment of the principal of or interest on the 2022 Bonds or for any claim based thereon against any member, officer or employee of the District or any person executing the 2022 Bonds.

**Section 10.** The President of the Board, the Vice President of the Board, the Chief Executive Officer, the Chief Financial Officer and the Director of Finance of the District, and any individual acting in the capacity of any of them, and such other District personnel as shall be directed by any of the foregoing, are each hereby authorized, empowered and directed, for and on behalf of the District, to take any and all actions necessary or appropriate in order to carry out the intended purposes of this resolution.

**Section 11.** This resolution shall take effect immediately.

(Signature Page to Follow)

**THE FOREGOING RESOLUTION WAS PASSED AND ADOPTED** by the Board of Directors of Kaweah Delta Health Care District on March 23<sup>rd</sup>, 2022, by the following vote:

AYES: Directors: \_\_\_\_\_

NOES: Directors: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
David Francis  
President, Board of Directors  
Kaweah Delta Health Care District

Attest:

\_\_\_\_\_  
Mike Olmos  
Secretary-Treasurer, Board of Directors  
Kaweah Delta Health Care District

**TWELFTH SUPPLEMENTAL INDENTURE**

**Dated as of April 1, 2022**

**Between**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**AND**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,**

**as trustee,**

**relating to**

**[\$32,000,000]**

**KAWEAH DELTA HEALTH CARE DISTRICT  
(TULARE COUNTY, CALIFORNIA)  
REVENUE REFUNDING BONDS  
SERIES 2022**

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## TWELFTH SUPPLEMENTAL INDENTURE

This **TWELFTH SUPPLEMENTAL INDENTURE** is made and entered into as of April 1, 2022, by and between **KAWEAH DELTA HEALTH CARE DISTRICT**, a local health care district of the State of California (the “*District*”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as trustee, having a corporate trust office in San Francisco, California, as successor in interest to U.S. Bank National Association (the “*Trustee*”), as successor in trust to BNY Western Trust Company and The Bank of New York Mellon Trust Company, N.A. (together, the “*Prior Trustee*”), and being qualified to accept and administer the trusts hereby created.

### WITNESSETH:

WHEREAS, the District is a local health care district duly organized and existing under and pursuant to The Local Health Care District Law of the State of California, constituting Division 23 of the California Health and Safety Code; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District Revenue Bonds, Series 1999A, in the original aggregate principal amount of \$42,000,000, pursuant to an Indenture, dated as of May 1, 1999 (the “*1999 Indenture*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District Revenue Bonds, Series 2003A, in the original aggregate principal amount of \$10,720,000 and its Kaweah Delta Health Care District Revenue Bonds, Taxable Series 2003, in the original aggregate principal amount of \$16,000,000, pursuant to the 1999 Indenture, as supplemented by a First Supplemental Indenture, dated as of June 1, 2003 (the “*First Supplement*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Bonds, Series 2004, in the original aggregate principal amount of \$78,370,000, pursuant to the 1999 Indenture, as supplemented by a Second Supplemental Indenture, dated as of August 1, 2004 (the “*Second Supplement*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Bonds, Series 2005, in the original aggregate principal amount of \$27,500,000, pursuant to the 1999 Indenture, as supplemented by a Third Supplemental Indenture, dated as of May 1, 2005 (the “*Third Supplement*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue and Refunding Bonds, Series 2006, in the original aggregate principal amount of \$33,935,000, pursuant to the 1999 Indenture, as supplemented by a Fourth Supplemental Indenture, dated as of December 1, 2006 (the “*Fourth Supplement*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue and Refunding Bonds, Series 2011A, in the original aggregate principal amount of \$5,255,000, and its Kaweah Delta Health Care District (Tulare County, California) Revenue and Refunding Bonds, Series 2011B, in the original aggregate principal amount of \$8,235,000, pursuant to the 1999 Indenture, as supplemented by a Fifth Supplemental Indenture, dated as of May 1, 2011 (the “*Fifth Supplement*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue and Refunding Bonds, Series 2012, in the original aggregate principal amount of \$75,800,000 (the “*2012 Bonds*”), pursuant to the 1999 Indenture, as supplemented by a Sixth Supplemental Indenture, dated as of July 1, 2012 (the “*Sixth Supplement*”), between the District and the Prior Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2015A, in the original aggregate principal amount of \$19,361,000 (the “*2015A Bonds*”), pursuant to the 1999 Indenture, as supplemented by a Seventh Supplemental Indenture, dated as of October 1, 2015 (the “*Seventh Supplement*”), between the District and the Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Bonds, Series 2015B, in the original aggregate principal amount of \$98,425,000 (the “*2015B Bonds*”), pursuant to the 1999 Indenture, as supplemented by an Eighth Supplemental Indenture, dated as of December 1, 2015 (the “*Eighth Supplement*”), between the District and the Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017A, in the original aggregate principal amount of \$13,700,000 (the “*2017A Bonds*”) and Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017B, in the original aggregate principal amount of \$20,000,000 (the “*2017B Bonds*”), pursuant to the 1999 Indenture, as supplemented by a Ninth Supplemental Indenture, dated as of April 1, 2017 (the “*Ninth Supplement*”), between the District and the Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017C, in the original aggregate principal amount of \$59,511,000 (the “*2017C Bonds*”), pursuant to the 1999 Indenture, as supplemented by a Tenth Supplemental Indenture, dated as of December 1, 2017 (the “*Tenth Supplement*”), between the District and the Trustee; and

WHEREAS, the District has heretofore issued, sold and delivered its Kaweah Delta Health Care District (Tulare County, California) Revenue Bonds, Series 2020A, in the original aggregate principal amount of \$6,800,000 (the “*2020A Bonds*”) and Kaweah Delta Health Care District (Tulare County, California) Revenue Bonds, Series 2020B, in the original aggregate principal amount of \$8,200,000 (the “*2020B Bonds*”), pursuant to the 1999 Indenture, as supplemented by an Eleventh Supplemental Indenture, dated as of January 1, 2020 (the “*Eleventh Supplement*”), between the District and the Trustee; and

WHEREAS, the current interest rate market offers an opportunity for the District to refund \$12,480,000 aggregate principal amount, constituting the Outstanding principal balance of the 2017A Bonds to be refunded (the “2017A Bonds to be Refunded”) and \$18,219,000 aggregate principal amount, constituting the Outstanding principal balance of the 2017B Bonds to be refunded (the “2017B Bonds to be Refunded”, and together with the 2017A Bonds to be Refunded, the “Bonds to be Refunded”) on a fixed rate basis in order to lower the debt service payments of the District; and

WHEREAS, the District intends to authorize, issue, sell and deliver \$[32,000,000] in aggregate principal amount of its Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2022 (the “2022 Bonds”), pursuant to this Twelfth Supplement (as defined herein), a resolution of the District adopted March 23, 2022 (the “Resolution”), and the provisions of Title 5, Division 2, Part 1, Chapter 3, Articles 10 and 11 (commencing with Section 53570) of the California Government Code), for the purposes of (i) refunding the Bonds to be Refunded, and (ii) paying the costs of issuance of the 2022 Bonds; and

WHEREAS, the 2022 Bonds will be issued as “Additional Bonds” (as defined in the 1999 Indenture) and the conditions set forth in the Indenture for the issuance of the 2022 Bonds as Additional Bonds have been satisfied; and

WHEREAS, the District is executing and delivering this Twelfth Supplemental Indenture (this “*Twelfth Supplement*” and, together with the 1999 Indenture, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement, the Fifth Supplement, the Sixth Supplement, the Seventh Supplement, the Eighth Supplement, the Ninth Supplement, the Tenth Supplement, and the Eleventh Supplement, the “*Indenture*”) in order to provide for the authentication and delivery of the 2022 Bonds, to establish and declare the terms and conditions upon which the 2022 Bonds will be issued and delivered and to secure the payment of the principal thereof, premium (if any) and interest thereon; and

WHEREAS, the District hereby certifies that all acts and proceedings required by law or necessary to make the 2022 Bonds, when executed by the District and authenticated and delivered by the Trustee, the duly issued, valid, binding and legal limited obligations of the District, and to constitute the Indenture, as hereby supplemented, a valid and binding agreement for the uses and purposes herein and therein set forth in accordance with their respective terms, have been done and taken, and the execution and delivery of this Twelfth Supplement has been in all respects duly authorized;

NOW, THEREFORE, THIS TWELFTH SUPPLEMENT WITNESSETH, that in order to secure the payment of the principal of, premium (if any) and interest on all Bonds at any time issued and outstanding pursuant to the Indenture, according to their tenor, and to secure the performance and observation of all of the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the 2022 Bonds are to be issued and sold, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2022 Bonds by the holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the District does hereby covenant and agree with the Trustee, for the benefit of the holders from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, or as otherwise defined herein, defined terms identified by initial capital letters herein and in any certificate, opinion or other document executed and delivered pursuant hereto shall have the same meanings as set forth in the Indenture.

“*Additional Bonds*” means all Bonds authorized by and at any time Outstanding pursuant to the Indenture and any indenture supplemental thereto.

“*Board*” means the Board of Directors of the District.

“*Bonds*” means the Kaweah Delta Health Care District Revenue Bonds, authorized by and at any time Outstanding pursuant to this Indenture, including the 2015A Bonds, the 2015B Bonds, the 2017C Bonds, the 2020A Bonds, the 2020B Bonds, the 2022 Bonds and any Additional Bonds.

“*Default Rate*” means a rate of interest of 6.00% per annum.

“*Depository Trust Agreement*” means the Depository Trust Agreement, dated as of April 1, 2022, between the District and the Depository Trustee.

“*Depository Trustee*” means U.S. Bank Trust Company, National Association and its successors in trust.

“*Determination of Taxability*” means, and shall be deemed to have occurred on the first to occur of, the following:

(i) on the date when the District files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Owner or any former Owner notifies the District that it has received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the District of such notification from the Owner or any former Owner, the District shall deliver to the Owner and any former Owner (a) absent any occurrence described in clauses (i), (iii) or (iv) of this definition of “Determination of Taxability, an opinion of a nationally recognized attorney or firm of attorneys of substantial experience on the subject of tax-exempt municipal finance reasonably acceptable to the Owner stating that an Event of Taxability has not occurred or (b) a ruling or determination letter issued to or on behalf of the District by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the District shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the District, or upon any review or audit of the District or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the District shall receive notice from the Owner or any former Owner that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Owner or such former Owner the interest with respect to the 2022 Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the District has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from the Owner or former Owner, the District shall promptly reimburse such Owner or former Owner for any payments, including any taxes, interest, penalties or other charges, such Owner (or former Owner) shall be obligated to make as a result of the Determination of Taxability.

“*Event of Taxability*” means (i) the taking of any action by the District, or the failure to take any action by the District, or the making by the District of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the 2022 Bonds, which has the effect of causing interest paid or payable with respect to the 2022 Bonds to become includable, in whole or in part, in the gross income of the Owner or any former Owner for federal income tax purposes or (ii) the passage of any federal or state law, or the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which law, ruling, decree, judgment or action shall be final under applicable law, in either case, which has the effect of causing interest paid or payable with respect to the 2022 Bonds to become includable, in whole or in part, in the gross income of the Owner or any former Owner for federal income tax purposes with respect to the 2022 Bonds.

“*Owner*” means the registered owner of the respective series of 2022 Bonds.

“*Person*” means a corporation, firm, association, partnership, trust, or other legal entity or group of entities including a governmental entity or any agency or political subdivision thereof.

“*Purchaser*” means Zions Bancorporation, N.A. dba Zions First National Bank, a national banking association corporation.

“*Taxable Period*” has the meaning set forth in Section 2.02(c) hereof.

“*Taxable Rate*” means the per annum rate equal to [2.00%] divided by .79 ([2.53]%).

## ARTICLE II

### THE BONDS

Section 2.01 Authorization of the 2022 Bonds. The District hereby authorizes the issuance and sale of \$[32,000,000] in aggregate original principal amount of its Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2022, pursuant to the Resolution and the provisions of Title 5, Division 2, Part 1, Chapter 3, Articles 10 and 11 (commencing with Section 53570) of the California Government Code, subject to and in accordance with the terms and conditions set forth in the Indenture and herein. This Twelfth Supplement confirms the District's continuing agreement with the Holders of the Bonds from time to time to secure the full payment of the principal of, premium, if any, and interest on all Bonds Outstanding from time to time pursuant to the Indenture in accordance with the covenants, provisions and conditions contained in the Indenture, including this Twelfth Supplement.

Section 2.02 Terms of the 2022 Bonds.

(a) The 2022 Bonds shall be issued initially in the form of a single fully-registered Bond, numbered R-1, in the amount of \$[32,000,000], registered initially in the name of the Purchaser, and evidenced by one bond certificate. The 2022 Bonds shall be dated and bear interest from their initial date of delivery, computed on the basis of a 360-day-year comprised of actual days elapsed, payable semiannually on December 1 and June 1 of each year, commencing December 1, 2022, until the 2022 Bonds are paid or redeemed. The 2022 Bonds shall mature on June 1, 2031, shall bear interest at the rate of [2.00]% per annum, and shall be subject to redemption as provided in Article IV hereof. Debt service schedules for the 2022 Bonds setting forth the definitive dates and amounts of principal of and interest on the 2022 Bonds and are attached hereto as Exhibit D.

(b) *Default Rate.* Upon the occurrence and continuation of an Event of Default, the 2022 Bonds shall bear interest at the Default Rate, provided that, for the purposes of this Section 2.02(b), a default in the due and punctual payment of principal of or interest on the 2022 Bonds shall not be deemed to have occurred until the 11<sup>th</sup> day after such principal or interest is due.

(c) *Taxable Rate.*

(i) In the event a Determination of Taxability occurs, to the extent not payable to each Owner under the terms of this Twelfth Supplement and the 2022 Bonds, the District hereby agrees to pay to each Owner on demand therefor (A) an amount equal to the difference between (1) the amount of interest that would have been paid to such Owner on the 2022 Bonds during the period for which interest on the 2022 Bonds is included in the gross income of such Owner if the 2022 Bonds had borne interest at the Taxable Rate, beginning on the date of the Determination of Taxability (the "*Taxable Period*"), and (2) the amount of interest actually paid to the Owner during the Taxable Period, and (B) an amount equal to any interest, penalties or charges owed by such Owner as a result of interest on the 2022 Bonds becoming included in the gross income of such Owner, together with any and all external attorneys' fees, court costs, or other reasonable out-of-pocket costs incurred by such Owner in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, such Owner shall afford the District the opportunity, at the District's sole cost and expense, to contest any challenge to the validity of the tax exemption with respect to the interest on the 2022 Bonds,

including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) As a condition precedent to the exercise by the District of its right to contest set forth in clause (ii) above, the District shall, within thirty (30) days of the written demand therefor, reimburse such Owner for any and all expenses (including attorneys' fees or other costs for services that may be required or desirable, as determined by such Owner in its sole discretion) that may be incurred by the Owner in connection with any such contest, and shall, on demand, immediately reimburse the Owner for any and all penalties or other charges payable by such Owner for failure to include such interest in its gross income.

(iv) The obligations of the District under this Section 2.02(c) shall survive the termination of this Twelfth Supplement, and the redemption or other payment in full of the 2022 Bonds.

Section 2.03 Form of the 2022 Bonds. The 2022 Bonds and the Trustee's certificate of authentication and the assignment to appear thereon shall be in substantially the form set forth as Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as may be permitted or required by the Indenture, including this Twelfth Supplement.

Section 2.04 Execution, Transfer, Exchange, Etc. of Bonds. The 2022 Bonds shall be executed, and subject to transfer, exchange, registration, replacement, as more fully provided in Section 2.04 through and including Section 2.09 of the 1999 Indenture. Notwithstanding any provision of the Indenture, including this Twelfth Supplement, to the contrary:

(a) Purchaser reserves the right—without the consent of (but with notice to) the District—to assign, sell or otherwise transfer the 2022 Bonds (or interests therein) to a “qualified institutional buyer” (a “*Qualified Institutional Buyer*”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “*Securities Act*”), an “accredited investor” as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an “*Accredited Investor*”), or a trust, partnership, custodial arrangement or similar entity (each a “*Permitted Transferee*”), interests in which are offered and sold in a private placement or limited offering only to Qualified Institutional Buyers or Accredited Investors, upon receipt of a certificate of such Qualified Institutional Buyer, Accredited Investor, or other entity, as the case may be, accepting the certifications and warranties of the Purchaser made in the Bond Purchaser Letter, dated the date of the 2022 Bonds.

(b) The District and the Trustee shall be entitled to treat the person in whose name any 2022 Bond is registered as the Owner thereof for all purposes of the Indenture, including this Twelfth Supplement, and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the District; and the District and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Person that is not the Owner of the 2022 Bonds. Neither the District nor the Trustee will have any responsibility or obligations, legal or otherwise, to any Person except for the Owner of any 2022 Bond.

Section 2.05 Validity of the 2022 Bonds.

(a) The Board has reviewed all proceedings heretofore taken relative to the authorization of the 2022 Bonds and, as a result of such review, hereby finds and determines that all acts, conditions and facts required by law to exist, happen or be performed precedent to the issuance of the 2022 Bonds have been performed, have happened and do exist, in due time, form and manner as required by law, and the Board is now authorized, pursuant to each and every requirement of the Law to issue the 2022 Bonds in the form and manner provided in the Indenture, including this Twelfth Supplement, and the 2022 Bonds shall be entitled to the benefit, protection and security of the provisions of the Indenture, including this Twelfth Supplement.

(b) From and after the issuance of the 2022 Bonds, the findings and determinations of the Board with respect to the 2022 Bonds shall be conclusive evidence of the existence of the facts so found and determined in any action or proceeding in any court in which the validity of the 2022 Bonds is at issue, and neither the Purchaser nor any Permitted Transferee of any of the 2022 Bonds shall be required to see to the existence of any fact or to the performance of any condition or to the taking of any proceeding required prior to such issuance or to the application of the proceeds of sale of the 2022 Bonds. The recital contained in the 2022 Bonds that the same are issued pursuant to the Law and the Indenture, including this Twelfth Supplement, shall be conclusive evidence of their validity and of the regularity of the issuance and all 2022 Bonds shall be incontestable from and after the issuance thereof. The 2022 Bonds shall be deemed to be issued within the meaning of the Indenture whenever the 2022 Bonds have been delivered to the Purchaser and the proceeds of sale thereof have been received by the Trustee.

### ARTICLE III

#### ISSUANCE OF 2022 BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of the 2022 Bonds. At any time after the adoption and execution of this Twelfth Supplement, the District may issue and sell the 2022 Bonds in the aggregate principal amount of \$[32,000,000].

Section 3.02 Application of Proceeds. The proceeds received from the sale of the 2022 Bonds (\$32,000,000.00) shall be deposited in trust with the Trustee and set aside as follows:

(a) Trustee shall deposit in the Costs of Issuance Fund (as defined herein) the sum of \$[ ] from the proceeds of the 2022 Bonds.

(b) The Trustee shall transfer to the Depository Trustee to be set aside in the Depository Trust Fund (established pursuant to the Depository Trust Agreement) the sums of (i) \$[ ] from the proceeds of the 2022 Bonds, to be applied, together with amounts previously held in the Series 2017A Revenue Fund (\$[ ]) and Series 2017B Revenue Fund (\$[ ]) to pay the scheduled principal payments then due and the redemption prices of and accrued interest on the Bonds to be Refunded on June 1, 2022, in accordance with the Depository Trust Agreement.

Section 3.03 Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated the “*Costs of Issuance Fund.*” Moneys deposited in the Costs of Issuance Fund shall be used to pay Costs of Issuance of the 2022

Bonds upon requisition of the District in substantially the form attached hereto as Exhibit B stating the Person to whom payment is to be made (which may be the District in the case of reimbursement for costs theretofore paid by the District), the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the Costs of Issuance Fund. At the end of ninety (90) days following the date of issuance of the 2022 Bonds, or upon the earlier receipt of a certificate of the District that all Costs of Issuance have been paid, the Costs of Issuance Fund shall be closed and any amounts then remaining in said fund shall be transferred to the Revenue Fund for the 2022 Bonds to be applied towards the payment of debt service with respect thereto.

Section 3.04 Redemption of the Bonds to be Refunded.

(a) Pursuant to the Depository Trust Agreement, the District has given notice to the Trustee of the District’s irrevocable election to call for redemption, and redeem the Bonds to be Refunded on June 1, 2022, and the Trustee, as Paying Agent for the Bonds to be Refunded, has agreed to disseminate to the holders of the Bonds to be Refunded, at least 30 days but not more than 60 days prior to June 1, 2022, a notice, attached hereto as Exhibit C, that the Bonds to be Refunded will be redeemed on June 1, 2022. On June 1, 2022, upon receipt from the Depository Trustee by the Trustee of funds from the Depository Trust Fund in an amount sufficient to provide for the payment of the redemption prices and accrued interest on the Bonds to be Refunded, the Trustee will redeem and pay the Bonds to be Refunded, pursuant to the Indenture and the Depository Trust Agreement.

(b) Any funds held by the Depository Trustee pursuant to the Depository Trust Agreement in excess of the funds necessary to pay and redeem the Bonds to be Refunded on June 1, 2022, will be transferred to and deposited in the Revenue Fund for the 2022 Bonds to be applied towards the payment of debt service with respect thereto.

**ARTICLE IV**

**REDEMPTION OF 2022 BONDS**

Section 4.01 Terms of Redemption.

(a) Mandatory Redemption. The 2022 Bonds mature on June 1, 2031, and are subject to mandatory redemption from sinking account payments to be deposited by the District with the Trustee, at the principal amount thereof, together with accrued interest thereon to the date of redemption, but without premium, in the amounts and on the dates set forth below:

**(Piper Sandler to provide sinking fund dates and payment amounts)**

Redemption Date <u>(June 1)</u>	Principal Amount <u>Redeemed</u>



respective 2022 Bonds are held by a single Owner. If the Owner has not surrendered the 2022 Bonds at maturity, the Trustee will make payment via wire transfer and provide a written notice to the Owner that the 2022 Bonds have matured and request surrender immediately following, or concurrently with, such final payment.

**ARTICLE V**  
**BOND REGISTRAR, TRANSFER AGENT**  
**AND PAYING AGENT**

Section 5.01 Appointment. U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association, and as successor in trust to BNY Western Trust Company and The Bank of New York Mellon Trust Company, N.A.) is hereby appointed as initial Bond Registrar, initial Transfer Agent and initial Paying Agent with respect to the 2022 Bonds for all purposes provided in this Twelfth Supplement, and is appointed as the Depository Trustee for all purposes provided in the Depository Trust Agreement, and will have all of the powers and duties set forth herein or therein with no liability in connection with any action or omission to act pursuant hereto or thereto, except for its own negligence or willful misconduct. The District reserves the right to remove and replace the Bond Registrar, the Transfer Agent, the Paying Agent and/or the Depository Trustee at any time, subject to and in accordance with the provisions of the Indenture, including the provisions of this Twelfth Supplement.

Section 5.02 Authorization and Direction. Upon receipt of a written order of the Chief Executive Officer, the Chief Financial Officer or the Director of Finance of the District, directing the initial authentication, registration and delivery of the 2022 Bonds, the Bond Registrar is hereby authorized to authenticate, register and deliver the 2022 Bonds to the Purchaser pursuant to and in accordance with such order.

**ARTICLE VI**  
**CONFIRMATION AND RATIFICATION**

Section 6.01 Reaffirmation. The District and the Trustee hereby reaffirm the provisions of Articles V through XIV of the 1999 Indenture, as amended, as if fully set forth herein. In particular, Section 6.01 of the Fifth Supplement and Section 5.01 of the First Supplement are hereby incorporated by reference herein. The District and the Trustee hereby confirm that the Amended and Restated Deposit Account Control Agreement, dated December 21, 2017, among the District, the Trustee and Wells Fargo Bank, National Association (the “*Depository Bank*”), as amended, applies to all Additional Bonds (including the 2022 Bonds) issued pursuant to the Indenture, as hereafter supplemented from time to time.

Section 6.02 Ratification. Except as expressly amended or modified hereby or as otherwise set forth herein, the Indenture as supplemented by this Twelfth Supplement is hereby ratified and confirmed and is and shall remain in full force and effect from and after the date hereof.

**ARTICLE VII**  
**ADDITIONAL PROVISIONS**

Section 7.01 Additional Provisions and Rights so Long as Bonds are Held by the Purchaser. The following provisions shall apply so long as the Purchaser or any single Owner is the Owner of 100% of the 2022 Bonds:

(a) Notwithstanding any other provision of this Twelfth Supplement, the Purchaser shall have the right to consent to the amendment of this Twelfth Supplement.

(b) The District shall notify the Purchaser of the removal and replacement of the Trustee and if an Event of Default shall have occurred and then be continuing, the Purchaser shall have the right to consent to the removal and replacement of the Trustee or the exercise of any rights and remedies with respect thereto that are provided to Holders of Outstanding Bonds under the Indenture.

(c) The Purchaser shall have the right to consent to any waiver by the Trustee of an Event of Default.

(d) The District shall notify the Purchaser of any failure of the District to provide relevant notices, certificates or other similar documents under the Indenture or any undertaking pursuant to Rule 15c2-12 of the Securities and Exchange Commission. In addition, all notices, certificates, financial reports and other documents and information provided to the Trustee shall also be simultaneously provided to the Purchaser. In addition to the reporting requirements required pursuant to the Indenture, the District shall also provide the following to the Purchaser:

(i) its annual operating budget on or before July 31st of each year, beginning with the operating budget for the fiscal year ended June 30, 2023;

(ii) unaudited financial statements within 60 days after the end of each six-month period ending December 31, beginning with the period ending December 31, 2022, said unaudited financial statements will include an income statement and a balance sheet prepared in accordance with GAAP;

(iii) its audited financial statements certified by an independent public accountant selected by the District within 180 days after the end of its Fiscal Year, together with a certificate of the District that no Event of Default is then existing and that the representations and warranties of the District set forth herein are then true and correct;

(iv) upon the request of any Purchaser or the Trustee, to the extent permitted by law, such other information regarding the financial position, results of operations, business or prospects of the District as such party may reasonably request from time to time.

To the extent the financial information to be provided in items (i) to (iv) of this paragraph (c) shall be provided to public information repositories, to other lenders or to the Trustee, such financial information shall be provided at the same time to the Purchaser.

(e) The District shall pay or reimburse the Purchaser for any and all charges, fees, costs and expenses, including the fees of Purchaser's counsel, that the Purchaser may

reasonably pay or incur in connection with the original issuance of the 2022 Bonds, which charges, fees, costs and expenses shall not exceed \$20,000.

(f) The 2022 Bonds shall not be rated, shall not have a CUSIP number, shall not be issued pursuant to an offering document, shall not close through the Depository Trust Company or any similar repository and will not be in book entry form, and shall be initially registered in the name of the Purchaser.

Section 7.02 Notices. Except as otherwise required herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered by hand, mailed by overnight delivery service or certified mail, return receipt requested, postage prepaid, addressed to the respective notice addressees listed below. Alternatively, all notices, certificates or other communications hereunder may be given by email or telecopy (if confirmed promptly by response email or telecopy by the recipient of such notice). The District, the Purchaser and the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. In each case in which an electronic notice or other communication refers to an Event of Default, Determination of Taxability or other material event, as determined in the reasonable judgment of the sender thereof, then a physical copy of such notice or other communication shall also be sent to the attention of the addressees listed below, in accordance with the provisions of this paragraph, and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(a) As to the District: Kaweah Delta Health Care District  
400 West Mineral King Avenue  
Visalia, California 93291  
Attention: Director of Finance  
Email: JStockto@KaweahHealth.org

With a copy to:

Herr Pedersen & Berglund LLP  
100 Willow Plaza, Suite 300  
Visalia, CA 93291  
Attn: Rachele Berglund, Esq.  
Email: rberglund@hpblaw.net

(b) As to the Trustee: US Bank Trust Company, National Association  
One California Street, Suite 1000  
San Francisco, CA 94111  
Attention: David Jason, Vice President  
Email: david.jason@usbank.com

With a copy to:

Dorsey & Whitney LLP  
600 Anton Boulevard, Suite 2000  
Costa Mesa, CA 92626  
Attention: Dennis Wong, Esq.  
Email: wong.dennis@dorsey.com

(c) As to the initial Purchaser: Zions Bancorporation, N.A. dba Zions First National Bank  
One S. Main Street, Suite 300  
Salt Lake City, Utah 84133  
Attention: Ray Sweger, Senior Vice President  
Email: ray.sweger@zionsbank.com

With a copy to:

Dorsey & Whitney LLP  
111 S. Main Street, Suite 2100  
Salt Lake City, Utah 84111  
Attention: Ken Logsdon, Esq.  
Email: logsdon.ken@dorsey.com

Section 7.03 Execution in Several Counterparts; Electronic Means. This Twelfth Supplement may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original. The parties hereto agree the transactions described herein may be conducted and related documents may be sent and stored by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

(Signature Page to Follow)

IN WITNESS WHEREOF, KAWEAH DELTA HEALTH CARE DISTRICT has caused this Twelfth Supplement to be signed in its name by its Director of Finance, and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Twelfth Supplement to be signed in its name by its authorized officer all as of the day and year first above written.

**KAWEAH DELTA HEALTH CARE DISTRICT**

By: \_\_\_\_\_  
Jennifer Stockton  
Director of Finance

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee**

By: \_\_\_\_\_  
[ ]  
Authorized Signatory

(Signature page to the Twelfth Supplemental Indenture)

**EXHIBIT A**

**FORM OF 2022 BOND**

**THE BONDS REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED PURSUANT TO THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION, AND HAVE BEEN OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH LAWS.**

**No. R-1**

**AMOUNT**

**[\$32,000,000]**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**(TULARE COUNTY, CALIFORNIA)**

**REVENUE REFUNDING BONDS**

**SERIES 2022**

**MATURITY DATE**

**INTEREST RATE**

**DATED**

**June 1, 2031**

**[\_\_]%**

**April \_\_, 2022**

**REGISTERED  
OWNER:**

**ZIONS BANCORPORATION, N.A. DBA ZIONS FIRST  
NATIONAL BANK**

**PRINCIPAL SUM: [THIRTY TWO MILLION] AND NO/100 DOLLARS**

**KAWEAH DELTA HEALTH CARE DISTRICT**, a local health care district organized and existing under and pursuant to The Local Health Care District Law of the State of California (the “*District*”), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter set forth) to the registered owner specified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum specified above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the date hereof until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the rate per annum specified above, payable semiannually on December 1 and June 1 of each year (each, an “*Interest Payment Date*”), commencing December 1, 2022. The principal (or redemption price) hereof is payable (without surrender, as set forth in the hereinafter defined Twelfth Supplement) at the Principal Corporate Trust Office (as defined in the Indenture) of U.S. Bank Trust Company, National Association (the “*Trustee*”).

This Bond is one of a duly authorized issue of bonds of the District designated as “Kaweah Delta Health Care District Revenue Bonds” (the “*Bonds*”), issued pursuant to Title 5, Division 2, Part 1, Chapter 3, Articles 10 and 11 (commencing with Section 53570) of the California Government Code (collectively, the “*Law*”), and an Indenture, dated as of May 1, 1999, as supplemented by the First Supplemental Indenture, dated as of June 1, 2003, the Second Supplemental Indenture, dated as of August 1, 2004, the Third Supplemental Indenture, dated as of May 1, 2005, the Fourth Supplemental Indenture, dated as of December 1, 2006, the Fifth Supplemental Indenture, dated as of May 1, 2011, the Sixth Supplemental Indenture, dated as of July 1, 2012, the Seventh Supplemental Indenture, dated as of October 1, 2015, the Eighth Supplemental Indenture, dated as of December 1, 2015, the Ninth Supplemental Indenture, dated as of April 1, 2017, the Tenth Supplemental Indenture, dated as of December 1, 2017, the Eleventh Supplemental Indenture, dated as of January 1, 2020, and the Twelfth Supplemental Indenture, dated as of April 1, 2022 (the “*Twelfth Supplement*” and collectively with the Indenture as previously supplemented, the “*Indenture*”), by and between the District and the Trustee. This Bond is also one of a duly authorized series of Bonds additionally designated “Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2022” (the “*2022 Bonds*”), in the aggregate principal amount of \$[32,000,000]. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Indenture.

Reference is hereby made to the Indenture (a copy of which is on file at the designated corporate office of the Trustee) and all indentures supplemental thereto and to the Law for a description of the rights of the registered holders of the Bonds, the nature and extent of the security, the rights, duties and immunities of the Trustee, and the rights and obligations of the District pursuant thereto. The registered holder of this 2022 Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds and the interest thereon are payable from Revenues (as defined in the Indenture) and are secured by a pledge and assignment of Revenues and of amounts held in the funds and accounts (other than the Rebate Fund) established pursuant to the Indenture (including proceeds of the sale of the Bonds), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

The Bonds are limited obligations of the District and are not a lien or charge upon the funds or property of the District except to the extent of the aforesaid pledge and assignment. Neither the full faith and credit nor the tax revenues received by the District are pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt of the State of California or any other political subdivision thereof, and the State of California or political subdivision thereof is not liable for the payment thereof.

The 2022 Bonds mature on June 1, 2031, and are subject to mandatory redemption from sinking account payments to be deposited by the District with the Trustee, at the principal amount thereof, together with accrued interest thereon to the date of redemption, but without premium, in the amounts and on the dates set forth below:

**(Piper Sandler to provide sinking fund payments)**



certificate. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, Bonds may be exchanged, at the designated office of the Trustee, for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations.

This 2022 Bond is transferable by the registered holder hereof, in person or by the attorney of such holder duly authorized in writing, at the designated office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this 2022 Bond. Notwithstanding anything in the Indenture to the contrary, the Purchaser reserves the right—without the consent of (but with notice to) the District—to assign, sell or otherwise transfer the 2022 Bonds (or interests therein) to a “qualified institutional buyer” (a “*Qualified Institutional Buyer*”) within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended (the “*Securities Act*”), an “accredited investor” as defined in section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act (an “*Accredited Investor*”), or a trust, partnership, custodial arrangement or similar entity, interests in which are offered and sold in a private placement or limited offering only to Qualified Institutional Buyers or Accredited Investors, upon receipt of a certificate of such Qualified Institutional Buyer, Accredited Investor, or other entity, as the case may be, accepting the certifications and warranties of the Purchaser made in the Bond Purchaser Letter, dated the date hereof. Upon such transfer a new registered 2022 Bond or 2022 Bonds, of authorized denomination or denominations, of the same maturity for the same aggregate principal amount, will be issued to the transferee in exchange for this 2022 Bond. This Bond does not need to be surrendered for annual payment of principal, except at maturity, and payment shall be made by wire transfer to the Owner, so long as this Bond is held by a single Owner.

The District and the Trustee may treat the registered holder hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the District, the holders of the Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (i) extend the fixed maturity of this 2022 Bond, or reduce the amount of principal hereof, or extend the time of payment provided for in the Indenture for the payment of this maturity of Bonds, or reduce the rate of interest hereon, or extend the time of payment of interest hereon, or reduce any premium payable upon the redemption hereof, without the consent of the holder of each Bond so affected, or (ii) reduce the percentage of Bonds the consent of the holders of which is required to effect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds prior to or on a parity with the lien created by the Indenture, or deprive the holders of the Bonds of the lien created by the Indenture on the Revenues and other assets (except as expressly provided in the Indenture), without the consent of the holders of all Bonds then outstanding, all as more fully set forth in the Indenture.

**IT IS HEREBY CERTIFIED AND RECITED** that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this 2022 Bond do exist, have happened and have been performed in due time, form and manner as required by the Law, and by the Constitution and laws of the State of California, and that the amount of this 2022 Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution and laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued pursuant to the Indenture.

This 2022 Bond shall not be entitled to any benefit pursuant to the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been manually signed by the Trustee.

**IN WITNESS WHEREOF, KAWEAH DELTA HEALTH CARE DISTRICT** has caused this 2022 Bond to be executed in its name and on its behalf by the manual or facsimile signature of the President of its Board of Directors and its seal to be reproduced hereon by facsimile and attested by the manual or facsimile signature of the Secretary-Treasurer of its Board of Directors, all as of the dated date stated above.

**KAWEAH DELTA HEALTH CARE DISTRICT**

By: \_\_\_\_\_  
President of the Board of Directors

Attest:

\_\_\_\_\_  
Secretary-Treasurer of the Board of Directors

**FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture, which has been authenticated as of the date set forth below.

DATED: \_\_\_\_\_, 2022

**U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Trustee**

By: \_\_\_\_\_  
Authorized Signatory

**FORM OF ASSIGNMENT**

For value received, subject to the assignment and transfer restrictions set forth in the within-mentioned Bond, the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ whose taxpayer identification number is \_\_\_\_\_, the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: Signature(s) on this 2022 Bond must correspond with the name(s) as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed By:

\_\_\_\_\_  
NOTICE: Signature must be guaranteed by an eligible guarantor institution which is a member of or participant in the Securities Transfer Agents Medallion Program (STAMP).

**EXHIBIT B**

**FORM OF COSTS OF ISSUANCE FUND REQUISITION**

**COSTS OF ISSUANCE FUND REQUISITION NO. 1**

**KAWEAH DELTA HEALTH CARE DISTRICT** (the “*District*”) hereby requests **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION** (as successor in trust to BNY Western Trust Company and The Bank of New York Mellon Trust Company, N.A.) as trustee (the “*Trustee*”), pursuant to that certain Indenture, dated as of May 1, 1999, as thereafter supplemented, including by the Twelfth Supplemental Indenture, dated as of April 1, 2022 (as so supplemented, the “*Indenture*”), between the District and the Trustee, to pay to the following persons the following amounts for the following purposes from the Costs of Issuance Fund established pursuant to the Indenture with respect to the payment of the Costs of Issuance of the 2022 Bonds (as defined in the Indenture):

<u>ITEM NO.</u>	<u>TO</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
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The District hereby certifies that obligations in the amounts stated above have been incurred by the District and are presently due and payable and that each item is a proper charge against the Costs of Issuance Fund with respect to the 2022 Bonds, and has not been previously paid from said fund.

There has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the amounts payable to the person named above, which have not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

Dated: \_\_\_\_\_

**KAWEAH DELTA HEALTH CARE DISTRICT**

By: \_\_\_\_\_  
Authorized Representative

**EXHIBIT C**

**NOTICE OF REDEMPTION OF BONDS TO BE REFUNDED**

**NOTICE OF DEFEASANCE AND REDEMPTION**

Pursuant to a Resolution, dated March 23, 2022, of the Board of Directors of the Kaweah Delta Health Care District (the “District”), and the Indenture, dated as of May 1, 1999, as supplemented and amended through the Twelfth Supplemental Indenture, dated as of April 1, 2022, between the District and U.S. Bank Trust Company, National Association, as trustee, notice is hereby given that the District has elected to refund and defease its Revenue Refunding Bonds, Series 2017A and its Revenue Refunding Bonds, Series 2017B (together, the “Bonds to be Redeemed”) and has provided for their redemption on June 1, 2022 (the “Redemption Date”), by depositing \$[ ] in trust with U.S. Bank Trust Company, National Association, as the depository trustee, to be invested in Defeasance Obligations and to establish an initial cash balance, to provide for payment of scheduled principal payments then due and payable and of the respective redemption prices and accrued interest on the Bonds to be Redeemed on the Redemption Date.

**Bonds to be Redeemed**

<u>Series</u>	<u>Maturities to be Refunded</u>	<u>Principal Amt to be Refunded</u>	<u>Redemption Price</u>
Kaweah Delta Health Care District Revenue Refunding Bonds, Series 2017A	June 1, 2031	\$12,480,000	103%
Kaweah Delta Health Care District Revenue Refunding Bonds, Series 2017B	June 1, 2031	\$18,219,000	103%

**KAWEAH DELTA HEALTH CARE  
DISTRICT**

**EXHIBIT D**  
**DEBT SERVICE SCHEDULE**

**[\$32,000,000]**  
**KAWEAH DELTA HEALTH CARE DISTRICT**  
**(TULARE COUNTY, CALIFORNIA)**  
**REVENUE REFUNDING BONDS**  
**SERIES 2022**

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**DEPOSITORY TRUST AGREEMENT**

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This Depository Trust Agreement, dated as of April 1, 2022 (this “*Depository Trust Agreement*”), is entered into between Kaweah Delta Health Care District (the “*District*”) and U.S. Bank Trust Company, National Association, as depository trustee (the “*Depository Trustee*”).

RECITALS:

1. The District has previously issued, and now desires to refund, defease and provide for the redemption of all of its outstanding Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017A (the “*Series 2017A Bonds to be Refunded*”) and all of its outstanding Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2017B (the “*Series 2017B Bonds to be Refunded*”) and together with the Series 2017A Bonds to be Refunded, the “*Bonds to be Refunded*”), each issued pursuant to the Indenture, dated as of May 1, 1999, as supplemented and amended through the Twelfth Supplemental Indenture, dated as of April 1, 2022 (collectively, the “*Indenture*”), between the District and U.S. Bank Trust Company, National Association, as trustee (the “*Trustee*”), as successor in interest to U.S. Bank National Association, as successor in trust to BNY Western Trust Company and The Bank of New York Mellon Trust Company, N.A.

2. The Bonds to be Refunded are further identified on Exhibit 1 hereto.

3. The Trustee is trustee, bond registrar, transfer agent and paying agent, for purposes of the Indenture, with respect to the Bonds to be Refunded.

4. The District, by Resolution No. 2145, adopted on January 26, 2022 (the “*Preliminary Resolution*”), authorized consideration for the issuance of bonds to refund the Bonds to be Refunded.

5. The District by Resolution No. [\_\_\_\_], adopted on March 23, 2022 (together with the Preliminary Resolution, the “*Resolution*”), authorized the issuance and sale of [\$32,000,000] in aggregate principal amount of its Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2022 (the “*2022 Bonds*”), and the application of a portion of the proceeds from the sale of the 2022 Bonds to refund, defease and redeem the Bonds to be Refunded.

6. The District has sold and delivered the 2022 Bonds to Zions Bancorporation, N.A. dba Zions First National Bank, as the purchaser (the “*Purchaser*”), against payment therefore and will apply or cause a portion of the proceeds of the 2022 Bonds to be applied in an amount

sufficient to pay the principal of, premium, and interest on the Bonds to be Refunded as they become due and to redeem the Bonds to be Refunded on the dates listed on Exhibit 1 hereto.

7. The Resolution approves the execution and delivery of this Depository Trust Agreement by the Board President, the Board Vice President, the Chief Executive Officer, the Chief Financial Officer or the Director of Finance of the District for the purpose of creating an irrevocable trust for the administration and safekeeping of the obligations and moneys to be held in trust for, and irrevocably pledged to, the payment of the Bonds to be Refunded.

8. The Depository Trustee is willing to accept and administer the trusts created hereby for this purpose in accordance with the provisions of this Depository Trust Agreement.

#### AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

Section 1. The Depository Trustee hereby creates a separate fund, which it will maintain and hold in trust, designated the “Kaweah Delta Health Care District (Tulare County, California) Revenue Refunding Bonds, Series 2022 Depository Trust Fund” (the “*Depository Trust Fund*”).

Section 2. The District has caused to be deposited with the Depository Trustee \$[ ] (the “*Refunding Bond Proceeds*”), receipt of which is hereby acknowledged, representing a portion of the proceeds from the sale of the 2022 Bonds in the amount of \$[ ] [and amounts previously held in the Series 2017A Revenue Fund (\$[ ]) and the Series 2017B Revenue Fund (\$[ ]) (together, the “*Revenue Fund Amounts*”).] The Depository Trustee will deposit \$[ ] into the Depository Trust Fund, \$[ ] of which will immediately be applied to purchase direct obligations of the United States of America or obligations issued by agencies of the United States of America which are backed by the full faith and credit of the United States of America (“*Defeasance Obligations*”) described on Exhibit 3 hereto. The Depository Trustee will apply an additional \$[ ] to establish an initial cash balance.

Section 3. The Depository Trustee will keep accurate records of such moneys, Defeasance Obligations and investment earnings thereon and all payments from the Depository Trust Fund. The Depository Trustee will not redeem the Defeasance Obligations in advance of their maturity dates except as provided in this Depository Trust Agreement. Amounts earned on investments of moneys held in the Depository Trust Fund will be deposited, as and when the same are earned, thereto.

Section 4. If, on the date of delivery of the 2022 Bonds and the deposits to the Depository Trust Fund (the “*Closing Date*”), the Depository Trustee did not receive from the seller thereof any of the Defeasance Obligations listed on Exhibit 3 (“*Failed Escrow Securities*”), the Depository Trustee may accept, as temporary substitutes, at the same purchase price, other Defeasance Obligations and/or cash (collectively, “*Substitute Escrow Securities*”) the payments on which are scheduled to provide, as determined by an independent certified public accountant

designated by the District, at least the same amounts of moneys on or before the same dates as the Failed Escrow Securities for which they are substituted. The Depository Trustee may rely upon the opinion of independent public accountants that the condition in the preceding sentence is satisfied. If Substitute Escrow Securities are delivered, thereafter, upon delivery by the seller to the Depository Trustee of the Failed Escrow Securities, together with any amounts paid thereon subsequent to the Closing Date, the Depository Trustee will return to the seller an amount of Substitute Escrow Securities, and any amounts paid thereon subsequent to the Closing Date, corresponding to the Failed Escrow Securities which the Substitute Escrow Securities replaced.

Section 5. The Depository Trustee will use the Refunding Bond Proceeds and the Revenue Fund Amounts and amounts paid on the Defeasance Obligations or the Substitute Escrow Securities purchased therewith, if any, to pay on June 1, 2022 (the “Redemption Date”), the respective scheduled principal payments then due and payable and the redemption prices of and accrued interest on the Bonds to be Refunded, as specified in Exhibit 1 hereto.

Section 6. The Depository Trustee shall maintain the Depository Trust Fund until all amounts payable on the Bonds to be Refunded have become due and the Depository Trustee has on deposit all Defeasance Obligations and moneys necessary to pay such amounts and all such amounts have been paid pursuant to Section 5 hereof. The Depository Trust Fund will terminate on the business day following the last date on which the Bonds to be Refunded are redeemed. On that date, the Depository Trustee shall remit any amount remaining in the Depository Trust and not required for the redemption of the Bonds to be Refunded to the Trustee, as trustee of the 2022 Bonds, for deposit into the Revenue Fund for the 2022 Bonds to be applied towards the payment of debt service with respect thereto.

Section 7. The Depository Trustee shall, at all times while this Depository Trust Agreement is in effect, maintain the Depository Trust Fund and the separate accounts therein wholly segregated from other funds and securities on deposit with the Depository Trustee, shall never commingle the Defeasance Obligations and other moneys with other funds or obligations of the Depository Trustee, and shall never at any time use, loan or borrow the same in any way. Notwithstanding the foregoing, the Depository Trustee may liquidate investments and reinvestments held in the Depository Trust Fund in advance of their maturity dates, and may reinvest (only in Defeasance Obligations) or otherwise disburse the liquidation proceeds or other amounts upon receipt of:

- (a) Written instructions from the District to do so;
- (b) An opinion of nationally recognized bond counsel to the effect that such action will not adversely affect the exclusion from gross income for purposes of Federal income taxation of the interest income on the Bonds to be Refunded or the 2022 Bonds, and will not cause the Bonds to be Refunded or the 2022 Bonds to become “arbitrage bonds,” as that term is defined in Section 148 of the Code; and
- (c) A report from an independent certified public accountant or firm of independent certified public accountants whose members are also members of the American Institute of Certified Public Accountants and designated by the District,

verifying the accuracy of the arithmetical computations as to the adequacy of the proceeds from the liquidation, if any, together with any additional deposits and the maturing principal of and interest on Defeasance Obligations, if any, to be acquired by the Depository Trustee in accordance with the District's instructions, to pay, when due, without reinvestment, the amounts to be paid from the Depository Trust Fund as provided herein.

Notwithstanding any provision herein to the contrary, all reinvestments will be in Defeasance Obligations and the Depository Trustee will ensure that such Defeasance Obligations will mature on or before the dates required to pay, when due, the principal of and interest on the Bonds to be Refunded and in an amount at least equal to the redemption price thereof.

Section 8. The Depository Trust Fund will be irrevocable and the holders of the Bonds to be Refunded will have an express lien on, and are hereby granted a security interest in, all moneys and Defeasance Obligations, including the interest earned thereon, in the Depository Trust Fund until paid, used and applied in accordance with this Depository Trust Agreement.

Section 9. Except as otherwise expressly provided herein, any moneys in the Depository Trust Fund will be held as cash and will at all times be insured by the Federal Deposit Insurance Corporation in an amount at all times at least equal to the total amount of said moneys on deposit.

Section 10. The District's Board President, its Chief Executive Officer, its Chief Financial Officer and its Director of Finance, or their representatives, will have the right to audit the books, records and accounts of the Depository Trustee insofar as they pertain to the Depository Trust Fund.

Section 11. The Depository Trustee will be entitled to an initial fee of \$[ ] for its services pursuant hereto, due and payable upon the date of the initial deposit of moneys and Defeasance Obligations into the Depository Trust Fund. The Depository Trustee will bill the District annually for any subsequent fees and expenses. The fees described in this section are payable from the Costs of Issuance Fund established pursuant to the Indenture, and the Depository Trustee will have no lien on or right of set off against moneys or Defeasance Obligations on deposit in the Depository Trust Fund for payment of its fees and expenses.

Section 12. The Trustee will cause a notice of the refunding and defeasance of the Bonds to be Refunded in substantially the form set forth as Exhibit 2 hereto to be submitted electronically to the registered owners of the Bonds to be Refunded. In addition, the District hereby gives notice to the Trustee, and the Trustee hereby acknowledges receipt of such notice, of the District's irrevocable election to call for redemption, and redeem the Bonds to be Refunded on the Redemption Date. The Trustee, as paying agent of the Bonds to be Refunded, agrees to send such notice of redemption to the owners of the Bonds to be Refunded at least 30 days, but not more than 60 days, prior to the Redemption Date. After such notice has been given, the Depository Trustee will deliver to the Trustee, as paying agent for the Bonds to be Refunded, from monies held by it hereunder, on the Redemption Date, funds sufficient to pay the respective scheduled principal payments then due and payable and the respective redemption prices and accrued interest on the Bonds to be Refunded, as specified in Exhibit 1 hereto.

Section 13. The parties hereto recognize that the holders of the Bonds to be Refunded have a beneficial interest in the moneys and Defeasance Obligations held in trust pursuant hereto and that the 2022 Bonds will be delivered to and accepted by the Purchasers in reliance upon the irrevocable character of the Depository Trust Fund. It is therefore expressly recited, understood and agreed by the parties hereto that this Depository Trust Agreement will not be revoked and will not be amended in any manner which may adversely affect the rights herein sought to be protected until the provisions of this Depository Trust Agreement have been fully carried out.

Section 14. The Depository Trustee will be under no obligation to inquire into or otherwise be responsible for the performance or nonperformance by the District of any of its obligations or to protect any of the rights of the District in connection with any of the proceedings with respect to the Bonds to be Refunded or the 2022 Bonds. The Depository Trustee will not be liable for any action taken or omitted by it in accordance with the terms of this Depository Trust Agreement except for its negligence or misconduct or its default in the performance of any obligation imposed upon it pursuant hereto. In no event shall the Depository Trustee be liable for any special, indirect or consequential damages. In the event the Depository Trustee is required or permitted hereby, or is requested pursuant hereto, to take any action (or refrain from taking any action) as the Depository Trustee, the performance (or nonperformance) of which would, in the Depository Trustee's sole judgment, subject the Depository Trustee to unreasonable risk of liability or expense, the Depository Trustee will have no duty to take (or refrain from taking) any action until the Depository Trustee has been furnished with indemnity adequate, in its sole judgment, to protect the Depository Trustee, its directors, officers, employees, agents and attorneys from and against any liability or expense, and all reasonable costs and expenses (including reasonable attorneys' fees) in connection therewith, or until its duty as to any action (or inaction) has been finally adjudicated by a court of competent jurisdiction and all applicable periods in which to appeal or seek appellate review have expired.

Section 15. To the extent permitted by law, the District will indemnify and hold the Depository Trustee, its directors, officers, employees, agents and attorneys harmless for, from and against any loss, liability, judgment or expense (including reasonable attorneys' fees) arising from the Depository Trustee's performance of its obligations hereunder except any loss, liability, judgment or expense resulting from the Depository Trustee's negligence or willful misconduct or breach of trust. The rights of the Depository Trustee to indemnification will survive the termination of this Depository Trust Agreement.

Section 16. The Depository Trustee may consult with independent counsel, chosen by it with reasonable care, and will not be liable for action taken or omitted in good faith in reliance upon the written advice or opinion of counsel. The Depository Trustee will not be liable for the accuracy of any calculations provided by others to it in accordance with this Depository Trust Agreement as to the sufficiency of the monies deposited with it to pay the principal of and interest and redemption premium on the Bonds to be Refunded upon redemption. Furthermore, the Depository Trustee may conclusively rely in good faith as to the truth, accuracy and correctness of, and will be protected and indemnified in acting or refraining from acting upon, any written opinion, calculation, notice, instruction, request, certificate, document or opinion furnished to the Depository Trustee in accordance with this Depository Trust Agreement and signed or presented by the proper party pursuant to this Depository Trust Agreement, and it need not investigate the

truth or accuracy of any fact or matter stated in the opinion, calculation, notice, instruction, request, certificate or opinion.

Section 17. The Depository Trustee shall not be responsible for any of the recitals or representations contained herein.

Section 18. No provision of this Depository Trust Agreement shall require the Depository Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

Section 19. The Depository Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Depository Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term “force majeure” means an occurrence that is beyond the control of the Depository Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics.

The Depository Trustee agrees to accept and act upon instructions or directions pursuant to this Depository Trust Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Depository Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Depository Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Depository Trustee in its discretion elects to act upon such instructions, the Depository Trustee’s understanding of such instructions shall be deemed controlling. The Depository Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Depository Trustee’s reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Depository Trustee, including without limitation the risk of the Depository Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 20. Except as otherwise provided in this Section 20, neither this Depository Trust Agreement nor the Depository Trust Fund created pursuant hereto may be assigned by the Depository Trustee without the prior written consent of the District unless the Depository Trustee is required by law to divest itself of its interest in its trust department or unless the Depository Trustee sells or otherwise assigns all or substantially all of its trust business, in which event the Depository Trust Fund will be continued by the Depository Trustee’s successor in interest with respect to such trust business. Any bank or trust company into which the Depository Trustee or its successor is converted, merged or with which it is consolidated, or to which it sells or transfers

its trust business as a whole will be the successor of the Depository Trustee pursuant to this Depository Trust Agreement with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 21. The Depository Trustee may at any time resign and be discharged of the duties and obligations created by this Depository Trust Agreement. If the Depository Trustee resigns, or is dissolved, liquidated or in the process of being dissolved or liquidated or otherwise becomes incapable of acting hereunder, or is taken under the control of any public officer or officers or of a receiver appointed by a court, a successor Depository Trustee may be appointed by the District. No resignation or removal will become effective until a successor Depository Trustee has been appointed. In the event that no appointment of a successor Depository Trustee occurs within sixty days, the holder of any of the Bonds to be Refunded or the retiring Depository Trustee may apply to any court of competent jurisdiction in Tulare County, California, for the appointment of a successor Depository Trustee acceptable to the District, and court may thereupon, after such notice as it deems proper, appoint a successor Depository Trustee acceptable to the District. Any successor Depository Trustee appointed pursuant to this Depository Trust Agreement will execute, acknowledge and deliver to its predecessor and the District an instrument in writing accepting the appointment and, thereupon, the successor Depository Trustee, without any further act, deed or conveyance, will become fully vested with all rights, estates, powers, trusts, duties and obligations of its predecessor; but the predecessor will, nevertheless, on the written request of any successor Depository Trustee, execute, acknowledge and deliver an instrument transferring to the successor Depository Trustee all of the estates, properties, rights, powers and trusts of the predecessor hereunder; and every predecessor Depository Trustee will deliver all securities and monies held by it to the successor Depository Trustee.

Section 22. If any section, paragraph, subdivision, sentence, clause or phrase hereof is for any reason held illegal or unenforceable, the decision will not affect the validity of the remaining portions hereof. The parties hereto declare that they would have executed this Depository Trust Agreement and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases hereof may be held to be illegal, invalid or unenforceable. If any provision hereof contains any ambiguity that may be construed as either valid or invalid, the valid construction will be adopted.

Section 23. This Depository Trust Agreement will be governed by and interpreted in accordance with the laws of the State of California (the “State”). Any action brought against the District to enforce the provisions hereof must be brought in the State courts located in Tulare County, California. Any notices required to be sent hereunder must be sent to the following:

If to the District:

Kaweah Delta Health Care District  
400 West Mineral King Avenue  
Visalia, CA 93291  
Attn: Chief Financial Officer

If to the Depository  
Trustee:

U.S. Bank Trust Company, National Association  
One California Street, Suite 1000  
San Francisco, CA 94111

Section 24. This Depository Trust Agreement expresses the entire understanding and all agreements of the parties hereto with each other with respect to the subject matter hereof and no party hereto has made or will be bound by any agreement or any representation to any other party that is not expressly set forth herein.

Section 25. This Depository Trust Agreement may be executed in several counterparts, each of which will be an original, all of which together will constitute but one instrument. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

(Signature Page to Follow)

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the day and year first above written.

KAWEAH DELTA HEALTH CARE  
DISTRICT

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By: Jennifer Stockton  
Its: Director of Finance

U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, as Depository  
Trustee and Trustee

---

By: [ ]  
Its: [ ]

(Signature page to the Depository Trust Agreement)

**EXHIBIT 1**

**BONDS TO BE REFUNDED**

<u>Series</u>	<u>Maturities to be Refunded</u>	<u>Principal Amt to be Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
Kaweah Delta Health Care District Revenue Refunding Bonds, Series 2017A	June 1, 2031	\$12,480,000	June 1, 2022	103%
Kaweah Delta Health Care District Revenue Refunding Bonds, Series 2017B	June 1, 2031	\$18,219,000	June 1, 2022	103%

**EXHIBIT 2**

**NOTICE OF DEFEASANCE AND REDEMPTION**

Pursuant to a Resolution, dated March 23, 2022, of the Board of Directors of the Kaweah Delta Health Care District (the “District”), and the Indenture, dated as of May 1, 1999, as supplemented and amended through the Twelfth Supplemental Indenture, dated as of April 1, 2022, between the District and U.S. Bank Trust Company, National Association, as trustee, notice is hereby given that the District has elected to refund and defease its Revenue Refunding Bonds, Series 2017A and its Revenue Refunding Bonds, Series 2017B (together, the “Bonds to be Redeemed”) and has provided for their redemption on June 1, 2022 (the “Redemption Date”), by depositing \$[ ] in trust with U.S. Bank Trust Company, National Association, as the depository trustee, to be invested in Defeasance Obligations and to establish an initial cash balance, to provide for payment of scheduled principal payments then due and payable and of the respective redemption prices and accrued interest on the Bonds to be Redeemed on the Redemption Date.

**Bonds to be Redeemed**

<u>Series</u>	<u>Maturities to be Refunded</u>	<u>Principal Amt to be Refunded</u>	<u>Redemption Price</u>
Kaweah Delta Health Care District Revenue Refunding Bonds, Series 2017A	June 1, 2031	\$12,480,000	103%
Kaweah Delta Health Care District Revenue Refunding Bonds, Series 2017B	June 1, 2031	\$18,219,000	103%

KAWEAH DELTA HEALTH CARE  
DISTRICT

**EXHIBIT 3**

**DEFEASANCE OBLIGATIONS TO BE ACQUIRED**