October 16, 2020

NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in a special open Board of Directors meeting at 1:30PM on Tuesday October 20, 2020 in the Kaweah Delta Lifestyle Center Conference Room {5105 W. Cypress Avenue, Visalia} beginning at 1:30PM. The maximum capacity allowed in this room per CDC social distancing guidelines {25}, members of the public are encouraged to attend the open sessions of the Board meeting via GoTo meeting [https://www.gotomeet.me/CindyMoccio/special-board-meeting---budgetfinance](https://www.gotomeet.me/CindyMoccio/special-board-meeting---budgetfinance) or Dial In: 669-224-3412 / Access Code: 471-700-549.

The Board of Directors of the Kaweah Delta Health Care District will meet in a special closed Board of Directors meeting immediately following the 1:30PM special open Board of Directors meetings on Tuesday October 20, 2020 in the Kaweah Delta Lifestyle Center Conference Room {5105 W. Cypress Avenue, Visalia} pursuant to Government Code 54956.8.

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 Delta Medical Center, Mineral King Wing entry corridor between the Mineral King lobby and the Emergency Department waiting room.

Due to COVID 19 visitor restrictions to the Medical Center - the disclosable public records related to agendas can be obtained by contacting the Board Clerk at Kaweah Delta Medical Center – Acequia Wing, Executive Offices (Administration Department) {1st floor}, 400 West Mineral King Avenue, Visalia, CA via phone 559-624-2330 and on the Kaweah Delta Health Care District web page [http://www.kaweahdelta.org](http://www.kaweahdelta.org).

KAWEAH DELTA HEALTH CARE DISTRICT
David Francis, Secretary/Treasurer

Cindy Moccio - Board Clerk / Executive Assistant to CEO

DISTRIBUTION:
Governning Board
Legal Counsel
Executive Team
Chief of Staff
[www.kaweahdelta.org](http://www.kaweahdelta.org)
KAWEAH DELTA HEALTH CARE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING

The Lifestyle Center – Conference Rooms
5105 W. Cypress Avenue, Visalia, CA  93277

The maximum capacity (25) allowed in this room per CDC social distancing guidelines

Join from your computer, tablet or smartphone
https://www.gotomeet.me/CindyMoccio/special-board-meeting---budgetfinance
or Dial In: 669-224-3412 / Access Code: 471-700-549

Tuesday October 20, 2020

SPECIAL OPEN MEETING AGENDA {1:30PM}

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 subject matter jurisdictions of the Board are requested to identify themselves at this time.

4. 2020/2021 Annual Operating & Capital Budget – Review of the annual operating & capital budget and strategies including operating room activity and operating room efficiency initiatives.
   Malinda Tupper – Vice President & Chief Financial Officer

5. FINANCIALS – Review of the most current fiscal year financial results.
   Malinda Tupper, Vice President & Chief Financial Officer

6. 2021 BENEFITS PROGRAM – Review and discussion relative to the updates to the Kaweah Delta staff medical program.
   Dianne Cox, Vice President, Chief Human Resources Officer

7. REPORTS
   - Chief Executive Officer Report - Report relative to current events and issues.
     Gary Herbst, Chief Executive Officer
   - Board President - Report relative to current events and issues.
     Nevin House, Board President
8. APPROVAL OF THE CLOSED AGENDA – (Following the 1:30PM Open meeting)

ADJOURN

CLOSED MEETING AGENDA
{Following the 1:30 Open Meeting}

1. CALL TO ORDER


   Marc Mertz, Vice President – Chief Strategy Officer

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.
Surgical Services
Lean Six Sigma

Lean Six Sigma is uniquely driven by close understanding of customer needs, disciplined use of facts, data, and statistical analysis, and diligent attention to managing, improving, and reinventing processes.

Lean is focused on EFFICIENCY
Six Sigma is focused on ZERO DEFECTS

Six sigma has become a popular name used to identify a methodology for improving and maintaining processes to achieve success. “Six Sigma” commonly refers to an initiative that uses the DMAIC roadmap to identify, initiate and complete a series of projects targeting processes that are not operating satisfactorily.
Lean Six Sigma

“The best Lean Six Sigma projects begin not inside the business but outside it, focused on answering the question – How can we make the customer more competitive? What is critical to the customer's success? ... One thing we have discovered with certainty is that anything we do that makes the customer more successful inevitably results in a financial return for us.”

-Jack Welch, Chairman of GE
Define

Problem
In the Surgical Service Line there are delays causing procedures to run late, start late, or be rescheduled. This results in increased overtime, call back, increased turnover, dissatisfaction and poor engagement of staff. Physicians are experiencing extended waiting periods, dissatisfaction, and lack of engagement.

Key Deliverables:
• Decrease Non-Operative Time (surgeon wait time)
• Standardization
• Clear Expectations and Communication

Identify Sources of Variation:
Lean Six Sigma methodology was utilized to do a thorough mapping of the room turnover process, wait periods, workflows of staff and providers, and system inputs identifying variation and the resulting delays. The scope is from identification of patient in surgeons office and initial communication with Kaweah Scheduling, through patient arrival to PACU
Measure

Room Turnover Time (TO): TO is defined as the time from when the patient is walked out of the OR, to the time when the next patient is brought into the room.

Non-Operative Time: Interval between surgeries during which the patients are not under the direct care of the surgeon; from closure and completion of one procedure, to beginning the next procedure.
Measure

Patient In to Surgery Start:
The interval of time from when the patient is brought into the operating room, to the start of the actual operation

Surgery End to Patient Out:
Interval from completion of surgery, to walking the patient out of the OR, and to the Post Anesthesia Care Unit (PACU)
FMEA:
In an effort to adapt to limitations associated with COVID, an FMEA was completed with leaders and front-line OR staff to identify and evaluate failure modes resulting in delays. Highest scoring failure modes were evaluated and assigned to categories.

Cause and Effect Ishikawa:
An Ishikawa (fishbone) diagram was created to further identify Root Causes for delays and extended Non-Operative Time
**Improve**

**Identify and Correct Upstream Variation:**
Early process mapping, including key inputs and information sources, yielded numerous opportunities to address variation that directly contributed to extended turnover times.

**SIPOC:**
Supplier, Input, Process, Output, Customer (SIPOC) is an important tool used to identify early sources of variation- and brought a recognition to key stakeholders and leaders that turnover errors start far before turnover occurs.

<table>
<thead>
<tr>
<th>S SUPPLIER</th>
<th>I INPUT</th>
<th>P PROCESS</th>
<th>O OUTPUT</th>
<th>C CUSTOMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surgeon</td>
<td>Information regarding clinical need, Documentation, Orders, Fax or Phone call</td>
<td>Pt selected as surgical candidate and scheduled for KATS and surgery date</td>
<td>Communication regarding procedure Required information provided to scheduling and KATS staff</td>
<td>Patient, Office staff, Scheduling staff, Surgery staff</td>
</tr>
<tr>
<td>Surgeon</td>
<td>Orders</td>
<td>Patient to KATS for pre testing</td>
<td>Test Results</td>
<td>ASC and OR staff, Anesthesia providers, surgeons</td>
</tr>
<tr>
<td>Surgeon</td>
<td>Documentation, Additional orders, Test results Available</td>
<td>Patient to ASC</td>
<td>Patient is prepared for safe surgery</td>
<td>OR, Surgeon, Anesthesia Provider</td>
</tr>
<tr>
<td>KATS/Diagnostic services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPD/Runner RN-C, ORT</td>
<td>Instrument cart Supplies Medications</td>
<td>OR Setup</td>
<td>Room ready for patient arrival and procedure start</td>
<td>Patient</td>
</tr>
<tr>
<td>ASC</td>
<td>Pt prepped, documentation ready, orders completed, meds administered</td>
<td>Patient to OR</td>
<td>Pt enters OR ready for procedure to begin</td>
<td>OR/intraop team</td>
</tr>
<tr>
<td>Surgeon Anesthesia OR team</td>
<td>Excellent surgical care.</td>
<td>Procedure</td>
<td>Successful, safe completion of procedure</td>
<td>Patient</td>
</tr>
<tr>
<td>Anesthesia, RN-C</td>
<td>Transport pt and belongings to PACU</td>
<td>Patient to PACU</td>
<td>Pt stable, orders in place to manage post op care</td>
<td>Patient</td>
</tr>
<tr>
<td>ORT STA</td>
<td>Remove used instruments Clean room</td>
<td>OR Turnover</td>
<td>Room clean and ready for next patient and setup</td>
<td>OR team, Patient</td>
</tr>
<tr>
<td>ASC, Surgeon</td>
<td>Orders, care provided</td>
<td>Patient discharged, or admitted to hospital</td>
<td>Education, follow up, pain management</td>
<td>Patient</td>
</tr>
</tbody>
</table>
Improve– Phase 1: Stabilize Upstream Inputs

Upstream/Input Variation Initiatives:
• Electronic Documentation system implemented for all Surgeons
• One on one training for Surgeons and their office staff for the entering of orders into “Planned State” for availability to Surgical staff
• Preference Card Update of highest volume case types for each surgeon
• Preference Card process validation
• Increase Available Prep Time: Scheduling is finalized 2 days before date of procedure to allow time to acquire special equipment or address staffing and workflow problems
• Block Utilization Optimization: Allow for greater consistency in scheduling and preparation
• First Case Delays: Significant contributor to schedule interruptions; performance now tied to provider scheduling capabilities
## Improve - Phase II: Address Root Causes

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Root Cause Addressed/Tools Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the roles &amp; responsibilities, Ideal Timelines</td>
<td>Management, Accountability/Cleveland Clinic Roles and Responsibilities KD Tool, Leader Standard Work- System of Accountability</td>
</tr>
<tr>
<td>Preference Card Accuracy Sub process</td>
<td>People, Physician preferences not know; Process, Equipment needs not always known/Avoid Waste-Rework; Standard Work</td>
</tr>
<tr>
<td>Develop Preference Card review process &amp; maintain</td>
<td>People, Physician preferences not known/Standard Work- Continuously Improving</td>
</tr>
<tr>
<td>Standardizing location of supplies – volume of use. Where supplies are being stored</td>
<td>Materials, Supplies stored and prepped in different areas; Management, in cohesive process between OR-SPD /5S (Cleveland Clinic Tools and Resources)</td>
</tr>
<tr>
<td>Huddle in AM for each room (including Surgeon calling in or present)</td>
<td>Process, equipment need not known; Materials, stored in varied areas; People, physician preferences not known/Standard Work, Huddle Boards</td>
</tr>
<tr>
<td>Pre Turnover checklist. Case carts, supplies, bed, etc.</td>
<td>People, Numerous tasks not related to essential functions/Avoid Waste, Defects, waiting</td>
</tr>
<tr>
<td>Communication – implement Cerner messaging system</td>
<td>Process, Unclear when procedure will end</td>
</tr>
<tr>
<td>Anesthesia Tech process (prepping supplies)</td>
<td>Materials, Inconsistent supply availability/Standard Work</td>
</tr>
<tr>
<td>Anesthesia preference cards.</td>
<td>People, Physician preferences not know; Process, Equipment needs not always known/Avoid Waste-Rework; Standard Work</td>
</tr>
<tr>
<td>ASC to OR handoff &amp; checklists</td>
<td>People, unclear Roles and Responsibilities/Standard Work</td>
</tr>
<tr>
<td>Insurance authorizations/verifications (Labs, Insurance, etc).</td>
<td>Reduce Waste- Rework, Waiting, Overprocessing</td>
</tr>
<tr>
<td>STA boot camp</td>
<td>Standard Work; Reducing Waste, overprocessing, under-utilized talent</td>
</tr>
<tr>
<td>Supply accuracy process (picking right supplies)</td>
<td>Process, OR staff leave OR to get supplies/Poke yoke- Auto Correction</td>
</tr>
<tr>
<td>Page and communication system</td>
<td>Process, Unclear when procedure will end</td>
</tr>
</tbody>
</table>

### Selecting Interventions:
Using results of Analyze Root Causes, key stakeholders brainstormed and prioritized key interventions.
OR Capacity

Capacity

Monthly evaluation of all aspects of operations including First Case Start Times, Turnover Times, Percent of Block time used, Average of Empty Minutes, and Released Block Times by each surgeon.

Surgical Services block utilization methodology

\[
\text{Surgery Minutes + Turnover Minutes / Block Time Minutes - Released Block Minutes} = \% \text{ Utilized}
\]

- Surgeons are required to utilize 50% utilization in order to keep assigned block.
- If a surgeon has block time lower than 50% in a consecutive quarter, block will be reassigned.
Block Utilization Interventions

| Block utilization improvement project began with the O.R. Governance Committee | 01/01/19 | 247 |
| First letter containing 6-months of data emailed to all surgeons with their utilization | 09/06/19 | 97 |
| Second letter emailed to all surgeons | 12/13/19 | 23 |
| Third letter emailed to all surgeons | 01/06/20 | 55 |
| Block adjusted by removing under-utilized surgeon block time | 03/02/20 | 135 |
| 7 new surgeons assigned surgical block time | 07/16/20 | 91 |
Block Utilization

Next Steps

• Continue to monitor block utilization
• Remove under-utilized block from surgeons and give other surgeons the time
• Recruit surgeons in specialties the District needs
• Goal is to increase block utilization by 10%
• Work with Marc Mertz and team for marketing and recruitment strategies
• First phase of marketing:
  • Vascular
  • Robotics
  • Ortho

Barriers

• Physician behavior
• COVID
• Surgeons retiring
• Recruiting
First Case Start Delays

Interventions

• Data discussed at O.R. Governance Committee
  • Data broken down to who is causing the delay; surgeons, anesthesia, ASC, surgery, or the patient.

• March 2, 2020 letters sent to surgeons regarding delays

• Paperwork was a big delay for patient throughput.

• April 2020, Surgical Services leadership team and ISS team went to every surgeons office to educate the surgeons and medical assistants on electronic documentation.
  • July 17, 2020, Go live date for all orders and up-to-date pre-op documentation and diagnostics being in EMR.

• July 2020, discussed data at the Department of Surgery meeting.
  • Data was broken down to minutes associated with the delays
The delayed minutes could represent 32 more surgical cases by decreasing the number of delays.
Surgery Business Development Committee

- Attendees: Surgery Department, Strategy, Marketing, Social Media, Internal Consulting, and Physician Recruitment and Relations
- Objective: Identify surgical procedures that are important to the health of the community and to Kaweah Delta, assess capacity for growth (e.g. OR availability, staffing, physician availability, etc.) and determine strategies for growth
- Growth strategies may include marketing campaigns, social media posts, physician liaison activity, CME events, recruitment, etc.
- Initial areas of focus: cardiac surgery, orthopedics, neurosurgery, vascular surgery, gastroenterology, urology, and general surgery. Areas can change monthly.
- The committee also discusses the development of new procedures or service lines
Clarify Health - Examples of Market Share Data

Market Trends by Region
Period: Quarterly  Start: Jan 1, 2014

Market Share %
120.0%
80.0%
40.0%
0.0%
2017 Q1 2017 Q2 2017 Q3 2017 Q4 2018 Q1 2018 Q2 2018 Q3 2018 Q4 2019 Q1 2019 Q2 2019 Q3 2019 Q4 2019...

Market Share by Service
Line: PSA & SSA

<table>
<thead>
<tr>
<th>Service Line</th>
<th>Market Share %</th>
<th>Total Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>99.4%</td>
<td>25,432</td>
</tr>
<tr>
<td>General Medicine</td>
<td>99.9%</td>
<td>8,005</td>
</tr>
<tr>
<td>Cardiac Services</td>
<td>99.5%</td>
<td>6,828</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>98.8%</td>
<td>5,152</td>
</tr>
<tr>
<td>General Surgery</td>
<td>97.5%</td>
<td>3,727</td>
</tr>
<tr>
<td>Neurology</td>
<td>96.0%</td>
<td>2,130</td>
</tr>
<tr>
<td>Behavioral</td>
<td>95.0%</td>
<td>1,877</td>
</tr>
<tr>
<td>Oncology/Hematology</td>
<td>94.5%</td>
<td>1,672</td>
</tr>
<tr>
<td>Spline</td>
<td>94.0%</td>
<td>1,341</td>
</tr>
<tr>
<td>Vascular Services</td>
<td>93.5%</td>
<td></td>
</tr>
<tr>
<td>Obstetrics</td>
<td>93.5%</td>
<td></td>
</tr>
</tbody>
</table>

21/151
Clarify Health - Examples of Referral Reports

Referral Distribution by Key Service Lines - PSA

<table>
<thead>
<tr>
<th>Service Line</th>
<th>Percent of Total Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardiac Services</td>
<td></td>
</tr>
<tr>
<td>Cardiac Surgery</td>
<td></td>
</tr>
<tr>
<td>General Surgery</td>
<td></td>
</tr>
<tr>
<td>Neurosurgery</td>
<td></td>
</tr>
<tr>
<td>Orthopedics</td>
<td></td>
</tr>
<tr>
<td>Urology</td>
<td></td>
</tr>
<tr>
<td>Vascular Services</td>
<td></td>
</tr>
</tbody>
</table>

**Referral Distribution by Key Service Lines - PSA**

- **Cardiac Services**: [Graphical representation]
- **Cardiac Surgery**: [Graphical representation]
- **General Surgery**: [Graphical representation]
- **Neurosurgery**: [Graphical representation]
- **Orthopedics**: [Graphical representation]
- **Urology**: [Graphical representation]
- **Vascular Services**: [Graphical representation]
Clarify Health - Physician Profile

Physician Overview
- Family/Internal Medicine
- Visalia Medical Clinic
  Kaweah Delta Health Care District

Keepage Volume: 585
Keepage Rate: 78.0%
Referrals: 750

Inbound Referral Rate Trend

Top Referred to Facilities
- Kaweah Delta Medical Center: 23
- Sierra View Medical Center: 8
- Sierra Ambulatory Surgery Center: 7
- Noble Surgery Center: 6

Top Referred to Service Lines
- Eye - Surgery/Procedure: 13
- Digestive System - Surgery/Procedure: 6
- Procedures / Professional: 6
- Physical Therapy: 5

Top Referred to Physicians
- Smith, Darrin: 139
- Mocsary, Zoltan: 78
- Millar, Caroline: 63
- Attaran, Ashkan: 51
• **Volumes:** Inpatient volume exceeded budget by 4.1%. Outpatient volume was still running under budget, but many areas continue to regain their volume.

• **Revenue:** Revenue per visit was strong, however total revenue was impacted by the lower outpatient volume.

• **Expenses:** 2 main items contributing to unfavorable budget variance ($3.3M)
  - COVID unbudgeted expenses - Payroll ($816K) and Supplies($784K)
  - Humana 3rd party claims - Unusually high claims continue for third party providers. Over budget by $1.25M in September. In September we did have one large claim pay out to UCSF and we had an additional check run in the month. This timing issue should reduce October’s expenses.
### COVID-19 Financial Activity

#### Stimulus Funds Received

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Received Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stimulus Funds – Kaweah Delta</td>
<td>$11,420,930</td>
<td>4/11/20</td>
</tr>
<tr>
<td>Stimulus Funds – KDMF</td>
<td>$684,104</td>
<td>4/11/20</td>
</tr>
<tr>
<td>Stimulus Funds – KD 2&lt;sup&gt;nd&lt;/sup&gt; payment</td>
<td>$1,225,939</td>
<td>4/24/20</td>
</tr>
<tr>
<td>Stimulus Funds – KDMF 2&lt;sup&gt;nd&lt;/sup&gt; payment</td>
<td>$198,091</td>
<td>5/26/20</td>
</tr>
<tr>
<td>California Hospital Association - PPE</td>
<td>$28,014</td>
<td>6/3 and 6/9/20</td>
</tr>
<tr>
<td>Stimulus Funds – 4 Physician Groups</td>
<td>$332,017</td>
<td>April 2020</td>
</tr>
<tr>
<td>Stimulus Funds - Testing at RHC</td>
<td>$197,846</td>
<td>5/20/20</td>
</tr>
<tr>
<td>Stimulus Funds - Skilled Nursing Facility</td>
<td>$225,000</td>
<td>5/22/20</td>
</tr>
<tr>
<td>Stimulus Funds – Rural Providers</td>
<td>$413,013</td>
<td>6/25/20</td>
</tr>
<tr>
<td>Stimulus Funds – Due to servicing Rural Areas</td>
<td>$813,751</td>
<td>7/21/20</td>
</tr>
<tr>
<td>Stimulus Funds – High Impact Areas</td>
<td>$10,900,000</td>
<td>7/29/20</td>
</tr>
<tr>
<td>California Hospital Association – PPE II</td>
<td>$150,243</td>
<td>8/25/20</td>
</tr>
<tr>
<td>Stimulus Funds – Skilled Nursing Facility</td>
<td>$111,500</td>
<td>8/27/20</td>
</tr>
</tbody>
</table>

**Impact to Net Revenue**

$26,700,448

Red indicates changes since last reviewed.
**COVID-19 Financial Activity**

### Reimbursement and In Kind Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>20% increase in Medicare inpatient payments</td>
<td>$ 1,350,000</td>
<td>Calendar year 2020</td>
</tr>
<tr>
<td>6.2% increase in FMAP - IGT matching</td>
<td>$ 1,200,000</td>
<td>Annual Estimate</td>
</tr>
<tr>
<td>10% increase in Medi-Cal rates in SNF payments</td>
<td>$ 997,000</td>
<td>Calendar year 2020</td>
</tr>
<tr>
<td>5% increase Blue Shield rates for certain procedures</td>
<td>$ 12,000</td>
<td>4 Month Estimate</td>
</tr>
<tr>
<td>Uninsured COVID Patients – Medicare Rates</td>
<td>$ 100,000</td>
<td>Payments to date</td>
</tr>
<tr>
<td>Department of Defense</td>
<td>$ 250,000</td>
<td>In kind clinical support staff</td>
</tr>
<tr>
<td>2% sequestration</td>
<td>$ 2,100,000</td>
<td>Calendar year 2020</td>
</tr>
<tr>
<td>Unemployment benefit costs ½ covered</td>
<td>$ 319,600</td>
<td>Calendar year 2020</td>
</tr>
<tr>
<td>3 County agreements – Lab testing, PPE, Pharmaceuticals</td>
<td>$ 4,578,800 max</td>
<td>County will cover related costs as we begin to submit invoices</td>
</tr>
<tr>
<td>COVID Payer Grants</td>
<td>$ 3,000,000</td>
<td>October deposit</td>
</tr>
<tr>
<td>Repayment period of Medicare Advanced Payments extended - $46.6M (4/7/2020)</td>
<td>Balance must be repaid in full 29 months from the first payment.</td>
<td>Medicare payments will be reduced by 25% for the first 11 months and 50% during the next 6 months.</td>
</tr>
<tr>
<td>Social Security Tax Deferral – $13.5M</td>
<td>Repayment of 50% due 12/31/21 and 50% 12/31/22</td>
<td></td>
</tr>
</tbody>
</table>

**Impact to Bottom Line**

$ 13,907,400
Financial Analysis - COVID-19 Inpatients

<table>
<thead>
<tr>
<th>Payer Group</th>
<th>Patient Volume</th>
<th>% of Total Visits</th>
<th>ALOS</th>
<th>GMLOS</th>
<th>Est. Net Revenue</th>
<th>Direct Cost</th>
<th>Contribution Margin</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>337</td>
<td>39%</td>
<td>11</td>
<td>5.6</td>
<td>$6,884,864</td>
<td>$7,410,747</td>
<td>($525,883)</td>
<td>($3,147,598)</td>
</tr>
<tr>
<td>Medi-Cal Managed Care</td>
<td>185</td>
<td>22%</td>
<td>8.5</td>
<td>5.6</td>
<td>$3,562,076</td>
<td>$3,379,682</td>
<td>182,395</td>
<td>($1,010,369)</td>
</tr>
<tr>
<td>Commercial/Other</td>
<td>150</td>
<td>17%</td>
<td>10.1</td>
<td>5.9</td>
<td>$4,154,544</td>
<td>$3,101,038</td>
<td>1,053,506</td>
<td>($48,896)</td>
</tr>
<tr>
<td>Medicare Managed Care</td>
<td>94</td>
<td>11%</td>
<td>11.6</td>
<td>5.9</td>
<td>$2,520,482</td>
<td>$2,635,388</td>
<td>($114,905)</td>
<td>($961,283)</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>67</td>
<td>8%</td>
<td>10.4</td>
<td>5.4</td>
<td>$1,011,655</td>
<td>$1,627,796</td>
<td>($616,141)</td>
<td>($1,175,205)</td>
</tr>
<tr>
<td>Cash Pay</td>
<td>18</td>
<td>2%</td>
<td>8.3</td>
<td>5.9</td>
<td>$18,894</td>
<td>$165,073</td>
<td>($146,179)</td>
<td>($205,698)</td>
</tr>
<tr>
<td>Work Comp</td>
<td>9</td>
<td>1%</td>
<td>10.7</td>
<td>6.6</td>
<td>$261,751</td>
<td>$246,504</td>
<td>15,247</td>
<td>($68,463)</td>
</tr>
<tr>
<td>Grand Total</td>
<td><strong>860</strong></td>
<td><strong>100%</strong></td>
<td><strong>10.2</strong></td>
<td><strong>5.7</strong></td>
<td><strong>$18,414,267</strong></td>
<td><strong>$18,566,228</strong></td>
<td><strong>($151,961)</strong></td>
<td><strong>($6,617,511)</strong></td>
</tr>
</tbody>
</table>

Typical Contribution margin on 860 inpatient visits $2,343,500

LOS GAP 4.5 Difference ($2,495,461)

Notable Changes from Prior Month’s Analysis

1. Volume of discharged COVID inpatients increased 27% from 676 to 860
2. Shifts in payer mix% from Medicare to other payers. (41% of all cases to 39%) Primary increase in Medi-Cal Managed
3. The gap between the average length of stay and expected decreased from 4.6 to 4.5 days
COVID-19: Costs and Billing

Tracking Costs: $1.6M in COVID labor and expenses were identified in September

Volume New Services: Telehealth including KDMF
### Statistical Results – Fiscal Year Comparison (September)

<table>
<thead>
<tr>
<th></th>
<th>Actual Results</th>
<th>Budget</th>
<th>Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep 2019</td>
<td>Sep 2020</td>
<td>% Change</td>
</tr>
<tr>
<td>Average Daily Census</td>
<td>424</td>
<td>434</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>KDHCD Patient Days:</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Medical Center</td>
<td>8,006</td>
<td>8,575</td>
<td>7.1%</td>
</tr>
<tr>
<td>Acute I/P Psych</td>
<td>1,403</td>
<td>1,364</td>
<td>(2.8%)</td>
</tr>
<tr>
<td>Sub-Acute</td>
<td>879</td>
<td>901</td>
<td>2.5%</td>
</tr>
<tr>
<td>Rehab</td>
<td>525</td>
<td>423</td>
<td>(19.4%)</td>
</tr>
<tr>
<td>TCS-Ortho</td>
<td>447</td>
<td>389</td>
<td>(13.0%)</td>
</tr>
<tr>
<td>TCS</td>
<td>529</td>
<td>405</td>
<td>(23.4%)</td>
</tr>
<tr>
<td>NICU</td>
<td>400</td>
<td>445</td>
<td>11.3%</td>
</tr>
<tr>
<td>Nursery</td>
<td>523</td>
<td>522</td>
<td>(0.2%)</td>
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<tr>
<td>Total KDHCD Patient Days</td>
<td>12,712</td>
<td>13,024</td>
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<tr>
<td>Total Outpatient Volume</td>
<td>37,740</td>
<td>38,070</td>
<td>0.9%</td>
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## Statistical Results – Fiscal Year Comparison (Jul-Sep)

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<th>FYTD 2021</th>
<th>% Change</th>
<th>FYTD 2021</th>
<th>Change</th>
<th>% Change</th>
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<td>FYTD 2021</td>
<td>% Change</td>
<td>FYTD 2021</td>
<td>Change</td>
<td>% Change</td>
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<tr>
<td><strong>Average Daily Census</strong></td>
<td>421</td>
<td>428</td>
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<td>423</td>
<td>5</td>
<td>1.1%</td>
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<tr>
<td><strong>KDHCD Patient Days:</strong></td>
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<tr>
<td>Medical Center</td>
<td>24,449</td>
<td>26,218</td>
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<td>2,485</td>
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<td>Acute I/P Psych</td>
<td>4,307</td>
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<td>4,340</td>
<td>(119)</td>
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<td>Sub-Acute</td>
<td>2,734</td>
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<td>2,840</td>
<td>(114)</td>
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<td>Rehab</td>
<td>1,521</td>
<td>1,162</td>
<td>(23.6%)</td>
<td>1,700</td>
<td>(538)</td>
<td>(31.6%)</td>
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<td>TCS-Ortho</td>
<td>1,308</td>
<td>977</td>
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<td>1,650</td>
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<td>TCS</td>
<td>1,311</td>
<td>1,228</td>
<td>(6.3%)</td>
<td>1,504</td>
<td>(276)</td>
<td>(18.4%)</td>
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<tr>
<td>NICU</td>
<td>1,384</td>
<td>1,358</td>
<td>(1.9%)</td>
<td>1,341</td>
<td>17</td>
<td>1.3%</td>
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<tr>
<td>Nursery</td>
<td>1,682</td>
<td>1,446</td>
<td>(14.0%)</td>
<td>1,793</td>
<td>(347)</td>
<td>(19.4%)</td>
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<tr>
<td>Total KDHCD Patient Days</td>
<td>38,696</td>
<td>39,336</td>
<td>1.7%</td>
<td>38,901</td>
<td>435</td>
<td>1.1%</td>
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<tr>
<td>Total Outpatient Volume</td>
<td>116,170</td>
<td>122,607</td>
<td>5.5%</td>
<td>123,256</td>
<td>(649)</td>
<td>(0.5%)</td>
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## Other Statistical Results – Fiscal Year Comparison (Sep)

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<th>Budget</th>
<th></th>
<th>Budget Variance</th>
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<tr>
<td></td>
<td>Sep 2019</td>
<td>Sep 2020</td>
<td>Change</td>
<td>% Change</td>
<td>Sep 2020</td>
</tr>
<tr>
<td>Adjusted Patient Days</td>
<td>25,104</td>
<td>24,587</td>
<td>(517)</td>
<td>(2.1%)</td>
<td>26,073</td>
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<td>Outpatient Visits</td>
<td>37,740</td>
<td>38,070</td>
<td>330</td>
<td>0.9%</td>
<td>40,042</td>
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<tr>
<td>Home Infusion Days</td>
<td>10,400</td>
<td>22,274</td>
<td>11,874</td>
<td>114.2%</td>
<td>11,727</td>
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<tr>
<td>Hospice Days</td>
<td>3,311</td>
<td>4,291</td>
<td>980</td>
<td>29.6%</td>
<td>3,396</td>
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<td>Radiation Oncology Treatments (I/P &amp; O/P)</td>
<td>1,656</td>
<td>2,016</td>
<td>360</td>
<td>21.7%</td>
<td>1,694</td>
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<tr>
<td>Home Health Visits</td>
<td>2,675</td>
<td>3,170</td>
<td>495</td>
<td>18.5%</td>
<td>2,747</td>
</tr>
<tr>
<td>GME Clinic visits</td>
<td>1,023</td>
<td>1,186</td>
<td>163</td>
<td>15.9%</td>
<td>1,173</td>
</tr>
<tr>
<td>RHC Registrations</td>
<td>8,304</td>
<td>9,493</td>
<td>1,189</td>
<td>14.3%</td>
<td>8,362</td>
</tr>
<tr>
<td>Surgery Minutes-General &amp; Robotic (I/P &amp; O/P)</td>
<td>964</td>
<td>1,076</td>
<td>112</td>
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<td>1,079</td>
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<tr>
<td>Cath Lab Minutes (IP &amp; OP)</td>
<td>343</td>
<td>367</td>
<td>24</td>
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<tr>
<td>OB Deliveries</td>
<td>378</td>
<td>402</td>
<td>24</td>
<td>6.3%</td>
<td>410</td>
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<tr>
<td>O/P Rehab Units</td>
<td>18,716</td>
<td>19,220</td>
<td>504</td>
<td>2.7%</td>
<td>19,847</td>
</tr>
<tr>
<td>KDMF RVU</td>
<td>30,187</td>
<td>30,934</td>
<td>747</td>
<td>2.5%</td>
<td>34,911</td>
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<tr>
<td>Radiology/CT/US/MRI Proc (I/P &amp; O/P)</td>
<td>14,957</td>
<td>14,762</td>
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<td>(1.3%)</td>
<td>15,379</td>
</tr>
<tr>
<td>Physical &amp; Other Therapy Units</td>
<td>17,666</td>
<td>17,420</td>
<td>(246)</td>
<td>(1.4%)</td>
<td>18,880</td>
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<tr>
<td>Dialysis Treatments</td>
<td>1,864</td>
<td>1,636</td>
<td>(228)</td>
<td>(12.2%)</td>
<td>1,874</td>
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<tr>
<td>Endoscopy Procedures (I/P &amp; O/P)</td>
<td>689</td>
<td>568</td>
<td>(121)</td>
<td>(17.6%)</td>
<td>702</td>
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<tr>
<td>ED Total Registered</td>
<td>7,100</td>
<td>5,851</td>
<td>(1,249)</td>
<td>(17.6%)</td>
<td>7,517</td>
</tr>
<tr>
<td>Urgent Care - Court</td>
<td>3,484</td>
<td>2,724</td>
<td>(760)</td>
<td>(21.8%)</td>
<td>3,760</td>
</tr>
<tr>
<td>Urgent Care - Demaree</td>
<td>1,858</td>
<td>1,034</td>
<td>(824)</td>
<td>(44.3%)</td>
<td>2,288</td>
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</table>

37/151
<table>
<thead>
<tr>
<th>Service</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>Change</th>
<th>% Change</th>
<th>FY 2021</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adjusted Patient Days</strong></td>
<td>77,085</td>
<td>74,421</td>
<td>(2,664)</td>
<td>(3.5%)</td>
<td>79,517</td>
<td>(5,096)</td>
<td>(6.4%)</td>
</tr>
<tr>
<td><strong>Outpatient Visits</strong></td>
<td>116,170</td>
<td>122,607</td>
<td>6,437</td>
<td>5.5%</td>
<td>123,256</td>
<td>(649)</td>
<td>(0.5%)</td>
</tr>
<tr>
<td><strong>Home Infusion Days</strong></td>
<td>32,264</td>
<td>41,192</td>
<td>8,928</td>
<td>27.7%</td>
<td>37,414</td>
<td>3,778</td>
<td>10.1%</td>
</tr>
<tr>
<td><strong>Hospice Days</strong></td>
<td>10,231</td>
<td>12,420</td>
<td>2,189</td>
<td>21.4%</td>
<td>10,137</td>
<td>2,283</td>
<td>22.5%</td>
</tr>
<tr>
<td><strong>RHC Registrations</strong></td>
<td>25,006</td>
<td>29,827</td>
<td>4,821</td>
<td>19.3%</td>
<td>26,213</td>
<td>3,614</td>
<td>13.8%</td>
</tr>
<tr>
<td><strong>GME Clinic visits</strong></td>
<td>3,127</td>
<td>3,650</td>
<td>523</td>
<td>16.7%</td>
<td>3,366</td>
<td>284</td>
<td>8.4%</td>
</tr>
<tr>
<td><strong>Home Health Visits</strong></td>
<td>8,682</td>
<td>9,297</td>
<td>615</td>
<td>7.1%</td>
<td>8,133</td>
<td>1,164</td>
<td>14.3%</td>
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<tr>
<td><strong>Radiation Oncology Treatments (I/P &amp; O/P)</strong></td>
<td>6,326</td>
<td>6,668</td>
<td>342</td>
<td>5.4%</td>
<td>6,447</td>
<td>221</td>
<td>3.4%</td>
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<tr>
<td><strong>Surgery Minutes-General &amp; Robotic (I/P &amp; O/P)</strong></td>
<td>3,114</td>
<td>3,217</td>
<td>103</td>
<td>3.3%</td>
<td>3,618</td>
<td>(401)</td>
<td>(11.1%)</td>
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<tr>
<td><strong>KDMF RVU</strong></td>
<td>94,361</td>
<td>97,416</td>
<td>3,055</td>
<td>3.2%</td>
<td>104,765</td>
<td>(7,349)</td>
<td>(7.0%)</td>
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<tr>
<td><strong>O/P Rehab Units</strong></td>
<td>59,107</td>
<td>57,471</td>
<td>(1,636)</td>
<td>(2.8%)</td>
<td>61,097</td>
<td>(3,626)</td>
<td>(5.9%)</td>
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<tr>
<td><strong>Radiology/CT/US/MRI Proc (I/P &amp; O/P)</strong></td>
<td>46,124</td>
<td>44,717</td>
<td>(1,407)</td>
<td>(3.1%)</td>
<td>47,149</td>
<td>(2,432)</td>
<td>(5.2%)</td>
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<tr>
<td><strong>Cath Lab Minutes (I/P &amp; OP)</strong></td>
<td>1,096</td>
<td>1,058</td>
<td>(38)</td>
<td>(3.5%)</td>
<td>1,183</td>
<td>(125)</td>
<td>(10.6%)</td>
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<tr>
<td><strong>Physical &amp; Other Therapy Units</strong></td>
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<td>50,555</td>
<td>(3,521)</td>
<td>(6.5%)</td>
<td>58,021</td>
<td>(7,466)</td>
<td>(12.9%)</td>
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<tr>
<td><strong>OB Deliveries</strong></td>
<td>1,219</td>
<td>1,119</td>
<td>(100)</td>
<td>(8.2%)</td>
<td>1,253</td>
<td>(134)</td>
<td>(10.7%)</td>
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<tr>
<td><strong>Endoscopy Procedures (I/P &amp; O/P)</strong></td>
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<td>1,570</td>
<td>(176)</td>
<td>(10.1%)</td>
<td>1,814</td>
<td>(244)</td>
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<tr>
<td><strong>Dialysis Treatments</strong></td>
<td>5,845</td>
<td>5,254</td>
<td>(591)</td>
<td>(10.1%)</td>
<td>5,586</td>
<td>(332)</td>
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<tr>
<td><strong>Urgent Care - Court</strong></td>
<td>10,100</td>
<td>8,885</td>
<td>(1,215)</td>
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<td>10,321</td>
<td>(1,436)</td>
<td>(13.9%)</td>
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<tr>
<td><strong>ED Total Registered</strong></td>
<td>22,493</td>
<td>18,615</td>
<td>(3,878)</td>
<td>(17.2%)</td>
<td>22,910</td>
<td>(4,295)</td>
<td>(18.7%)</td>
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<tr>
<td><strong>Urgent Care - Demaree</strong></td>
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<td>3,302</td>
<td>(1,897)</td>
<td>(36.5%)</td>
<td>6,292</td>
<td>(2,990)</td>
<td>(47.5%)</td>
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## Trended Financial Comparison (000’s)

### Kaweah Delta Trended Income Statement (000’s)

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<td>Supplemental Gov’t Programs</td>
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<td>Management Services Revenue</td>
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<td>2,581</td>
<td>2,655</td>
<td>3,007</td>
<td>2,569</td>
<td>2,954</td>
<td>2,834</td>
<td>2,684</td>
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<td>2,251</td>
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<td>1,590</td>
<td>1,968</td>
<td>826</td>
<td>2,127</td>
<td>1,668</td>
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<td>15,966</td>
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<td>14,574</td>
<td>14,754</td>
<td>25,369</td>
<td>13,608</td>
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<td>62,177</td>
<td>65,001</td>
<td>67,687</td>
<td>62,778</td>
<td>61,826</td>
<td>50,156</td>
<td>50,750</td>
<td>61,923</td>
<td>61,009</td>
<td>61,732</td>
<td>62,317</td>
</tr>
</tbody>
</table>

### Operating Expenses

| Salaries & Wages | 25,301 | 24,793 | 25,460 | 25,276 | 27,060 | 25,081 | 25,402 | 26,208 | 26,540 | 26,449 |
| Contract Labor | 1,042 | 988 | 1,044 | 858 | 1,357 | 617 | 690 | 834 | 410 | 372 |
| Employee Benefits | 6,964 | 5,801 | 6,755 | 5,372 | 5,856 | 7,222 | 6,811 | 7,313 | 2,109 | 5,160 |
| Medical & Other Supplies | 9,986 | 8,571 | 10,551 | 9,635 | 10,217 | 11,127 | 10,347 | 8,115 | 8,423 | 10,036 |
| Physician Fees | 7,284 | 7,486 | 8,287 | 6,974 | 7,113 | 7,653 | 8,702 | 8,202 | 7,191 | 8,699 |
| Purchased Services | 1,807 | 1,474 | 1,808 | 1,686 | 1,698 | 1,681 | 1,698 | 1,681 | 1,587 | 1,239 |
| Repairs & Maintenance | 2,035 | 1,981 | 2,399 | 2,164 | 2,107 | 2,396 | 1,785 | 2,134 | 2,127 | 2,362 |
| Utilities | 547 | 588 | 603 | 342 | 593 | 439 | 472 | 483 | 477 | 506 |
| Rents & Leases | 482 | 536 | 464 | 560 | 512 | 568 | 562 | 572 | 511 | 503 |
| Depreciation & Amortization | 2,517 | 2,488 | 2,488 | 2,459 | 2,461 | 2,472 | 2,487 | 2,492 | 2,550 | 2,685 |
| Interest Expense | 453 | 441 | 440 | 440 | 439 | 468 | 501 | 500 | 494 | 493 |
| Total Other Expenses | 31,854 | 30,240 | 33,315 | 30,226 | 31,110 | 33,249 | 32,587 | 32,133 | 29,834 | 34,163 |
| Total Operating Expenses | 65,161 | 61,822 | 66,862 | 61,916 | 64,049 | 68,148 | 65,295 | 67,729 | 62,097 | 65,971 |

### Operating Margin

| Operating Margin | ($980) | $356 | ($801) | $261 | $951 | ($461) | ($2,516) | ($5,902) | ($11,941) | ($11,241) |
| Stimulus Funds | $2,855 | $3,607 | $3,687 | $4,817 | $3,633 | $3,745 | $3,633 |
| Operating Margin after Stimulus | ($980) | $356 | ($801) | $261 | $951 | ($461) | ($2,516) | ($3,047) | ($8,334) | ($7,554) |
| Nonoperating Revenue (Loss) | 662 | 4,429 | 774 | 699 | 726 | 682 | 733 | 1,957 | 507 | 652 |
| Excess Margin | ($318) | $4,785 | ($27) | $960 | $1,678 | $247 | ($1,783) | ($1,091) | ($7,827) | ($6,902) | $3,207 | $1,993 | ($191) | ($515) |
## September Financial Comparison (000’s)

<table>
<thead>
<tr>
<th>Actual Results</th>
<th>Budget</th>
<th>Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sep 2019</td>
<td>Sep 2020</td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>$48,185</td>
<td>$48,769</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>13,994</td>
<td>13,548</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>62,179</td>
<td>62,317</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Expense</td>
<td>31,582</td>
<td>32,837</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>30,240</td>
<td>33,133</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>61,822</td>
<td>65,971</td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>$356</td>
<td>($3,654)</td>
</tr>
<tr>
<td><strong>Operating Margin after Stimulus</strong></td>
<td>$356</td>
<td>($21)</td>
</tr>
<tr>
<td><strong>Excess Margin</strong></td>
<td>4,429</td>
<td>(495)</td>
</tr>
<tr>
<td><strong>Excess Margin %</strong></td>
<td>7.2%</td>
<td>(0.8%)</td>
</tr>
<tr>
<td><strong>Operating Cash Flow Margin %</strong></td>
<td>5.3%</td>
<td>(0.9%)</td>
</tr>
</tbody>
</table>
## YTD (July-Sep) Financial Comparison (000’s)

<table>
<thead>
<tr>
<th>Actual Results</th>
<th>FYTD Budget</th>
<th>FYTD Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FYTD 2020</td>
<td>FYTD 2021</td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>$150,227</td>
<td>$144,564</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>41,733</td>
<td>40,494</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>191,961</td>
<td>185,058</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment Expense</td>
<td>97,837</td>
<td>97,254</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>91,639</td>
<td>98,642</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>189,476</td>
<td>195,896</td>
</tr>
</tbody>
</table>

| Operating Margin | $2,484 | ($10,838) | ($1,505) | (9,333) | (620%) |
| Stimulus Funds | 0 | 11,011 | 0 | 11,011 | 100% |

| Operating Margin after Stimulus | $2,484 | $173 | ($1,505) | $1,678 | (112%) |
| Non Operating Revenue (Loss) | 5,835 | 1,113 | 1,920 | (806) | (42%) |

| Excess Margin | $8,319 | $1,287 | $415 | $871 | 210% |

<p>| Operating Margin % | 1.3% | (5.9%) | (0.8%) |
| OM after Stimulus% | 1.3% | 0.1% | (0.8%) |
| Excess Margin % | 4.2% | 0.7% | 0.2% |
| Operating Cash Flow Margin % | 5.9% | (0.8%) | 4.2% |</p>
<table>
<thead>
<tr>
<th>Operating Revenue</th>
<th>Sep 2019</th>
<th>Sep 2020</th>
<th>% Change</th>
<th>Se’ 2020</th>
<th>Change</th>
<th>% Change</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Patient Service Revenue</td>
<td>$48,185</td>
<td>$48,769</td>
<td>1.2%</td>
<td>$49,048</td>
<td>($279)</td>
<td>(0.6%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Supplemental Gov't Programs</td>
<td>4,185</td>
<td>3,979</td>
<td>(4.9%)</td>
<td>4,111</td>
<td>(132)</td>
<td>(3.2%)</td>
<td></td>
</tr>
<tr>
<td>Prime Program</td>
<td>1,747</td>
<td>429</td>
<td>(75.4%)</td>
<td>429</td>
<td>0</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>Premium Revenue</td>
<td>3,732</td>
<td>4,351</td>
<td>16.6%</td>
<td>4,014</td>
<td>336</td>
<td>8.4%</td>
<td></td>
</tr>
<tr>
<td>Management Services Revenue</td>
<td>2,643</td>
<td>3,072</td>
<td>16.2%</td>
<td>2,847</td>
<td>225</td>
<td>7.9%</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td>1,687</td>
<td>1,716</td>
<td>1.7%</td>
<td>2,052</td>
<td>(335)</td>
<td>(16.3%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>13,994</td>
<td>13,548</td>
<td>(3.2%)</td>
<td>13,453</td>
<td>94</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>62,179</strong></td>
<td><strong>62,317</strong></td>
<td><strong>0.2%</strong></td>
<td><strong>62,501</strong></td>
<td><strong>(185)</strong></td>
<td><strong>(0.3%)</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>24,793</td>
<td>26,449</td>
<td>6.7%</td>
<td>25,754</td>
<td>695</td>
<td>2.7%</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Contract Labor</td>
<td>988</td>
<td>336</td>
<td>(66.0%)</td>
<td>525</td>
<td>(189)</td>
<td>(36.0%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>5,801</td>
<td>6,053</td>
<td>4.3%</td>
<td>5,488</td>
<td>565</td>
<td>10.3%</td>
<td>See highlights slide</td>
</tr>
<tr>
<td><strong>Total Employment Expenses</strong></td>
<td><strong>31,582</strong></td>
<td><strong>32,837</strong></td>
<td><strong>4.0%</strong></td>
<td><strong>31,766</strong></td>
<td><strong>1,071</strong></td>
<td><strong>3.4%</strong></td>
<td></td>
</tr>
<tr>
<td>Medical &amp; Other Supplies</td>
<td>8,571</td>
<td>11,619</td>
<td>35.6%</td>
<td>9,772</td>
<td>1,847</td>
<td>18.9%</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Physician Fees</td>
<td>7,486</td>
<td>6,871</td>
<td>(8.2%)</td>
<td>7,440</td>
<td>(568)</td>
<td>(7.6%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>1,474</td>
<td>988</td>
<td>(33.0%)</td>
<td>1,440</td>
<td>(452)</td>
<td>(31.4%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>1,981</td>
<td>1,965</td>
<td>(0.8%)</td>
<td>2,286</td>
<td>(321)</td>
<td>(14.1%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Utilities</td>
<td>588</td>
<td>646</td>
<td>9.8%</td>
<td>622</td>
<td>24</td>
<td>3.8%</td>
<td></td>
</tr>
<tr>
<td>Rents &amp; Leases</td>
<td>536</td>
<td>517</td>
<td>(3.5%)</td>
<td>550</td>
<td>(33)</td>
<td>(6.0%)</td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>2,488</td>
<td>2,518</td>
<td>1.2%</td>
<td>2,622</td>
<td>(104)</td>
<td>(4.0%)</td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>441</td>
<td>557</td>
<td>26.2%</td>
<td>572</td>
<td>(15)</td>
<td>(2.7%)</td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td>1,593</td>
<td>1,266</td>
<td>(20.5%)</td>
<td>1,112</td>
<td>154</td>
<td>13.9%</td>
<td></td>
</tr>
<tr>
<td>Humana Cap Plan Expenses</td>
<td>2,568</td>
<td>3,137</td>
<td>22.2%</td>
<td>1,885</td>
<td>1,252</td>
<td>66.4%</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Management Services Expense</td>
<td>2,514</td>
<td>3,050</td>
<td>21.3%</td>
<td>2,811</td>
<td>240</td>
<td>8.5%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>30,240</strong></td>
<td><strong>33,133</strong></td>
<td><strong>9.6%</strong></td>
<td><strong>31,111</strong></td>
<td><strong>2,022</strong></td>
<td><strong>6.5%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>61,822</strong></td>
<td><strong>65,971</strong></td>
<td><strong>6.7%</strong></td>
<td><strong>62,878</strong></td>
<td><strong>3,093</strong></td>
<td><strong>4.9%</strong></td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>$356</td>
<td>($3,654)</td>
<td>(1125.0%)</td>
<td>($376)</td>
<td>($3,277)</td>
<td>870.8%</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Stimulus Funds</td>
<td>0</td>
<td>3,633</td>
<td>100.0%</td>
<td>0</td>
<td>3,633</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td>**Operating Margin after Stimulus</td>
<td>$356</td>
<td>($21)</td>
<td>(105.9%)</td>
<td>($376)</td>
<td>$356</td>
<td>(94.5%)</td>
<td>See highlights slide</td>
</tr>
<tr>
<td>Nonoperating Revenue (Loss)</td>
<td>4,429</td>
<td>(495)</td>
<td>(111.2%)</td>
<td>630</td>
<td>(1,124)</td>
<td>(178.6%)</td>
<td></td>
</tr>
<tr>
<td><strong>Excess Margin</strong></td>
<td><strong>$4,785</strong></td>
<td><strong>($515)</strong></td>
<td><strong>(110.8%)</strong></td>
<td><strong>$253</strong></td>
<td><strong>($769)</strong></td>
<td><strong>(303.6%)</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Operating Margin % | 0.6% | (5.9%) | (0.6%) |
| Excess Margin %     | 7.2% | (0.8%) | 42/151 |
| Operating Cash Flow Margin % | 5.3% | (0.9%) | 4.5% |
## YTD Financial Comparison (000’s)

<table>
<thead>
<tr>
<th></th>
<th>Actual Results FYTD Jul-Sep</th>
<th>Budget FYTD</th>
<th>Budget Variance</th>
<th>FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FYTD2020</td>
<td>FYTD2021</td>
<td>% Change</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>$150,227</td>
<td>$144,563</td>
<td>(3.8%)</td>
<td></td>
</tr>
<tr>
<td>Supplemental Gov’t Programs</td>
<td>12,824</td>
<td>11,938</td>
<td>(6.9%)</td>
<td></td>
</tr>
<tr>
<td>Prime Program</td>
<td>3,557</td>
<td>1,287</td>
<td>(63.8%)</td>
<td></td>
</tr>
<tr>
<td>Premium Revenue</td>
<td>11,658</td>
<td>13,151</td>
<td>12.8%</td>
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</tr>
<tr>
<td>Management Services Revenue</td>
<td>8,145</td>
<td>8,590</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>Other Revenue</td>
<td>5,550</td>
<td>5,529</td>
<td>(0.4%)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>191,961</td>
<td>185,058</td>
<td>(3.6%)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>75,255</td>
<td>79,659</td>
<td>5.9%</td>
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</tr>
<tr>
<td>Contract Labor</td>
<td>3,099</td>
<td>1,284</td>
<td>(58.6%)</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>19,483</td>
<td>16,311</td>
<td>(16.3%)</td>
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</tr>
<tr>
<td><strong>Total Employment Expenses</strong></td>
<td>97,837</td>
<td>97,254</td>
<td>(0.6%)</td>
<td></td>
</tr>
<tr>
<td>Medical &amp; Other Supplies</td>
<td>27,241</td>
<td>32,375</td>
<td>18.8%</td>
<td></td>
</tr>
<tr>
<td>Physician Fees</td>
<td>22,037</td>
<td>23,377</td>
<td>6.1%</td>
<td></td>
</tr>
<tr>
<td>Purchased Services</td>
<td>4,897</td>
<td>3,743</td>
<td>(23.6%)</td>
<td></td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>6,066</td>
<td>6,270</td>
<td>3.4%</td>
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</tr>
<tr>
<td>Utilities</td>
<td>1,676</td>
<td>1,757</td>
<td>4.8%</td>
<td></td>
</tr>
<tr>
<td>Rents &amp; Leases</td>
<td>1,589</td>
<td>1,536</td>
<td>(3.3%)</td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>7,522</td>
<td>7,661</td>
<td>1.8%</td>
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</tr>
<tr>
<td>Interest Expense</td>
<td>1,330</td>
<td>1,666</td>
<td>25.2%</td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td>4,719</td>
<td>4,091</td>
<td>(13.3%)</td>
<td></td>
</tr>
<tr>
<td>Humana Cap Plan Expenses</td>
<td>6,646</td>
<td>7,740</td>
<td>16.5%</td>
<td></td>
</tr>
<tr>
<td>Management Services Expense</td>
<td>7,916</td>
<td>8,424</td>
<td>6.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td>91,639</td>
<td>98,642</td>
<td>7.6%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>189,476</td>
<td>195,896</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin</strong></td>
<td>$2,484</td>
<td>($10,838)</td>
<td>(536.3%)</td>
<td></td>
</tr>
<tr>
<td>Stimulus Funds</td>
<td>0</td>
<td>11,011</td>
<td>100.0%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Margin after Stimulus</strong></td>
<td>$2,484</td>
<td>$173</td>
<td>(93.0%)</td>
<td>($1,505)</td>
</tr>
<tr>
<td>Nonoperating Revenue (Loss)</td>
<td>5,835</td>
<td>1,113</td>
<td>(80.9%)</td>
<td></td>
</tr>
<tr>
<td><strong>Excess Margin</strong></td>
<td>$8,319</td>
<td>$1,287</td>
<td>(84.5%)</td>
<td></td>
</tr>
</tbody>
</table>

### Margins

<table>
<thead>
<tr>
<th></th>
<th>FYTD2020</th>
<th>FYTD2021</th>
<th>% Change</th>
<th>FYTD2021</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin %</td>
<td>1.3%</td>
<td>(5.9%)</td>
<td>(0.8%)</td>
<td>209.8%</td>
<td></td>
</tr>
<tr>
<td>OM after Stimulus %</td>
<td>1.3%</td>
<td>0.1%</td>
<td>43/151</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Excess Margin %</td>
<td>4.2%</td>
<td>0.7%</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Cash Flow Margin %</td>
<td>5.8%</td>
<td>(0.8%)</td>
<td>4.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Kaweah Delta Medical Foundation

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

<table>
<thead>
<tr>
<th>Actual Results FYTD Jul – Sep</th>
<th>Budget FYTD</th>
<th>Budget Variance FYTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>FYTD2020</td>
<td>FYTD2021</td>
<td>% Change</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>$10,738</td>
<td>$11,390</td>
</tr>
<tr>
<td>Other Operating Revenue</td>
<td>47</td>
<td>96</td>
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<tr>
<td><strong>Total Operating Revenue</strong></td>
<td><strong>10,786</strong></td>
<td><strong>11,483</strong></td>
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<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
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<tr>
<td>Salaries &amp; Wages</td>
<td>2,889</td>
<td>2,756</td>
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<tr>
<td>Contract Labor</td>
<td>36</td>
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<tr>
<td>Employee Benefits</td>
<td>755</td>
<td>527</td>
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<td><strong>Total Employment Expenses</strong></td>
<td><strong>3,679</strong></td>
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<tr>
<td>Medical &amp; Other Supplies</td>
<td>1,541</td>
<td>1,460</td>
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<td>Physician Fees</td>
<td>5,851</td>
<td>6,421</td>
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<td>Purchased Services</td>
<td>328</td>
<td>192</td>
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<td>Repairs &amp; Maintenance</td>
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<td>602</td>
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<tr>
<td>Utilities</td>
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<td>136</td>
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<td>Rents &amp; Leases</td>
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<td>694</td>
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<td>Depreciation &amp; Amortization</td>
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<td>297</td>
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<td>Interest Expense</td>
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<td>1</td>
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<td>Other Expense</td>
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<td>278</td>
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<td><strong>Total Other Expenses</strong></td>
<td><strong>9,656</strong></td>
<td><strong>10,082</strong></td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>13,335</strong></td>
<td><strong>13,366</strong></td>
</tr>
<tr>
<td>Excess Margin</td>
<td>($2,549)</td>
<td>($1,883)</td>
</tr>
</tbody>
</table>

| Excess Margin % | (23.6%) | (16.4%) | (17.2%) |
Month of September - Budget Variances

- **Net Patient Revenues:** Net patient revenue was slightly higher than September’s budget expectation due to the strong inpatient volume which was offset by the lower than budgeted outpatient volume.

- **Other Revenue:** Other revenue was $335K under budget in September, mainly due to the continued COVID related reduction in revenues for the Lifestyle Center and the main cafeteria.

- **Salaries and Contract Labor:** We experienced an unfavorable budget variance of $1M in September. This was primarily due to the inpatient nursing departments in the downtown campus which had a $1.1M unfavorable variance. The volume in that area was 13.4% higher than budget which contributed to part of this variance. There were also an unbudgeted shift retention bonus paid in the amount of $294K in September and $977K year to date. In addition, there was $460K that related to unbudgeted COVID related activities totaled ($324K-nonexempt employees only) and Budgeted Efficiencies ($136K) in September.

- **Employee Benefits:** The $565K unfavorable variance primarily resulted due the accruals relating to our health insurance. Our year to date budget variance is a positive variance of $520K. In addition to health insurance, there is a positive variance in pension expense as no 401k match is planned during the first six months of fiscal year 2020.

- **Medical and Other Supplies:** The $1.8M unfavorable budget during September was due to combination of areas. 1. $784K of COVID related expenses 2. $704K Pharmaceuticals increased in drugs sold to patients accounts, Infusion Center costs, and an accrual for Remdesivir 3. $192K in unbudgeted minor equipment for the lab and COVID related expenses.

- **Humana Capitated Plan Expenses:** As the utilization of third party services for participants of the capitated Medicare Managed Care Plan increased in September, the related expenditure was $1.3M higher than the budget expectation. In September we did have one large claim pay out to UCSF and we had an additional check run in the month. This timing issue should reduce October’s expenses.

- **Stimulus Funds:** $3.6M of the total $11.2M stimulus funding received was recognized in September. The $11.2M is being spread out over the first quarter of FY21.
(1) Adjusted for Medicare accelerated payments and the deferral of employer portion of FICA as allowed by the CARES act.
Average Length of Stay versus National Average (GMLOS)
## Average Length of Stay versus National Average (GMLOS)

### Including COVID Patients

<table>
<thead>
<tr>
<th></th>
<th>ALOS</th>
<th>GMLOS</th>
<th>GAP</th>
<th>ALOS</th>
<th>GMLOS</th>
<th>GAP</th>
<th>Gap Diff</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-20</td>
<td>5.20</td>
<td>4.04</td>
<td>1.16</td>
<td>5.16</td>
<td>4.03</td>
<td>1.13</td>
<td>0.03</td>
<td>2%</td>
</tr>
<tr>
<td>Apr-20</td>
<td>5.30</td>
<td>4.25</td>
<td>1.05</td>
<td>5.19</td>
<td>4.17</td>
<td>1.03</td>
<td>0.02</td>
<td>2%</td>
</tr>
<tr>
<td>May-20</td>
<td>5.25</td>
<td>4.17</td>
<td>1.08</td>
<td>4.74</td>
<td>4.07</td>
<td>0.68</td>
<td>0.41</td>
<td>38%</td>
</tr>
<tr>
<td>Jun-20</td>
<td>5.60</td>
<td>4.11</td>
<td>1.49</td>
<td>4.97</td>
<td>3.96</td>
<td>1.02</td>
<td>0.47</td>
<td>32%</td>
</tr>
<tr>
<td>Jul-20</td>
<td>5.60</td>
<td>4.31</td>
<td>1.29</td>
<td>5.01</td>
<td>4.04</td>
<td>0.96</td>
<td>0.33</td>
<td>26%</td>
</tr>
<tr>
<td>Aug-20</td>
<td>5.70</td>
<td>4.23</td>
<td>1.47</td>
<td>5.01</td>
<td>3.96</td>
<td>1.05</td>
<td>0.42</td>
<td>28%</td>
</tr>
<tr>
<td>Sep-20</td>
<td>5.95</td>
<td>4.16</td>
<td>1.79</td>
<td>5.35</td>
<td>3.99</td>
<td>1.36</td>
<td>0.43</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>5.51</strong></td>
<td><strong>4.18</strong></td>
<td><strong>1.33</strong></td>
<td><strong>5.06</strong></td>
<td><strong>4.03</strong></td>
<td><strong>1.03</strong></td>
<td><strong>0.30</strong></td>
<td><strong>23%</strong></td>
</tr>
</tbody>
</table>

### Excluding COVID Patients

<table>
<thead>
<tr>
<th></th>
<th>ALOS</th>
<th>GMLOS</th>
<th>GAP</th>
<th>ALOS</th>
<th>GMLOS</th>
<th>GAP</th>
<th>Gap Diff</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar-20</td>
<td>5.16</td>
<td>4.03</td>
<td>1.13</td>
<td>5.06</td>
<td>4.03</td>
<td>1.03</td>
<td>0.03</td>
<td>2%</td>
</tr>
<tr>
<td>Apr-20</td>
<td>5.19</td>
<td>4.17</td>
<td>1.03</td>
<td>5.06</td>
<td>4.03</td>
<td>1.03</td>
<td>0.02</td>
<td>2%</td>
</tr>
<tr>
<td>May-20</td>
<td>4.74</td>
<td>4.07</td>
<td>0.68</td>
<td>4.97</td>
<td>3.96</td>
<td>1.02</td>
<td>0.41</td>
<td>38%</td>
</tr>
<tr>
<td>Jun-20</td>
<td>4.97</td>
<td>3.96</td>
<td>1.02</td>
<td>4.97</td>
<td>3.96</td>
<td>1.02</td>
<td>0.47</td>
<td>32%</td>
</tr>
<tr>
<td>Jul-20</td>
<td>5.01</td>
<td>4.04</td>
<td>0.96</td>
<td>5.01</td>
<td>4.04</td>
<td>0.96</td>
<td>0.33</td>
<td>26%</td>
</tr>
<tr>
<td>Aug-20</td>
<td>5.01</td>
<td>3.96</td>
<td>1.05</td>
<td>5.01</td>
<td>3.96</td>
<td>1.05</td>
<td>0.42</td>
<td>28%</td>
</tr>
<tr>
<td>Sep-20</td>
<td>5.35</td>
<td>3.99</td>
<td>1.36</td>
<td>5.35</td>
<td>3.99</td>
<td>1.36</td>
<td>0.43</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>5.06</strong></td>
<td><strong>4.03</strong></td>
<td><strong>1.03</strong></td>
<td><strong>5.06</strong></td>
<td><strong>4.03</strong></td>
<td><strong>1.03</strong></td>
<td><strong>0.30</strong></td>
<td><strong>23%</strong></td>
</tr>
</tbody>
</table>

### Average Length of Stay versus National Average (GMLOS) without COVID

** FY 21 Actual  **  ** FY 20 Actual  **  ** 2021 GMLOS  **  ** 2020 GMLOS  **
Opportunity Cost of Reducing LOS to National Average - $39.1M FY20

![Graph showing the opportunity cost over time from July to June, with data points labeled in millions of dollars.]
## Operating Revenue

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Net Patient Revenue</th>
<th>Other Operating Revenue</th>
<th>Operating Revenue Total</th>
<th>Physician Fees</th>
<th>Supplies Expense</th>
<th>Other Operating Expense</th>
<th>Operating Expenses Total</th>
<th>Operating Income</th>
<th>Non-Operating Income</th>
<th>Net Income</th>
<th>Operating Margin %</th>
<th>Excess Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-19</td>
<td>51,799</td>
<td>13,802</td>
<td>65,601</td>
<td>32,948</td>
<td>7,266</td>
<td>8,683</td>
<td>13,597</td>
<td>62,494</td>
<td>3,107</td>
<td>744</td>
<td>3,852</td>
<td>4.7%</td>
</tr>
<tr>
<td>Aug-19</td>
<td>50,243</td>
<td>13,937</td>
<td>64,181</td>
<td>33,307</td>
<td>7,284</td>
<td>9,581</td>
<td>14,477</td>
<td>66,862</td>
<td>(801)</td>
<td>774</td>
<td>(318)</td>
<td>(1.5%)</td>
</tr>
<tr>
<td>Sep-19</td>
<td>48,185</td>
<td>13,994</td>
<td>62,179</td>
<td>31,582</td>
<td>7,486</td>
<td>8,571</td>
<td>14,182</td>
<td>61,822</td>
<td>356</td>
<td>4,429</td>
<td>4,785</td>
<td>0.6%</td>
</tr>
<tr>
<td>Oct-19</td>
<td>52,165</td>
<td>13,896</td>
<td>66,061</td>
<td>33,546</td>
<td>8,278</td>
<td>10,551</td>
<td>14,477</td>
<td>66,862</td>
<td>(801)</td>
<td>774</td>
<td>(27)</td>
<td>(1.2%)</td>
</tr>
<tr>
<td>Nov-19</td>
<td>49,354</td>
<td>12,823</td>
<td>62,177</td>
<td>31,690</td>
<td>7,486</td>
<td>9,635</td>
<td>13,161</td>
<td>61,916</td>
<td>356</td>
<td>4,429</td>
<td>4,785</td>
<td>0.4%</td>
</tr>
<tr>
<td>Dec-19</td>
<td>51,458</td>
<td>13,542</td>
<td>65,001</td>
<td>32,939</td>
<td>7,113</td>
<td>10,521</td>
<td>13,476</td>
<td>64,049</td>
<td>951</td>
<td>726</td>
<td>1,678</td>
<td>1.5%</td>
</tr>
<tr>
<td>Jan-20</td>
<td>52,382</td>
<td>15,305</td>
<td>67,687</td>
<td>34,899</td>
<td>7,653</td>
<td>11,127</td>
<td>14,469</td>
<td>68,148</td>
<td>(461)</td>
<td>682</td>
<td>221</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>Feb-20</td>
<td>46,813</td>
<td>15,966</td>
<td>62,778</td>
<td>32,707</td>
<td>8,702</td>
<td>10,347</td>
<td>13,539</td>
<td>65,295</td>
<td>(2,516)</td>
<td>733</td>
<td>(1,783)</td>
<td>(4.0%)</td>
</tr>
<tr>
<td>Mar-20</td>
<td>48,523</td>
<td>13,650</td>
<td>62,173</td>
<td>35,966</td>
<td>8,202</td>
<td>10,216</td>
<td>13,716</td>
<td>67,729</td>
<td>(5,555)</td>
<td>4,465</td>
<td>(1,091)</td>
<td>(8.9%)</td>
</tr>
<tr>
<td>Apr-20</td>
<td>35,582</td>
<td>14,227</td>
<td>49,809</td>
<td>32,623</td>
<td>7,289</td>
<td>8,115</td>
<td>13,768</td>
<td>62,097</td>
<td>(12,288)</td>
<td>4,461</td>
<td>(7,827)</td>
<td>(24.7%)</td>
</tr>
<tr>
<td>May-20</td>
<td>35,995</td>
<td>14,754</td>
<td>50,750</td>
<td>32,299</td>
<td>7,191</td>
<td>8,423</td>
<td>14,078</td>
<td>61,991</td>
<td>(11,241)</td>
<td>4,339</td>
<td>(6,902)</td>
<td>(22.2%)</td>
</tr>
<tr>
<td>Jun-20</td>
<td>36,554</td>
<td>25,369</td>
<td>61,923</td>
<td>27,844</td>
<td>6,846</td>
<td>13,135</td>
<td>17,247</td>
<td>67,791</td>
<td>(5,868)</td>
<td>9,075</td>
<td>3,207</td>
<td>(9.5%)</td>
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<tr>
<td><strong>2020 FY Total</strong></td>
<td>559,054</td>
<td>181,266</td>
<td>740,320</td>
<td>392,520</td>
<td>$2,959</td>
<td>$119,490</td>
<td>$170,748</td>
<td>$775,353</td>
<td>$(3,034)</td>
<td>$31,788</td>
<td>$(3,245)</td>
<td>(4.7%)</td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-20</td>
<td>47,402</td>
<td>13,608</td>
<td>61,009</td>
<td>32,213</td>
<td>7,807</td>
<td>10,036</td>
<td>13,502</td>
<td>63,559</td>
<td>(2,550)</td>
<td>4,542</td>
<td>1,993</td>
<td>4.2%</td>
</tr>
<tr>
<td>Aug-20</td>
<td>48,393</td>
<td>13,339</td>
<td>61,732</td>
<td>32,203</td>
<td>8,699</td>
<td>10,720</td>
<td>14,744</td>
<td>66,366</td>
<td>(4,634)</td>
<td>4,444</td>
<td>(191)</td>
<td>(7.5%)</td>
</tr>
<tr>
<td>Sep-20</td>
<td>48,769</td>
<td>13,548</td>
<td>62,317</td>
<td>32,837</td>
<td>6,871</td>
<td>11,619</td>
<td>14,643</td>
<td>66,971</td>
<td>(3,654)</td>
<td>3,138</td>
<td>(515)</td>
<td>(5.9%)</td>
</tr>
<tr>
<td><strong>2021 FY Total</strong></td>
<td>144,564</td>
<td>40,494</td>
<td>185,058</td>
<td>97,254</td>
<td>$23,377</td>
<td>$32,375</td>
<td>$42,889</td>
<td>$195,896</td>
<td>$(10,836)</td>
<td>$12,124</td>
<td>$1,287</td>
<td>(5.9%)</td>
</tr>
<tr>
<td>FYTD Budget</td>
<td>150,415</td>
<td>40,568</td>
<td>190,983</td>
<td>97,853</td>
<td>22,333</td>
<td>30,396</td>
<td>41,906</td>
<td>192,487</td>
<td>(1,505)</td>
<td>1,920</td>
<td>415</td>
<td>(0.8%)</td>
</tr>
<tr>
<td>Variance</td>
<td>$(5,852)</td>
<td>$(73)</td>
<td>$(5,925)</td>
<td>$(599)</td>
<td>$1,044</td>
<td>$983</td>
<td>$3,408</td>
<td>$(9,333)</td>
<td>$10,205</td>
<td>$871</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Current Month Analysis

| Sep-20      | 48,769              | 13,436                  | 62,205                  | 32,837          | 6,871           | 11,619                 | 14,643                 | 66,971          | (3,766)             | 3,250      | $(515)              | (6.1%)        |
| Budget      | 49,048              | 13,453                  | 62,501                  | 31,766          | 7,440           | 9,772                  | 13,899                 | 62,878          | (376)               | 630        | 253                 | (0.6%)        |
| Variance    | $(279)              | $(18)                   | $(297)                  | $(1,071)        | $(568)          | $1,847                  | $744                   | $(3,389)        | $2,621              | $(769)      |                    |               |
### KAWEAH DELTA HEALTH CARE DISTRICT
#### FISCAL YEAR 2020 & 2021

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Patient Days</th>
<th>ADC</th>
<th>Adjusted Patient Days</th>
<th>I/P</th>
<th>DFR &amp; Bad Debt</th>
<th>Net Patient Revenue/Adjusted Patient Day</th>
<th>Personnel Expense/Adjusted Patient Day</th>
<th>Physician Fees/Adjusted Patient Day</th>
<th>Supply Expense/Adjusted Patient Day</th>
<th>Total Operating Expense/Adjusted Patient Day</th>
<th>Personnel Expense/Net Patient Revenue</th>
<th>Physician Fees/Net Patient Revenue</th>
<th>Supply Expense/Net Patient Revenue</th>
<th>Total Operating Expense/Net Patient Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-19</td>
<td>12,744</td>
<td>411</td>
<td>25,329</td>
<td>50.3%</td>
<td>73.8%</td>
<td>2,045</td>
<td>1,301</td>
<td>287</td>
<td>343</td>
<td>2,467</td>
<td>63.6%</td>
<td>14.0%</td>
<td>16.8%</td>
<td>120.6%</td>
</tr>
<tr>
<td>Aug-19</td>
<td>13,240</td>
<td>427</td>
<td>26,654</td>
<td>49.7%</td>
<td>74.8%</td>
<td>1,885</td>
<td>1,250</td>
<td>273</td>
<td>375</td>
<td>2,445</td>
<td>66.3%</td>
<td>14.5%</td>
<td>19.9%</td>
<td>129.7%</td>
</tr>
<tr>
<td>Sep-19</td>
<td>12,712</td>
<td>424</td>
<td>25,104</td>
<td>50.6%</td>
<td>74.1%</td>
<td>1,919</td>
<td>1,258</td>
<td>298</td>
<td>341</td>
<td>2,463</td>
<td>65.5%</td>
<td>15.5%</td>
<td>17.8%</td>
<td>128.3%</td>
</tr>
<tr>
<td>Oct-19</td>
<td>12,924</td>
<td>417</td>
<td>26,070</td>
<td>49.6%</td>
<td>74.6%</td>
<td>2,001</td>
<td>1,287</td>
<td>318</td>
<td>405</td>
<td>2,565</td>
<td>64.3%</td>
<td>15.9%</td>
<td>20.2%</td>
<td>128.2%</td>
</tr>
<tr>
<td>Nov-19</td>
<td>12,260</td>
<td>409</td>
<td>24,515</td>
<td>50.0%</td>
<td>74.4%</td>
<td>2,013</td>
<td>1,293</td>
<td>285</td>
<td>393</td>
<td>2,526</td>
<td>64.2%</td>
<td>14.1%</td>
<td>19.5%</td>
<td>125.5%</td>
</tr>
<tr>
<td>Dec-19</td>
<td>12,993</td>
<td>419</td>
<td>25,116</td>
<td>51.7%</td>
<td>73.8%</td>
<td>2,049</td>
<td>1,311</td>
<td>283</td>
<td>419</td>
<td>2,550</td>
<td>64.0%</td>
<td>13.8%</td>
<td>20.4%</td>
<td>124.5%</td>
</tr>
<tr>
<td>Jan-20</td>
<td>13,799</td>
<td>445</td>
<td>27,447</td>
<td>50.3%</td>
<td>75.3%</td>
<td>1,908</td>
<td>1,271</td>
<td>279</td>
<td>405</td>
<td>2,483</td>
<td>66.6%</td>
<td>14.6%</td>
<td>21.2%</td>
<td>130.1%</td>
</tr>
<tr>
<td>Feb-20</td>
<td>12,909</td>
<td>445</td>
<td>25,445</td>
<td>50.7%</td>
<td>76.9%</td>
<td>1,840</td>
<td>1,285</td>
<td>342</td>
<td>407</td>
<td>2,566</td>
<td>69.9%</td>
<td>18.6%</td>
<td>22.1%</td>
<td>139.5%</td>
</tr>
<tr>
<td>Mar-20</td>
<td>12,164</td>
<td>392</td>
<td>23,703</td>
<td>51.3%</td>
<td>74.1%</td>
<td>2,047</td>
<td>1,502</td>
<td>346</td>
<td>431</td>
<td>2,857</td>
<td>73.4%</td>
<td>16.9%</td>
<td>21.1%</td>
<td>139.6%</td>
</tr>
<tr>
<td>Apr-20</td>
<td>10,665</td>
<td>356</td>
<td>19,442</td>
<td>54.9%</td>
<td>76.1%</td>
<td>1,830</td>
<td>1,659</td>
<td>409</td>
<td>417</td>
<td>3,194</td>
<td>90.7%</td>
<td>22.3%</td>
<td>22.8%</td>
<td>174.5%</td>
</tr>
<tr>
<td>May-20</td>
<td>11,729</td>
<td>378</td>
<td>21,561</td>
<td>54.4%</td>
<td>79.5%</td>
<td>1,669</td>
<td>1,498</td>
<td>334</td>
<td>391</td>
<td>2,875</td>
<td>89.7%</td>
<td>20.0%</td>
<td>23.4%</td>
<td>172.2%</td>
</tr>
<tr>
<td>Jun-20</td>
<td>12,571</td>
<td>419</td>
<td>25,057</td>
<td>50.2%</td>
<td>81.2%</td>
<td>1,459</td>
<td>1,147</td>
<td>339</td>
<td>531</td>
<td>2,706</td>
<td>78.6%</td>
<td>23.2%</td>
<td>36.4%</td>
<td>185.5%</td>
</tr>
<tr>
<td><strong>2020 FY Total</strong></td>
<td><strong>150,710</strong></td>
<td><strong>412</strong></td>
<td><strong>295,371</strong></td>
<td><strong>51.0%</strong></td>
<td><strong>75.7%</strong></td>
<td><strong>1,893</strong></td>
<td><strong>1,329</strong></td>
<td><strong>313</strong></td>
<td><strong>405</strong></td>
<td><strong>2,625</strong></td>
<td><strong>70.2%</strong></td>
<td><strong>16.6%</strong></td>
<td><strong>21.4%</strong></td>
<td><strong>138.7%</strong></td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-20</td>
<td>13,016</td>
<td>420</td>
<td>24,934</td>
<td>52.2%</td>
<td>76.8%</td>
<td>1,901</td>
<td>1,292</td>
<td>313</td>
<td>403</td>
<td>2,549</td>
<td>68.0%</td>
<td>16.5%</td>
<td>21.2%</td>
<td>134.1%</td>
</tr>
<tr>
<td>Aug-20</td>
<td>13,296</td>
<td>429</td>
<td>24,893</td>
<td>53.4%</td>
<td>75.7%</td>
<td>1,944</td>
<td>1,294</td>
<td>349</td>
<td>431</td>
<td>2,666</td>
<td>66.5%</td>
<td>18.0%</td>
<td>22.2%</td>
<td>137.1%</td>
</tr>
<tr>
<td>Sep-20</td>
<td>13,024</td>
<td>434</td>
<td>24,587</td>
<td>53.0%</td>
<td>75.6%</td>
<td>1,984</td>
<td>1,336</td>
<td>279</td>
<td>473</td>
<td>2,683</td>
<td>67.3%</td>
<td>14.1%</td>
<td>23.8%</td>
<td>135.3%</td>
</tr>
<tr>
<td><strong>2021 FY Total</strong></td>
<td><strong>39,336</strong></td>
<td><strong>428</strong></td>
<td><strong>74,421</strong></td>
<td><strong>52.9%</strong></td>
<td><strong>76.0%</strong></td>
<td><strong>1,943</strong></td>
<td><strong>1,307</strong></td>
<td><strong>314</strong></td>
<td><strong>435</strong></td>
<td><strong>2,632</strong></td>
<td><strong>67.3%</strong></td>
<td><strong>16.2%</strong></td>
<td><strong>22.4%</strong></td>
<td><strong>135.5%</strong></td>
</tr>
<tr>
<td>FYTD Budget</td>
<td>38,901</td>
<td>423</td>
<td>79,517</td>
<td>48.9%</td>
<td>75.6%</td>
<td>1,892</td>
<td>1,231</td>
<td>281</td>
<td>382</td>
<td>2,586</td>
<td>65.1%</td>
<td>14.8%</td>
<td>20.2%</td>
<td>128.0%</td>
</tr>
<tr>
<td>Variance</td>
<td>435</td>
<td></td>
<td>(5,096)</td>
<td>3.9%</td>
<td>0.5%</td>
<td>51</td>
<td>76</td>
<td>33</td>
<td>53</td>
<td>46</td>
<td>2.2%</td>
<td>1.3%</td>
<td>2.2%</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

### Current Month Analysis

|            | Sep-20       | Budget     |            |             |             |             |             |             |             |             |             |             |             |             |            |
|------------|--------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sep-20     | 13,024       | 12,506     | 434         | 24,587     | 53.0%       | 75.6%       | 1,984       | 1,336       | 279         | 473         | 2,683       | 67.3%       | 14.1%       | 23.8%       | 135.3% |
| Budget     | 12,506       |            | 417         | 26,073     | 48.0%       | 75.6%       | 1,881       | 1,218       | 285         | 375         | 2,557       | 64.8%       | 15.2%       | 19.9%       | 128.2% |
| Variance   | 518          | 17         | (1,486)     | 5.0%       | (0.0%)      | 102         | 117         | (6)         | 98          | 126         | 2.6%        | (1.1%)      | 3.9%        | 7.1%        |

**Note:** The variance calculations are based on the comparison between the actual figures and the budgeted figures.
## LIQUIDITY RATIOS

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Current Month Value</th>
<th>Prior Month Value</th>
<th>June 30, 2020 Unaudited Value</th>
<th>2018 Moody's Median Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio (x)</td>
<td>1.6</td>
<td>1.7</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Accounts Receivable (days)</td>
<td>63.9</td>
<td>64.8</td>
<td>77.1</td>
<td>47.6</td>
</tr>
<tr>
<td>Cash On Hand (days)</td>
<td>161.6</td>
<td>163.9</td>
<td>168.2</td>
<td>257.6</td>
</tr>
<tr>
<td>Cushion Ratio (x)</td>
<td>20.5</td>
<td>20.5</td>
<td>21.3</td>
<td>36.2</td>
</tr>
<tr>
<td>Average Payment Period (days)</td>
<td>71.1</td>
<td>69.4</td>
<td>76.4</td>
<td>73.1</td>
</tr>
</tbody>
</table>

## CAPITAL STRUCTURE RATIOS

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Current Month Value</th>
<th>Prior Month Value</th>
<th>June 30, 2020 Unaudited Value</th>
<th>2018 Moody's Median Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-to-Debt</td>
<td>142.1%</td>
<td>141.7%</td>
<td>146.6%</td>
<td>228.8%</td>
</tr>
<tr>
<td>Debt-To-Capitalization</td>
<td>32.4%</td>
<td>32.3%</td>
<td>32.3%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Debt-to-Cash Flow (x)</td>
<td>5.7</td>
<td>5.1</td>
<td>7.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>2.4</td>
<td>2.7</td>
<td>2.1</td>
<td>6.6</td>
</tr>
<tr>
<td>Maximum Annual Debt Service Coverage (x)</td>
<td>2.4</td>
<td>2.7</td>
<td>1.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Age Of Plant (years)</td>
<td>13.3</td>
<td>13.3</td>
<td>12.9</td>
<td>10.3</td>
</tr>
</tbody>
</table>

## PROFITABILITY RATIOS

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Current Month Value</th>
<th>Prior Month Value</th>
<th>June 30, 2020 Unaudited Value</th>
<th>2018 Moody's Median Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Margin</td>
<td>(5.9%)</td>
<td>(5.9%)</td>
<td>(4.6%)</td>
<td>3.2%</td>
</tr>
<tr>
<td>Excess Margin</td>
<td>0.7%</td>
<td>1.4%</td>
<td>(.3%)</td>
<td>7.0%</td>
</tr>
<tr>
<td>Operating Cash Flow Margin</td>
<td>(.8%)</td>
<td>(.8%)</td>
<td>0.3%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Return on Assets</td>
<td>0.5%</td>
<td>1.1%</td>
<td>(.2%)</td>
<td>5.0%</td>
</tr>
</tbody>
</table>
KAWEAH DELTA HEALTH CARE DISTRICT
CONSOLIDATED STATEMENTS OF NET POSITION (000's)

(Unaudited)

ASSETS AND DEFERRED OUTFLOWS

CURRENT ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-20</th>
<th>Aug-20</th>
<th>Change</th>
<th>% Change</th>
<th>Jun-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$21,444</td>
<td>$26,168</td>
<td>$(4,724)</td>
<td>-18.05%</td>
<td>$12,960</td>
</tr>
<tr>
<td>Current Portion of Board designated and trusted assets</td>
<td>16,613</td>
<td>16,863</td>
<td>(250)</td>
<td>-1.48%</td>
<td>14,074</td>
</tr>
<tr>
<td>Accounts receivable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net patient accounts</td>
<td>116,273</td>
<td>113,568</td>
<td>2,705</td>
<td>2.38%</td>
<td>118,451</td>
</tr>
<tr>
<td>Other receivables</td>
<td>12,028</td>
<td>10,776</td>
<td>1,252</td>
<td>11.62%</td>
<td>16,669</td>
</tr>
<tr>
<td>Inventories</td>
<td>8,812</td>
<td>8,535</td>
<td>278</td>
<td>3.25%</td>
<td>8,479</td>
</tr>
<tr>
<td>Medicare and Medi-Cal settlements</td>
<td>48,192</td>
<td>45,840</td>
<td>2,352</td>
<td>5.13%</td>
<td>40,091</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>10,349</td>
<td>9,448</td>
<td>901</td>
<td>9.54%</td>
<td>10,317</td>
</tr>
<tr>
<td>Total current assets</td>
<td>233,711</td>
<td>231,198</td>
<td>2,513</td>
<td>1.09%</td>
<td>221,040</td>
</tr>
</tbody>
</table>

NON-CURRENT CASH AND INVESTMENTS -

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-20</th>
<th>Aug-20</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board designated cash and assets</td>
<td>317,763</td>
<td>312,546</td>
<td>5,216</td>
<td>1.67%</td>
</tr>
<tr>
<td>Revenue bond assets held in trust</td>
<td>30,128</td>
<td>35,833</td>
<td>(5,705)</td>
<td>-15.92%</td>
</tr>
<tr>
<td>Assets in self-insurance trust fund</td>
<td>3,058</td>
<td>3,742</td>
<td>(684)</td>
<td>-18.27%</td>
</tr>
<tr>
<td>Total non-current cash and investments</td>
<td>350,949</td>
<td>352,121</td>
<td>(1,172)</td>
<td>-0.33%</td>
</tr>
</tbody>
</table>

CAPITAL ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-20</th>
<th>Aug-20</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>17,542</td>
<td>17,542</td>
<td>-</td>
<td>0.00%</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>378,013</td>
<td>377,919</td>
<td>93</td>
<td>0.02%</td>
</tr>
<tr>
<td>Equipment</td>
<td>283,833</td>
<td>283,795</td>
<td>38</td>
<td>0.01%</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>48,792</td>
<td>45,590</td>
<td>3,201</td>
<td>7.02%</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>728,180</td>
<td>724,847</td>
<td>3,332</td>
<td>0.46%</td>
</tr>
<tr>
<td>Property under capital leases -</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>less accumulated amortization</td>
<td>4,159</td>
<td>4,235</td>
<td>(77)</td>
<td>-1.81%</td>
</tr>
<tr>
<td>Total capital assets</td>
<td>341,326</td>
<td>340,496</td>
<td>830</td>
<td>0.24%</td>
</tr>
</tbody>
</table>

OTHER ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-20</th>
<th>Aug-20</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property not used in operations</td>
<td>1,673</td>
<td>1,678</td>
<td>(4)</td>
<td>-0.25%</td>
</tr>
<tr>
<td>Health-related investments</td>
<td>7,053</td>
<td>6,877</td>
<td>176</td>
<td>2.56%</td>
</tr>
<tr>
<td>Other</td>
<td>11,125</td>
<td>11,131</td>
<td>(7)</td>
<td>-0.06%</td>
</tr>
<tr>
<td>Total other assets</td>
<td>19,852</td>
<td>19,868</td>
<td>165</td>
<td>0.84%</td>
</tr>
<tr>
<td>Total assets</td>
<td>945,838</td>
<td>943,501</td>
<td>2,336</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

DEFERRED OUTFLOWS

<table>
<thead>
<tr>
<th>Description</th>
<th>Sep-20</th>
<th>Aug-20</th>
<th>Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets and deferred outflows</td>
<td>9,199</td>
<td>9,262</td>
<td>(62)</td>
<td>-0.67%</td>
</tr>
</tbody>
</table>

Total assets and deferred outflows: $955,037

Change: $2,274

% Change: 0.24%

Jun-20: $966,529
KAWEAH DELTA HEALTH CARE DISTRICT

CONSOLIDATED STATEMENTS OF NET POSITION (000's)

<table>
<thead>
<tr>
<th></th>
<th>Sep-20</th>
<th>Aug-20</th>
<th>Change</th>
<th>% Change</th>
<th>Jun-20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$80,272</td>
<td>$77,793</td>
<td>$2,478</td>
<td>3.19%</td>
<td>$82,016</td>
</tr>
<tr>
<td>Accrued payroll and related liabilities</td>
<td>54,550</td>
<td>51,261</td>
<td>3,289</td>
<td>6.42%</td>
<td>63,411</td>
</tr>
<tr>
<td>Long-term debt, current portion</td>
<td>10,753</td>
<td>10,625</td>
<td>128</td>
<td>1.20%</td>
<td>10,647</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>145,575</td>
<td>139,679</td>
<td>5,896</td>
<td>4.22%</td>
<td>156,074</td>
</tr>
<tr>
<td><strong>LONG-TERM DEBT, less current portion</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds payable</td>
<td>260,436</td>
<td>262,322</td>
<td>(1,886)</td>
<td>-0.72%</td>
<td>262,386</td>
</tr>
<tr>
<td>Capital leases</td>
<td>195</td>
<td>209</td>
<td>(13)</td>
<td>-6.45%</td>
<td>220</td>
</tr>
<tr>
<td>Total long-term debt</td>
<td>260,631</td>
<td>262,531</td>
<td>(1,900)</td>
<td>-0.72%</td>
<td>262,606</td>
</tr>
<tr>
<td><strong>NET PENSION LIABILITY</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>38,654</td>
<td>39,229</td>
<td>(575)</td>
<td>-1.46%</td>
<td>40,378</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER LONG-TERM LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32,045</td>
<td>31,652</td>
<td>393</td>
<td>1.24%</td>
<td>30,626</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>476,905</td>
<td>473,091</td>
<td>3,814</td>
<td>0.81%</td>
<td>489,685</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets, net of related debt</td>
<td>103,173</td>
<td>106,334</td>
<td>(3,161)</td>
<td>-2.97%</td>
<td>104,376</td>
</tr>
<tr>
<td>Restricted</td>
<td>31,447</td>
<td>32,672</td>
<td>(1,225)</td>
<td>-3.75%</td>
<td>30,568</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>343,512</td>
<td>340,667</td>
<td>2,846</td>
<td>0.84%</td>
<td>341,901</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>478,132</td>
<td>479,672</td>
<td>(1,540)</td>
<td>-0.32%</td>
<td>476,845</td>
</tr>
<tr>
<td><strong>Total liabilities and net position</strong></td>
<td>$955,037</td>
<td>$952,763</td>
<td>$2,274</td>
<td>0.24%</td>
<td>$966,529</td>
</tr>
</tbody>
</table>
Admissions

FY2019 | FY2020 | FY2021
---|---|---
62/151 | 8,278 | 7,843 | 7,209

July August September October November December January February March April May June
Discharges

July August September October November December January February March April May June
FY2019 FY2020 FY2021

63/151
Adjusted Patient Days

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>24,934</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>24,893</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>24,587</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FY2019 - FY2021

- FY2019: 24,934
- FY2020: 24,893
- FY2021: 24,587
Medical Center – Avg. Patients Per Day

- FY2019
- FY2020
- FY2021
- Budget


budget: 66/151
Acute I/P Psych - Avg. Patients Per Day

FY2019: 46.0
FY2020: 46.2
FY2021: 45.5

Budget: 47.6
Sub-Acute - Avg. Patients Per Day

FY2019
FY2020
FY2021
Budget

July
August
September
October
November
December
January
February
March
April
May
June

29.2
29.7
30.0

30.9
29.7
29.6
30.9

YTD FY2019
YTD FY2020
YTD FY2021
YTD Budget

68/151
Transitional Care Services (TCS) - Avg. Patients Per Day

FY2019
FY2020
FY2021
Budget

July: 13.4
August: 13.1
September: 13.5
October: 15.5
November: 14.3
December: 13.3
January: 16.3
February: 13.3
March: 15.5
April: 14.3
May: 13.3
June: 16.3

FY2019
FY2020
FY2021
Budget
TCS Ortho - Avg. Patients Per Day

FY2019  FY2020  FY2021  Budget

July  6.5  12.5  13.0
August  12.5  13.0
September  13.0
October
November
December
January
February
March
April
May
June

71/151
NICU - Avg. Patients Per Day

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>17.5</td>
<td>15.0</td>
<td>14.8</td>
<td>14.6</td>
</tr>
</tbody>
</table>

Bar chart showing the average number of patients per day in the NICU for FY2019, FY2020, FY2021, and the budget.
Obstetrics - Avg. Patients Per Day

July August September October November December January February March April May June

FY2019 FY2020 FY2021 Budget

FY2019: 28.7
FY2020: 26.1
FY2021: 23.3
Budget: 27.2
Outpatient Registrations per Day

July: 1,460
August: 1,267
September: 1,269
October: 1,000
November: 1,100
December: 1,150
January: 1,350
February: 1,400
March: 1,300
April: 1,450
May: 1,150
June: 1,300

FY2019
FY2020
FY2021
Urgent Care – Court Average Visits Per Day

FY2019
FY2020
FY2021
Budget
Urgent Care – Demaree Average Visits Per Day

July August September October November December January February March April May June

FY2019 FY2020 FY2021 Budget
79/151
Surgery (IP & OP) – 100 Min Units

- FY2019
- FY2020
- FY2021
- Budget

80/151
Surgery (IP Only) – 100 Min Units

FY2019
FY2020
FY2021
Budget

July August September October November December January February March April May June

575 588 607

FY2019 YTD 1,568
FY2020 YTD 1,699
FY2021 YTD 1,769
Budget YTD 1,956
Surgery (OP Only) – 100 Min Units

- FY2019
- FY2020
- FY2021
- Budget

Graph showing the comparison of surgery units from July to June for FY2019, FY2020, and FY2021 against the budget.
Surgery (IP & OP) - Cases

- Outpatient Cases
- Inpatient Cases
- Monthly Total

<table>
<thead>
<tr>
<th>Month</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>July</th>
<th>August</th>
<th>September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases</td>
<td>865</td>
<td>927</td>
<td>848</td>
<td>931</td>
<td>996</td>
<td>958</td>
<td>930</td>
<td>929</td>
<td>893</td>
<td>838</td>
<td>769</td>
<td>995</td>
<td>782</td>
<td>918</td>
<td>798</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage</td>
<td>44%</td>
<td>48%</td>
<td>46%</td>
<td>49%</td>
<td>45%</td>
<td>44%</td>
<td>46%</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
<td>44%</td>
<td>506</td>
<td>59%</td>
<td>59%</td>
<td>45%</td>
<td>47%</td>
<td>56%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Total Outpatient Cases: 83/151
Total Inpatient Cases: 769/995
Total Monthly Total: 83/151
Robotic Surgery (IP & OP) – 100 Min Units

FY2019
FY2020
FY2021
Budget

June: 61.1
August: 47.1
September: 61.4
July: 84/151
Robotic Surgery (OP Only) – 100 Min Units

![Line graph showing the number of robotic surgery units per month from July to June across FY2019, FY2020, FY2021, and highlighting the budget range with a dotted line.

- July: 47.7 units
- August: 31.1 units
- September: 21.8 units
- October: 49.0 units
- November: 51.2 units
- December: 58.0 units
- January: Budget
- February: Budget
- March: Budget
- April: Budget
- May: Budget
- June: Budget

Legend:
- Blue: FY2019
- Red: FY2020
- Green: FY2021
- Yellow Dotted: Budget

FY2019: 49.0
FY2020: 51.2
FY2021: 100.6
Budget: 58.0

86/151
Cardiac Surgery – 100 Min Units

July August September October November December January February March April May June

FY2019 FY2020 FY2021 Budget

93 110 117 120 130 140 150 160 170 180
Radiation Oncology - Visalia

July August September October November December January February March April May June

FY2019 FY2020 FY2021 Budget

1,810 1,891 1,523 1,200 1,300 1,400 1,500 1,600 1,700 1,800 1,900 2,000 2,100

FY2019 FY2020 FY2021 Budget

4,294 5,332 5,224 5,453

YTD FY2019 YTD FY2020 YTD FY2021 YTD Budget
Cath Lab (OP Only) – 100 Min Units

FY2019
FY2020
FY2021
Budget

July  August  September  October  November  December  January  February  March  April  May  June

192  168  172

FY2019  FY2020  FY2021  Budget

513  526  532  571

YTD FY2019  YTD FY2020  YTD FY2021  YTD Budget
Cath Lab (IP & OP) - Patients

Oupatient Cases | Inpatient Cases | Monthly Total

- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun
- July
- August
- September

95/151
Rural Health Clinic Registrations

FY2019  FY2020  FY2021  Budget

July 10,956  9,378  9,493
August 9,378
September 9,493
October
November
December
January
February
March
April
May
June

YTD FY2019  7,493
YTD FY2020  25,006
YTD FY2021  29,827
YTD Budget  26,213
Woodlake RHC - Registrations

- July: 849
- August: 1,002
- September: 840
- October: 600
- November: 550
- December: 500
- January: 650
- February: 700
- March: 750
- April: 800
- May: 850
- June: 900

FY2019
FY2020
FY2021
Budget

YTD FY2019: 627
YTD FY2020: 1,929
YTD FY2021: 2,691
YTD Budget: 2,382

100/151
Neurosurgery Clinic - wRVU’s

[Graph showing trends in Neurosurgery Clinic wRVU’s for FY2019, FY2020, and FY2021 from July to June. The graph indicates a general increase in wRVU’s over the fiscal year, with notable peaks and troughs in activity.]
Labor Triage Registrations

FY2019 - Blue line
FY2020 - Red line
FY2021 - Green line
KDMF RVU’s

FY2019  FY2020  FY2021  Budget
July  33,603  32,879  30,934
August  33,603  32,879  30,934
September  33,603  32,879  30,934
October  33,603  32,879  30,934
November  33,603  32,879  30,934
December  33,603  32,879  30,934
January  33,603  32,879  30,934
February  33,603  32,879  30,934
March  33,603  32,879  30,934
April  33,603  32,879  30,934
May  33,603  32,879  30,934
June  33,603  32,879  30,934

FY2019: 82,482
FY2020: 94,361
FY2021: 97,416
Budget: 104,765
Hospice Days

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>4,250</td>
<td>3,879</td>
<td>4,291</td>
<td></td>
</tr>
<tr>
<td>August</td>
<td>4,050</td>
<td>4,291</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September</td>
<td>3,879</td>
<td></td>
<td>4,291</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>3,000</td>
<td>3,150</td>
<td>3,300</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>3,300</td>
<td>3,450</td>
<td>3,600</td>
<td></td>
</tr>
<tr>
<td>December</td>
<td>3,600</td>
<td>3,750</td>
<td>3,900</td>
<td>4,050</td>
</tr>
<tr>
<td>January</td>
<td>4,050</td>
<td>4,200</td>
<td>4,350</td>
<td>4,500</td>
</tr>
</tbody>
</table>

YTD FY2019: 9,744
YTD FY2020: 10,231
YTD FY2021: 12,420
YTD Budget: 10,137
All O/P Rehab Services Across District

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>19,524</td>
<td>18,727</td>
<td>19,220</td>
<td>13,750</td>
</tr>
<tr>
<td>August</td>
<td>19,220</td>
<td>18,750</td>
<td>19,220</td>
<td>14,750</td>
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<tr>
<td>September</td>
<td>18,727</td>
<td>18,750</td>
<td>19,750</td>
<td>15,750</td>
</tr>
<tr>
<td>October</td>
<td>17,750</td>
<td>18,750</td>
<td>20,750</td>
<td>16,750</td>
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<tr>
<td>November</td>
<td>18,750</td>
<td>19,750</td>
<td>21,750</td>
<td>17,750</td>
</tr>
<tr>
<td>December</td>
<td>19,220</td>
<td>19,750</td>
<td>22,750</td>
<td>18,750</td>
</tr>
</tbody>
</table>

FY2019: 58,607
FY2020: 59,107
FY2021: 57,471
Budget: 61,097

110/151
Physical & Other Therapy Units (I/P & O/P)

July August September October November December January February March April May June

FY2019 FY2020 FY2021 Budget

117/151
Physical & Other Therapy Units (I/P & O/P)-Main Campus

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>11,798</td>
<td>11,608</td>
<td>11,608</td>
<td>11,608</td>
</tr>
<tr>
<td>August</td>
<td>10,540</td>
<td>11,000</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>September</td>
<td>11,000</td>
<td>11,250</td>
<td>11,250</td>
<td>11,250</td>
</tr>
<tr>
<td>October</td>
<td>10,750</td>
<td>11,500</td>
<td>11,500</td>
<td>11,500</td>
</tr>
<tr>
<td>November</td>
<td>12,000</td>
<td>12,250</td>
<td>12,250</td>
<td>12,250</td>
</tr>
<tr>
<td>December</td>
<td>12,500</td>
<td>12,500</td>
<td>12,500</td>
<td>12,500</td>
</tr>
</tbody>
</table>

FY2019: 30,717
FY2020: 32,878
FY2021: 33,946
Budget: 29,561
Radiology – West Campus Imaging

FY2019: Budget 122/151
FY2020: YTD 11,479
FY2021: YTD 11,813

YTD Budget: 13,378
West Campus – Diagnostic Radiology

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>1,067</td>
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<tr>
<td>August</td>
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<td>September</td>
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<td>May</td>
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<tr>
<td>June</td>
<td></td>
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</tr>
</tbody>
</table>

123/151
West Campus – CT Scan

July August September October November December January February March April May June

FY2019 FY2020 FY2021 Budget

July 381
August 397
September 403

FY2019 FY2020 FY2021 Budget

1,140 1,233 1,181 1,268

YTD FY2019 YTD FY2020 YTD FY2021 YTD Budget
Radiology all areas – Ultrasound

FY2019  FY2020  FY2021  Budget

July  August  September  October  November  December  January  February  March  April  May  June

2,017  2,043  2,104

2,000  1,800  1,600  1,400
CAPD/CCPD – Maintenance Sessions
(Continuous peritoneal dialysis)
CAPD/CCPD – Training Sessions

(Continuous peritoneal dialysis)
Infusion Center

- FY2019
- FY2020
- FY2021
- Budget

<table>
<thead>
<tr>
<th>Month</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>348</td>
<td>430</td>
<td>430</td>
<td>430</td>
</tr>
<tr>
<td>August</td>
<td>244</td>
<td>430</td>
<td>530</td>
<td>530</td>
</tr>
<tr>
<td>September</td>
<td>289</td>
<td>530</td>
<td>530</td>
<td>530</td>
</tr>
<tr>
<td>October</td>
<td>580</td>
<td>580</td>
<td>580</td>
<td>580</td>
</tr>
<tr>
<td>November</td>
<td>430</td>
<td>430</td>
<td>430</td>
<td>430</td>
</tr>
<tr>
<td>December</td>
<td>280</td>
<td>280</td>
<td>280</td>
<td>280</td>
</tr>
<tr>
<td>January</td>
<td>380</td>
<td>380</td>
<td>380</td>
<td>380</td>
</tr>
<tr>
<td>February</td>
<td>530</td>
<td>530</td>
<td>530</td>
<td>530</td>
</tr>
<tr>
<td>March</td>
<td>430</td>
<td>430</td>
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<td>430</td>
</tr>
<tr>
<td>April</td>
<td>280</td>
<td>280</td>
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</tr>
<tr>
<td>May</td>
<td>380</td>
<td>380</td>
<td>380</td>
<td>380</td>
</tr>
<tr>
<td>June</td>
<td>530</td>
<td>530</td>
<td>530</td>
<td>530</td>
</tr>
</tbody>
</table>
Agenda

• 2021 Program Strategy
• Updates to the Medical Program
• Defined Contribution Structure
• New Voluntary Hospital Indemnity Plan
• Pharmacy Program Changes
• Dental and Vision Programs
• Partnership with Transitions Benefit Group
• Virtual Open Enrollment
• Mandatory Open Enrollment
2021 Program Strategy

- 2021 benefits program goal is to align our per employee per year costs with benchmarks while maintaining competitive benefits.

- Kaweah will be implementing the following changes:
  - Change rate tier structure from 3 to 4 tiers. Breaking out the spouse tier allows Kaweah the opportunity to charge a higher contribution for spouse participation compared to dependent child participation.
  - Launch a new point of service plan (PSP) which is a combination of the current EPO and PPO options.
  - Offer a qualified high deductible health plan (HDHP) with a modest HSA seed.
  - Implement a defined contribution strategy and remove the biometric screening discount.
  - Increase the dental contributions to bring them more in line with industry benchmarks.
  - Convert the vision program to 100% voluntary for all employees.

- Kaweah has already implemented several pharmacy clinical programs to help control cost including high cost generic exclusions and low clinical value drug exclusions.

- Partner with Transitions Benefit Group to manage the 65+ population, particularly the spouses enrolled on the plan.

- Add a voluntary hospital indemnity policy to round out our current supplemental health policies of Accident and Critical Illness.
New Medical Plans

Point of Service Plan (PSP)

• The new point of service plan (PSP) is a combination of the current EPO and PPO plans.
  • Tier 1 matches Tier 1 on the current EPO
  • Tier 2 and Tier 3 match the current PPO
• This new plan will give employees more choice in providers; however, they will pay the least amount out of pocket if they receive services at Kaweah.
• The copays for urgent care, doctors' visits and emergency room have increased slightly compared to the previous PPO plan.
• There will also be a $5 copay assessed for any generic prescriptions filled at the Kaweah employee pharmacy.
• The brand and non-preferred brand copays increased as well.

<table>
<thead>
<tr>
<th>GENERAL ATTRIBUTES</th>
<th>2021 POS Plan</th>
<th>Out-of-Network Non-Interplan Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible - EE / FAM</td>
<td>$0 / $1,000</td>
<td>$1,000 / $2,000 / $1,000 / $2,000</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>0%</td>
<td>20% / 50%</td>
</tr>
<tr>
<td>Out of Pocket Max - EE / FAM</td>
<td>$3,000 / $6,000**</td>
<td>$6,000 / $12,000 / $6,000 / $12,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOSPITAL</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admission Deductible/Copay</td>
<td>No charge*</td>
<td>20% after deductible / $100/confrontment + 50% after deductible</td>
</tr>
<tr>
<td>Pre-authorization Required?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>No charge*</td>
<td>20% after deductible / 50% after deductible</td>
</tr>
<tr>
<td>Urgent Care****</td>
<td>$20/visit / $50/visit + 20% after deductible</td>
<td></td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$200/visit</td>
<td>$200/visit / $200/visit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PHYSICIAN’S SERVICES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Visit</td>
<td>Not Available at Kaweah</td>
<td>$20/visit / $40/visit</td>
</tr>
<tr>
<td>Specialist Office Visit</td>
<td>Not Available at Kaweah</td>
<td>$40/visit / $60/visit</td>
</tr>
<tr>
<td>Preventive Care</td>
<td>No charge*</td>
<td>No charge* / 50% after deductible</td>
</tr>
<tr>
<td>Diagnostic Test/Lab/X-ray (Outpatient)</td>
<td>No charge*</td>
<td>20% after deductible / 50% after deductible</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRESCRIPTION DRUGS**</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail (30 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generic</td>
<td>$5/Rx</td>
<td>$20/Rx</td>
</tr>
<tr>
<td>Preferred brand drugs</td>
<td>$35/Rx</td>
<td>$45/Rx</td>
</tr>
<tr>
<td>Non-preferred brand drugs</td>
<td>$60/Rx</td>
<td>$70/Rx</td>
</tr>
<tr>
<td>Specialty</td>
<td>No difference, see above</td>
<td></td>
</tr>
<tr>
<td>Mail Order (90 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generic</td>
<td>$10/Rx</td>
<td>$60/Rx</td>
</tr>
<tr>
<td>Preferred brand drugs</td>
<td>$70/Rx</td>
<td>$135/Rx</td>
</tr>
<tr>
<td>Non-preferred brand drugs</td>
<td>$120/Rx</td>
<td>$210/Rx</td>
</tr>
</tbody>
</table>

More than medicine. Life.
# New Medical Plans

## High Deductible Health Plan

### 2021 HDHP Plan

<table>
<thead>
<tr>
<th>In-Network and Approved</th>
<th>Out-of-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Kaweah</strong></td>
<td><strong>Non-Interplan Providers</strong></td>
</tr>
<tr>
<td>Deductible - EE / FAM</td>
<td>Deductible - EE / FAM</td>
</tr>
<tr>
<td>$1,400 / $2,800</td>
<td>$2,800 / $5,600</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>20% / 50%</td>
</tr>
<tr>
<td>$4,000 / $8,000</td>
<td>$6,000 / $12,000</td>
</tr>
<tr>
<td>Aggregate vs Embedded</td>
<td>Aggregate vs Embedded</td>
</tr>
<tr>
<td>Deductible OOP Max</td>
<td>Deductible OOP Max</td>
</tr>
<tr>
<td>$4,000 / $8,000</td>
<td>$6,000 / $12,000</td>
</tr>
</tbody>
</table>

### PRESCRIPTION DRUGS

- **No Cost Preventive Rx?**
  - Retail (30 days):
    - Generic: $5/Rx
    - Preferred brand drugs: $35/Rx
    - Non-preferred brand drugs: $60/Rx
    - Specialty: $120/Rx
  - Mail Order (90 days):
    - Generic: $10/Rx
    - Preferred brand drugs: $70/Rx
    - Non-preferred brand drugs: $120/Rx
  - All copays apply after the plan deductible has been satisfied

- **Out-of-Network Non-Interplan Providers**
  - Retail (30 days):
    - Generic: $20/Rx
    - Preferred brand drugs: $45/Rx
    - Non-preferred brand drugs: $70/Rx
    - Specialty: $210/Rx
  - Mail Order (90 days):
    - Generic: $60/Rx
    - Preferred brand drugs: $135/Rx
    - Non-preferred brand drugs: $210/Rx

- **Kaweah** In-Network and Approved Tertiary Care Centers (Services Not Available at Kaweah)
  - Deductible - EE / FAM: $1,400 / $2,800
  - Coinsurance: 20%
  - Out of Pocket Max - EE / FAM: $4,000 / $8,000

### GENERAL ATTRIBUTES

- Employees must satisfy the full deductible before coverage begins which means employees pay the full cost of services (including Rx) before the deductible is satisfied.
- If an employee covers any dependents on the plan, the full family deductible must be satisfied before any individual can take advantage of the coinsurance.
- Because employees take on the financial risk of a higher deductible, the IRS allows them to open a Health Savings Account to save money pre-tax to use for qualified health expenses.
- HSA accounts are great ways to save on taxes and can be used a supplement retirement savings accounts.

---

More than medicine. Life.
Defined Contribution

- A defined contribution structure protects the company from budget fluctuations due to enrollment migration within the different plan options.
- HSA seed contributions are factored into the defined contribution since it is a true cost to Kaweah to offer this benefit.
- By implementing this contribution structure, Kaweah is offering a true buy-up program where employees will pay for the plan that best fits their needs.

<table>
<thead>
<tr>
<th>Premium</th>
<th>Company Cost</th>
<th>HSA Seed</th>
<th>Monthly EE Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$714.41</td>
<td>$614.41</td>
<td>$0.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>$1,428.82</td>
<td>$1,158.82</td>
<td>$0.00</td>
<td>$270.00</td>
</tr>
<tr>
<td>$1,387.71</td>
<td>$1,152.71</td>
<td>$0.00</td>
<td>$235.00</td>
</tr>
<tr>
<td>$2,233.05</td>
<td>$1,883.05</td>
<td>$0.00</td>
<td>$350.00</td>
</tr>
<tr>
<td>$643.53</td>
<td>$593.53</td>
<td>$20.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>$1,287.06</td>
<td>$1,097.06</td>
<td>$60.00</td>
<td>$190.00</td>
</tr>
<tr>
<td>$1,250.04</td>
<td>$1,090.04</td>
<td>$60.00</td>
<td>$160.00</td>
</tr>
<tr>
<td>$2,011.51</td>
<td>$1,801.51</td>
<td>$80.00</td>
<td>$210.00</td>
</tr>
</tbody>
</table>

PSP

HDHP
New Medical Plans
Health Savings Accounts

• What is an HSA?
  • A personal financial account for payment of all medical, dental, vision, & prescription health care expenses free of federal income tax.* These accounts are paired with a qualified high deductible health plan (HDHP).

• Why do HSA’s exist?
  • To provide a substantial tax reward to individuals who take more financial responsibility for their health care by having a higher-deductible health plan

• Who owns the money in your HSA?
  • Employees do. There is no “use it or lose it” provision

*HSA contributions are subject to state taxation in California & New Jersey

EXAMPLES OF ELIGIBLE EXPENSES:
- Doctor’s office visits & procedures
- Dental expenses
- Orthodontia (Braces)
- Prescriptions
- Glasses, contact lenses and accessories, LASIK surgery
- Chiropractor, acupuncture, and therapy
- Hearing aids, bandages and crutches
- Long-term care
- Smoking cessation programs
- Birth control and vasectomy
- Plus, many more!
New Medical Plans
Health Savings Accounts

2021 Annual IRS HSA Contribution Limits:

- Individual
  - $3,600
- Family
  - $7,200
- Age 55+
  - Extra $1,000

• Employees can contribute pre-tax dollars to their HSA up to the IRS contribution limits*
• Annual limits also include contributions from Kaweah
• Kaweah will make a small employer seed contribution to the HSA accounts for all enrolled employees. Seed amount is dependent on the enrollment tier and if the employee is Full Time or Part Time.
• HSA accounts will be offered through myCafeteriaPlan.

*Note: Employees are responsible for ensuring that they do not contribute more than the IRS annual maximum
The defined contribution structure aligns the cost of the plans based on their actuarial plan value. This develops a true buy-up program for the medical options.
## Medical Rates and Contributions

<table>
<thead>
<tr>
<th>PSP Plan</th>
<th>Premium</th>
<th>Company Cost</th>
<th>HSA Seed</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE Only</td>
<td>$714.41</td>
<td>$614.41</td>
<td>$0.00</td>
<td>$100.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$1,428.82</td>
<td>$1,158.82</td>
<td>$0.00</td>
<td>$270.00</td>
<td>$135.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$1,387.71</td>
<td>$1,152.71</td>
<td>$0.00</td>
<td>$235.00</td>
<td>$117.50</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$2,233.05</td>
<td>$1,883.05</td>
<td>$0.00</td>
<td>$350.00</td>
<td>$175.00</td>
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</table>

<table>
<thead>
<tr>
<th>HDHP</th>
<th>Premium</th>
<th>Company Cost</th>
<th>HSA Seed</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE Only</td>
<td>$643.53</td>
<td>$593.53</td>
<td>$0.00</td>
<td>$50.00</td>
<td>$25.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$1,287.06</td>
<td>$1,097.06</td>
<td>$60.00</td>
<td>$190.00</td>
<td>$95.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$1,250.04</td>
<td>$1,090.04</td>
<td>$60.00</td>
<td>$160.00</td>
<td>$80.00</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$2,011.51</td>
<td>$1,801.51</td>
<td>$80.00</td>
<td>$210.00</td>
<td>$105.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PSP Plan</th>
<th>Premium</th>
<th>Company Cost</th>
<th>HSA Seed</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE Only</td>
<td>$714.41</td>
<td>$474.41</td>
<td>$0.00</td>
<td>$240.00</td>
<td>$120.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$1,428.82</td>
<td>$918.82</td>
<td>$0.00</td>
<td>$510.00</td>
<td>$255.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$1,387.71</td>
<td>$957.71</td>
<td>$0.00</td>
<td>$430.00</td>
<td>$215.00</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$2,233.05</td>
<td>$1,633.05</td>
<td>$0.00</td>
<td>$600.00</td>
<td>$300.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HDHP</th>
<th>Premium</th>
<th>Company Cost</th>
<th>HSA Seed</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE Only</td>
<td>$643.53</td>
<td>$463.53</td>
<td>$10.00</td>
<td>$180.00</td>
<td>$90.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$1,287.06</td>
<td>$887.06</td>
<td>$30.00</td>
<td>$400.00</td>
<td>$200.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$1,250.04</td>
<td>$930.04</td>
<td>$30.00</td>
<td>$320.00</td>
<td>$160.00</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$2,011.51</td>
<td>$1,591.51</td>
<td>$40.00</td>
<td>$420.00</td>
<td>$210.00</td>
</tr>
</tbody>
</table>

- Implement 4 tier rate structure.
- Full time and part time populations will receive a HSA seed from Kaweah.
Voluntary Benefits
Hospital Indemnity Plan

<table>
<thead>
<tr>
<th>VB-Hospital Indemnity</th>
<th>Voya</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coverage</strong></td>
<td>$150 per day</td>
</tr>
<tr>
<td><strong>Policy Features and Charges</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Hospital Admission Benefit</strong></td>
<td>$1,500 for first day of confinement</td>
</tr>
<tr>
<td><strong>Admission Maximum</strong></td>
<td>8 per year</td>
</tr>
<tr>
<td><strong>Hospital Confinement Benefits</strong></td>
<td>$150 per day limited to 10 days, beginning day 2</td>
</tr>
<tr>
<td><strong>Critical Care Unit</strong></td>
<td>$300 per day limited to 10 days, beginning day 2</td>
</tr>
<tr>
<td><strong>Rehabilitation Facility</strong></td>
<td>$75 per day limited to 10 days, beginning day 2</td>
</tr>
<tr>
<td><strong>Wellness Benefit</strong></td>
<td>$50 for EE &amp; SP, $25 for Child, limits $100 for all Children</td>
</tr>
<tr>
<td><strong>Dependent Coverage</strong></td>
<td>Matches EE Benefit</td>
</tr>
<tr>
<td><strong>Maternity</strong></td>
<td>Included</td>
</tr>
<tr>
<td><strong>Pre-Ex</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Waiting Period</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Portability</strong></td>
<td>Included</td>
</tr>
<tr>
<td><strong>Underwriting</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Min Case Size</strong></td>
<td>None</td>
</tr>
<tr>
<td><strong>Underwriting</strong></td>
<td>All guaranteed</td>
</tr>
<tr>
<td><strong>Rate Guarantee</strong></td>
<td>3 Years</td>
</tr>
</tbody>
</table>

- New voluntary benefit offering from Voya that will pair nicely with the new PSP or HDHP option.
- This plan pays an admission benefit when a member is confined to the hospital for at least 1 day; the daily benefit is paid for any additional days the member is hospitalized.
- Maternity claims are included.
- Wellness benefit pays members a small amount for receiving preventive care services.

**Monthly Rates**

<table>
<thead>
<tr>
<th>Plan Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$21.01</td>
</tr>
<tr>
<td>Employee + Spouse</td>
<td>$35.16</td>
</tr>
<tr>
<td>Employee + Child(ren)</td>
<td>$34.63</td>
</tr>
<tr>
<td>Employee + Family</td>
<td>$48.78</td>
</tr>
</tbody>
</table>
Pharmacy Program

Clinical Programs

Multi-Source Brand Copay Penalty

- Member pays the cost difference between the brand and generic product for brand selection when generic is available.

High Cost Generics

- Excludes high cost generics when there are clinically appropriate, lower cost alternatives on formulary.

Nonessential Drug Exclusion

- Formulary optimization for low clinical value medications.
- Examples: high cost, low clinical value medications and high cost drug kits/packs.
### Dental Rates and Contributions

**Dental Choice**

<table>
<thead>
<tr>
<th></th>
<th>Premium</th>
<th>Company Cost</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental Choice - Full Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$39.54</td>
<td>$23.54</td>
<td>$16.00</td>
<td>$8.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$79.09</td>
<td>$35.09</td>
<td>$44.00</td>
<td>$22.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$107.31</td>
<td>$55.31</td>
<td>$52.00</td>
<td>$26.00</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$160.03</td>
<td>$74.03</td>
<td>$86.00</td>
<td>$43.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Premium</th>
<th>Company Cost</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental Choice - Part Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$39.54</td>
<td>$13.54</td>
<td>$26.00</td>
<td>$13.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$79.09</td>
<td>$25.09</td>
<td>$54.00</td>
<td>$27.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$107.31</td>
<td>$44.31</td>
<td>$63.00</td>
<td>$31.50</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$160.03</td>
<td>$64.03</td>
<td>$96.00</td>
<td>$48.00</td>
</tr>
</tbody>
</table>

**Dental PPO**

<table>
<thead>
<tr>
<th></th>
<th>Premium</th>
<th>Company Cost</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental PPO - Full Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$31.46</td>
<td>$23.46</td>
<td>$8.00</td>
<td>$4.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$62.93</td>
<td>$34.93</td>
<td>$28.00</td>
<td>$14.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$85.38</td>
<td>$55.38</td>
<td>$30.00</td>
<td>$15.00</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$127.33</td>
<td>$74.33</td>
<td>$53.00</td>
<td>$26.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Premium</th>
<th>Company Cost</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental PPO - Part Time</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$31.46</td>
<td>$13.46</td>
<td>$18.00</td>
<td>$9.00</td>
</tr>
<tr>
<td>EE + Sp</td>
<td>$62.93</td>
<td>$24.93</td>
<td>$38.00</td>
<td>$19.00</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$85.38</td>
<td>$43.38</td>
<td>$42.00</td>
<td>$21.00</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$127.33</td>
<td>$63.33</td>
<td>$64.00</td>
<td>$32.00</td>
</tr>
</tbody>
</table>

• New dental contributions to better align with industry benchmarks.
• Implement 4 tier rate structure on the dental plan to match the new structure on the medical plan.
• Also implement defined contributions on the plan options with the Full Time and Part Time populations.
### Vision Rates and Contributions

<table>
<thead>
<tr>
<th>Vision</th>
<th>Premium</th>
<th>Company Cost</th>
<th>Monthly EE Cost</th>
<th>Per Paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td>EE Only</td>
<td>$10.78</td>
<td>$0.00</td>
<td>$10.78</td>
<td>$5.39</td>
</tr>
<tr>
<td>EE + SP</td>
<td>$17.30</td>
<td>$0.00</td>
<td>$17.30</td>
<td>$8.65</td>
</tr>
<tr>
<td>EE + CH</td>
<td>$16.02</td>
<td>$0.00</td>
<td>$16.02</td>
<td>$8.01</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$25.60</td>
<td>$0.00</td>
<td>$25.60</td>
<td>$12.80</td>
</tr>
</tbody>
</table>

- Convert vision program to 100% voluntary.
- 59% of similar sized Healthcare clients in our broker’s book of business offer 100% voluntary vision programs.
- Follow rating structure of the medical and dental plans by converting to 4-tiers.
Transitions Benefit Group

**EMPLOYER SUPPORT**
- Medicare Compliant Support System
- Reduce MSP Exposure
- Create Offboarding Solutions
- Outsource Aging Employee Support
- Custom Webinars
- Compliance Risk Reduction
- Medicare Education for Employee
  - Plan Comparison
  - Enrollment Support
  - Ongoing Care
- Under-age 65 Medicare/Disability Consultations

**EMPLOYEE SUPPORT**
- Medicare Coordination
- Medicare Education
- Retirement Readiness Assessment
- Retirement Planning Education
- Social Security Planning
- Social Security Education
- Utilization of HSA contributions
- Coordination with COBRA
- Continuity of Benefits Support
- Ongoing and Personalized Attention
- Individualized Consultation

- Provide employees with retirement transition services.
- Services are available to all KDHCD benefit eligible employees, spouses and immediate family members.
Virtual Open Enrollment

Open Enrollment: Early November!

- Since we cannot host an onsite benefits fair this year, Kaweah will be hosting a virtual Open Enrollment fair.
- Employees will be able to watch recorded PowerPoints on each plan offering.
- Once employees watch all the recordings, they will be entered into a drawing for raffle prices.