

Kaweah Delta Health Care District

Board of Directors Meeting

Health is our Passion. Excellence is our Focus. Compassion is our Promise.



DATE POSTED: October 17, 2025

NOTICE

Date: Wednesday, October 22, 2025

Location: City of Visalia – City Council Chambers

Address: 707 W. Acequia Avenue, Visalia, California

SCHEDULE:

- **4:00 PM** – Open Session (to approve the Closed Session agenda)
- **4:01 PM** – Closed Session
Pursuant to:
 - Government Code §54956.9(d)(1) (Existing Litigation)
 - Government Code §54956.9(d)(2) (Anticipated Litigation – Significant Exposure)
 - Health & Safety Code §§1461 and 32155 (Confidential Quality Assurance/Medical Staff Matters)
- **4:45 PM** – Open Session

AMERICANS WITH DISABILITIES ACT (ADA) NOTICE:

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

POSTING NOTICE:

All Kaweah Delta Health Care District regular Board and committee meeting notices and agendas are posted at least **72 hours** prior to the meeting (and **24 hours** prior to special meetings) in the Kaweah Health Medical Center, Mineral King Wing, near the Mineral King entrance, in accordance with Government Code §54954.2(a)(1).

PUBLIC RECORDS:

Disclosable public records related to this agenda are available for public inspection at:

Kaweah Health Medical Center – Acequia Wing, Executive Offices (1st Floor)

400 West Mineral King Avenue, Visalia, CA 93291

Mike Olmos • Zone 1
President

Lynn Havard Mirviss • Zone 2
Vice President

Dean Levitan, MD • Zone 3
Board Member

David Francis • Zone 4
Secretary/Treasurer

Armando Murrieta • Zone 5
Board Member

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You may also request records by contacting the Board Clerk at (559) 624-2330 or kedavis@kaweahhealth.org, or by visiting the District's website at www.kaweahhealth.org.

KAWEAH DELTA HEALTH CARE DISTRICT

David Francis, Secretary/Treasurer

Prepared by:

A handwritten signature in blue ink, appearing to read "Kelsie K. Davis", is written over a light blue horizontal line.

Kelsie K. Davis
Board Clerk / Executive Assistant to the CEO

DISTRIBUTION:

Governing Board, Legal Counsel, Executive Team, Chief of Staff, www.kaweahhealth.org

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KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING

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

Wednesday October 22, 2025 {Regular Meeting}

OPEN MEETING AGENDA {4:00PM}

1. **CALL TO ORDER**
2. **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 jurisdiction of the Board are requested to identify themselves at this time.
3. **ADJOURN**

CLOSED MEETING AGENDA {4:01PM}

1. **CALL TO ORDER**
2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION AND SEMI-ANNUAL CLAIMS STATUS REPORT** –Review and discuss ongoing litigation matters and the status of claims involving risk management, patient safety, or related matters. (Pursuant to Government Code 54956.9(d)(1))
3. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION AND QUARTERLY RISK MANAGEMENT** –Quarterly review and discussion with legal counsel regarding ongoing litigation matters involving risk management, patient safety, or related claims. (Pursuant to Government Code 54956.9(d)(1)) *Action Requested*

A. BURNS-NUNEZ V KDHCD	I. M. ANDRADE V KDHCD
B. M. VASQUEZ V. KDHCD	J. MARTINEZ-LUNA V. KDHCD
C. RHODES V. KDHCD	K. VIZCAINO V KDHCD

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D. LARUMBLE-TORRES V KDHCD	L. MORENO V KDHCD
E. SMITHSON V KDHCD	M. RICHARDSON V KDHCD
F. RAMIREZ V. KDHCD	N. DOMINGOS V KDHCD
G. MEDINA V KDHCD	O. TINOCO V KDHCD
H. BURGER V KDHCD	P. ISQUIERDO V KDHCD
Q. MACKEY V. KDHCD	

3. **CONFERENCE WITH LEGAL COUNSEL – [ANTICIPATED LITIGATION / QUALITY OF CARE RISK EXPOSURE](#)** – Quarterly conference with legal counsel regarding potential exposure to litigation involving adverse patient outcomes, risk management review, and related quality assurance matters. Pursuant to Government Code 54956.9(d)(2)(Two cases)
Action Requested
4. **[EXPOSURE TO LITIGATION AND QUALITY ASSURANCE REVIEW](#)**- Quarterly conference with legal counsel and risk management regarding a specific adverse event with potential legal exposure, including internal quality review and risk mitigation steps. (Government code 54956.9(d)(2) and Evid. Code 1157.)
5. **[MEDICAL STAFF CREDENTIALING AND PRIVILEGING](#)** - Medical Executive Committee (MEC) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the MEC be reviewed for approval pursuant to Government Code 54957.
Action Requested
6. **[MEDICAL STAFF QUALITY ASSURANCE](#)** discussion and evaluation of medical staff quality assurance matters, including peer review findings, performance assessments, and related compliance activities. This session is closed pursuant to Government Code 54957.
7. **APPROVAL OF THE CLOSED MEETING MINUTES – [September 24, 2025](#).**
Action Requested
8. **ADJOURN**

OPEN MEETING AGENDA {4:45PM}

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President

Lynn Havard Mirviss • Zone 2
Vice President

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1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FLAG SALUTE**
4. **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 jurisdiction of the Board are requested to identify themselves at this time.
5. **CLOSED SESSION ACTION TAKEN** – Report on action(s) taken in closed session.
6. **RECOGNITIONS**
 - 6.1. Presentation of [Resolution 2272](#) to Matilde Saldivar in recognition as the Kaweah Health World Class Employee of the month – October 2025.
 - 6.2. Team of the Month – Interpreter Services
7. **INTRODUCTION – New Directors**
 - 7.1. Terry Brown, Interim Director of Critical Care Services
 - 7.2. Jeff Cater, Director of Surgical Services
 - 7.3. Christel (Chris) McRae, Interim Director of Clinical Operations
8. **CHIEF OF STAFF REPORT** – Report relative to current Medical Staff events and issues.
9. **CONSENT CALENDAR** - All items listed under the Consent Calendar are considered routine and non-controversial by District staff and will be approved by one motion, unless a Board member, staff, or member of the public requests that an items be removed for separate discussion and action.

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

Action Requested – Approval of all items on the October 22, 2025, Consent Calendar.

Section	Item	Description	Type
9.1. REPORTS	A	Physician Recruitment	Receive and File
	B	Monthly Throughput Report	Receive and File
	C	Overall Strategic Plan	Receive and File

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	D	Emergency Services	Receive and File
	E.	Q3 Risk Management Board Report	Receive and File
9.2. MINUTES	A	Audit and Compliance Committee- September 3, 2025	Approve Minutes
	B	Patient Experience Board Committee- September 10, 2025	Approve Minutes
	C	Finance Property Services & Acquisition Committee – September 17, 2025	Approve Minutes
	D	Quality Council Committee – September 18, 2025	Approve Minutes
	E	Regular Open Board Meeting – September 24, 2025	Approve Minutes
9.3. POLICIES	A	Administrative Policies	
	1	AP07 Communication with Law Enforcement Regarding Requests for Information and Request to Interview Interrogate a Patient	Approve Revisions
	2	AP80 American and California State Flags	Approve Revisions
	3	AP21 Subpoenas/Search Warrants Served on District RECORDS, Contract Physicians, or Patients	Approve Revisions
	4	AP129 Critical Incident Stress Management	Approve Revisions
	5	AP164 Messenger Model Guidelines for Managed Care Contracting for Physicians	Approve Revisions
9.4. MEC	A	OB.GYN Privileges	Approve Revisions
9.5. DISTRICT	A	Inducement Resolution 2271 and Declaration of Official Intent to Reimburse Original Expenditures from Proceeds of Future Obligations	Approve

10. [ANNUAL FINANCIAL STATEMENT AUDIT REPORT](#) – The Board will receive and review the Annual Financial Statement Audit Report for Fiscal Year 2025. The presentation will include an overview of the independent auditor’s findings, financial position, and compliance with applicable accounting standards. The Board may discuss the findings and consider formal acceptance of the audit report.

Action Requested

11. [CARDIOLOGY SERVICE QUALITY REPORT](#)- Presentation and discussion of the Cardiology Department’s quality performance indicators, patient outcomes, and improvement initiatives for the current reporting period. The Board will receive the report and may provide direction to staff.

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12. **PATIENT EXPERIENCE AND SATISFACTION UPDATE** – Staff presentation and discussion regarding aggregated and de-identified patient experience data, including trends, themes, and opportunities for improvement. No individual patient information will be disclosed.
13. **STRATEGIC PLAN INITIATIVE PATIENT AND COMMUNITY EXPERIENCE** - Presentation and discussion regarding progress, activities, and performance measures related to the District's Strategic Plan Initiative on patient and community experience, including updates on engagement, recruitment, partnerships, and related action items.
14. **FINANCIALS** – Presentation and discussion of current financial statements, budget performance, revenue, and expense trends, and year-to-date comparisons for the District.

Action Requested

15. REPORTS

15.1. **Chief Executive Officer Report** - Report on current events and issues.

15.2. **Board President** - Report on current events and issues.

CLOSED MEETING AGENDA IMMEDIATELY FOLLOWING THE OPEN SESSION

1. CALL TO ORDER

2. **CEO EVALUATION** – Discussion with the Board and the Chief Executive Officer relative to the evaluation of the Chief Executive Officer pursuant to Government Code 54957(b)(1).

3. ADJOURN

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Agenda item intentionally omitted

Resolution 2272



RESOLUTION 2272

Board Resolution Honoring Matilde Saldivar as Employee of the Month of July

WHEREAS, Kaweah Health recognizes outstanding performance, dedication, and excellence among its staff through the Employee of the Month program;

WHEREAS, Matilde Saldivar, of the Environmental Services Department, has consistently demonstrated exceptional commitment to their responsibilities, a strong work ethic, and a positive attitude that uplifts their team;

WHEREAS, She has made significant contributions during the month of October 2025, including but not limited to providing seamless support and maintaining unshakable professionalism while juggling the chaos that only an exemplary employee can make;

WHEREAS, Matilde's professionalism, integrity, and enthusiasm embody the core values of Kaweah Health, setting a high standard for colleagues and exemplifying what it means to go above and beyond in the workplace;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors formally recognizes and congratulates Matilde Saldivar as **Employee of the Month** for October 2025, and expresses its sincere appreciation for her outstanding contributions;

BE IT FURTHER RESOLVED, that this resolution be entered into the official records of Kaweah Health and that a copy be presented to Matilde as a token of recognition and gratitude.

PASSED AND ADOPTED this 22rd of October, 2025, by the Board of Directors of Kaweah Health.

Mike Olmos
President
Kaweah Health Board of Directors

David Francis
Secretary/Treasurer
Kaweah Health Board of Directors

Physician Recruitment

Physician Recruitment Board Report - Physician Group Targets

October 2025

Key Medical Associates Gastroenterology x1 Pediatrics x1 Pulmonology x1 Rheumatology x1	Orthopaedics Associates Orthopedic Surgery (General) x1	Sequoia Cardiology EP Cardiology x1	Other Recruitment/Group TBD CT Surgery x1 Family Medicine x5 Gastroenterology x2 General Cardiology x1 Neurology IP/OP x2 OB/GYN x4 Pediatrics x1 Adult Psychiatry x1 Pulmonology OP x1 Urology x3
Oak Creek Anesthesia Anesthesia - Cardiac x1 Anesthesia - General x1 Anesthesia - Regional x1 Anesthesia - GME Program Dir	Valley ENT Audiology x1 Otolaryngology x1	Valley Children's Maternal Fetal Medicine x2 Neonatology x1 Pediatric Cardiology x1 Pediatric Hospitalist x1	

October Board Report Narrative:

Kaweah Health has received signed offers from two physicians:

1) Family Practice - A local provider has signed a letter of intent and plans to join the Kaweah Health Akers clinic part-time when it opens this year.

2) Orthopedic Hand Surgeon - A central valley orthopedic hand surgeon is in the contracting phase with Kaweah Health and plans to join Orthopaedic Associates.

These physician additions will help shore up deficits in patient access for two very needed specialties in our community.

The recruitment of additional OB/GYN, Family Medicine, Urology, and Gastroenterology physicians remain top priorities for the Kaweah Health Physician Recruitment team.

Board Report - Physician Recruitment - Oct 2025



	Specialty	Group	Phase	Expected Start Date
1	General Surgery	TBD	Site Visit	
2	Family Medicine	TBD	Site Visit	
3	OBGYN	TBD	Site Visit	
4	Internal Medicine	CFC	Site Visit	
5	ENT	Valley ENT	Site Visit	
6	General Surgery	TBD	Screening	
7	General Surgery	TBD	Screening	
8	General Surgery	TBD	Screening	
9	General Surgery	TBD	Screening	
10	General Surgery	TBD	Screening	
11	Cardiology (EP)	TBD	Screening	
12	Radiology	TBD	Screening	
13	Gastroenterology	TBD	Screening	
14	Family Medicine	TBD	Screening	
15	Family Medicine	TBD	Screening	
16	Family Medicine	TBD	Screening	
17	Family Medicine	TBD	Screening	
18	EP	TBD	Screening	
19	Internal Medicine	1099 - KH Direct	Screening	
20	Orth Surgeon (Hand)	Orthopedic Assoc	Screening	
21	Orth Surgeon (Hand)	Orthopedic Assoc	Screening	
22	Anesthesia Program Director	Oak Creek	Screening	
23	Cardiac Anesthesia	Oak Creek	Screening	
24	Anesthesia (Cardiac)	Oak Creek	Screening	
25	Rheumatology	TBD	Offer Extended	
26	General Surgery	TBD	Offer Extended	
27	OBGYN	TBD	Offer Extended	
28	Gastroenterology	TBD	Offer Extended	
29	OBGYN	TBD	Offer Extended	
30	OBGYN	TBD	Offer Extended	
31	General Surgery	TBD	Offer Extended	
32	General Surgery	TBD	Offer Extended	
33	Family Medicine	TBD	Offer Extended	
34	Pulmonology	TBD	Offer Extended	
35	Adult Hospitalist	Valley Hospitalist Group	Offer Extended	
36	Cardiothoracic Surgery	TBD	Offer Accepted	
37	Family Medicine	1099 - KH Direct	Offer Accepted	
38	Endocrinology	1099 - KH Direct	Offer Accepted	TBD
39	Neurology	1099 - KH Direct	Offer Accepted	TBD
40	Family Medicine	Key Medical Associates	Offer Accepted	TBD
41	Orth Surgeon (Hand)	Orthopedic Assoc	Offer Accepted	02/01/26
42	Neonatology	Valley Childrens	Offer Accepted	11/03/25
43	Neonatology	Valley Childrens	Offer Accepted	07/28/25
44	General Surgery	Dr. Potts	Offer Accepted	10/20/25
45	Family Medicine	TBD	Leadership Call	
46	Pulmonology	TBD	Leadership Call	
47	General Surgery	TBD	Leadership Call	
48	General Surgery	TBD	Leadership Call	

	Specialty	Group	Phase	Expected Start Date
49	PM&R	TBD	Leadership Call	
50	Family Medicine	TBD	Leadership Call	
51	General Surgery	TBD	Leadership Call	
52	Psychiatry	Oak Stone Medical Group	Leadership Call	
53	Urogynecology	TBD	Applied	
54	Urogynecology	TBD	Applied	
55	Anesthesia General	Oak Creek	Applied	

Monthly Throughput Report

Patient Throughput Committee

October 1, 2025



kaweahhealth.org



Metric	Patient Type	Definition	Goal	Baseline**	Discharge Date				
					4/1/2025				8/31/2025
Observation Average Length of Stay (Obs ALOS) <i>(Lower is better)*</i>	Overall	Average length of stay (hours) for observation patients	36	50.02	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					44.15	40.43	79.48	38.01	54.68
Inpatient Average Length of Stay (IP ALOS) <i>(Lower is better)*</i>	Overall	Average length of stay (days) for inpatient discharges	5.64	5.35	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					5.69	5.24	5.11	5.49	5.29
Inpatient Observed-to-Expected Length of Stay <i>(Lower is better)**</i>	Overall	Observed LOS / geometric mean length of stay for inpatient discharges	1.32	1.42	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					1.51	1.38	1.33	1.45	1.38
Discharges*	Inpatient	Count of inpatient discharges	N/A	1,339	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					1,294	1,386	1,336	1,392	1,230
	Observation	Count of observation discharges	N/A	845	918	787	787	919	798
Overall	Count of inpatient and observation discharges		N/A	2,184	2,212	2,173	2,123	2,311	2,028
					76/353				

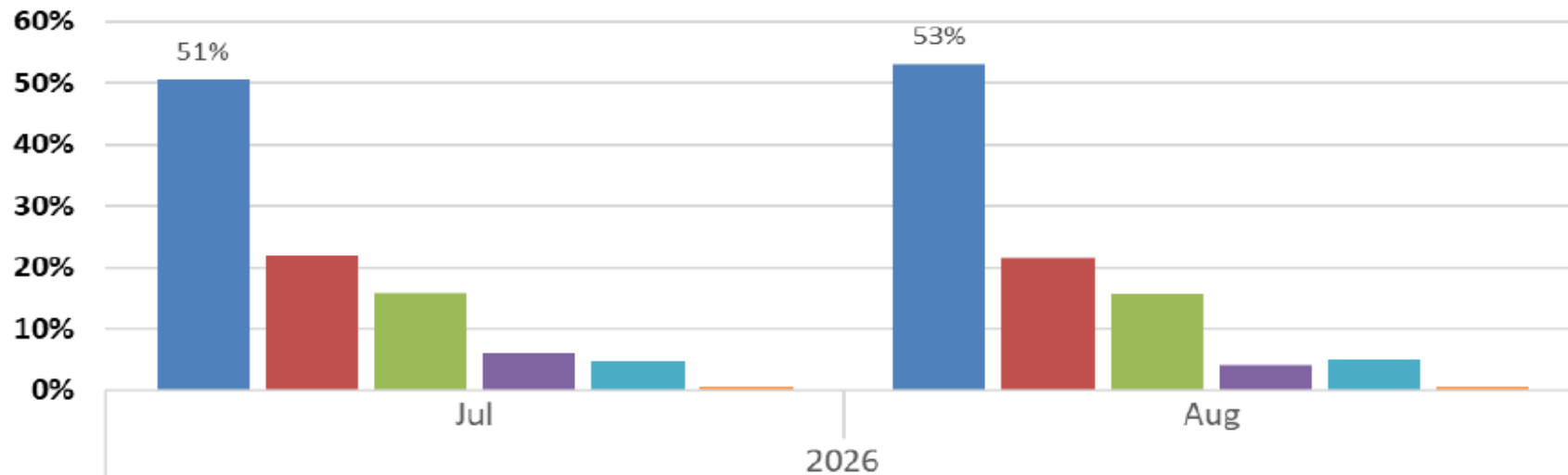
Performance Scorecard

Leading Performance Metrics – Emergency Department

Metric	Patient Type	Definition	Goal	Baseline**	Check In Date and Time				
					4/1/2025 12:00:00 AM	8/31/2025 11:59:59 PM			
ED Boarding Time <i>(Lower is better)*</i>	Inpatient	Median time (minutes) for admission order written to check out for admitted patients	150	170	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					190	159	152	156	154
	Observation	Median time (minutes) for admission order written to check out for observation patients	150	177	223	129	152	183	130
	Overall	Median time (minutes) for admission order written to check out for inpatient and observation patients	150	171	192	158	152	158	153
ED Admit Hold Volume <i>(Lower is better)*</i>	Overall >4 Hours	Count of patients (volume) with ED boarding time $\geq$ 4 hours	N/A	316	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					343	273	262	267	239
ED Length of Stay (ED LOS) <i>(Lower is better)*</i>	Discharged	Median ED length of stay (minutes) for discharged patients	214	260	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					247	257	260	264	268
	Inpatient	Median ED length of stay (minutes) for admitted patients	500	593	605	565	562	572	598
	Observation	Median ED length of stay (minutes) for observation patients	500	589	613	537	574	567	557
	Overall	Median ED length of stay (minutes) for admitted and discharged patients	N/A	304	295	300	308	310	307
ED Visits*	Discharged	Count of ED visits for discharged patients	N/A	6,789	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025
					6,460	7,059	6,697	6,760	7,206
	Inpatient	Count of ED Visits for admitted patients	N/A	1,178	1,104	1,213	1,229	1,183	1,149
	Observation	Count of ED Visits for observation patients	N/A	481	565	447	455	492	460
	Overall	Count of ED visits	N/A	8,447	8,129	8,719	8,381	8,435	8,815

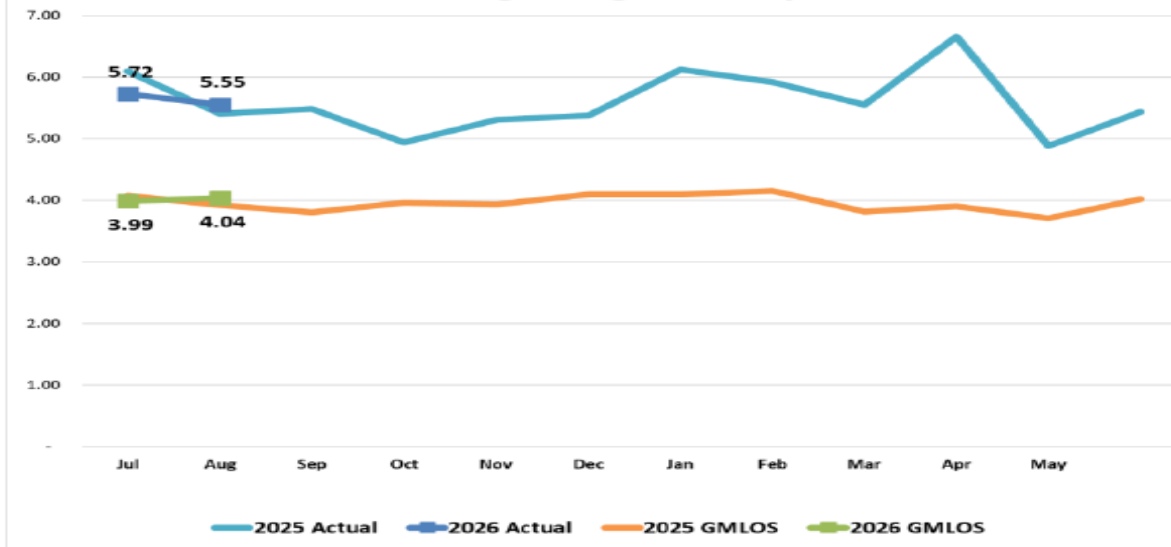
Average Length of Stay Distribution

FY26 Overall LOS Distribution

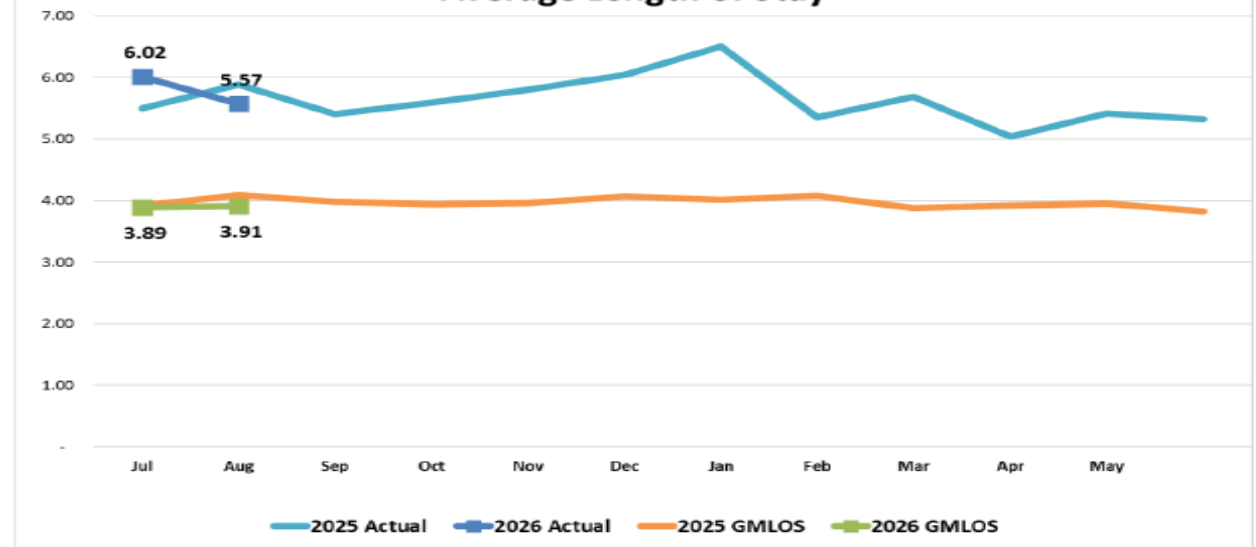


■ at GMLOS or Better	51%	53%
■ 1-2 days over GMLOS	22%	22%
■ 2-6 days over GMLOS	16%	16%
■ 6-10 days over GMLOS	6%	4%
■ 10-30 days over GMLOS	5%	5%
■ 30+ days over GMLOS	0.6%	0.7%

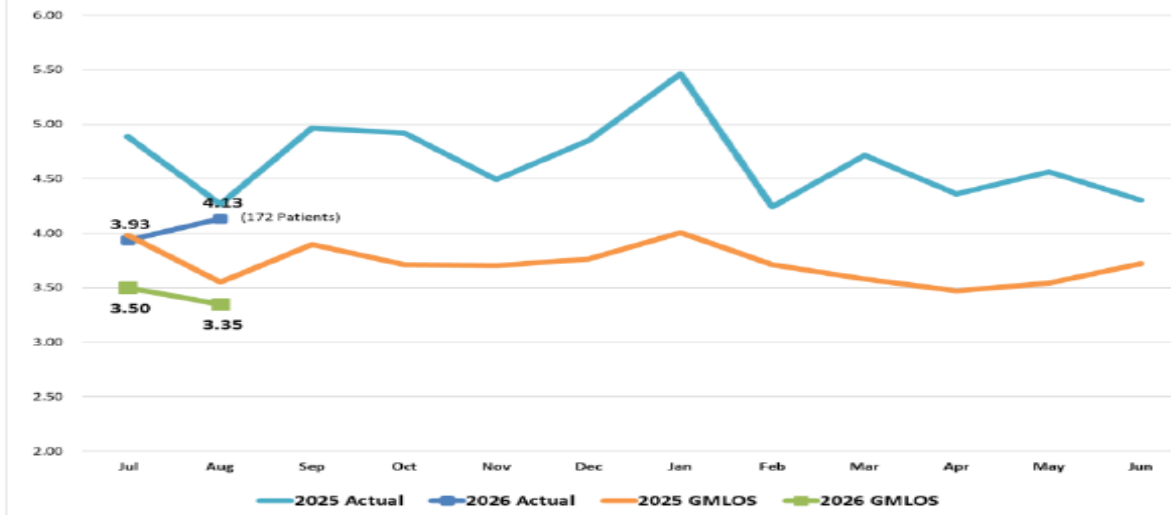
Medicare Managed Average Length of Stay



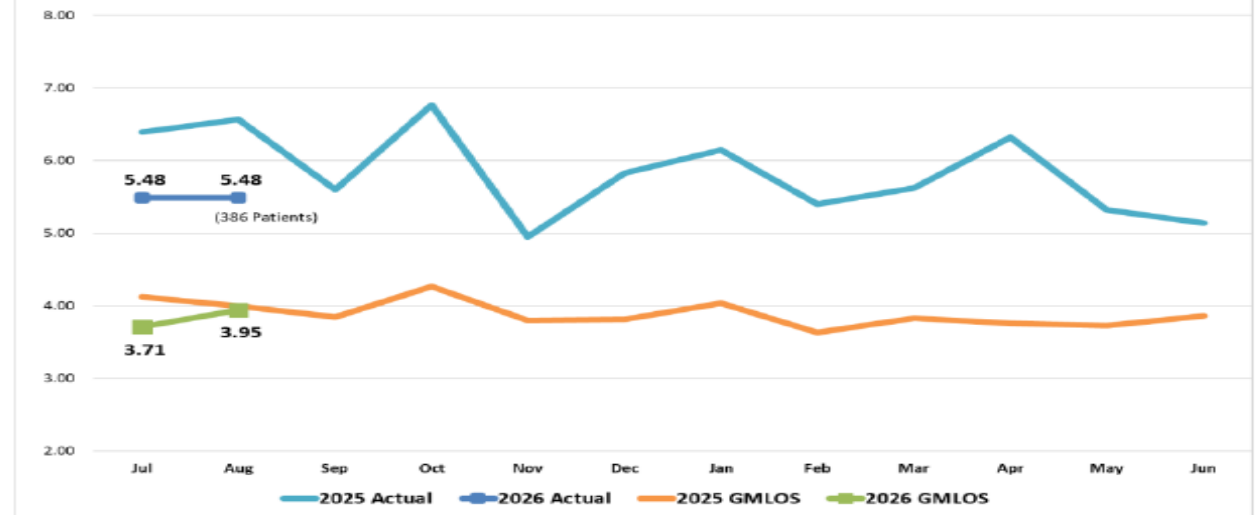
Medicare Average Length of Stay



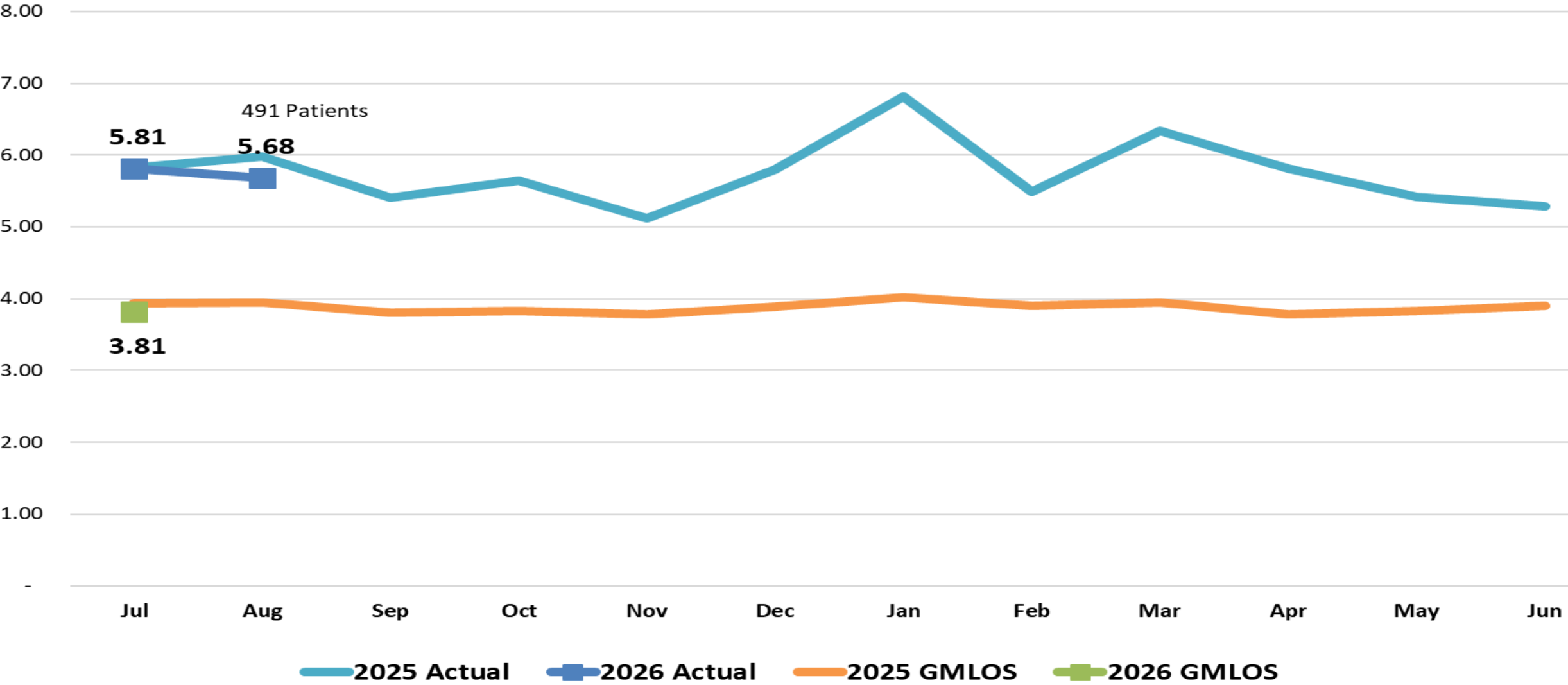
Commercial Average Length of Stay



Medi-Cal and Medi-Cal Mged Average Length of Stay

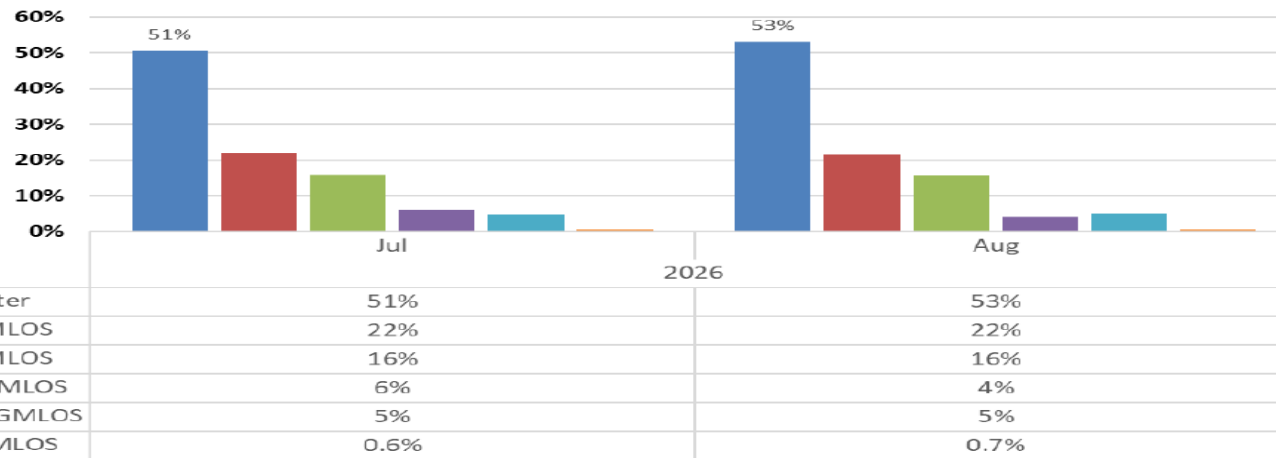


Hospitalist Average Length of Stay



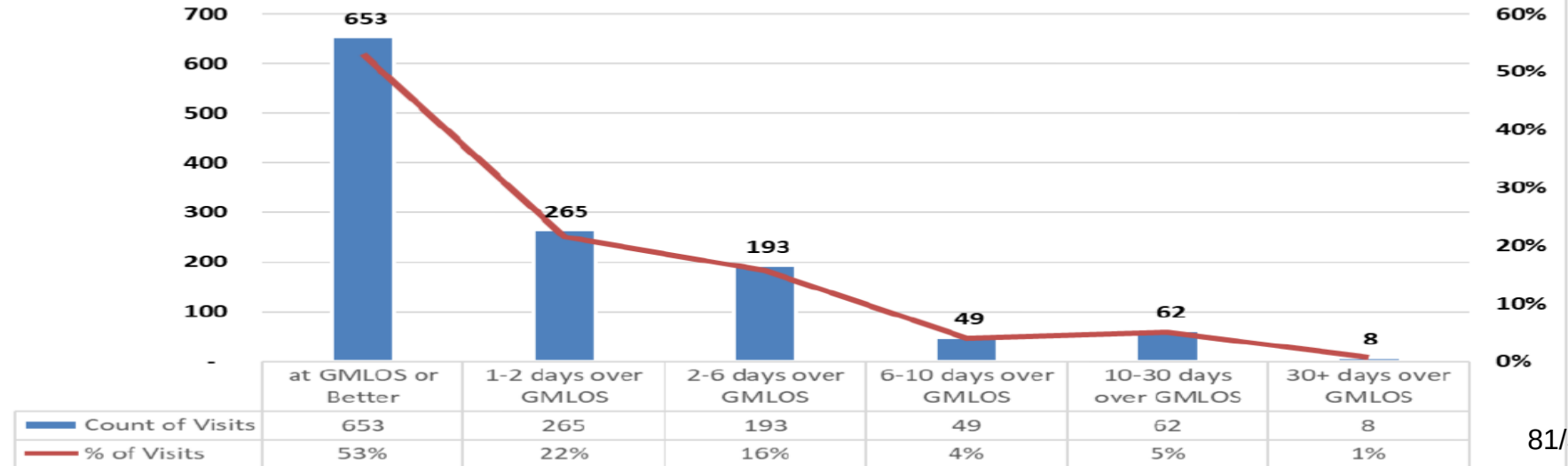
Average Length of Stay Distribution

FY26 Overall LOS Distribution



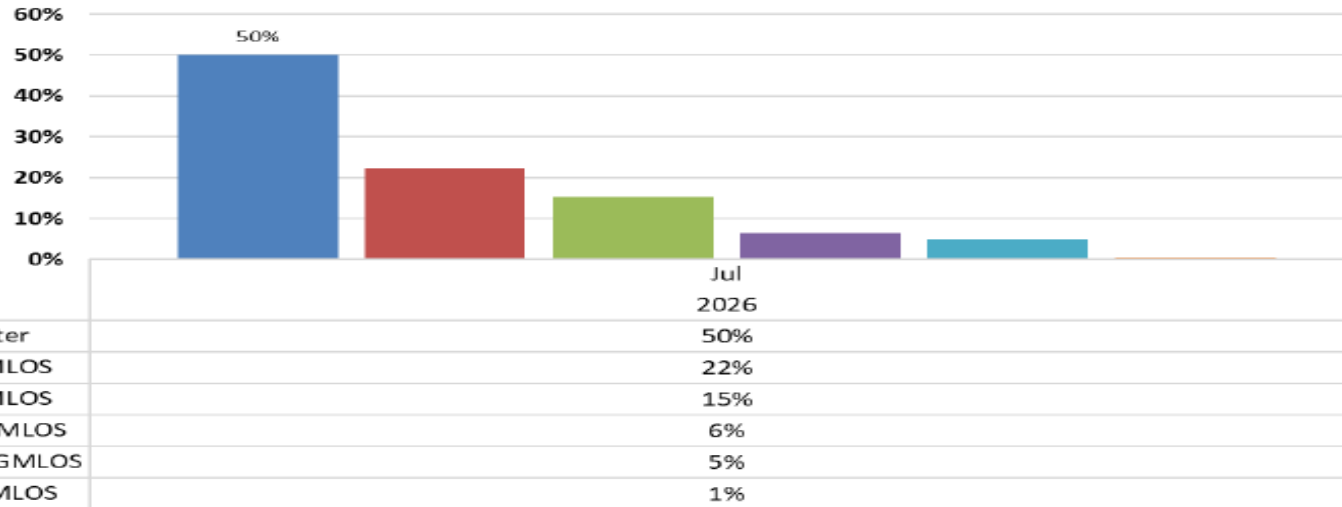
Length of Stay Distribution

Aug FY 2026 Overall LOS Distribution

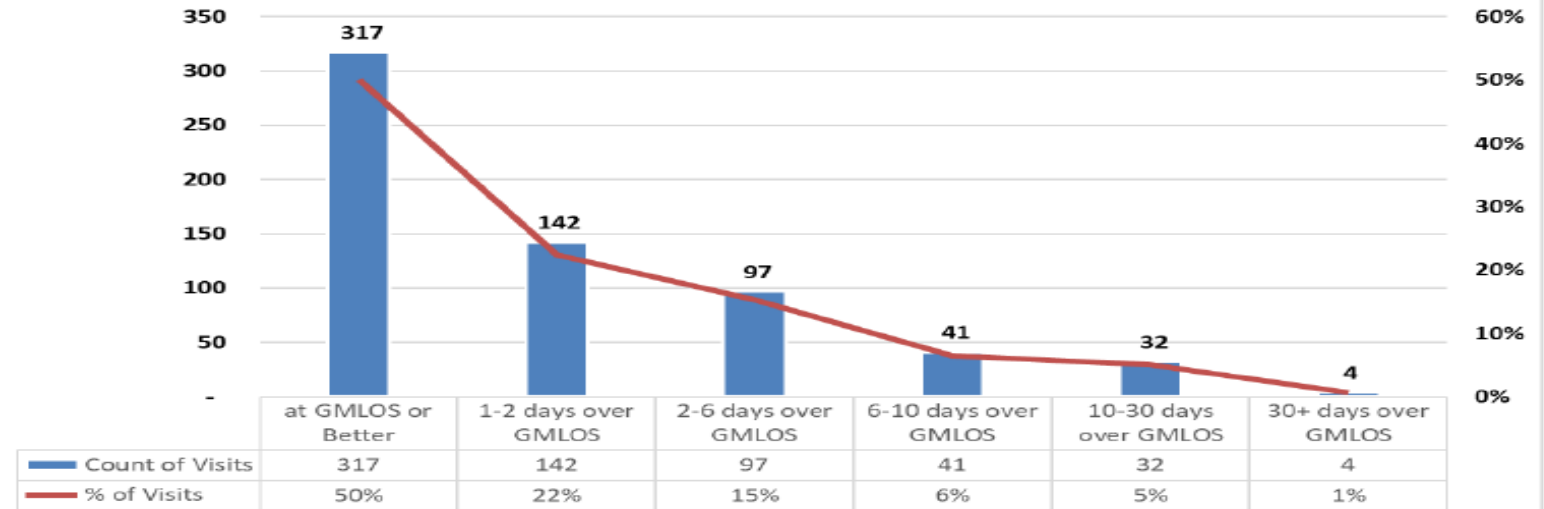


LOS Distribution

FY26 Hospitalist LOS Distribution

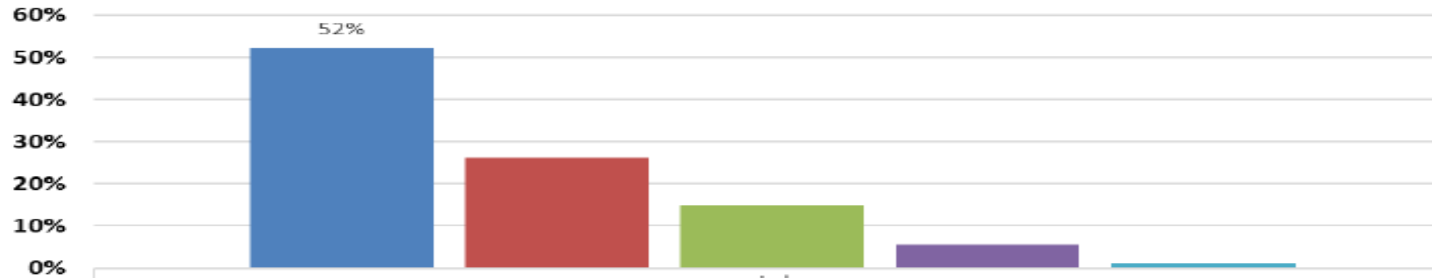


Jul FY26 Hospitalist LOS Distribution



LOS Distribution

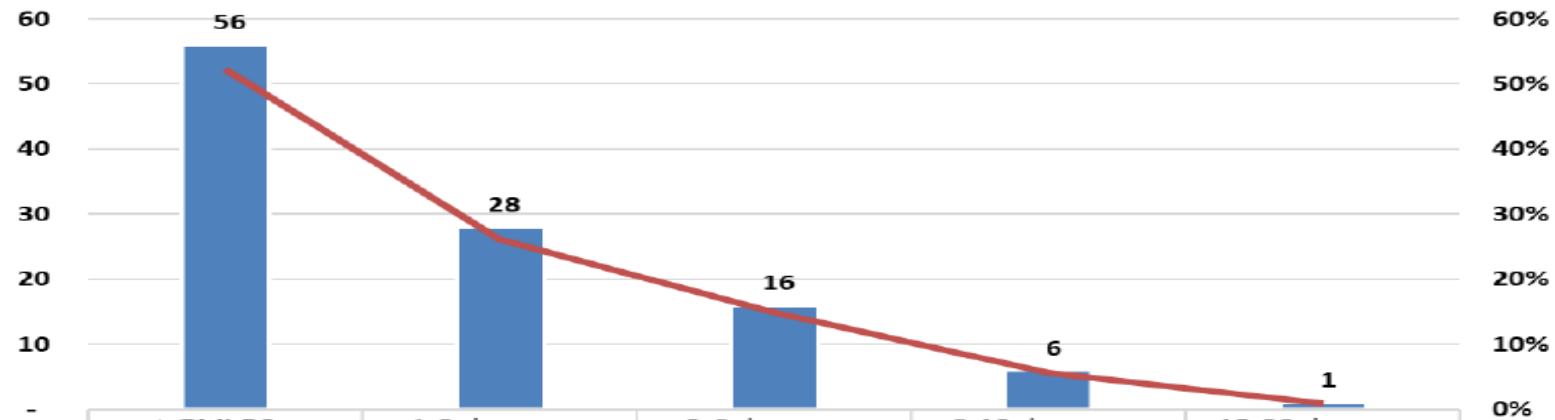
FY26 Humana-Key Medical LOS Distribution



■ at GMLOS or Better
■ 1-2 days over GMLOS
■ 2-6 days over GMLOS
■ 6-10 days over GMLOS
■ 10-30 days over GMLOS

Jul	52%
2026	26%
	15%
	6%
	1%

Jul FY26 Humana-Key Medical LOS Distribution

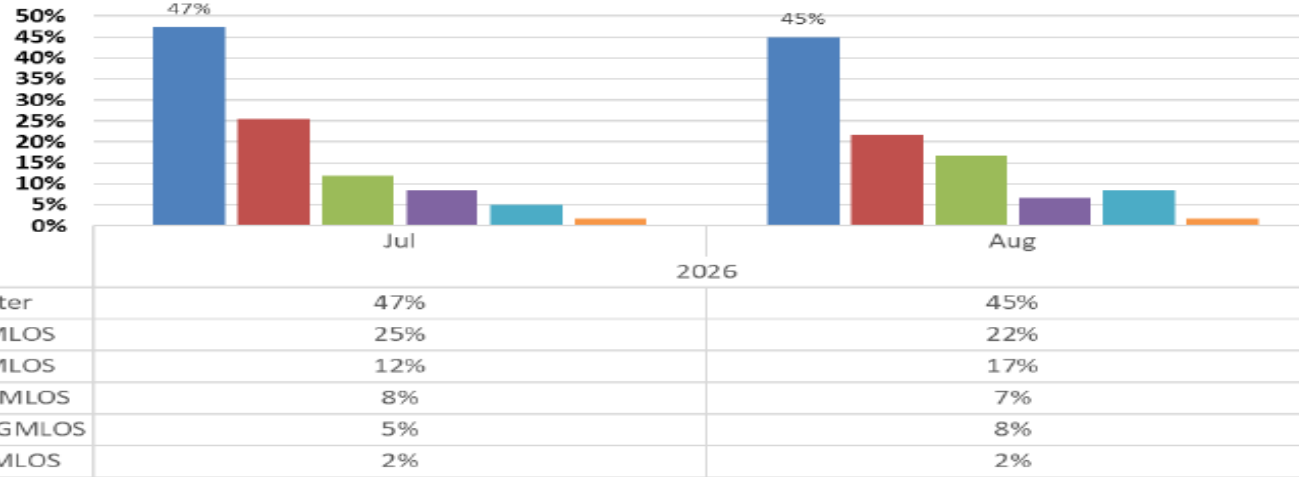


■ Count of Visits
■ % of Visits

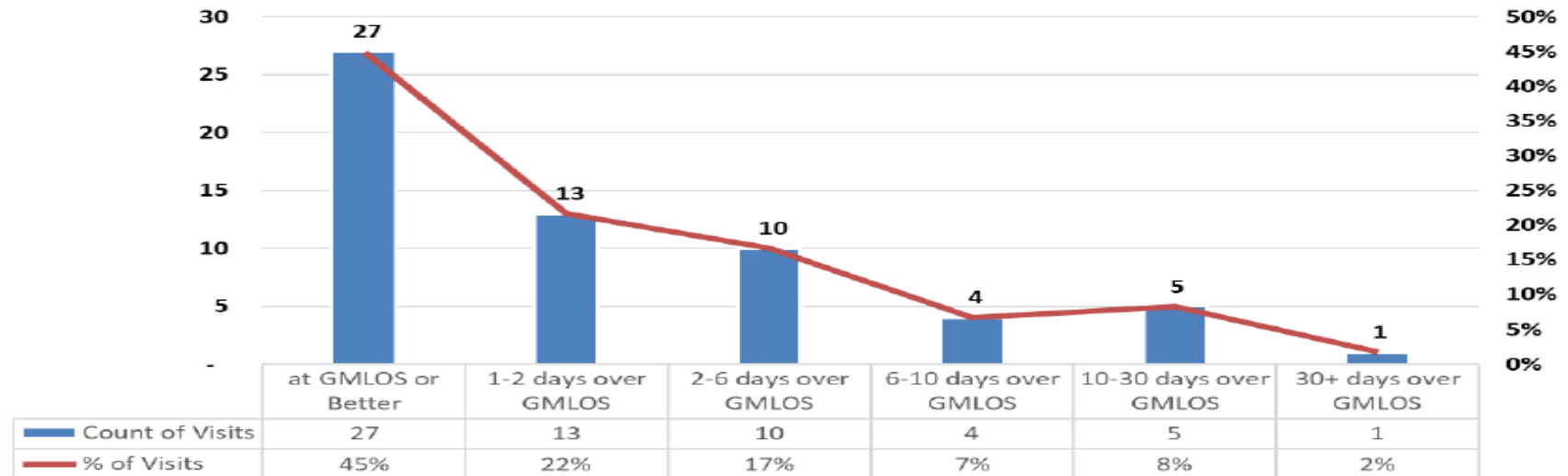
at GMLOS or Better	56	28	16	6	1
1-2 days over GMLOS	28	16	6	1	
2-6 days over GMLOS	16	6	1		
6-10 days over GMLOS	6	1			
10-30 days over GMLOS	1				

LOS Distribution

FY26 ACTSS LOS Distribution

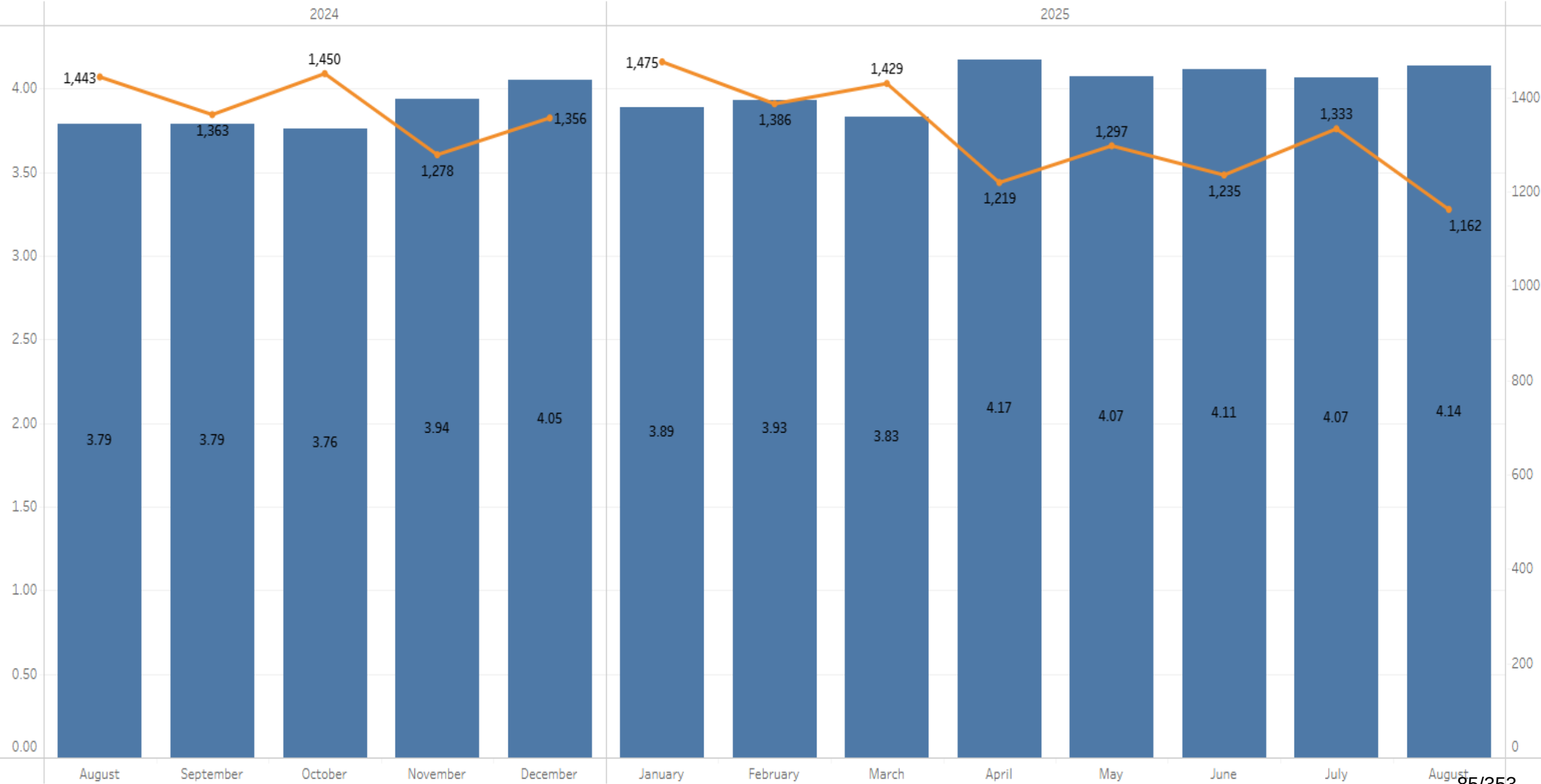


Aug FY26 ACTSS LOS Distribution



Inpatient Average Discharge Order to Discharge Time (Hours)

*Exclusions: Patients with discharge order to discharge time > 24 hours.



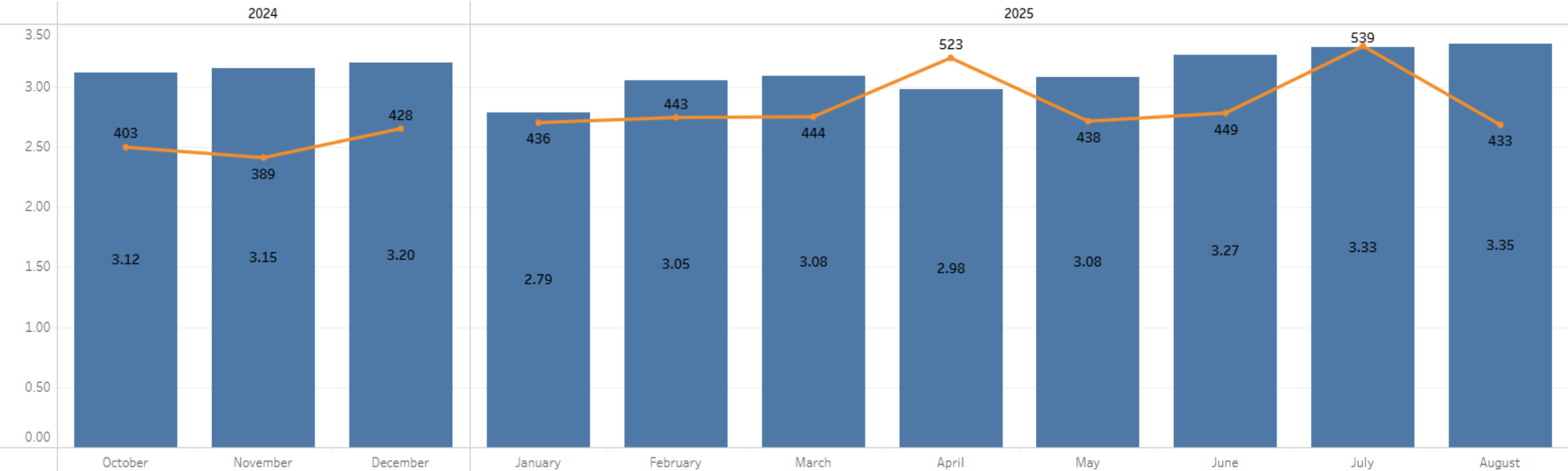
ED Patient Flow

- **🏥 Patient Volume:** Averaging about **289 visits per day**, which is nearly identical to last week. However, what is different is how the patients are arriving. Instead of a steady rate, we have syncopated lulls followed by times of surges, which is significantly harder to deal with and has led to uncharacteristic increases in our LWBS and AMA/Left During Treatment rates.
- **⚡ Admission Rate:** We are also seeing an increase in acuity, with an admission rate of **21%** compared to last month's 19%.
- **⌚ Median Door-to-Discharge Time:** Our discharge times remain high at **265 minutes but better than last week**, as we continue to see significant delays in CT/US scans and official reads.
- **📉 LWBS Rate:** This increased to **1.0%**, but it is still well below our 1.5% benchmark.
- **★ Patient Experience (NPS):** Our NPS for the month is doing better and went up to **37.2**. We will continue to work on improving this throughout the rest of the month so that we can get above our benchmark of 40.

On target / not yet started (not due); delay/slight concern; off target/serious concerns

Observation Patients Average Discharge Order to Discharge Time (Hours)

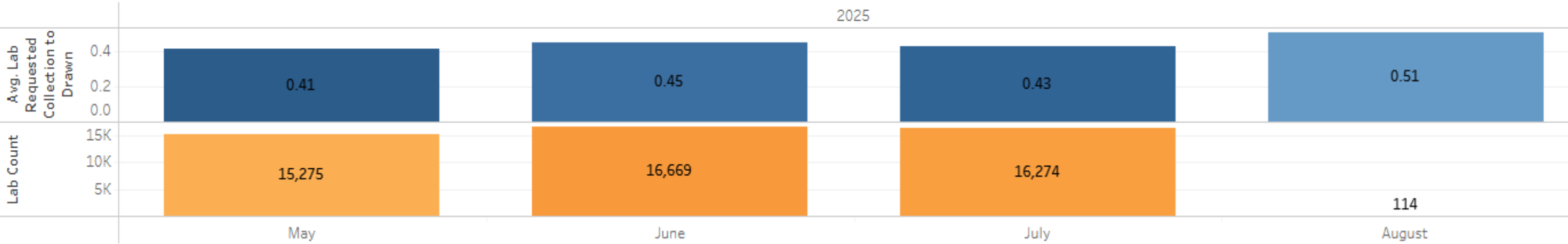
*Exclusions: Patients with discharge order to discharge time > 24 hours.



Year of Disc.	Month	2.01 - 4 hours
2024	October	3.12
	November	3.15
	December	3.20
2025	January	2.79
	February	3.05
	March	3.08
	April	2.98
	May	3.08
	June	3.27
	July	3.33
	August	3.35

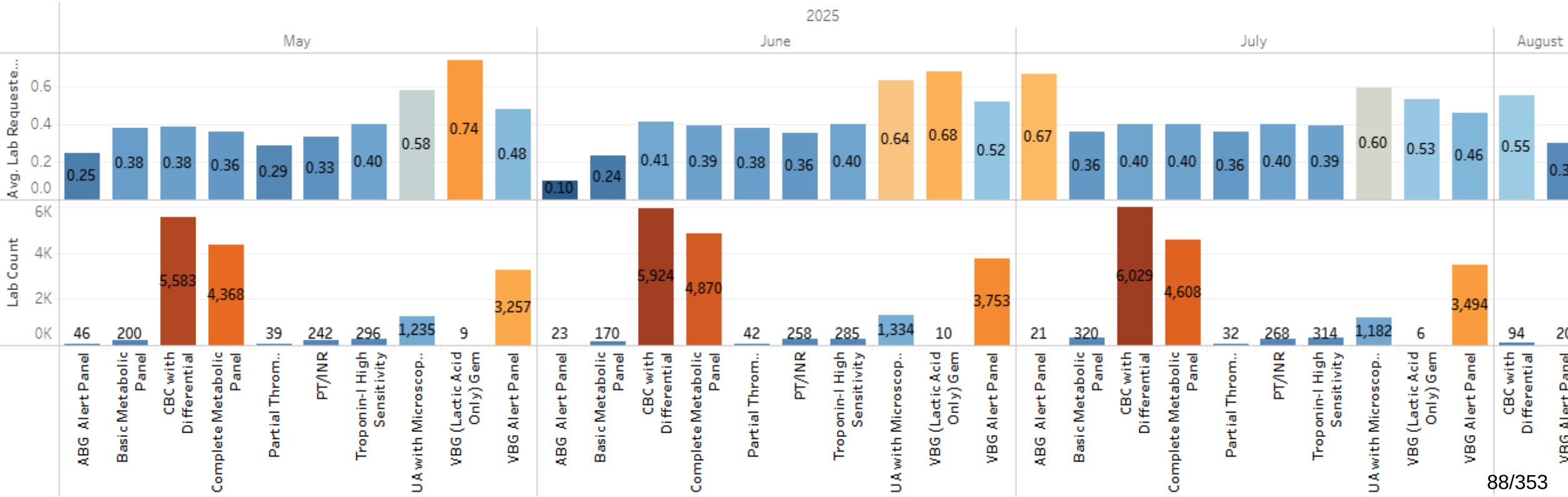
Observation Patients Average Lab Requested Collection to Drawn Time (Hours)

*Exclusions: Patients with average lab requested collection to drawn time > 2 hours.



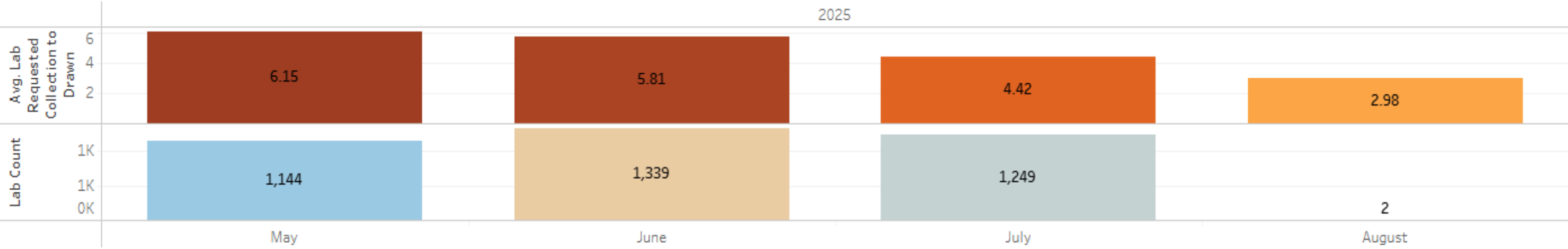
Observation Patients Average Lab Requested Collection to Drawn Time (Hours)

*Exclusions: Patients with average lab requested collection to drawn time > 2 hours.



Observation Patients Average Lab Requested Collection to Drawn Time (Hours)

*Average lab requested collection to drawn time > 2 hours.

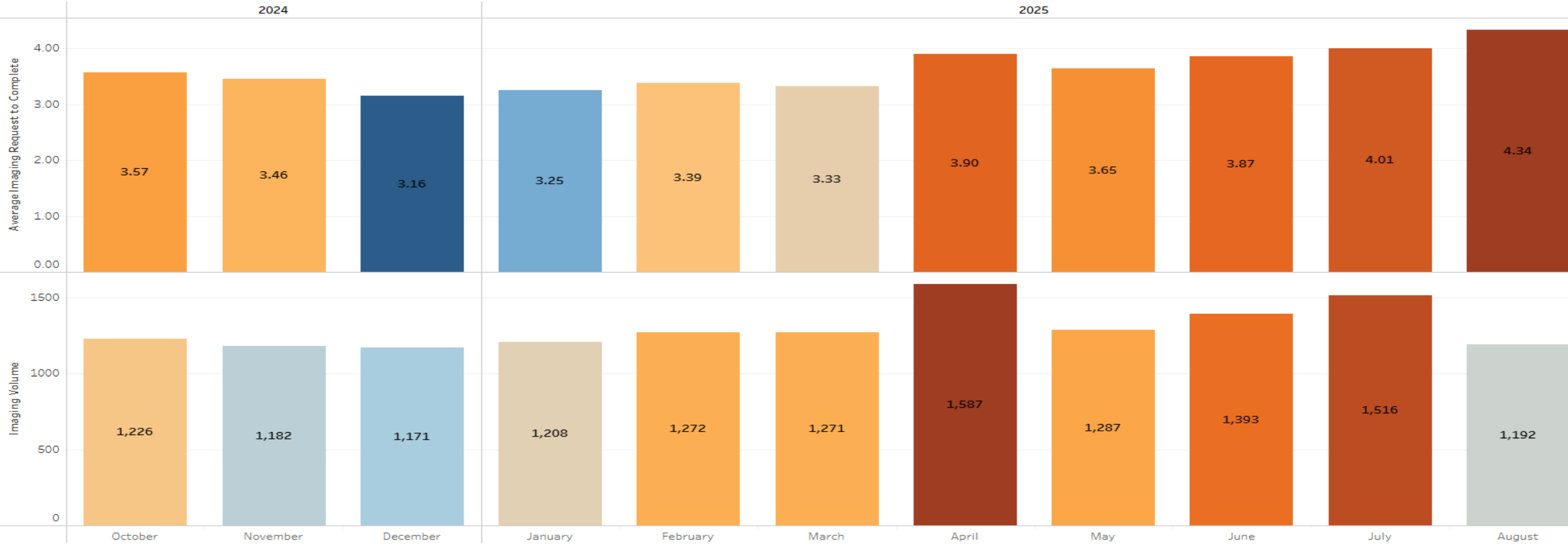


Observation Patients Average Lab Requested Collection to Drawn Time (Hours)

*Average lab requested collection to drawn time > 2 hours.



Observation Patients Average Imaging Request to Exam Complete Time (Hours)



% Observation Patients with Occupational, Physical Therapy Orders

	2024			2025									
	October	November	December	January	February	March	April	May	June	July	August		
Null %	61.12%	61.03%	65.28%	61.46%	63.75%	63.08%	64.70%	63.95%	60.50%	106.51%	58.42%		
Occupational Therapy %	20.37%	18.08%	18.12%	19.06%	22.29%	19.83%	19.18%	18.03%	23.49%	46.13%	26.26%		
Physical Therapy %	37.24%	38.73%	33.84%	38.33%	35.63%	36.92%	35.30%	36.05%	39.50%	76.58%	40.70%		

Observation Patients with Occupational, Physical Therapy Orders

	2024			2025									
	October	November	December	January	February	March	April	May	June	July	August		
Null Count	261	260	299	287	306	299	361	298	291	605	267		
Occupational Therapy Count	87	77	83	89	107	94	107	84	113	262	120		
Physical Therapy Count	159	165	155	179	171	175	197	168	190	435	186		
Total Patients	427	426	458	467	480	474	558	466	481	568	90/353	57	

Throughput Inpatient Initiatives

In the works:

- **Pt Transport** initial meeting to introduce concepts of Throughput done in May, put on hold for Safety issues to be addressed and new processes be hardwired.
 - Next meeting set for 10/9
 - Create new baseline data
 - Help identify barriers, tools needed, collaboration needs
 - Identify process improvements going forward.
- **Therapies** collaboration for IDT brought forth new ideas
 - Current OBS data, need INpt also
 - Have drop down with PT DC reasons, need report to identify misuse of orders
 - ED-CM already helps w/this in ED
 - Look at reasons for referrals
 - DCP-discharge plan
 - Baseline-Mobility project
 - LOS- therapy while here if no safe DC
 - DC from ED for MCR pts (3MN Rule)

Therapy Discharge Reasons

Discharge Reason	
	☐ Patient discharged/has discharge orders
	☐ Patient on comfort care
	☐ Goals met
	☐ Patient discharged to nursing
	☐ Pt. independent or at prior level of function
	☐ Unable to participate in skilled therapy
	☐ Pt. awaiting procedure/surgery
	☐ Outpatient therapy needs only
	☐ Admitting diagnosis does not require therapist intervention
	☐ Therapy not appropriate at current level of care
	☐ Patient doesn't consent to therapy
	☐ Other:

On target / not yet started (not due); delay/slight concern; off target/serious concerns

Throughput processes for EVS

SBAR: Hospital Throughput – Environmental Services (EVS)

Situation Hospital throughput is being delayed due to EVS-related barriers in room turnover, communication gaps, and inappropriate use of STAT cleaning. Challenges include: discrepancies in STAT cleaning, unnecessary patient moves at night, and repeat cleaning requests for patients with skin issues/pests.	Background EVS directly impacts bed availability and patient flow. National benchmarks recommend room turnover in 30–60 minutes, but delays are common. Industry issues include staffing shortages, overuse of STAT requests, inconsistent communication, infection prevention requirements, and rising patient acuity.
Assessment Misuse of STAT cleaning creates delays for true emergencies. Unnecessary NOC moves cause duplicate work for EVS. Patients moved before treatment leads to wasted cleans. Staffing shortages and infection prevention demands compound throughput barriers.	Recommendations 1. Standardize STAT cleaning criteria and monitor use. 2. Limit overnight moves to clinical necessity with leadership approval. 3. Align EVS with Infection Prevention for single-clean protocols. 4. Include EVS in daily throughput meetings, track metrics, and adjust staffing to volume.

QTR 4 FY25 Data for EVS TAT

Floor	Avg TAT	Volume	Stat	DC totals	
2S	1:50	1294	29		
2E	2:14	1271	8		
2N	1:50	899	29		Qtr 4 FY25
3N	1:54	893	41		
3S	1:56	877	38		
3W	1:27	505	376		
4N	1:21	788	521		
4S	1:56	833	60		
4T	1:52	613	46		
5T	1:48	730	55		
BP	2:47	446	31		
CVICU	1:52	483	45		
ICU	1:43	463	66		
MB	4:31	1242	17		
Ped	5:08	166	3		

Next Meeting:

Wednesday, Oct 23, 2025

2:00p-3:30p

4T Multipurpose Room/GoTo

Overall Strategic Plan



FY 2026 Strategic Plan

Monthly Performance Report
October 22, 2025



[kaweahhealth.org](https://www.kaweahhealth.org)



Kaweah Health
MORE THAN MEDICINE. LIFE

97/353

Kaweah Health Strategic Plan: Fiscal Year 2026

Our Mission

Health is our passion.

Excellence is our focus.

Compassion is our promise.

Our Vision

To be your world-class healthcare choice, for life.

Our Pillars

Achieve outstanding community health.

Deliver excellent service.

Provide an ideal work environment.

Empower through education.

Maintain financial strength.

Our Five Strategic Plan Initiatives

Ideal Environment

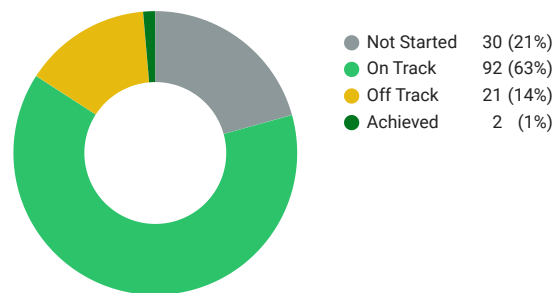
Strategic Growth and Innovation

Outstanding Health Outcomes

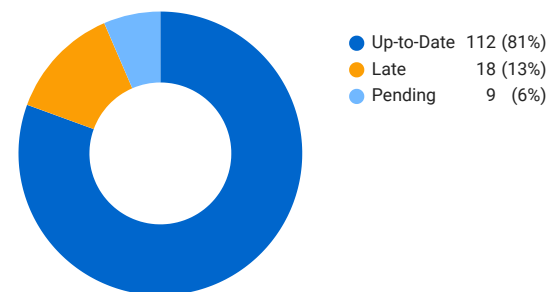
Patient Experience and Community Engagement

Physician Alignment

Kaweah Health Strategic Plan FY2026 Overview: Status



Kaweah Health Strategic Plan FY2026 Overview: Updates



Ideal Environment

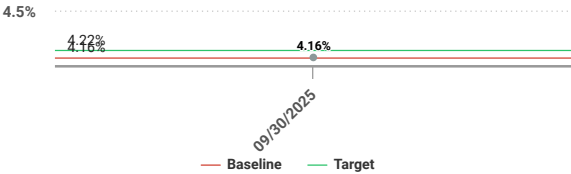
Champions: Dianne Cox and Hannah Mitchell

Objective: Foster and support *healthy and desirable working environments* for our Kaweah Health Teams

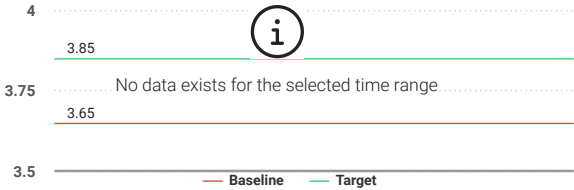
FY2026 Strategic Plan - Ideal Environment Strategies

#	Name	Description	Status	Assigned To	Last Comment
1.1	Integrate Kaweah Care Culture	Integrate Kaweah Care culture into the various aspects of the organization.	On Track	Hannah Mitchell	The Executive Team and Directors of Organizational Development, Patient and Community Experience, Marketing, Medical Staff and GME meet on a monthly basis to further projects and initiatives surrounding the culture. Details are presented at the Board sub-committees for Patient Experience and Human Resources. The outcomes will be measured by the performance of our Employee and Physician engagement surveys in June 2026.
1.2	Ideal Practice Environment	Ensure a practice environment that is friendly and engaging for providers, free of practice barriers.	On Track	Hannah Mitchell	There continues to be progress on new space for students/residents and computer access for all providers, a refurbished medical staff lounge, updated female surgery lounge, and a number of Cerner enhancements and efficiencies.
1.3	Growth in Nursing School Partnerships	Increase the pool of local RN candidates with the local schools to increase RN cohort seats and increase growth and development opportunities for Kaweah Health Employees	On Track	Hannah Mitchell	We have 30 employees across the Unitek, COS LVN to RN Bridge and SJVC programs and are working with Carrington College (SJVC) to obtain state approval of their new Rad Tech program and are exploring PT/OT partnerships with Fresno State and COS. We have launched 7 new KHU Scholars Programs FYTD, including Healthcare Billing, Coding & Documentation, Pharmacy Excellence I (ACPE CE Eligible), Spanish for Healthcare, Lean Six Sigma (Certification Prep & Exam), Professional in HR (PHR®) Exam Prep, Innovative Thinking & Creativity, and Anger & Conflict Management. We have completed one cohort of the Emerging Leaders program with one more starting in October 2025 and have our first Leadership Academy starting in October 2025. In addition, we have completed three Leader Learning Path sessions and hosted three lunch and learns.

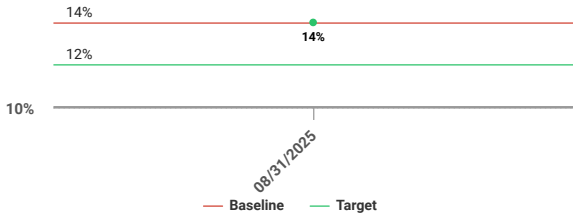
Employee Engagement Survey Score Greater Than 4.22%



Physician and APP Engagement Survey Score Greater Than 3.85%



Decrease Overall Turnover Rate



Strategic Growth and Innovation

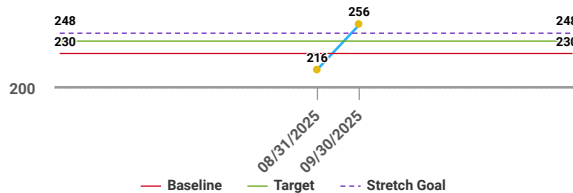
Champions: Marc Mertz and Kevin Bartel

Objective: *Grow intelligently by expanding existing services, adding new services, and serving new communities. Find new ways to do things to **improve efficiency and effectiveness**.*

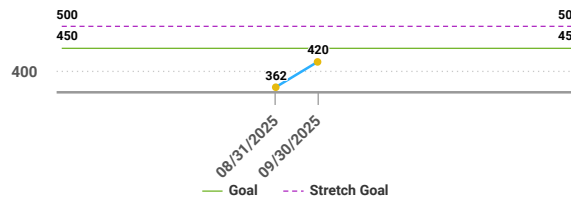
FY2026 Strategic Plan - Strategic Growth and Innovation Strategies

#	Name	Description	Status	Assigned To	Last Comment
2.1	Grow Targeted Service Line Volumes	Grow volumes in key service lines, including Orthopedics, Endoscopy, Urology and Cardio Thoracic services.	Off Track	Kevin Bartel	Endoscopy and Urology volumes continue to be lower than projected baseline. Orthopedic surgery volumes and CTS impella cases are on pace to meet/exceed the projected goals established.
2.2	Enhance Medical Center Capacity and Efficiency	Enhance existing spaces to grow capacity for additional and expanded services and focus on operational efficiency within the surgery areas.	On Track	Kevin Morrison	Projects to enhance the operational efficiency within the surgery areas are in various stages of design and permit approval.
2.3	Expand access for patients though Clinic Network Development	Strategically expand and enhance the existing ambulatory network to increase access at convenient locations for the community.	On Track	Ivan Jara	Outpatient clinic access continues to grow through the development of new locations, new specialties, and the expansion of current services. Current efforts include physician recruitment (Primary and Specialty Care), advanced practice provider recruitment, new clinic locations (Specialty, Rural, and Commercial), and federal/state programs and grants.
2.4	Innovation	Implement and optimize new tools and applications to improve the patient experience, communication, and outcomes.	On Track	Kevin Bartel	Current efforts related to AI ambient listening pilot project and integrated access for patients within the call system are ongoing and moving in positive directions. WellApp (platform supporting enhancement for patient scheduling, registration and billing) is fully implemented throughout the clinics. Ongoing meetings with consultants scheduled for early October to engage key stakeholders in the enhanced care at home project.
2.5	Enhance Health Plan Programs	Improve relationships with health plans and community partners and participate in local/state/federal programs and funding opportunities to improve overall outcomes for the community.	On Track	Sonia Duran-Aguilar	Monthly meetings with Medi-Cal Managed Care Health Plans (Anthem BC and HealthNet) remain in place. Separate meetings take place for Quality Incentive and CalAIM programs, both resulting in financial gains for Kaweah Health.

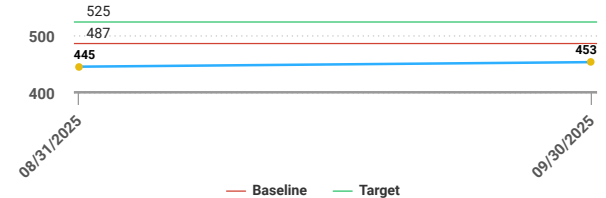
Perform 241 Orthopedic Surgery Cases Per Month



Perform 450 Endoscopy Cases Per Month



Increase Enrollment to 640 Lives in Enhanced Care Management



Outstanding Health Outcomes

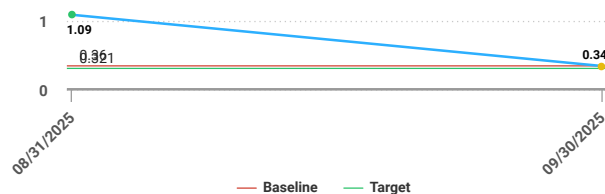
Champions: Dr. Paul Stefanacci and Sandy Volchko

Objective: To consistently **deliver high quality care** across the health care continuum.

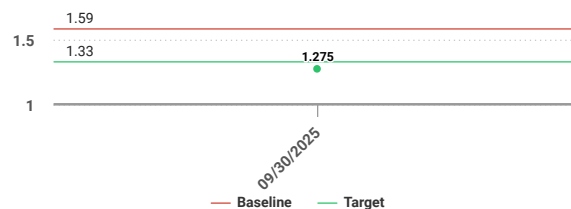
FY2026 Strategic Plan - Outstanding Health Outcomes Strategies

#	Name	Description	Status	Assigned To	Last Comment
3.1	Safety Program Enhancement	Improve the Patient Safety Program through enhanced proactive evidence based strategies.	On Track	Sandy Volchko	Data currently collected and reported to establish a baseline SSER, will need several months of data. No barriers.
3.2	Reduce Hospital Acquired Infections (HAI)	Reduce the Hospital Acquired Infections (HAIs) to the selected national percentile in FY26 as reported by the Centers for Medicare and Medicaid Services.	On Track	Sandy Volchko	Daily device rounds in place, additional leader support through BioVigil for increased system use and compliance.
3.3	Reduce Surgical Complications	Reduce the Patient Safety Indicator (PSI) 90 composite rate to the selected national percentile in FY26 as reported by the Centers for Medicare and Medicaid Services.	On Track	Sandy Volchko	Data analysis completed on individual measures included in PSI90 to identify targeted opportunities and evaluated evidenced based practices to impact outcomes. Concurrent individual case review process in place to identify opportunities and trends, analyze and act to address. Case reviews for PSI 12 (respiratory failure) in process with new Quality RN in training.

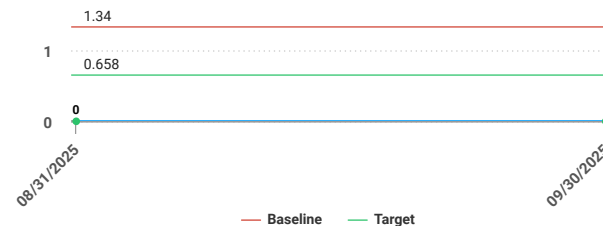
Decrease Standardized Infection Ratio (SIR) CAUTI to less than or equal to .321



Decrease the CMS composite score consisting of 9 weighted individual PSIs defined by CMS to 1.33



SIR MRSA FYTD </.0658



Patient Experience and Community Engagement

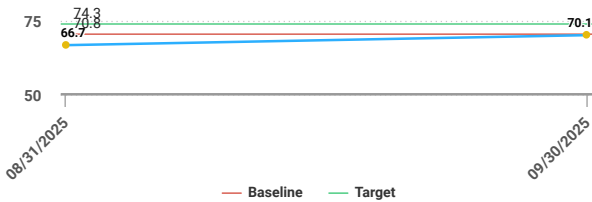
Champions: Marc Mertz and Deborah Volosin

Objective: Develop and implement strategies that provide our health care team the tools they need to deliver a world-class health care experience.

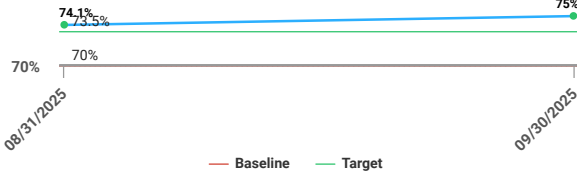
FY2026 Strategic Plan - Patient Experience and Community Engagement Strategies

#	Name	Description	Status	Assigned To	Last Comment
4.1	Empowering Leaders to Enhance Patient Experience	To improve patient experience, it is essential to cultivate a leadership culture that prioritizes patient-centered care. This strategy focuses on equipping leaders at all levels with the necessary skills, tools, and authority to drive meaningful improvements in patient interactions, service delivery, and overall satisfaction.	On Track	Deborah Volosin	We continue to give leaders their PX scores and highlight their unit priorities based on the feedback from patient surveys.
4.2	Fostering a Culture of Empathy and Human Understanding	Creating a culture of empathy and human-centered care is essential for enhancing patient experience and community trust.	On Track	Deborah Volosin	Patient Experience has focused on the message of compassionate communication for several months and has highlighted the Human Understanding score for the organization. Since it is an area of focus on the survey and a national initiative, it is imperative that we continue to keep compassion at top-of-mind for all employees. Compassion to co-workers and teams is very important if we expect our teams to in-turn provide that to patients and families. Piloting WMTY on 2 South, 2 North in September and October 2025.
4.3	Transforming the Patient Environment for a Better Experience	A well-designed and patient-friendly physical environment plays a critical role in patient experience and overall well-being. This strategy focuses on improving the hospital's physical spaces to promote comfort, accessibility, and a sense of healing	On Track	Deborah Volosin	Rounding with our Facilities, EVS, and Patient Experience teams is helping to pinpoint areas that need updating and refurbishment. From entrance to discharge – our patients and families should experience clean and well-maintained facilities.
4.4	Strengthening Community Engagement	Building strong relationships with the community is essential for fostering trust, improving health outcomes, and increasing access to care. This strategy focuses on actively engaging with community members through outreach programs, partnerships, and educational initiatives.	On Track	Deborah Volosin	We continue to meet with our CAC's on a monthly basis and include them in decisions regarding patient and family care. We also continue to sponsor community events and have representatives in attendance to increase our community's awareness of our services.
4.5	Adopting a Patient-Centered Approach to the Entire Healthcare Experience		On Track	Deborah Volosin	We are focused on making sure that patients and their families have a good experience across the continuum of care.

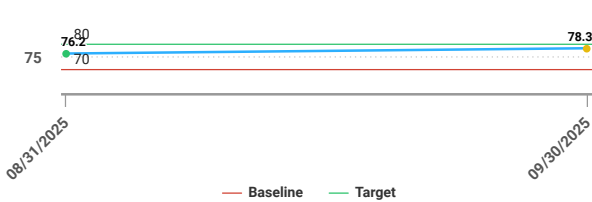
Achieve a score of 74.3 in HCAHPS Overall Rating



Achieve an Organizational-wide score of 73.5 in Human Understanding



Achieve a score of 80 in "Cleanliness of Clinic"



Physician Alignment

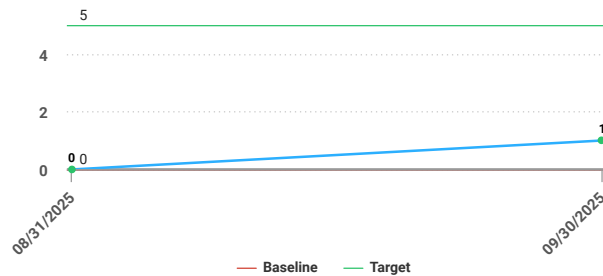
Champions: Ryan Gates and JC Palermo

Objective: Develop services and opportunities that improve alignment with and support for contracted and affiliated *physician practices*.

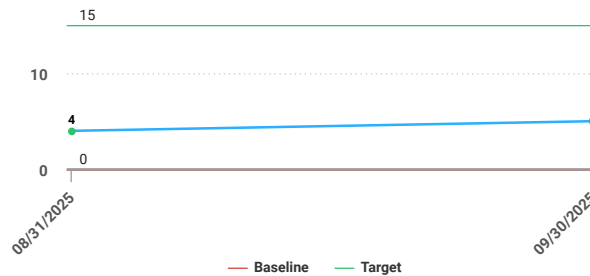
FY2026 Strategic Plan -Physician Alignment - Strategies

#	Name	Description	Status	Assigned To	Last Comment
5.1	Recruit Physicians and Advanced Practice Providers	Refine and execute recruitment strategy and employment options for physicians and advanced practice providers that will assist with recruitment of providers to support community needs and Kaweah Health's growth.	On Track	JC Palermo	The Physician Recruitment Strategy Committee continues to meet to discuss the most pressing community needs and how Kaweah Health can best deploy resources.
5.2	Develop and Provide Practice Support for Physicians	Continue to develop services and opportunities that improve alignment with and support for contracted and affiliated physician practices.	On Track	Ryan Gates	Lung Cancer Screening program development continues to take shape. EBUS and ION technology is onsite and cases are being completed. Discussions with key stakeholders have been initiated around the development of a comprehensive colorectal cancer program. Discussions continue with orthopedic surgeons to develop strategies to keep care local.
5.3	Physician Alignment through Integrated Delivery Network (i.e. Sequoia Integrated Health)	With our physician community partners, continue to develop and strengthen relationships with health plans through Sequoia Integrated Health.	On Track	Ryan Gates	Continued work to partner with Key MG through our joint venture SIH/SHP. Meetings were had in October with technology vendors that can help with integration and improved coordination of care and management of at-risk lives.

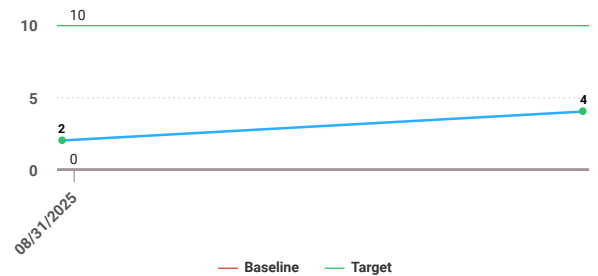
Recruit 5 Primary Care Physicians



Recruit 15 Specialty Providers



Recruit 10 Advanced Practice Providers



Emergency Services

Emergency Services Financial Performance Report: Fiscal Year 2025

This report analyzes the financial and operational outcomes of Kaweah Health's Emergency Services for Fiscal Year 2025 (FY2025), trending patient data over the most recent four years (FY2022–FY2025). The analysis encompasses six major service lines, derived from patient-based financial reports where an ED Flag identifies patients utilizing the Emergency Department (Dept. 7010).

I. Executive Financial Summary

For FY 2025, Emergency Services generated a total Contribution Margin (CM) of \$75.4 million, marking a 9% decline from the prior fiscal year. This CM decrease was driven primarily by a significant 10% increase in Direct Cost per Case, which outpaced the 5% increase in Net Revenue per case. The total financial results were heavily supported by \$51.3 million in supplemental government funding for Medi-Cal and Managed Care patient days and visits, which accounts for approximately 68% of the overall Contribution Margin recognized in this report. Overall Net Income for the service line closed with a loss of (\$22.7 million).

II. Volume and Cost Trends

Patient visit volume continues its four-year upward trend, increasing by 1% in FY 2025 to a total of 95,013 patient cases, driven primarily by the outpatient side. Inpatient discharges increased by 7% over the last three years, with a 3% increase most recently in FY 2025.

Inpatient and Efficiency Metrics:

- ED as Primary Gateway: 82.5% of all inpatient admissions (excluding Moms/Babies) originate through the Emergency Department, solidifying its role as the organization's primary access point.
- Efficiency Gain (ALOS): Inpatient days remained stable year-over-year, and the average length of stay (ALOS) declined by 4% to 5.57 days. This ALOS reduction opportunity has resulted in an estimated \$4 million in cost savings for the KHMC downtown campus since FY 2023.

Cost Drivers and Expense Analysis:

The overall 9% decline in Contribution Margin is directly linked to an 11% increase in Direct Costs (\$303.4 million). Key cost pressures include:

- Departmental Staffing Expense: Expenses for the ED cost center increased by 21% in FY 2025. This rise is mainly driven by staffing and registry expenses, which increased from \$269 to \$295 per visit.

- **Nursing Unit Expenses:** Increased staffing expense is noted across virtually all nursing units in FY 2025, negatively impacting the Direct Cost per case for ED Inpatient services (where Room & Board expenses are significant).
- **Direct Allocations:** The expense allocated for services directly touching the patient (including Emergency Call, Case Management, and Interpreter Services) is at the highest level in three years, further burdening the overall direct cost per case.

See Appendix A Emergency Services Contribution Margin FY 2025

See Appendix B for Emergency Services Metric Summary 4 Year Trend graphs

See Appendix C for Direct Cost Allocations FY 2025

III. Service Line Contribution Analysis

The financial profile remains heavily weighted towards inpatient services: 84% of the total CM is generated by ED Inpatient service lines, despite these visits representing only 18% of total volume.

Service Line	FY2025 Contribution Margin (CM)	Key Financial/Operational Drivers
ED Inpatient	\$63.2 Million CM	Largest CM contributor; 57% reliant on supplemental funding. Direct Cost per case is up 5%, reducing Contribution Margin per Case by 15%. Top Payer Mix: Medicare (34%), Medi-Cal Managed Care (25%).
Outpatient Emergency	\$9.7 Million CM	CM turned positive in FY 2024 and increased in FY 2025 due to MCMC Directed Payments Program and increased Net Revenue in Managed Care. Volume is 78,074, accounting for 82% of total ED volume.
ED Trauma Inpatient	\$8.0 Million CM	CM per case is on a downward trend, decreasing 3% from FY 2024 due to rising direct costs.
Mental Health Hospital	(\$495,266) Loss	Continuing a negative trend with a growing CM loss due to consistent increases in Direct Cost per case.
Outpatient Emergency Surgery	(\$5.1 Million) Loss	Represents the largest financial loss in the system for this service line (highest in 4 years). This loss is driven by high direct costs (Observation and OR/Anesthesia expense) and an

	FY2025	
Service Line	Contribution Margin (CM)	Key Financial/Operational Drivers
		inability to cover direct costs across all payers, exacerbated by a high Medi-Cal Managed Care payer mix.

See Appendix D Emergency Services Patient Discharges FY 2025

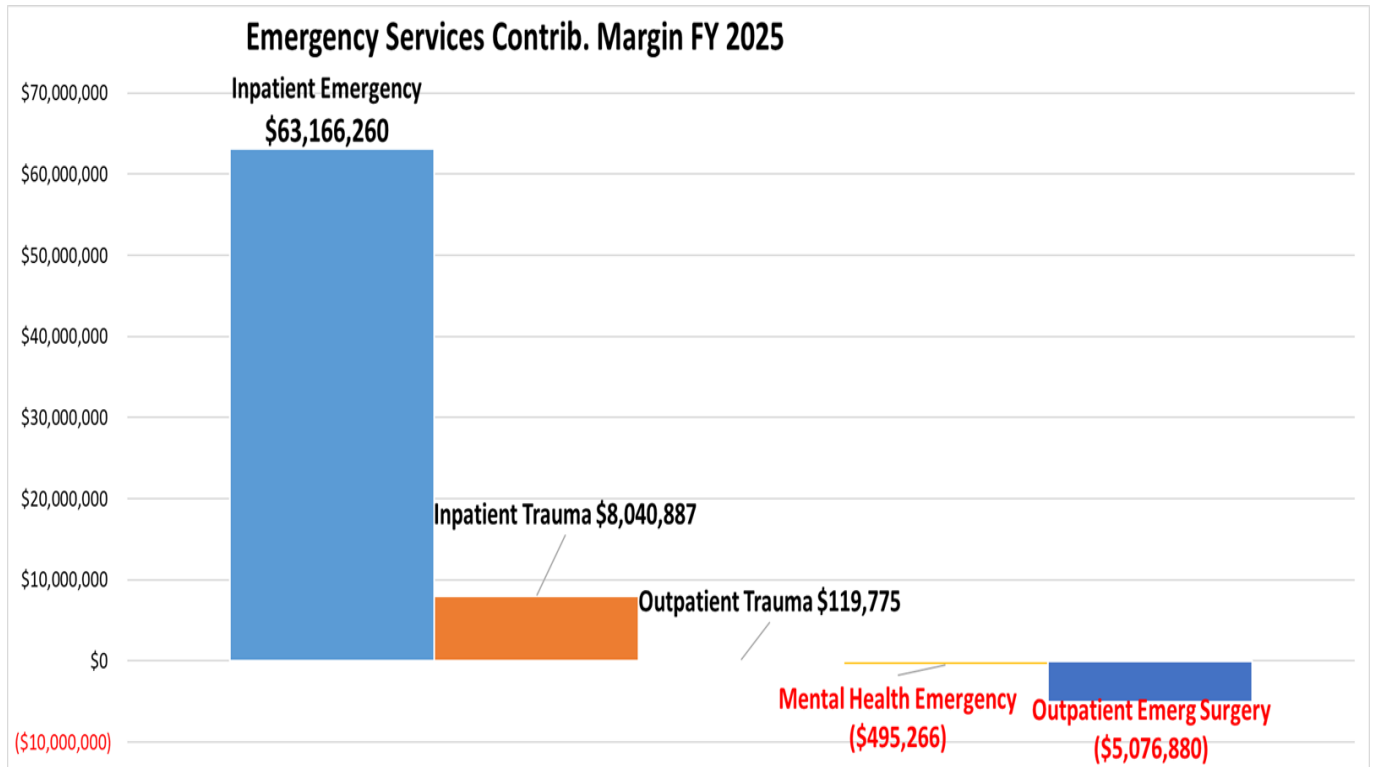
IV. Conclusion and Strategic Implications

The financial health of Emergency Services is strongly dependent on government supplemental funding and the efficiency of inpatient discharges. While positive operational changes are evident (e.g., declining ALOS and positive Outpatient CM trends), the 10% jump in Direct Cost per case is creating significant negative pressure, particularly for the overall Contribution Margin.

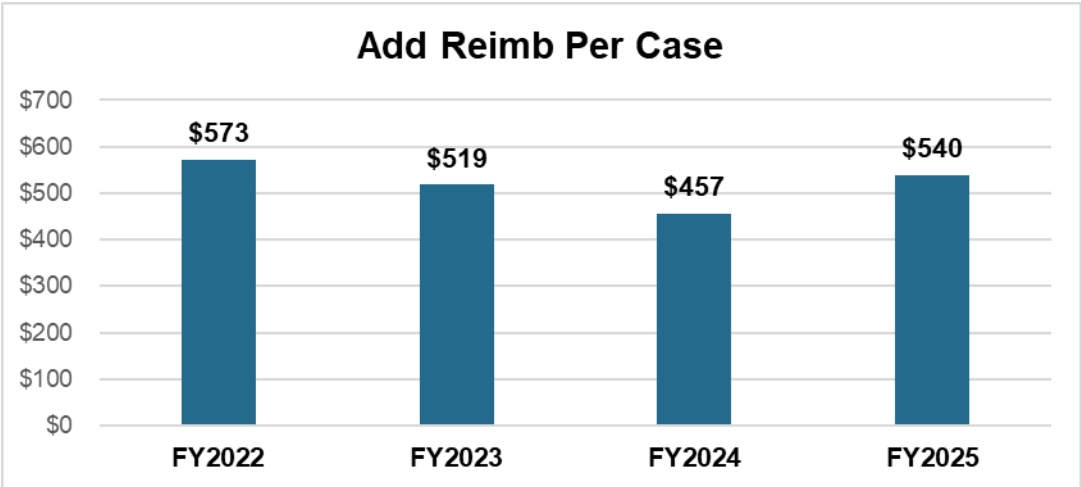
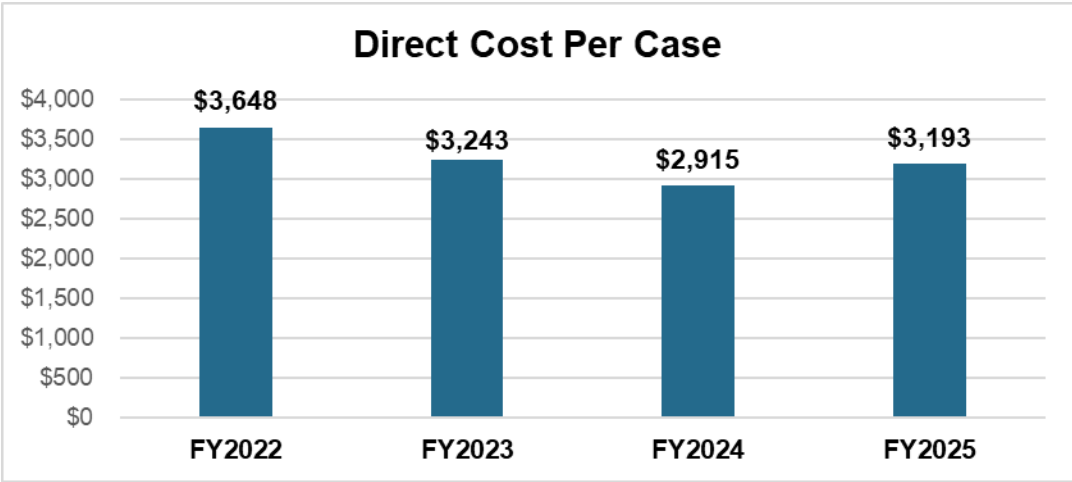
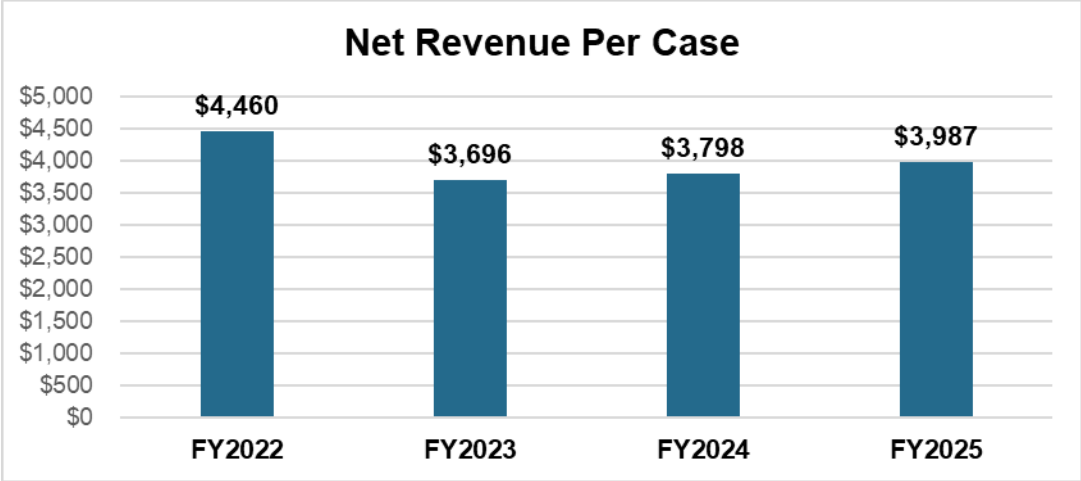
Strategic focus must remain on:

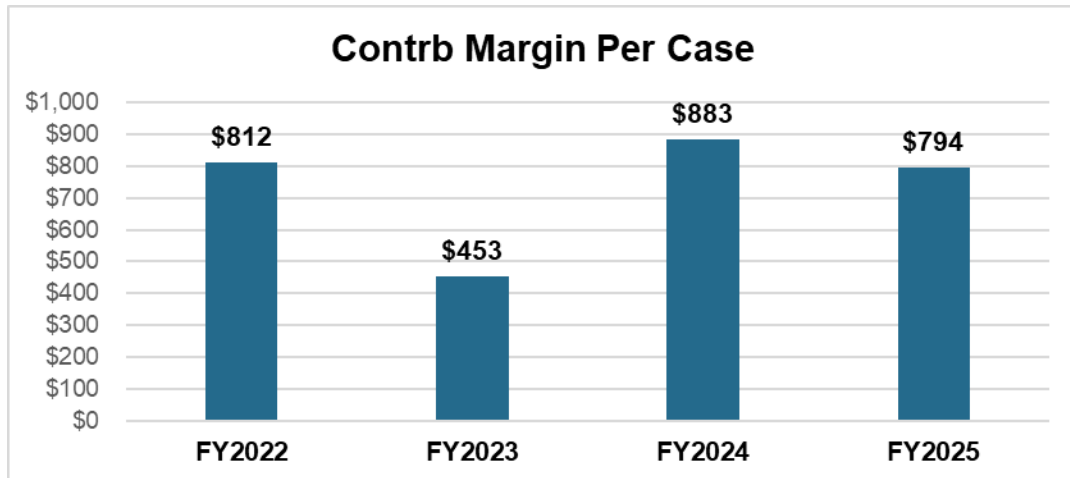
1. **Cost Containment:** Closely managing staffing costs and reducing reliance on registry within the ED.
2. **Addressing Losses:** Implementing targeted corrective action plans for the Outpatient Emergency Surgery and Inpatient Mental Health service lines.
3. **Sustaining Efficiency:** Continuing process improvements to maintain low ALOS and maximize efficient use of resources.

Appendix A:



Appendix B:



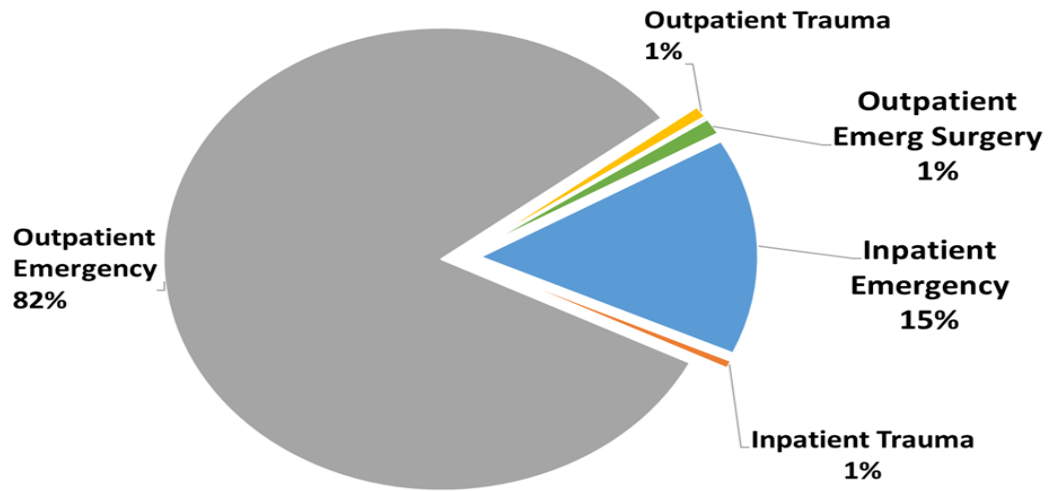


Appendix C:

Direct Cost Allocations - Where Costs Went To						Cost Accounting Direct Expense Allocations to ED Department 7010					
FY 2023 - FY 2025						Largest Expense is 7011 Emergency Call allocated at 100%					
Major Expense Allocated and % Allocation											

Appendix D:

Emergency Services Patient Discharges FY 2025



Q3 Risk Management Board Report

BOD Risk Management Report – Open 3rd Quarter 2025

Evelyn McEntire, Director of Risk Management
559-624-5297/emcentir@kaweahhealth.org

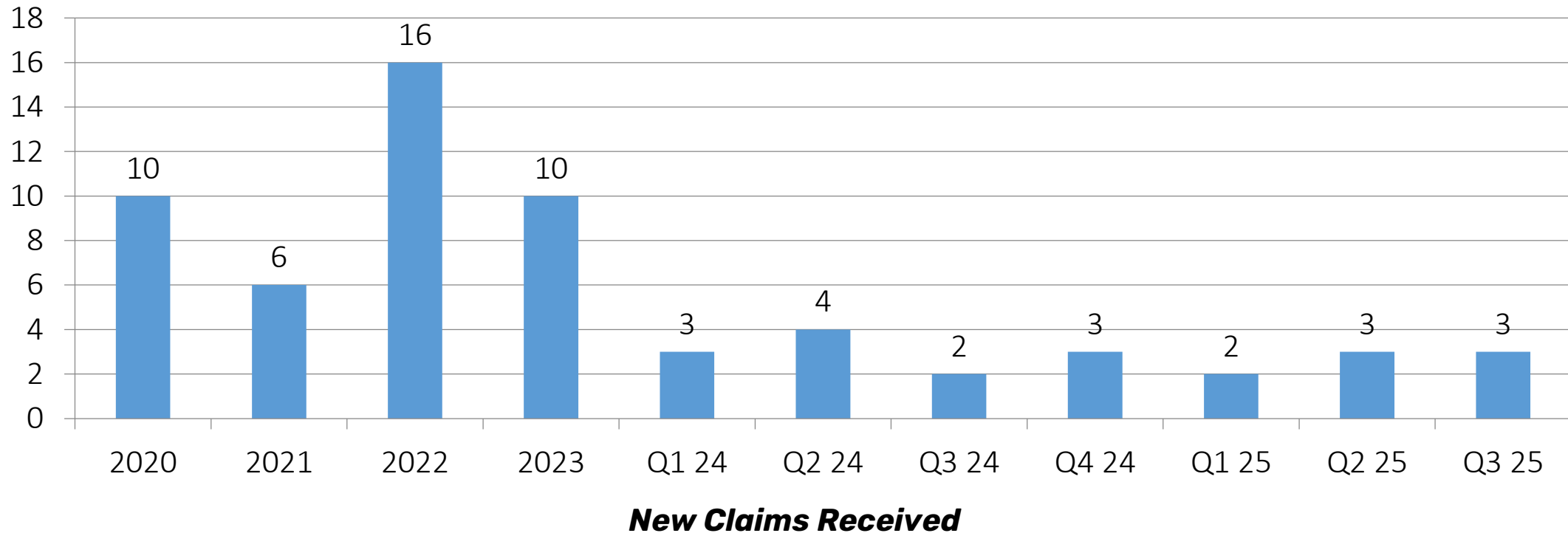


Risk Management Goals

1. Promote a safety culture as a proactive risk reduction strategy.
2. Reduce frequency and severity of harm (patient and non-patient).
 - Zero incidents of “never events”
3. Reduce frequency and severity of claims.

Claims

2020 - 2025



**Total cases closed in 3rd Quarter 2025 – Three (3)*

Agenda item intentionally omitted

September 10, 2025

Kaweah Delta Health Care District

Board of Directors Committee

Meeting Minutes

Health is our Passion. Excellence is our Focus. Compassion is our Promise.

Patient Experience Committee – OPEN MEETING

Wednesday September 10, 2025

Kaweah Health Medical Center – Executive Office Conference Room

Present: Director: Mike Olmos (Chair) & Armando Murrieta; Gary Herbst, Chief Executive Officer; Marc Mertz, Chief Strategy Officer; Deborah Volosin, Director of Patient & Community Experience; Sintayehu Yirgu, Patient Experience Advocate; Teresa Bobadilla, Patient Experience Data Analyst; Marlo Montejano, Patient Experience Liaison; and Lisette Mariscal, Recording

CALL TO ORDER – This meeting was called to order at 4:03 PM by Mike Olmos.

PUBLIC/MEDICAL PARTICIPATION – There was no public or medical participation.

MINUTES – The minutes from the July 2025 meeting were reviewed.

INTRODUCTIONS – Marlo Montejano, Patient Experience Liaison, was introduced.

PATIENT EXPERIENCE –

- 1.1. Deborah Volosin provided a report on the current phases of the Patient Experience initiative. (see Attachment 1.1 of the agenda)
- 1.2. Teresa Bobadilla presented the latest data from HCAHPS survey and reviewed the Patient Experience dashboard. (see Attachment 1.2 of the agenda)
- 1.3 – 1.5 Sintayehu Yirgu reported on patient experience MIDAS, lost belongings, and patient rounding metrics for the month of August. (see Attachment 1.3 – 1.5 of the agenda)
- 1.6. Discussion on agenda item deferred.

Adjourned at 5:09 PM

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.

Mike Olmos • Zone 1
President

Lynn Havard Mirviss • Zone 2
Vice President

Dean Levitan, MD • Zone 3
Board Member

David Francis • Zone 4
Secretary/Treasurer

Armando Murrieta • Zone 5
Board Member

September 17, 2025

Kaweah Delta Health Care District

Board of Directors Committee

Meeting Minutes

Health is our Passion. Excellence is our Focus. Compassion is our Promise.

Finance, Property, Services, and Acquisition Committee – OPEN MEETING

Wednesday September 17, 2025

Kaweah Health Medical Center – Executive Office Conference Room

Present: Directors: David Francis & Dean Levitan, M.D.; Gary Herbst, CEO; Malinda Tupper, Chief Financial Officer; Marc Mertz, Chief Strategy Officer; Jennifer Stockton, Director of Finance; Jag Batth, Chief Operating Officer; R. Gates, Chief Ambulatory Officer; K. Davis, Board Clerk
Recording

Called to order at 10:01AM

Public Participation- None.

MINUTES- Minutes were reviewed and to be presented to the Board of Directors.

FINANCIALS – Review of the most current fiscal year financial results and a progress review of projections relative to the Kaweah Health initiatives to decrease costs and improve cost efficiencies (copy attached to the original of these minutes and considered a part thereof) - *Malinda Tupper – Chief Financial Officer*

Adjourned at 11:02 AM

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.

September 18, 2025

OPEN Quality Council Committee**Thursday, September 18, 2025****The Lifestyle Center Conference Room**

Attending: Board Members: Mike Olmos (Chair) & Dr. Dean Levitan, Board Member; Sandy Volchko, Director of Quality & Patient Safety; Marc Mertz, Chief Strategy Officer; Schlene Peet, Chief Nursing Officer; Dr. Julianne Rudolph, Chief of Staff and Chair; Jag Batth, Chief Operation Officer; Ryan Gates, Chief Ambulatory Officer; Dr. Lamar Mack, Medical Director of Quality & Patient Safety; Shawn Elkin, Infection Prevention Manager; Martha Cardenas, RN-Clinical Care Quality Assurance; Dr. Paul Stefanacci, Chief Medical Officer; Kyndra Licon – Recording.

Mike Olmos called to order at 7:45 AM.

Review of Closed Session Agenda: Dr. Dean Levitan made a motion to approve the closed agenda, there were no objections.

Mike Olmos adjourned the meeting at 7:46 AM.

Public Participation – None.

Mike Olmos called to order at 8:00 AM.

- 3. Review of August Quality Council Open Session Minutes** – Mike Olmos, Committee Chair; Dr. Dean Levitan, Board Member.
 - Reviewed and acknowledged the August Quality Council Open Session Minutes by Dr. Dean Levitan and Mike Olmos. No further actions.
- 4. Quality Incentive pool (QIP) report** – A review of current performance and initiatives aimed at improving rural health care clinics. *Sonia Duran-Aguilar, MSN, MPH, RN, PHN, CNL, CRHCP, Director of Population health Management; Ryan Gates, PharmD, CRHCP, Chief Population Officer.* - Reports reviewed and attached to minutes. No action taken.
- 5. Clinical Quality Goals Update-** A review of current performance and actions focused on the clinical quality goals for Healthcare Acquired Infections and Sepsis. – Reports reviewed and attached to minutes. No action taken.

Adjourn Open Meeting – Mike Olmos, Committee Chair

Mike Olmos adjourned the meeting at 8:52 AM.

September 24, 2025

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD WEDNESDAY SEPTEMBER 24, 2025, AT 4:00PM IN THE CITY OF VISALIA CITY COUNCIL CHAMBERS – 707 W. ACEQUIA, VISALIA, CA.

PRESENT: Directors Olmos, Francis, Levitan & Murrieta; G. Herbst, CEO; J. Randolph, Chief of Staff; M. Tupper, CFO; D. Cox, Chief Human Resource Officer; R. Gates; Chief Ambulatory Officer; M. Mertz, Chief Strategy Officer; S. Peet, CNO; D. Leeper, Chief Information Officer; P. Stefanacci, Chief Medical Officer; R. Berglund, Legal Counsel; and K. Davis, recording

The meeting was called to order at 4:00 PM by Director Olmos.

PUBLIC PARTICIPATION –None.

ADJOURN - Meeting was adjourned at 4:00PM

Mike Olmos, President
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

David Francis, Secretary/Treasurer
Kaweah Delta Health Care District Board of Directors

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD WEDNESDAY SEPTEMBER 24, 2025, AT 4:45PM IN THE CITY OF VISALIA CITY COUNCIL CHAMBERS – 707 W. ACEQUIA, VISALIA, CA.

PRESENT: Directors Olmos, Francis, Murrieta & Levitan; G. Herbst, CEO; D. Hightower, Chief of Staff; M. Tupper, CFO; D. Cox, Chief Human Resource Officer; R. Gates; Chief Ambulatory Officer; M. Mertz, Chief Strategy Officer; S. Peet, CNO; D. Leeper, Chief Information Officer; P. Stefanacci, Chief Medical Officer; R. Berglund, Legal Counsel; and K. Davis, recording

The meeting was called to order at 5:11 PM by Director Olmos.

ROLL CALL- All Directors were present and a roll call is not necessary.

FLAG SALUTE- Director Francis lead the flag salute.

PUBLIC PARTICIPATION – None.

CLOSED SESSION ACTION TAKEN: In closed session the board approved the action of rejecting a claim on its merits, the credentialing recommendations of the MEC for September 2025 and the closed board minutes from August 27, 2025.

RECOGNITIONS- Resolution 2270.

CHIEF OF STAFF REPORT – Report relative to current Medical Staff events and issues – Julianne Randolph, DO, *Chief of Staff*

- No report.

CONSENT CALENDAR – Director Olmos entertained a motion to approve the September 24, 2025, consent calendar.

PUBLIC PARTICIPATION – None.

MMSC (Havard Mirviss/Francis) to approve the August 27, 2025, consent calendar. This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Levitan, Murrieta and Francis.

EMERGENCY DEPARTMENT QUALITY REPORT– Presentation and discussion regarding key quality performances and action plans related to care process in the Emergency Department presented by Scott Baker.

Copy attached to the original of the minutes and to be considered a part thereof.

PHYSICIAN CREDENTIALING PRESENTATION – Presentation and discussion regarding the physician credentialing process, including requirements, timelines, and oversight responsibilities. Presented by Paul Stefanacci and Shannon, Director of the Medical Staff.

Copy attached to the original of the minutes and to be considered a part thereof.

PATIENT EXPERIENCE AND SATISFACTION UPDATE – A staff presentation and discussion of regarding aggregated and de-identified patient experience data, including trends, themes, and opportunities for improvement. Presented by Deborah Volosin. Copy attached to the original of the minutes and to be considered a part thereof.

STRATEGIC PLAN INITIATIVE PHYSICIAN ALIGNMENT- Presentation and discussion regarding progress, activities, and performance measures related to the District's Strategic Plan Initiative on Physician Alignment, including updates on physician engagement, recruitment, partnerships, and related action items. Presented by JC Palermo and Ryan Gates.
Copy attached to the original of the minutes and to be considered a part thereof.

FINANCIALS – A presentation and discussion of current financial statements, budget performance, revenue, and expense trends, and year-to-date comparisons for the District. Presented by Malinda Tupper.
Copy attached to the original of the minutes and to be considered a part thereof.

REPORTS

Chief Executive Officer Report – Mr. Herbst gave an update on the hospital census, a request from the grand jury and the voluminous PRA requests. – *Gary Herbst, CEO*

Board President- Mike made a verbal gratitude appreciation to Marc and Ryan for taking care of a patient matter that he received through an email. – *Mike Olmos, Board President*

ADJOURN - Meeting was adjourned at 6:34PM

Mike Olmos, President
Kaweah Delta Health Care District and the Board of Directors

ATTEST:

David Francis, Secretary/Treasurer
Kaweah Delta Health Care District Board of Directors

AP07



Policy Number: AP07	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Communication with law enforcement regarding requests for information and requests to interview interrogate a patient	

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

I. PURPOSE:

~~To provide guidelines to Kaweah Delta Health Care District (herein after referred to as Kaweah Health) staff when handling requests from law enforcement officials.~~

~~To ensure appropriate communication between Kaweah Health DHCD staff and law enforcement officials.~~

~~To provide clear guidelines to Kaweah Delta Health Care District (“Kaweah Health” or the “District”) staff for responding to requests from law enforcement officials in a manner that ensures compliance with all applicable privacy and confidentiality laws, and to promote appropriate communication and coordination between Kaweah Health staff and law enforcement personnel.~~

II. POLICY:

- ~~A. Law enforcement officers entering Kaweah Health District facilities for the purpose of obtaining patient information or to interview and/or interrogate a patient shall be referred to the Director of Risk Management, the Chief District Compliance and Risk Officer and Risk Management and Privacy Officer or the Kaweah Health Delta Hospital House Supervisor for assistance.~~
- ~~B. Law enforcement officials must provide Kaweah Health DHCD staff with proper identification.~~
- ~~C. Staff members shall cooperate with law enforcement personnel to the fullest extent possible.~~
- ~~D. The release of information to law enforcement officials must meet the standards of the HIPAA privacy regulations (45 C.F.R. § 164.512(f), (i)), the Confidentiality of Medical Information Act, the Lanterman-Petris-Short Act, and all other applicable laws and regulations, as applicable.~~
- ~~E. Patients or their legal representatives will be notified of a law enforcement official's request to interview or interrogate. Consideration should be given to the patient's medical condition; and the patient's physician should advise patient of any adverse medical consequences (see Guidelines for Releasing Patient Information to Law Enforcement).~~

~~F. No Kaweah Health DHCD staff member will ever attempt to physically prevent an officer from interrogating a patient.~~

~~7. A. Law enforcement officers entering Kaweah Health facilities for the purpose of obtaining patient information or interviewing/interrogating a patient shall be promptly referred to one of the following for assistance and oversight:~~

- ~~• Director of Risk Management;~~
- ~~• Chief Compliance and Risk Officer / Privacy Officer; or~~
- ~~• Hospital House Supervisor (after regular business hours).~~

~~B. All law enforcement officials must present valid identification and state the nature of their request.~~

~~C. Kaweah Health staff shall cooperate with law enforcement personnel to the fullest extent permitted by law while protecting patient rights and confidentiality.~~

~~D. The release or disclosure of patient information to law enforcement must strictly comply with:~~

- ~~• HIPAA Privacy Rule (45 C.F.R. § 164.512(f), (i));~~
- ~~• California Confidentiality of Medical Information Act (Civil Code § 56 et seq.);~~
- ~~• Lanterman-Petris-Short (LPS) Act (Welfare & Institutions Code § 5328); and~~
- ~~• Any other applicable federal or state law or regulation.~~

~~E. Patients or their authorized representatives will be notified, whenever appropriate, of a law enforcement request to interview or interrogate the patient. The attending physician shall assess the patient's medical condition and advise on any potential adverse effects before the interview proceeds.~~

~~F. Under no circumstances shall Kaweah Health staff physically prevent a law enforcement officer from carrying out lawful duties. Concerns or disputes should be elevated immediately to the Director of Risk Management or the Chief Compliance and Risk Officer.~~

~~G. This policy does not confer independent authority to staff to approve or deny law enforcement requests beyond their scope of practice; final determinations must be made by authorized personnel under this policy.~~

~~H. The Chief Executive Officer shall ensure this policy is implemented consistently and may delegate operational oversight to the Chief Compliance and Risk Officer.~~

III. PROCEDURE:

~~A. When a law enforcement official requests permission to interview/interrogate a patient or requests information regarding a patient, staff will contact the Director of Risk Management (ext. 2340), the Chief Compliance and Risk Management Officer Compliance and Privacy Officer~~

~~(ext 5006) or the Kaweah HealthDelta Medical Center House Supervisor (ext 2154).~~

- ~~B. Staff will provide the Director of Risk Management, the Chief Compliance and Privacy Risk Management Officer and/or the Kaweah HealthDelta Medical Center's House Supervisor with information regarding the patient and will identify what information has been requested by law enforcement.~~

Initial Notification

1. When a law enforcement officer requests to interview or obtain information about a patient, staff shall immediately notify one of the following (in order of availability):
 - o Director of Risk Management (Ext. 2340)
 - o Chief Compliance and Privacy Officer (Ext. 5006)
 - o Hospital House Supervisor (Ext. 2154)

B. Verification and Coordination

1. Staff shall obtain and record the officer's name, badge number, agency, contact information, and the specific nature of the request.
2. The Director of Risk Management or Compliance Officer shall determine whether the requested information may be disclosed and under what conditions, ensuring compliance with applicable laws and District policy.
3. Documentation of all law enforcement contacts and actions taken shall be maintained by the Compliance Department.

C. Patient Rights and Physician Involvement

1. When a patient is conscious and medically stable, the attending physician shall be notified prior to any interview or interrogation.
2. If appropriate, the patient (or legal representative) shall be informed of the law enforcement request.

References:

- ~~— California Hospital Association Consent Manual: Chapters 6, 13, 16 and 17~~
- ~~— HIPAA privacy regulations (45 C.F.R. § 164.512(f), (i))~~
- ~~— Guidelines for Releasing Patient Information to Law Enforcement~~

- California Hospital Association *Consent Manual* (Chapters 6, 13, 16, 17)
- HIPAA Privacy Rule (45 C.F.R. § 164.512(f), (i))
- California Confidentiality of Medical Information Act (Civil Code § 56 et seq.)
- Lanterman-Petris-Short Act (Welfare & Institutions Code § 5328)
- California Health & Safety Code § 32121(b) (District powers)
- Ralph M. Brown Act (Government Code § 54950 et seq.)

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

draft

AP80

Policy Number: AP80	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<u>American and California State Flags</u> American and California State Flags	


**Kaweah Delta
Health Care District**

 Subcategories of Department Manuals
not selected.

Policy Number: AP80	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<u>American and California State Flags</u>	

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

PURPOSE

To establish guidelines for the proper display, maintenance, and handling of the American and California State flags at Kaweah Delta Health Care District (the “District”) facilities, in accordance with applicable laws, flag protocol, and District governance practices.

POLICY

1. The District shall display the American and California State flags at appropriate District facilities as a symbol of respect, unity, and public service.
2. The Board of Directors delegates authority to the Chief Executive Officer (CEO) or designee to ensure flags are displayed, maintained, and replaced in compliance with this policy.
3. The Board of Directors retains the authority to approve instances where the District’s flags are flown at half-staff for local observances or significant community events, consistent with federal and state proclamations.
4. All actions taken under this policy shall comply with the Ralph M. Brown Act and be reported or authorized in open session when applicable.

POLICY: ~~American and California State flags may be flown at Kaweah Delta Health Care District facilities under the direction of Administration and in compliance with authorization by the Board of Directors~~Chief Executive Officer.

PROCEDURE:

- ~~I. American and California State flags flown at KDHCD facilities shall be neat and clean and shall be replaced when tattered and/or worn.~~
- ~~II. American and California State flags may be flown at all hours and during inclement weather provided they are appropriately lighted. Where lighting is not possible, American and California State flags shall be lowered, folded, and placed in a safe and secure area by no later than sundown each day.~~
- ~~III. American and California State flags may be flown at half-mast only with authorization of the President of the United States, the Governor of the State of California, or the District Board of Directors~~Chief Executive Officer.
 - ~~A. It is the policy of the Board of Directors~~Chief Executive Officer to allow the flag to be flown at half-mast only when a significant community event has occurred which calls for such action.

A. Display and Maintenance

1. Flags shall be neat, clean, and replaced promptly when tattered, faded, or worn.
2. Flags may be flown at all hours if properly illuminated. If adequate lighting is not available, flags shall be respectfully lowered, folded, and stored in a secure location before sundown.

B. Half-Staff Display

1. The American and/or California State flags may be flown at half-staff upon official proclamation by:
 - o The President of the United States;
 - o The Governor of the State of California; or
2. The CEO may implement the half-staff display directive upon such authorization and ensure compliance at all District facilities.
3. Requests for half-staff display due to local or community events shall be submitted to the CEO, who may place the matter on a future Board meeting agenda for consideration and authorization in accordance with the Brown Act.
4. Emergency or time-sensitive requests may be acted upon by the CEO consistent with federal and state proclamations and reported to the Board at the next regular meeting.

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

Draft

AP21



Policy Number: AP21	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
Subpoenas/Search Warrants served on district records, contract physicians, or patients	

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

PURPOSE

To establish consistent procedures for the lawful and efficient handling of subpoenas and search warrants served upon Kaweah Delta Health Care District (“Kaweah Health” or the “District”), its employees, contract physicians, or patients, while ensuring compliance with applicable federal and state privacy and confidentiality laws.

POLICY: ~~The government, law enforcement agencies, court personnel, or their representatives wishing to serve subpoenas and/or search warrants upon Kaweah Delta Health Care District (hereinafter “District”) records (including but not limited to patient records), property, contract physicians, or patients will be directed to the appropriate department¹ as indicated below. Only those departments indicated below are authorized to accept subpoenas.~~

~~The department receiving the subpoena will cooperate with the process server to the extent that serving the subpoena does not interfere with or disrupt the business of the District.~~

~~However, at no time will process servers be allowed in patient care areas.~~

1. Only designated departments and authorized personnel may accept service of subpoenas or search warrants on behalf of the District.
2. All subpoenas and warrants shall be reviewed promptly by the appropriate department (as outlined below) and coordinated with the Director of Risk Management, the Chief Compliance and Risk Officer, or District legal counsel.
3. Process servers and law enforcement personnel shall not be permitted in patient care areas except as required by law and with administrative approval.
4. Staff shall cooperate fully with lawful investigations while protecting patient privacy and District operations.

¹ ~~Any subpoena which includes a request for District medical records, regardless of the involvement of any other department, will be directed to the Health Information Management Department.~~

5. No staff member, physician, or contractor shall destroy, conceal, or alter any record subject to subpoena or warrant.

PROCEDURE:

I. Subpoenas on District Records

~~All subpoenas, except those specifically set forth below, shall be served on and accepted by District Administration for delivery to the appropriate department(s) as outlined below. No other department is authorized to accept subpoenas for District records.~~

~~Departments other than Administration authorized to receive subpoenas include:~~

- ~~A. Subpoenas served on District staff members will be directed to the Risk Management Department;~~
- ~~B. Subpoenas served for District medical and/or patient records will be directed to the Health Information Management (HIM) Department;~~
- ~~C. Subpoenas served for District billing records will be directed to the Health Information Management (HIM) Department;~~
- ~~D. Subpoenas served for radiological films and/or CT scans will be directed to the Radiology Department.~~
- ~~Subpoenas served for patient laboratory specimens or Coroner release requests for patient laboratory specimens made to the Laboratory Department. See policy PTS-036 Release of Specimen Coroner/Subpoenas.~~
- ~~E. Subpoenas served for District business records or video surveillance will be directed to the Risk Management Department.~~

A. Subpoenas on District Records

1. All subpoenas shall be directed to and accepted by **District Administration**, unless otherwise specified below.
2. The following departments are authorized to accept subpoenas for the corresponding records:

<u>Type of Record / Recipient</u>	<u>Authorized Department</u>
<u>Subpoenas served on District staff</u>	<u>Risk Management</u>
<u>Medical or patient records</u>	<u>Health Information Management (HIM)</u>
<u>Billing records</u>	<u>Health Information Management (HIM)</u>
<u>Radiology films or imaging studies</u>	<u>Radiology Department</u>
<u>Laboratory specimens / coroner releases</u>	<u>Laboratory Department (See Policy PTS-036)</u>
<u>Business records or surveillance videos</u>	<u>Risk Management</u>

3. Departments not listed above are **not authorized** to accept service of subpoenas.

II. ~~Subpoenas on Contract Physicians~~

A. ~~Business Related Subpoenas~~

~~Service on Individual Contract Physician on Duty or not on Duty~~

~~When the subpoena is served for reasons related to the contract physician's work at the District and the contract physician is actively credentialed when the process server arrives, the process server will be asked to report to Human Resources where Risk Management staff will be notified and receive the subpoena on behalf of the contract physician so that service may occur. Risk Management staff will route the subpoena to the physician.~~

~~1.~~

~~a) Risk Management will maintain a log of contract physicians that do not wish to have Kaweah accept service on their behalf. These process servers will be directed to the private offices of the requesting physicians.~~

~~.~~

~~(1) a) It will be at the discretion of the Risk Management staff in the event a subpoena is not accepted on behalf of a contract physician.~~

B. Subpoenas on Contract Physicians

1. Business-Related Subpoenas

If the subpoena relates to a physician's work performed under contract with the District, the process server shall be directed to **Human Resources**, who will notify **Risk Management**.

Risk Management may accept service on behalf of the contract physician if prior authorization is on file.

A log shall be maintained identifying physicians who do **not** authorize the District to accept service on their behalf.

2. Non-Business / Personal Subpoenas

Risk Management will not accept personal subpoenas unrelated to District duties.

If the physician is on duty, they may be notified and choose to accept service personally in Human Resources.

2. _____

Non-Business Related Subpoenas

~~When a subpoena is related to a personal matter and is not related to the contract physician's work with the District, the Risk Management staff will not accept the subpoena. If the contract physician is on duty at the time that the process server arrives in Human Resources, the contract physician will be contacted and asked to report to the Human Resources to accept service.~~

C. Subpoenas on District Employees

Business-related subpoenas directed at District employees shall be accepted by **Risk Management** and delivered to the employee with notice of any applicable obligations or protections.

Personal subpoenas unrelated to District duties shall not be accepted by the District.

III. Subpoenas on Staff Members

~~A. Business-related subpoenas served on staff members will be accepted by the Risk Management department and routed to the employee.~~

IV. Subpoenas on Patients

~~A. Kaweah Health Delta Medical Center~~

~~The process server shall be directed to the Risk Management department. The Risk Management staff shall contact the patient's attending physician to determine if it is appropriate for the patient to be served in the hospital.~~

~~B. Kaweah Health Delta South Campus~~

~~The process server shall be directed to the Nurse Designee on duty. The Nurse Designee shall contact the patient's attending physician and/or Risk Management staff to determine if it is appropriate for the patient to be served in the facility.~~

~~C. Kaweah Health West Campus~~

~~The process server shall be directed to the West Campus Administrator. The West Campus Administrator shall contact the patient's attending physician and/or Risk Management staff to determine if it is appropriate for the patient to be served in the hospital.~~

~~D. — Kaweah Health Delta Mental Health Campus~~

~~The process server shall be directed to the Administrator for Kaweah Delta Mental Health. The Administrator shall contact the Risk Management staff to determine if it is appropriate for the patient to be served in the hospital.~~

~~I. — Depositions of Contract Physicians~~

~~Risk Management staff
will not assist in arranging the time and location of the deposition.
Depositions are not to be obtained on District premises.~~

D. Subpoenas on Patients

1. Main Campus (Kaweah Health Medical Center)

Process servers shall be directed to Risk Management.

Risk Management will consult the attending physician to determine if service is appropriate and non-disruptive to patient care.

2. Other Campuses (South, West, and Mental Health)

The on-duty Nurse Designee or Campus Administrator shall be notified.

The Administrator or designee will coordinate with Risk Management and the attending physician before service occurs.

E. Depositions of Contract Physicians or Staff

Risk Management staff shall not arrange depositions or allow them to occur on District premises.

Physicians and employees are responsible for arranging their own depositions and notifying counsel as appropriate.

F. Search Warrants

1. The presentation of a search warrant indicates an active and serious government investigation.

Upon receipt of a search warrant:

- o Immediately notify the **Chief Compliance and Risk Officer, Director of Risk Management, or District Legal Counsel.**
- o The department manager or designee being searched shall accompany the agents at all times and maintain contemporaneous notes of the search.
- o Notes should be addressed to legal counsel and kept confidential as privileged communications.

2. Search of Persons or Patients

- Staff shall not assist in any search or medical procedure that is not medically necessary unless a valid warrant specifically authorizing the search has been reviewed and approved by Risk Management.
- Kaweah Health staff WILL NOT assist in any examination or testing that is not medically necessary unless the following:
A warrant to conduct a body cavity search to obtain the evidence is received by the involved law enforcement agency AND the warrant is reviewed by the Risk Management Department prior to execution of the warrant, AND after the above are obtained and reviewed, any examination done exclusively for the collection of evidence will be done by a practitioner.
- Any examination performed solely for evidence collection must be performed by a licensed practitioner.

3. Privileged Documents

- If privileged records are seized, staff shall immediately request that they be sealed and segregated until legal counsel can intervene.

4. Staff Rights

- Employees may choose whether to speak with investigators. They have the right to consult with or have counsel present before and during any interview.
- If staff choose to speak, they must provide truthful and accurate information.

5. Documentation

- The Compliance Officer shall obtain a detailed inventory or receipt for all items seized and request an opportunity to copy or retain duplicates of seized materials.

I. Search Warrants

~~In general, the use of a search warrant indicates that the government views the investigation as extremely serious. The District Compliance Officer, Director of Risk Management, and the District Compliance Advocate shall be consulted at the earliest opportunity to ensure that informed decisions are made.~~

In the event you are served with a search warrant:

- ~~Immediately contact the Compliance Officer at 624-5006. . Under the direction of the District Compliance Officer, Risk Management Director, and/or the District Compliance Advocate, tThe Mmanager or designee of the department being searched will work deal with the agents executing the search warrant and must take notes during the search. The notes are to be taken in anticipation of litigation, addressed to the counsel, and kept confidential.~~

- ~~— Kaweah Health staff WILL NOT assist in any examination or testing that is not medically necessary unless the following:~~
 - ~~— A warrant to conduct a body cavity search to obtain the evidence is received by the involved law enforcement agency AND the warrant is reviewed by the Risk Management Department prior to execution of the warrant, AND~~
 - ~~A. After the above are obtained and reviewed, any examination done exclusively for the collection of evidence will be done by a practitioner.~~
- ~~B. If the person executing the search warrant seizes privileged documents, advise them that the documents are privileged and request that such documents be sealed in an envelope and segregated from the other items seized until counsel can take steps to seek their return.~~
- ~~C. Staff members shall not be instructed not to speak with government investigators. They can, however, be told what their rights are: They have the right to talk or not to talk, they can consult with counsel before deciding whether to talk, and they can have counsel present at any interview they choose. Again, if staff members choose to talk, they should be reminded of the importance of being truthful.~~
- ~~D. The Compliance Officer will obtain a detailed receipt for all evidence seized. In addition, the District will ask for the opportunity to copy all documents or other records seized.~~

REFERENCES

- HIPAA Privacy Rule (45 C.F.R. §164.512(f), (i))
- California Confidentiality of Medical Information Act (Civil Code §56 et seq.)
- California Evidence Code §1158
- California Penal Code §§1523–1542 (Search Warrants)
- California Hospital Association *Consent Manual*
- Health & Safety Code §32121(b) (Powers of Healthcare District Board)
- Ralph M. Brown Act (Gov. Code §54950 et seq.)

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

AP129

Policy Number: AP129	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<u>Critical Incident Stress Management</u>	

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

~~**PURPOSE:** The purpose of Critical Incident Stress Management (CISM) is to provide timely, effective assistance to employees involved in a critical incident and to reduce and control the harmful aspects of critical incident stress among staff at Kaweah Delta Health Care District (KDHC) Medical Center. The goal of CISM is to return personnel to their pre incident level of functioning as soon as humanly possible and to retain valuable employees exposed to distressing situations.~~

PURPOSE

The purpose of this policy is to establish a consistent and effective process for providing Critical Incident Stress Management (CISM) support to Kaweah Delta Health Care District (“Kaweah Health” or the “District”) staff members who experience or are exposed to traumatic or high-stress events in the course of their work.

The goal of CISM is to reduce the potential for long-term psychological distress, assist employees in returning to their pre-incident level of functioning as quickly as possible, and support employee well-being and retention.

~~**POLICY:** Kaweah HealthDHCD has adopted the International Critical Incident Stress Foundation (ICISF) model of crisis intervention. This is a peer-driven system with social service and mental health collaboration.~~

~~The CISM team will minimally consist of a chaplain, one social worker and one peer. The peer will be a Kaweah HealthDHCD employee that does not work in the area the incident occurred. Group defusing/debriefings will be conducted to assist staff in dealing with the stress and psychological aspects of the crisis. Follow-up recommendations will be made by the CISM team if needed.~~

~~CISM is available to Kaweah HealthDHCD staff involved in critical incidents. Critical Incidents may include but are not limited to:~~

- ~~1. suicide/death of a co worker~~
- ~~2. providing care to a patient who is a relative or close friend who is dying or in serious condition~~
- ~~3. death of a child or newborn~~
- ~~4. patients with gruesome, disfiguring, or dismembering injuries~~

5. ~~major disasters~~
6. ~~personally threatening events~~
7. ~~events with media exposure~~
8. ~~dealing with hysterical family members~~
9. ~~death of a patient after prolonged efforts at resuscitation~~
10. ~~multiple casualties at the same time~~

POLICY

A. Kaweah Health has adopted the **International Critical Incident Stress Foundation (ICISF)** model of crisis intervention, a peer-driven support system that integrates professional social service and mental health collaboration.

B. The **CISM Team** shall consist, at minimum, of:

- One Chaplain,
- One Licensed Clinical Social Worker or designated mental health professional, and
- One Peer Support Member (a Kaweah Health employee not assigned to the department in which the incident occurred).

C. CISM services, including group defusings and debriefings, are available to all Kaweah Health staff members involved in critical incidents, as defined below.

D. **Critical Incidents** may include, but are not limited to:

1. Suicide or death of a co-worker;
2. Providing care to a relative, friend, or colleague;
3. Death of a child or newborn;
4. Exposure to gruesome, disfiguring, or traumatic injuries;
5. Mass casualty or disaster events;
6. Personally threatening or violent incidents;
7. Events involving intense media exposure;
8. Managing highly emotional or combative family members;
9. Unsuccessful resuscitation following prolonged efforts;
10. Multiple casualties or high-fatality incidents.

E. Participation in CISM activities is **voluntary** and **confidential**, except as otherwise required by law (e.g., threats of harm to self or others, mandated reporting).

F. The CISM program operates under the oversight of **Human Resources and EAP** and is designed to supplement—not replace—formal mental health treatment, employee health services, or counseling benefits.

PROCEDURE:

~~Requests for a CISM evaluation may be initiated by any staff member, manager or designee, or administrator on-call by contacting the House Supervisor on the Main Campus.~~

~~The House Supervisor will contact Chaplain Services to activate the on-call team.~~

~~Defusings or debriefings will be organized with the approval of the involved Manager/Director/Supervisor. (Individual sessions do not require manger approval.)~~

~~A defusing is provided within 8 to 12 hours and a debriefing is provided between 12 and 96 hours.~~

~~IV. In some incidents, the CISM team may be need to do an on scene assessment o while the incident is occurring to give advice to the supervisory staff. Brief (under 5 minute) one-on-one sessions with individuals may occur. Group sessions will not occur until after the crisis ends.~~

~~V. The CISM team is committed to maintain confidentiality of all who receive their services. If an individual gives the CISM team permission to relate information (if there is an indication that there is a clear and present danger if the situation is not corrected), the CISM team will report the situation to the supervisor with authority to correct the situation. Individuals receiving CISM services shall not be revealed without explicit permission.~~

~~The policy book explaining procedures and guidelines for how the CISM team conducts themselves and group sessions, resides in EAP.~~

PROCEDURE**A. Activation and Request Process**

1. Requests for CISM activation may be initiated by any staff member, supervisor, manager, or administrator on call.
2. To activate the CISM response, contact the **House Supervisor (Main Campus)**, who will notify **Chaplain Services** to mobilize the on-call CISM Team.
3. Defusing or debriefing sessions shall be scheduled with the approval of the appropriate **Manager, Director, or Supervisor** (individual sessions do not require approval).

B. Response Timelines

- **Defusing** sessions: Provided within 8 to 12 hours of the event.
- **Debriefing** sessions: Conducted within 12 to 96 hours of the event, depending on severity and staff readiness.

- On-scene assessments: May occur during an ongoing event to support supervisory staff and provide brief (under 5 minutes) one-on-one interventions. No group sessions shall occur until the incident is stabilized.

C. Confidentiality

1. All discussions during CISM sessions are confidential to the fullest extent permitted by law.
2. Information may only be disclosed if:
 - The individual provides explicit consent, or
 - There is reasonable belief that a person poses a clear and present danger to themselves or others, or as otherwise required by law.
3. When disclosure is necessary, only the minimum information required shall be shared with the supervisor or authority able to address the situation.

D. Documentation and Records

- No detailed clinical records are maintained by the CISM Team.
- Aggregate or de-identified utilization data may be reported to EAP for program quality and reporting purposes.

E. Training and Oversight

- The CISM Team shall receive ongoing training in ICISF model techniques, confidentiality, and trauma-informed communication.
- Human Resources and Chaplain Services will review the program annually and report to the Chief Human Resources Officer.

REFERENCES

- International Critical Incident Stress Foundation (ICISF) Model
- California Labor Code §6401.9 (Workplace Violence Prevention / Post-Incident Response)
- Cal/OSHA Guidelines on Employee Stress and Trauma Exposure
- HIPAA Privacy Rule (45 C.F.R. §164.512(j))
- California Evidence Code §1032 et seq. (Confidential Communications with Counselors)
- California Health & Safety Code §32121(b) (District Powers)

"These guidelines, procedures, or policies herein do not represent the only medically or legally acceptable approach, but rather are presented with the recognition that acceptable approaches exist. Deviations under appropriate circumstances do not represent a breach of a medical standard of care."

New knowledge, new techniques, clinical or research data, clinical experience, or clinical or bio-ethical circumstances may provide sound reasons for alternative approaches, even though they are not described in the document."

draft

AP164

Policy Number: AP164	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<u>Messenger Model Guidelines for Managed Care Contracting for Physicians</u>	


**Kaweah Delta
Health Care District**

 Subcategories of Department Manuals
not selected.

Policy Number: AP164	Date Created: No Date Set
Document Owner: Kelsie Davis (Board Clerk/Executive Assistant to CEO)	Date Approved: Not Approved Yet
Approvers: Board of Directors (Administration)	
<u>Messenger Model Guidelines for Managed Care Contracting for Physicians</u>	

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

POLICY: Kaweah Delta Health Care District (“District”) will use a messenger model to assist physicians and medical groups (“Physicians”) that have existing business relationships with the District but that do not compete or potentially compete with the District in negotiating health plan contracts (“Contracting Services”). The District will designate one or more District employees (“Messenger”) in the Managed Care Department to provide Contracting Services and convey contract proposals between Physicians and health plans as to contract proposals.

The messenger model ensures that each Physician is solely responsible for determining the rates or other terms he/she will negotiate and accept for health plan services. The Messenger will not bargain or negotiate on behalf of any Physicians or determine prices or rates as the best prices or rates for any Physician. The Messenger will not share any information or data regarding the contracts, positions, opinions, views, or decisions of a Physician with any other Physician for which the Messenger performs Contracting Services

PROCEDURE:

I. Role of the Messenger

- A. The Messenger will not provide Contracting Services for any Physician with respect to services that compete or potentially compete with the District.
- B. The Messenger will act as a conduit of information between individual Physicians and health plans so that each Physician can make his/her own decision as to whether it will accept or reject an offer by a health plan.
- C. The Messenger may collect information from a Physician regarding the prices or other terms that he/she will accept from health plans, including a minimum price; however, the Messenger will not use information from individual Physicians to determine an average price or other calculation to set a collective price to demand from health plans. The Messenger may provide this information to the health plans, but he/she may not disclose the information to any other Physician.
- D. The Messenger will not negotiate or bargain with health plans for fees, rates, or any competitively sensitive terms, including rates, fees, or other prices, on on behalf of any Physicians or two or more Physicians collectively.
- E. The Messenger will convey all health plan proposals to each individual Physician, including contract proposals that may fall below the minimum price levels authorized by the Physician.
- F. Each Physician will decide whether to accept the proposed contract terms; the Messenger will also convey counter-offers from Physicians to the health plans.
- G. The Messenger may assist a Physician in understanding the terms of a particular contract proposal by providing objective or empirical information about the terms of the offer, including comparisons to that Physician's other contracts; however, the Messenger will not recommend that a Physician accept or reject a particular health plan offer or otherwise express his/her own views or opinions to the Physician regarding the desirability or acceptability of the offers or contract terms.

II. Contracting Process

- A. The Messenger will not offer Contracting Services to a Physician on an exclusive basis.
- B. A Physician will not be prevented from contracting independently or directly with the health plans, either permanently or during the time which the Messenger is communicating with health plans.
- C. Each Physician will be responsible to determine the rates he/she will accept from health plans and to decide whether to accept or reject a contract proposal and execute the contract.

- D. The Messenger will not coordinate a collective response by any Physicians to any contract proposals from a health plan.
- E. The Messenger will not refuse to transmit any offers to a Physician that are below the Physician's authorized levels.
- F. The Messenger will not encourage or suggest in any way that any Physician refuse to negotiate or deal, or terminate his/her agreements with any health plan that does not raise its rates or otherwise meet the demands of the Physician.

III. Communications with Physicians

- A. The Messenger may share any public, non-confidential information with Physicians.
- B. The Messenger will not share fees, other contract rate terms requested or received by a Physician, any competitively sensitive terms or information, or the contracting decisions of Physicians, with any other Physician.
- C. The Messenger may provide aggregated information to Physicians; however, the information will be sufficiently aggregated so that it does not suggest or otherwise signal a price level that a Physician should select or how a Physician should act with respect to any contract proposal.
- D. The Messenger will not poll the Physicians to obtain the prices that they are willing to accept from health plans, provide collective price information to the Physicians or use the Physicians' collective price information as a basis for determining which of the health plan offers the Messenger will transmit to Physicians or to negotiate price or other competitive terms with the health plans.

IV. Administration of Services

- A. Each Physician will sign an Agreement authorizing the District to provide Contracting Services for the Physician.
- B. The fees for Contracting Services will be priced at fair market value, and billed to the Physicians. As to a Physician receiving an income guarantee under a professional services or recruitment agreement, the fees are included in the fair market value of the compensation or recruitment assistant provided to the Physicians.
- C. Each Physician is responsible for his/her billing and collection of professional fees for his/her medical services.

V. Governance and Compliance

- D. This Policy shall be approved and periodically reviewed by the District's Board of Directors in an open session in compliance with the Ralph M. Brown Act (Gov. Code §54950 et seq.).

E. District employees performing Messenger functions shall do so within the scope of their authorized duties, as approved by the Board, and the costs of such services shall be fully reimbursed by participating Physicians to ensure no use of public funds for private benefit.

F. This Policy shall be administered in accordance with all applicable provisions of the California Health and Safety Code governing health care districts (§§ 32000–32499.2).

D.

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

OB.GYN Privileges

Privileges in Obstetrics & Gynecology

Name: _____
Please Print

OB/GYN Initial Criteria					
Education: Successful completion of an ACGME or AOA-accredited residency /fellowship in obstetrics & gynecology AND					
Certification: Current certification or active participation in the examination process leading to certification in obstetrics & gynecology by the American Board of Obstetrics & Gynecology or the American Osteopathic Board of Obstetrics & Gynecology. Board certification must be obtained within 5 years of completion of residency.					
Renewal Criteria: Maintenance of certification or active participation in the examination process leading to certification in obstetrics & gynecology by the American Board of Obstetrics & Gynecology or the American Osteopathic Board of Obstetrics & Gynecology.					
OBSTETRICS CORE PRIVILEGES					
Current Experience: Documentation or attestation of the management of a minimum of 100 deliveries in the past 2 years OR Completion of an approved residency program within the past 12 months. AND Completion of Kaweah Health Post Partum Hemorrhage & Hypertensive Disorder in Pregnancy Education Modules within 30 days of privilege granted AND Completion of an Implicit Bias Training prior to or within 30 days of privilege granted					
Renewal Criteria: Minimum of 100 deliveries required in the past 2 years AND Completion of Kaweah Health Post Partum Hemorrhage & Hypertensive Disorder in Pregnancy Education Modules within the last 24 months AND Completion of an Implicit Bias Training within the last 24 months					
FPPE: Minimum of 4 cases to include 2 Normal Deliveries; 2 Cesarean Sections					
Request	Procedures				Approve
☐	Obstetrics Core privileges include: privileges including performance of a history and physical, evaluate, diagnose, treat, and provide consultation (may include telehealth) to adolescent and adult female patients presenting in any condition or stage of pregnancy, including injuries and disorders of the reproductive system, other than approved delineated special procedures. - Amniocentesis - Amnioinfusion - Amniotomy - Application of internal fetal and uterine monitors - Augmentation and induction of labor - Cerclage - Cervical biopsy or conization of cervix in pregnancy - Cesarean hysterectomy, cesarean section, and post-partum tubal ligation - External version of breech - Hypogastric artery ligation - Interpretation of fetal monitoring - Normal spontaneous vaginal delivery - Manual removal of placenta, uterine curettage - Management of high-risk pregnancy, inclusion of such conditions as preeclampsia, postdatism, third trimester bleeding, intrauterine growth restriction, premature rupture of membranes, premature labor, and placental abnormalities - Management of patients with/without medical surgical or obstetrical complications for normal labor, including toxemia, threatened abortion, normal puerperal patient, normal antepartum and postpartum care, postpartum complications, fetal demise - Obstetrical diagnostic procedures, including ultrasonography and other relevant imaging techniques - Operative vaginal delivery (including the use of the vacuum extractor) - Performance of breech and multifetal deliveries - Pudendal and paracervical blocks - Repair of fourth-degree perineal lacerations or of cervical or vaginal lacerations - Treatment of medical complications of pregnancy - Vaginal birth after cesarean section (VBAC)				☐
☐	Admitting Privileges (must request Active staff status)				☐
OBSTETRICS SPECIAL PRIVILEGES					
(Must also meet OB/GYN Initial Criteria)					
Request	Procedure	Initial Criteria	Renewal Criteria	FPPE	Approve
☐	Forceps Delivery	Completion of an ACGME/AOA approved residency training program that included training specific to forceps delivery within the past 2 years OR 5 cases in the last 2 years	2 cases in the last 2 years.	Minimum of 2 cases	☐

GYNECOLOGY CORE PRIVILEGES
Meets OB/GYN initial criteria &

Current Experience: Documentation ~~or attestation~~ of the management of a minimum of 50 gynecologic surgical procedures in the past 2 years **OR** completion of an approved residency program within the past 12 months **AND** Completion of Kaweah Health Post Partum Hemorrhage & Hypertensive Disorder in Pregnancy Education Modules within 30 days of privilege granted **AND** Completion of an Implicit Bias Training prior to or within 30 days of privilege granted

Renewal Criteria: Minimum of 30 gynecological surgical procedures required in the past 2 years

FPPE: Minimum of 7 cases to include: 5 diverse gynecological surgical procedures (must include 2 hysterectomies); 2 laparoscopic procedures

Request	Procedures	Approve
☐	Gynecology Core privileges include: privileges including performance of a history and physical, evaluate, diagnose, consult (may include telehealth), and provide pre-, intra-, and post-operative care necessary to correct or treat female patients of all ages in the inpatient and outpatient setting presenting with illnesses, injuries, and disorders of the gynecological or genitourinary system and nonsurgical treatment of illnesses and injuries of the mammary glands, other than approved delineated special procedures. • Adnexal surgery, including ovarian cystectomy, oophorectomy, salpingectomy, and conservative procedures for treatment of ectopic pregnancy • Aspiration of breast masses • Cervical biopsy including conization • Colpocleisis • Colpoplasty • Colposcopy • Cystoscopy as part of gynecological procedure • Diagnostic and therapeutic dilation and curettage • Diagnostic and operative laparoscopy (other than tubal sterilization) • Endometrial ablation • Exploratory laparotomy, for diagnosis and treatment of pelvic pain, pelvic mass, hemoperitoneum, endometriosis, and adhesions • Gynecologic sonography • Hysterectomy, abdominal, vaginal, including laparoscopic • Hysterosalpingography • Hysteroscopy, diagnostic or ablative, including the use of the resection technique • Incidental appendectomy • Incision and drainage of pelvic abscess • Metroplasty • Myomectomy, abdominal • Operation for treatment of early stage carcinoma of the vulva, vagina, endometrium, ovary or cervix • Operation for treatment of urinary stress incontinence; vaginal approach, retropubic urethral suspension, sling procedure • Operation for uterine bleeding (abnormal and dysfunctional) • Operations for sterilization (tubal ligation, transcervical sterilization, and laparoscopic) • Repair of rectocele, enterocele, cystocele, or pelvic prolapse • Tuboplasty and other infertility surgery (not microsurgical) • Uterosacral vaginal vault fixation, paravaginal repair • Uterovaginal, vesicovaginal, rectovaginal, and other fistula repair • Vulvar biopsy • Vulvectomy, simple • Loop electrosurgical excision procedures (LEEP)	☐
☐	Admitting Privileges (must request Active staff status)	☐
☐	Surgical Assist Only	☐

GYNECOLOGY SPECIAL PRIVILEGES

(Must also meet OB/GYN Initial Criteria)

Request	Procedure	Initial Criteria	Renewal Criteria	FPPE	Approve
☐	Computer-enhanced (Robotic Assisted) minimally invasive surgery	Successful completion of formal training course in Robotic Surgical Skills AND 10 cases in the last 2 years.	Minimum of 10 cases performed in the last 2 years	Minimum of 3 cases to include 2 Hysterectomies And 1 of the following: • Adnexectomy • Ovarian cystectomy • Sacrocolpopexy • Myomectomy	☐

GYNECOLOGIC ONCOLOGY CORE PRIVILEGES
Meets OB/GYN initial criteria &

Certification: Successful completion of an ABOG-or AOA- approved fellowship in gynecologic oncology **AND/OR** current subspecialty certification or active participation in the examination process (with achievement of certification within 5 years) leading to subspecialty certification in gynecologic oncology by the ABOG or completion of a certificate of special qualifications by the AOBG **OR** must provide evidence of significant postgraduate continuing medical education in gynecologic oncology

Current Experience: a minimum of 24 gynecologic oncological surgery cases in the last 2 years.

Renewal Criteria: a minimum of 24 cases performed in the last 2 years

FPPE: Minimum of 1 case

Request	Procedure	Approve
☐	Gynecology Oncology Core privileges include: performance of a history and physical, evaluate, diagnose, treat, and provide consultation (may include telehealth) and surgical and therapeutic treatment to female patients with gynecologic cancer and resulting complications, including carcinomas of the cervix, ovary and fallopian tubes, uterus, vulva, and vagina, and the performance of procedures on the bowel, urethra, and bladder, other than approved delineated special procedures. - Chemotherapy - Microsurgery - Myocutaneous flaps, skin grafting - Para aortic and pelvic lymph node dissection - Pelvic exenteration - Perform history and physical exam - Radical hysterectomy, vulvectomy, and staging by lymphadenectomy - Radical surgery for treatment of gynecological malignancy to include procedures on bowel, ureter, bladder, liver, spleen, diaphragm, and abdominal and pelvic wall as indicated - Treatment of invasive carcinoma of the vagina by radical vaginectomy, and other related surgery - Treatment of invasive carcinoma of vulva by radical vulvectomy with groin dissection - Treatment of malignant disease with chemotherapy to include gestational trophoblastic disease - Uterine/vaginal isotope implants	☐
☐	Admitting Privileges (must request Active staff status)	☐

MATERNAL FETAL MEDICINE CORE PRIVILEGES
Meets OB/GYN initial criteria &

Certification: Successful completion of an ABOG-or AOA- approved fellowship program in Maternal Fetal Medicine **AND/OR** current subspecialty certification or active participation in the examination process (with achievement of certification within 5 years) leading to subspecialty certification in Maternal Fetal Medicine by the ABOG.

Current Experience: a minimum of 50 provisions of care in the last 2 years or Completion of an approved residency, clinical fellowship, or research in a clinical setting within the past 12 months. **AND** Completion of Kaweah Health Post Partum Hemorrhage & Hypertensive Disorder in Pregnancy Education Modules within 30 days of privilege granted **AND** Completion of an Implicit Bias Training prior to or within 30 days of privilege granted

Renewal Criteria: a minimum of 50 cases performed in the last 2 years **AND** Completion of Kaweah Health Post Partum Hemorrhage & Hypertensive Disorder in Pregnancy Education Modules within the last 24 months **AND** Completion of an Implicit Bias Training within the last 24 months

FPPE: Minimum of 1 case

Request	Procedure	Approve
☐	Maternal-Fetal Medicine privileges include: evaluate, diagnose, treat, and provide consultation (may include telehealth) to adolescent and adult female patients with medical and surgical complications of pregnancy (e.g. maternal cardiac, pulmonary, metabolic, and connective tissue disorders, as well as fetal malformations, conditions, or disease). The MFM specialist may provide care to patients in the intensive care setting in conformance with unit policies. Core privileges also include the ability to assess, stabilize, and determine the disposition of patients with emergent conditions consistent with medical staff policy regarding emergency and consultative call services. Core procedures include but are not limited to: - Cerclage (transabdominal & transvaginal) - Cesarean Section - Chorionic villus sampling - Genetic amniocentesis - Interoperative support to obstetrician as requested, including operative first assist - Obstetrical ultrasound, including Doppler studies - Percutaneous umbilical blood sampling - Performance of history and physical exam - Vaginal Delivery	☐
☐	Admitting Privileges (must request Active staff status)	☐

ADDITIONAL PRIVILEGES

Request	Procedure	Additional Criteria	Renewal Criteria	Approve
☐	Procedural Sedation	Successful completion of Kaweah Health sedation exam	Successful completion of Kaweah Health sedation exam	☐
☐	Outpatient Services at a Kaweah Health Clinic identified below. Privileges include performance of core privileges/procedures as appropriate to an outpatient setting and may include telehealth: _Dinuba_ Exeter _Lindsay_ Tulare _Valencia_ Woodlake KHMC – Akers _KHMC – Willow Specialty 202_ KHMC – Willow 502 _Specialty Clinic _Tulare Cardiology Clinic	Initial Core Criteria AND Contract for Outpatient Clinical services with Kaweah Delta Health Care District.	Maintain initial criteria	☐

Acknowledgment of Practitioner:

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

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

Name: _____
Print

Signature: _____
Applicant _____ *Date*

Signature: _____
Department of OB/GYN Chair _____ *Date*

Resolution 2271

KAWEAH DELTA HEALTH CARE DISTRICT (the “District”)
FINANCE DIVISION MEMORANDUM

TO: Board of Directors, Chief Executive Officer and Executive Team

FROM: Malinda Tupper, Chief Financial Officer
Jennifer Stockton, Director of Finance

DATE: October 20, 2025

SUBJECT: 2025 Tax Exempt Obligation/Lease – Inducement Resolution and declaration of official intent to reimburse original expenditures from proceeds of future obligations

On October 22, 2025, the District’s Board of Directors (the “**Board**”) will be asked to approve Resolution No. 2271, an Inducement Resolution and declaration of official intent to reimburse original expenditures from proceeds of future tax-exempt obligations as required by the California Health and Safety Code and the California Government Code. This Inducement Resolution will permit the District to reimburse itself for expenditures incurred with respect to the Project prior to the issuance and sale of the Obligations, up to 60 days prior to Board approval. The District must declare its official intent with respect to the use of the proceeds of the tax-exempt Obligations in accordance with applicable requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”) in an amount necessary to provide for the financing of projects totaling up to \$10,000,000. Approval of this Inducement Resolution does not give management the authority to issue any obligations as final authority for issuance of this obligation is expected to be sought at the Board’s meeting at a later date, and will be contingent upon the facts, circumstances and conditions that exist at that time.

For any questions regarding the documents, please contact Malinda Tupper at 624-4065 or Jennifer Stockton at 624-5536.

KAWEAH DELTA HEALTH CARE DISTRICT

RESOLUTION NO. 2271

**INDUCEMENT RESOLUTION AND DECLARATION OF
OFFICIAL INTENT TO REIMBURSE ORIGINAL
EXPENDITURES FROM PROCEEDS OF FUTURE
OBLIGATIONS**

WHEREAS, Kaweah Delta Health Care District (the “*District*”) is a local health care district duly organized and existing pursuant to the Local Health Care District Law of the State of California, constituting Division 23 of the California Health and Safety Code; and

WHEREAS, the District currently expects to use proceeds from the issuance and sale of approximately \$10,000,000 of tax-exempt obligations, the interest on which is exempt from federal income tax (the “*Obligations*”), to finance the acquisition, construction, installation and equipping of the District’s facilities, including the acquisition and implementation of information technology infrastructure, the acquisition and installation of equipment and related improvements to the District’s facilities that are approved by the District’s Board of Directors (the “*Project*”), to be used by the District for the benefit of the residents of the District; and

WHEREAS, to permit the District to reimburse itself for expenditures incurred with respect to the Project prior to the issuance and sale of the Obligations, the District must declare its official intent with respect to the use of the proceeds of the Obligations in accordance with applicable requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, Income Tax Regulations § 1.150-2 (the “*Reimbursement Regulations*”) set forth rules for determining when proceeds of Obligations or other obligations are deemed spent for purposes of applying Sections 103 and 141 through 150 of the Code, including the arbitrage yield restrictions and rebate requirements pursuant to Section 148 of the Code, if the proceeds are used to reimburse expenditures made prior to the date of issue of the Obligations or other obligations; and

WHEREAS, the Reimbursement Regulations require that a declaration of official intent to reimburse the expenditures (“*Declaration of Official Intent*”) be made not later than sixty days after payment of the expenditure, and that an allocation in writing evidencing use of the proceeds of a reimbursement bond to reimburse an expenditure be made within eighteen months after the later of the date the original expenditure is made or the date the project is placed in service or abandoned, but in no event later than three years after the original expenditure is paid,

NOW, THEREFORE, the Board of Directors (the “*Board*”) of the District hereby declares as follows:

1. This is an Inducement Resolution and a Declaration of Official Intent within the meaning of the Reimbursement Regulations.

2. The Board intends, and reasonably expects, that expenditures in the maximum amount of \$10,000,000 made by the District with respect to planning, design, acquisition, construction, installation and equipping of the Project will be reimbursed with proceeds of the Obligations. A summary of some but not all of the equipment to be financed with proceeds of the Obligations is included on Exhibit A Project Description.

3. The President of the Board, the Chief Executive Officer, the Chief Financial Officer and the Director of Finance of the District, and such other District personnel as shall be directed by any of the foregoing, are each hereby authorized and directed to take any additional actions necessary to comply with the requirements of the Reimbursement Regulations so that proceeds of the Obligations used to reimburse expenditures which are the subject of this Inducement Resolution and Declaration of Official Intent will be deemed spent, including making an allocation in writing evidencing the District’s use of proceeds of the Obligations or other obligations to reimburse original expenditures not later than eighteen months after the later of the date the original expenditure is made or the date the Project is placed in service or abandoned, but in no event later than three years after the original expenditure is paid.

4. This resolution shall become effective immediately.

Adopted and approved by the Board of Directors of Kaweah Delta Health Care District on October 22, 2025.

By: _____
David Francis
Secretary/Treasurer, Board of Directors
Kaweah Delta Health Care District

EXHIBIT A

DESCRIPTION OF PROJECT

The Project includes the acquisition and implementation of information technology infrastructure, the acquisition and installation of equipment and related improvements to the District's health facilities to house the equipment. A listing of some but not all of the equipment and improvements is listed below.

Project Description
GE MRI 3T
Related construction 3T MRI Replacement
CANON CT scanners
Related construction CT Replacements
Stryker 1788 Cameras
GE Anesthesia Machine
FDR GO Plus Mobile Devo III C35 PKG "portable x-ray"
Steris Washer
Stryker Shavers
Cerelink ICP Monitors
OEC Elite CFD 31 cm Digital Mobile Ergo C-arm
Aplio I700 Ultrasound System - Cannon
Siemens ACUSON Origin Ultrasound System (Cardiovascular)
Siemens ACUSON Origin Ultrasound System (Cardiovascular)
Medical Center: CT 1 & 2 Equipment Replacement
Siemens ACUSON Origin Ultrasound System (Cardiovascular)
Siemens ACUSON Origin Ultrasound System (Cardiovascular)
Steris Sterilizer/autoclave
Olympus OER Elites
Sonosite Ultrasound
FUJI Film Sonosite PX Ultrasound System
Aplio I700 Ultrasound System - Cannon
Aplio I700 Ultrasound System - Cannon

ANNUAL FINANCIAL STATEMENT AUDIT REPORT

Kaweah Delta Healthcare District

2025 Audit Results

Discussion with Management and
the Board of Directors

Agenda

1. Your Service Team
2. Auditor Opinion and Report
3. Scope of Services
4. Significant Risks Identified
5. Matters Required to be Communicated with Those Charged with Governance
6. Financial Ratios and Metrics
 - Statement of Financial Position
 - Operations

Your Service Team



Brian Conner
*Principal,
Engagement
Reviewer*



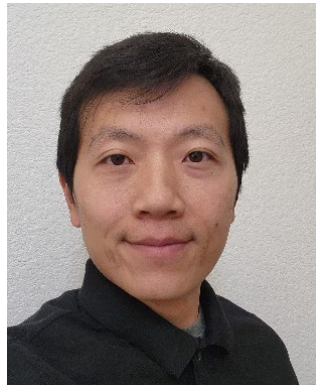
Joelle Pulver
*Principal,
Concurring
Reviewer*



Laura Kennedy
*Senior Manager,
Engagement
Manager*



Todd Schroeder
*Director,
Third-Party
Reimbursement
Practice*



Chris Ng
*Manager,
Single Audit*

Auditor Opinion and Report

Unmodified Opinion

- Consolidated financial statements as of and for the year ended June 30, 2025, are presented fairly and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).
- We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We performed our audit in accordance with generally accepted auditing standards issued by the AICPA and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements for California Special Districts*, and design the audit to obtain reasonable, rather than absolute, assurance about whether the consolidated financial statements are free of material misstatement.
- Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Scope of Services

We have performed the following services for Kaweah Delta Healthcare District:

Annual Audit

- Annual consolidated financial statement audit for the year ended June 30, 2025
- Single Audit as of and for the year ended June 30, 2025

Non-Attest Services

- Assisted management with drafting the consolidated financial statements as of and for the year ended June 30, 2025
- Assisted management with Medicare cost report preparation
- Assisted management with FEMA application
- Assisted management with drafting of the Data Collection Form

Significant Risks Identified

During the planning of the audit we have identified the following significant risks:

Significant Risks	Procedures
Valuation of Patient Accounts Receivable and Patient Service Revenue	We performed a lookback analysis to determine if management’s estimate was materially correct at June 30, 2024 based upon cash collections. We also analyzed subsequent cash collections on June 30, 2025 accounts receivable as well as performed analytical procedures on June 30, 2025 accounts receivable and net patient service revenue. Finally, we performed test procedures on management’s patient accounts receivable allowance model.
IBNR Liabilities	We evaluated how the District estimates the IBNR accruals to ensure that the estimate is reasonable as compared to actuarial estimates.
Management Override of Controls	We performed inquiries of accounting and operational personnel, performed risk assessment procedures, and tested risk-based manual journal entry selections.

Matters Required to be Communicated with Those Charged with Governance

- AU-C Section 260 – *The Auditor's Communication with Those Charged with Governance*
- Significant accounting policies
- Accounting estimates are reasonable
- No issues discussed prior to our retention as auditors
- No disagreements with management
- No consultation with other accountants
- No awareness of material instances of fraud or noncompliance with laws and regulations

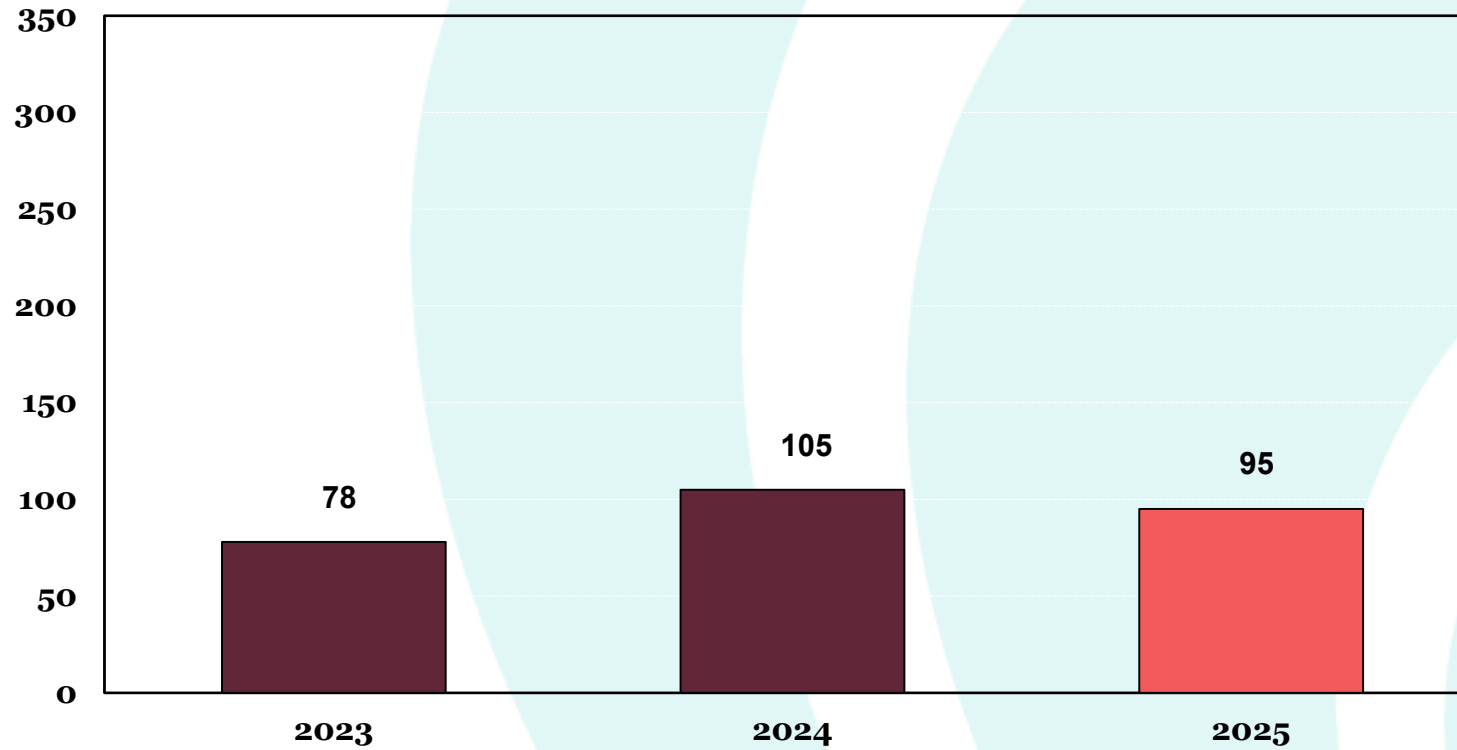


Financial Ratios and Metrics

Cash on Hand (days)

- Liquidity indicator
- Measures the ability of the hospital to sustain operations with existing cash
- The higher the number, the more cash reserves available
- $(\text{Unrestricted cash and investments plus funds designated for capital improvements} \times 365) / (\text{total operating expenses} - \text{depreciation and amortization expenses})$

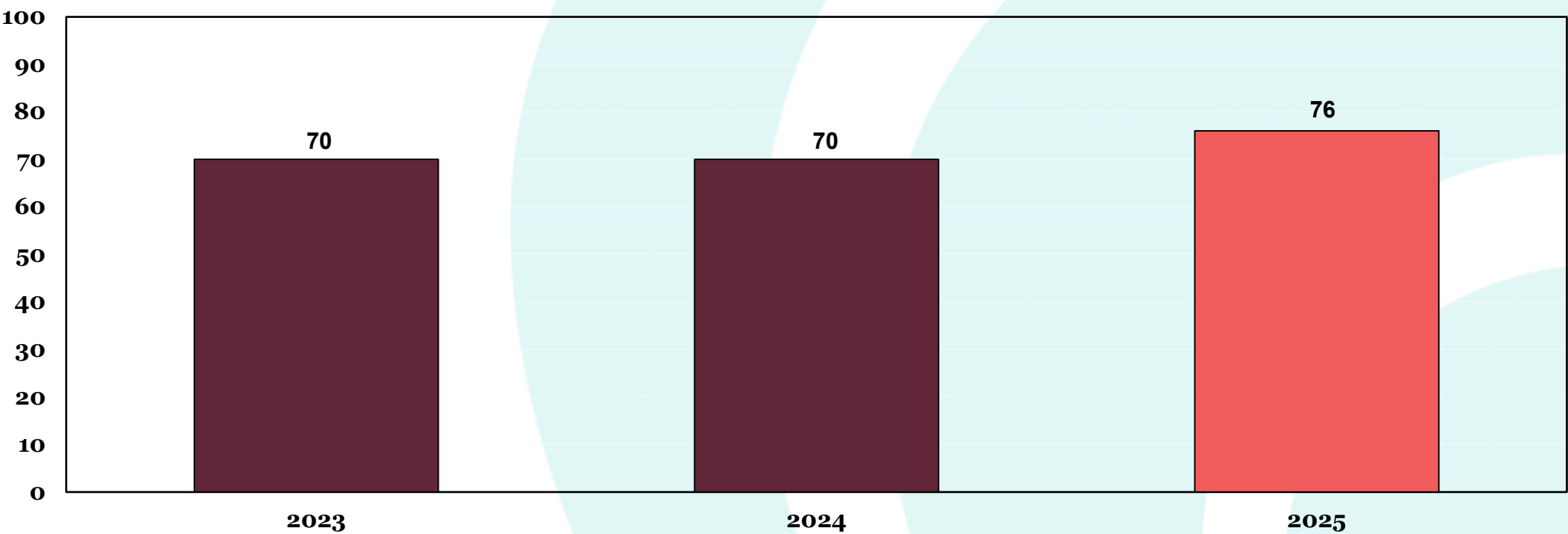
Cash on Hand (days)



Days in Accounts Receivable

- Liquidity indicator
- Measures the average number of days that accounts receivable are outstanding
- Lower number indicates that outstanding balances are being collected within a shorter duration
- $(\text{Net accounts receivable}) / (\text{net patient revenue} / 365)$

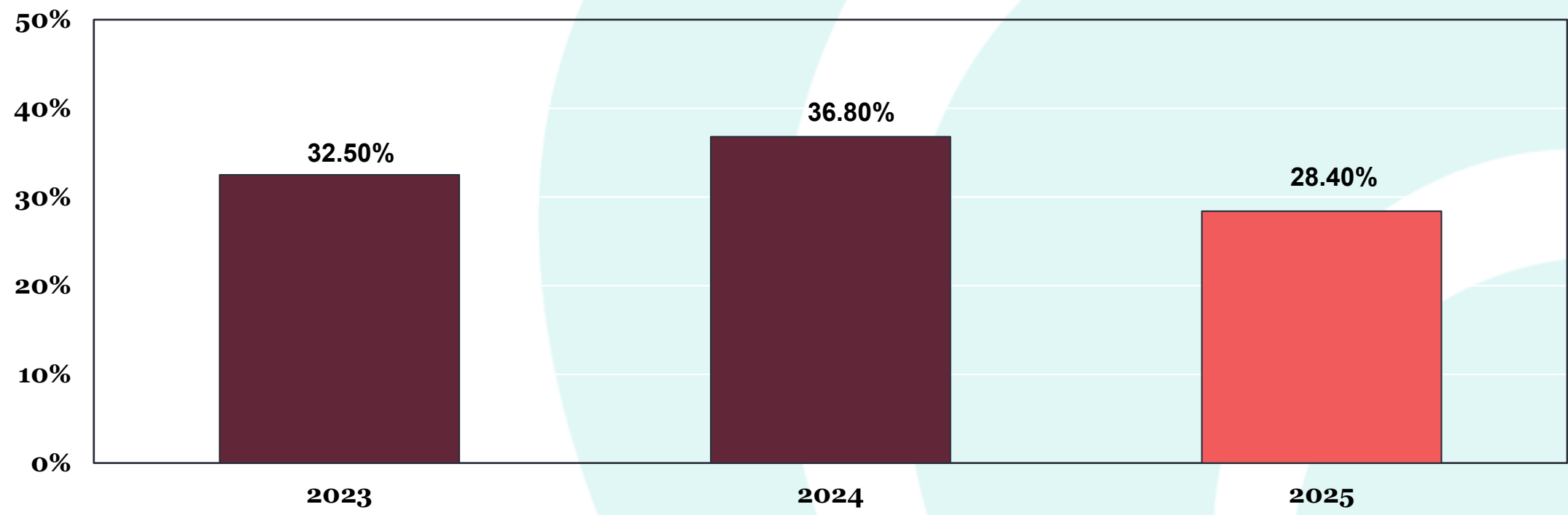
Days in Accounts Receivable



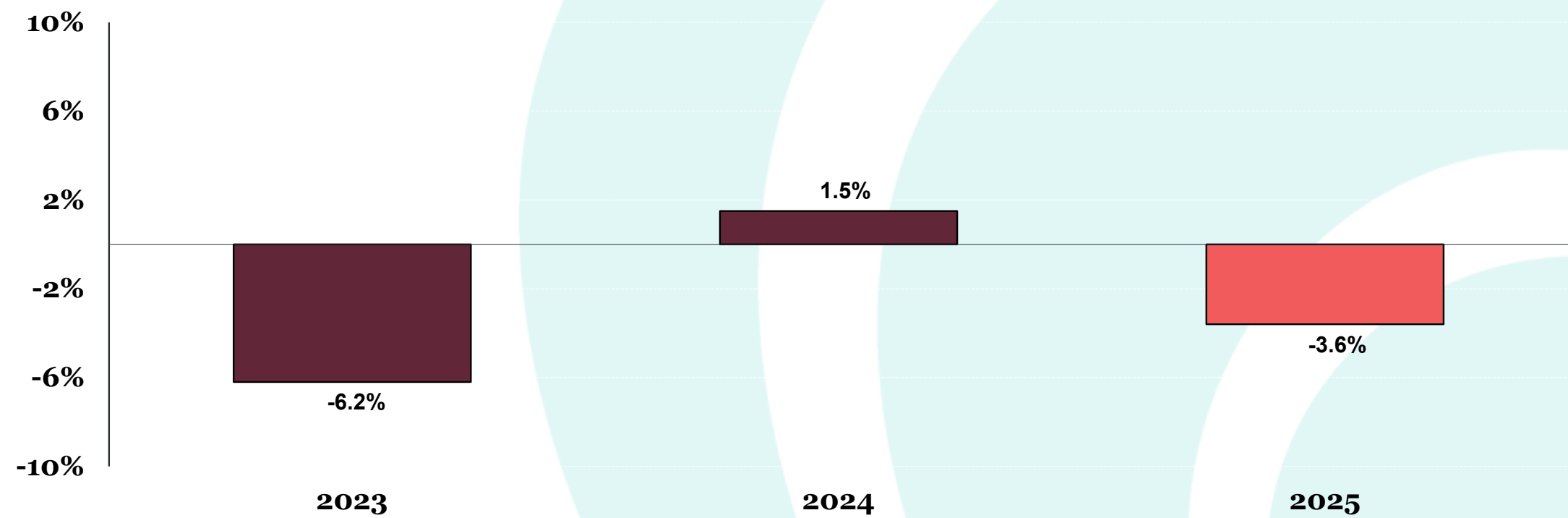
Debt to Capitalization

- Leverage indicator
- Indicates extent assets are financed with debt as opposed to paid for with cash
- Lower number indicates assets are “bought and paid for”
- $(\text{Long-term and current portion of debt}) / (\text{long-term and current portion of debt plus net assets})$

Debt to Capitalization



Operating Margin (Unadjusted) (Operating (Loss) Income/Total Revenue)



**THANK
YOU**

DRAFT
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Report of Independent Auditors and
Consolidated Financial Statements with
Required Supplementary Information

Kaweah Delta Health Care District

June 30, 2025 and 2024

Table of Contents

	Page
Management's Discussion and Analysis (Unaudited)	1
Report of Independent Auditors	14
Consolidated Financial Statements	
Consolidated Statements of Net Position	18
Consolidated Statements Revenues, Expenses, and Changes in Net Position	20
Consolidated Statements of Cash Flows	21
Statements of Fiduciary Net Position	23
Statements of Changes in Fiduciary Net Position	24
Notes to Consolidated Financial Statements	25
Required Supplementary Information	
Supplemental Pension Information (Unaudited)	55

Management's Discussion and Analysis

Kaweah Delta Health Care District

Management's Discussion and Analysis (Unaudited)

June 30, 2025 and 2024

Kaweah Delta Health Care District's (the "District") discussion and analysis is designed to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, identify changes in the District's financial position, and identify any material deviations from the financial plan (the "approved budget"). Unless otherwise noted, all discussion and analysis pertains to the District's financial condition, results of operations, and cash flows as of and for the year ended June 30, 2025. Please read it in conjunction with the consolidated financial statements in this report.

Financial Highlights

- The District's net position increased by \$30.1 million, or 6.8%, primarily attributable to the year's net income (income before capital contributions). Total assets increased by \$33.3 million, or 3.8%. Cash and investments increased by \$702,000, or 0.3%. Accounts receivable increased by \$66.4 million, or 41.6%, mainly due to recording \$48 million of FEMA claims that became obligated during fiscal year 2025, but were received after year end. Capital assets decreased \$18.2 million to \$272.4 million. Net additions to buildings, equipment, and construction-in-progress of \$11.2 million was outpaced by a \$29.4 million net increase in accumulated depreciation.
- The District's total operating revenues increased to \$893.5 million, a 2.7% increase from the prior year, while total operating expenses increased to \$926.1 million, an increase of 8.0%. The current year increase in total operating revenues is primarily due to a \$19.4 million, or 43.8%, increase in other operating revenue including a \$12.2 million increase in retail pharmacy revenue and a \$5.2 million increase in QIP (Quality Incentive Pool) revenue. The increase in operating expenses was driven by a 9.2% increase in salaries and benefits and an 8.6% increase in medical and other fees and services.
- Capital contributions to Kaweah Delta Hospital Foundation (the "Foundation") were \$2.4 million in fiscal year 2025, an increase of \$1.8 million compared to fiscal year 2024.
- During the fiscal year, the District made the following significant capital expenditures:
 - Construction costs and related equipment for many facility improvement projects
 - Data storage equipment and network hardware
 - pharmacy carousel remodel, medical surgical patient beds, and patient monitoring equipment

The source of funding for these projects, as well as other capital expenditures, was derived from operations, capital contributions, grant funds, and funds reserved for capital acquisition.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Required Consolidated Financial Statements

The consolidated financial statements of the District include: (a) a consolidated statement of net position, (b) a consolidated statement of revenues, expenses, and changes in net position, and (c) a consolidated statement of cash flows. The consolidated statement of net position includes information about the nature of the District's assets and liabilities and classifies them as current or noncurrent. It also provides the basis for evaluation of the capital structure of the District and for assessing the liquidity and financial flexibility of the District. The District's revenues and expenses are accounted for in the consolidated statement of revenues, expenses, and changes in net position. This statement measures the District's operations and can be used to determine whether the District has been able to recover all of its operating costs from patient services and other operating revenue sources. The primary purpose of the consolidated statement of cash flows is to provide information about the District's cash from operating, noncapital financing, capital and related financing, and investing activities. It provides answers to such questions as what were the District's sources of cash, what was cash used for, and what was the change in cash balances during the reporting period.

TABLE 1
Financial Analysis of the District
Condensed Consolidated Statements of Net Position
(in Thousands)

A summary of the District's consolidated statements of net position is presented in Table 1 below:

	June 30, 2025	June 30, 2024	Dollar Change	Total % Change
Current and other assets	\$ 627,167	\$ 575,652	\$ 51,515	8.9%
Capital assets	272,441	290,676	(18,235)	-6.3%
Total assets	899,608	866,328	33,280	3.8%
Deferred outflows	13,133	15,283	(2,150)	-14.1%
Total assets and deferred outflows	<u>\$ 912,741</u>	<u>\$ 881,611</u>	<u>\$ 31,130</u>	3.5%
Current and other liabilities	\$ 218,263	\$ 204,111	\$ 14,152	6.9%
Long-term debt outstanding	222,369	235,463	(13,094)	-5.6%
Total liabilities	440,632	439,574	1,058	0.2%
Net investment in capital assets	60,147	66,112	(5,965)	-9.0%
Restricted	58,979	52,733	6,246	11.8%
Unrestricted	352,983	323,192	29,791	9.2%
Total net position	472,109	442,037	30,072	6.8%
Total liabilities, deferred inflows, and net position	<u>\$ 912,741</u>	<u>\$ 881,611</u>	<u>\$ 31,130</u>	3.5%

As reflected in Table 1, net position increased \$30.1 million to \$472.1 million for the year ended June 30, 2025, primarily attributable to the District's \$27.7 million income before contributions.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

TABLE 2
Financial Analysis of the District (Continued)
Condensed Consolidated Statements of Net Position
(in Thousands)

A summary of the District's consolidated statements of net position is presented in Table 2 below:

	June 30, 2024	June 30, 2023	Dollar Change	Total % Change
Current and other assets	\$ 575,652	\$ 514,634	\$ 61,018	11.9%
Capital assets	290,676	312,186	(21,510)	-6.9%
Total assets	866,328	826,820	39,508	4.8%
Deferred outflows	15,283	24,083	(8,800)	-36.5%
Total assets and deferred outflows	<u>\$ 881,611</u>	<u>\$ 850,903</u>	<u>\$ 30,708</u>	3.6%
Current and other liabilities	\$ 204,111	\$ 193,628	\$ 10,483	5.4%
Long-term debt outstanding	235,463	237,228	(1,765)	-0.7%
Total liabilities	439,574	430,856	8,718	2.0%
Deferred inflows	-	-	-	
Net investment in capital assets	66,112	75,776	(9,664)	-12.8%
Restricted	52,733	50,013	2,720	5.4%
Unrestricted	323,192	294,258	28,934	9.8%
Total net position	442,037	420,047	21,990	5.2%
Total liabilities, deferred inflows, and net position	<u>\$ 881,611</u>	<u>\$ 850,903</u>	<u>\$ 30,708</u>	3.6%

As reflected in Table 2, net position increased \$22.0 million to \$442.0 million for the year ended June 30, 2024, primarily attributable to the District's \$21.4 million income before contributions.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

TABLE 3
Financial Analysis of the District (Continued)
Condensed Consolidated Statements of Revenues, Expenses, and Changes in Net Position
(in Thousands)

The following table presents a summary of the District's revenues, expenses, and changes in net position:

	Years Ended		Dollar Change	Total % Change
	June 30, 2025	June 30, 2024		
Net patient services revenue	\$ 743,868	\$ 699,851	\$ 44,017	6.3%
Premium revenue	85,931	88,414	(2,483)	-2.8%
Management services revenue	-	37,519	(37,519)	-100.0%
Other operating revenue	63,699	44,299	19,400	43.8%
Total operating revenues	893,498	870,083	23,415	2.7%
Salaries and benefits	466,246	426,992	39,254	9.2%
Medical and other supplies	165,851	163,147	2,704	1.7%
Medical and other fees and services	189,762	174,700	15,062	8.6%
Maintenance, utilities, and rent	37,725	35,901	1,824	5.1%
Depreciation and amortization	39,870	38,511	1,359	3.5%
Other	26,633	18,060	8,573	47.5%
Total operating expenses	926,087	857,311	68,776	8.0%
Operating (loss) Income	(32,589)	12,772	(45,361)	355.2%
Nonoperating revenues, net of nonoperating expenses	60,246	8,586	51,660	601.7%
Income before capital contributions	27,657	21,358	6,299	-29.5%
Capital contributions	2,415	632	1,783	282.1%
Changes in net position	30,072	21,990	8,082	-36.8%
Net position, beginning of year	442,037	420,047	21,990	5.2%
Net position, end of year	\$ 472,109	\$ 442,037	\$ 30,072	6.8%

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

TABLE 4
Financial Analysis of the District (Continued)
Condensed Consolidated Statements of Revenues, Expenses, and Changes in Net Position
(in Thousands)

The following table presents a summary of the District's revenues, expenses, and changes in net position:

	Years Ended		Dollar Change	Total % Change
	June 30, 2024	June 30, 2023		
Net patient services revenue	\$ 699,851	\$ 693,157	\$ 6,694	1.0%
Premium revenue	88,414	79,052	9,362	11.8%
Management services revenue	37,519	38,652	(1,133)	-2.9%
Other operating revenue	44,299	39,318	4,981	12.7%
Total operating revenues	870,083	850,179	19,904	2.3%
Salaries and benefits	426,992	415,345	11,647	2.8%
Medical and other supplies	163,147	166,010	(2,863)	-1.7%
Medical and other fees and services	174,700	221,433	(46,733)	-21.1%
Maintenance, utilities, and rent	35,901	37,929	(2,028)	-5.3%
Depreciation and amortization	38,511	40,031	(1,520)	-3.8%
Other	18,060	22,210	(4,150)	-18.7%
Total operating expenses	857,311	902,958	(45,647)	-5.1%
Operating Income (loss)	12,772	(52,779)	65,551	124.2%
Nonoperating revenues, net of nonoperating expenses	8,586	5,561	3,025	54.4%
Income (loss) before capital contributions	21,358	(47,218)	68,576	145.2%
Capital contributions	632	1,602	(970)	-60.5%
Changes in net position	21,990	(45,616)	67,606	148.2%
Net position, beginning of year	420,047	465,663	(45,616)	-9.8%
Net position, end of year	\$ 442,037	\$ 420,047	\$ 21,990	5.2%

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Sources of Revenue

Operating revenues – For fiscal year 2025, the District derived 92.8% of its total revenues from operations. Operating revenues include, among other items, patient care revenue from Medicare, Medi-Cal, and other federal, state, and local government programs, and commercial insurance payers and patients; management services revenue associated with the District's ownership in Sequoia Regional Cancer Center-Medical Oncology, LLC ("SRCC-MO"), a management services organization providing staff, facilities, and administrative services to a medical oncology physician group; premium revenue associated with a capitated Medicare Advantage contract; retail pharmacy revenue; cafeteria sales; Quality Incentive Pool ("QIP") program revenue; membership sales and dues from a District-owned health and fitness center; and minority ownership interests in a free-standing ambulatory surgery center, an assisted living center, and a memory care facility.

Nonoperating revenues – For fiscal year 2025, the District derived 7.2% of its total revenues from nonoperating revenues. Nonoperating revenues include investment income, stimulus funds, gain on the sale of capital assets and property tax revenue including that associated with the general obligation bonds as well as an allocation of general property taxes assessed by the County of Tulare, California, on properties residing within the District's geographical boundaries.

Operating and Financial Performance

The following summarizes the District's consolidated statements of revenues, expenses, and changes in net position between 2025 and 2024:

Acute admissions increased by 501, or 2.2%, to 23,598, while acute patient days decreased by 569, or 0.4%, to 126,910. Skilled nursing and long-term subacute patient days decreased by 0.1% to 15,052 days in 2025. Outpatient equivalent patient days, a measure of overall outpatient activity, increased by 12.7% from 2024 levels. The overall increase in outpatient activity was mainly driven by emergency department and clinic visits, as well as infusion center, medical oncology and clinical laboratory volumes.

Net patient services revenue increased \$44.0 million, or 6.3%, in 2025. The increase in net patient services revenue can mainly be attributed to the increase in inpatient and outpatient volumes noted above.

The District participates in various supplemental payment programs administered by the State of California as discussed in detail in the notes to the consolidated financial statements. In fiscal year 2025, net patient services revenue includes \$18.5 million related to the Qualified Assurance Fee ("QAF") Managed Care Medi-Cal program, \$5.2 million related to the AB113 Intergovernmental Transfer ("IGT") Fee-for-Service ("FFS") Medi-Cal Inpatient program, \$46.5 million related to the District Hospital Directed Payment ("DHDP") Medi-Cal program, and \$48.0 million related to the Rate Range IGT Managed Medi-Cal program.

Premium revenue associated with a capitated Medicare Advantage contract decreased by \$2.5 million, or 2.8%, from 2024, due to a decrease in the number of covered lives.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Management services revenue decreased \$37.5 million, or 100%, from 2024. The decrease is due to the transition of the operations of the medical oncology clinic to the District. The associated revenue is now accounted for as net patient revenue.

Other operating revenue consists primarily of QIP program revenue, cafeteria sales, equity ownership in an ambulatory surgery center, assisted living center, and memory care facility, retail pharmacy revenue, contributions, and health and fitness center membership sales and dues. Other operating revenue increased by \$19.4 million, or 43.8%. This increase is primarily related to an increase in QIP revenue and retail pharmacy revenue.

Salaries and benefits expense increased \$39.3 million, or 9.2%. Salaries and wages increased \$31.8 million, or 9.0%, and employee benefits expense increased \$7.5 million, or 10.1%, from 2024. The increase in salaries and wages was mainly attributable to increases in employees and wage rate increases driven by market factors. The increase in benefits was related to the increase in salaries as well as an increase in workers' compensation costs.

Medical and other supplies expense increased \$2.7 million, or 1.7%, from 2024. The increase was the result of the increase in patient activity noted above.

Medical and other fees and services increased \$15.1 million, or 8.6%. This increase was primarily due to a \$4.5 million increase in nursing contract labor, and a \$7.3 million increase in physician fees.

Maintenance, utilities, and rent expense increased \$1.8 million, or 5.1%.

Depreciation and amortization expense increased \$1.4 million, or 3.5%.

Other expenses decreased \$8.6 million, or 47.5%, resulting mainly from an increase in professional liability expense and recruiting cost.

Total operating expenses increased by \$68.8 million, or 8.0%.

Nonoperating revenues of \$68.9 million for fiscal year 2025 are comprised of \$48.4 million of stimulus funds (FEMA claims), \$5.9 million of tax revenue received from the County of Tulare, and \$14.6 million of investment income. District investments by law may only be invested in high-grade, governmental and commercial fixed income securities, and money market funds.

Nonoperating expenses represent interest on the District's short-term and long-term debt consisting of revenue and general obligation bonds, loss on disposal of capital assets, and bond issuance expense. Total interest expense decreased by \$398,000, or 4.4%, from 2024.

For fiscal year 2025, capital contributions of \$2.4 million represent amounts received from Foundation donors to support specific capital purposes. The Foundation exists to support the needs of the District and to help build support for the District and our community.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

The following summarizes the District's consolidated statements of revenues, expenses, and changes in net position between 2024 and 2023:

Acute admissions increased by 404, or 1.8%, to 23,097, while acute patient days decreased by 2,224, or 1.7%, to 127,479. Skilled nursing and long-term subacute patient days decreased by 15.3% to 15,069 days in 2024. Outpatient equivalent patient days, a measure of overall outpatient activity, decreased by 9.4% from 2023 levels. The overall decrease in outpatient activity was mainly driven by the closure of the medical foundation clinic in April of 2023.

Net patient services revenue increased \$6.7 million, or 1.0%, in 2024. The increase in net patient services revenue can mainly be attributed to an increase in supplemental Medi-Cal funding and the increase in inpatient admissions noted above.

The District participates in various supplemental payment programs administered by the State of California as discussed in detail in the notes to the consolidated financial statements. In fiscal year 2024, net patient services revenue includes \$20.9 million related to the Qualified Assurance Fee ("QAF") Managed Care Medi-Cal program, \$14.0 million related to the AB113 Intergovernmental Transfer ("IGT") Fee-for-Service ("FFS") Medi-Cal Inpatient program, \$21.3 million related to the District Hospital Directed Payment ("DHDP") Medi-Cal program, and \$27.1 million related to the Rate Range IGT Managed Medi-Cal program.

Premium revenue associated with a capitated Medicare Advantage contract increased by \$9.4 million, or 11.8%, from 2023, due to an increase in the number of covered lives as well as an increase in the per member payment amount.

Management services revenue decreased \$1.1 million, or 2.9%, from 2023. The decrease in revenue is primarily associated with the decrease in revenue generated by the SRCC-Medical Oncology joint venture.

Other operating revenue consists primarily of QIP program revenue, cafeteria sales, equity ownership in an ambulatory surgery center, assisted living center, and memory care facility, retail pharmacy revenue, contributions, and health and fitness center membership sales and dues. Other operating revenue increased by \$5.0 million, or 12.7%. This increase is primarily related to an increase in retail pharmacy revenue.

Salaries and benefits expense increased \$11.6 million, or 2.8%. Salaries and wages increased \$14.5 million, or 4.3%, and employee benefits expense decreased \$2.8 million, or 3.7%, from 2023. The increase in salaries and wages was mainly attributable to wage rate increases driven by minimum wage and other market factors. A decrease in defined benefit pension plan cost was the main driver of the decrease in benefits expense.

Medical and other supplies expense decreased \$2.9 million, or 1.7%, from 2023. The decrease was the result of the decrease in patient days and outpatient activity noted above.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Medical and other fees and services decreased \$46.7 million, or 21.1%. This decrease was due to a \$28.2 million decrease in nursing contract labor, and a \$23.9 million decrease in physician fees related to the closure of the medical foundation clinic, offset by a \$5.3 million increase in third-party purchased service cost related to the Medicare Advantage contract for which the District receives revenue on a capitation basis.

Maintenance, utilities, and rent expense decreased \$2.0 million, or 5.3%.

Depreciation and amortization expense decreased \$1.5 million, or 3.8%.

Other expenses decreased \$4.2 million, or 18.7%, resulting mainly from the decrease in professional liability expense and recruiting cost.

Total operating expenses decreased by \$45.6 million, or 5.1%.

Nonoperating revenues of \$17.6 million for fiscal year 2024 are comprised of \$14,000 of stimulus funds, \$5.7 million of tax revenue received from the County of Tulare, a \$57,000 gain on the sale of assets and \$11.8 million of investment income. District investments by law may only be invested in high-grade, governmental and commercial fixed income securities, and money market funds.

Nonoperating expenses represent interest on the District's short-term and long-term debt consisting of revenue and general obligation bonds, loss on disposal of capital assets, and bond issuance expense. Total interest expense of was consistent with 2023 at \$9.0 million.

For fiscal year 2024, capital contributions of \$632,000 represent amounts received from Foundation donors to support specific capital purposes. The Foundation exists to support the needs of the District and to help build support for the District and our community.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Budget Results

The Board of Directors approves the annual operating budget of the District. The budget remains in effect the entire year but is updated as needed for internal management use to reflect changes in activity and approved variances. A fiscal year 2025 budget comparison and analysis is presented below.

TABLE 5
Actual vs. Budget
(in Thousands)

	Year Ended June 30,		Dollar Variance	Total % Variance
	2025 Actual	2025 Budget		
Net patient services revenue	\$ 743,868	\$ 727,585	\$ 16,283	2.2%
Premium revenue	85,931	90,567	(4,636)	-5.1%
Other operating revenue	63,699	60,346	3,353	5.6%
Total operating revenues	893,498	878,498	15,000	1.7%
Salaries and benefits	466,246	439,621	26,625	6.1%
Medical and other supplies	165,851	174,807	(8,956)	-5.1%
Medical and other fees and services	189,762	172,224	17,538	10.2%
Maintenance, utilities, and rent	37,725	37,729	(4)	0.0%
Depreciation and amortization	39,870	39,621	249	0.6%
Other	26,633	21,776	4,857	22.3%
Total operating expenses	926,087	885,778	40,309	4.6%
Operating (loss)	(32,589)	(7,280)	(25,309)	-347.7%
Nonoperating revenues, net of nonoperating expenses	60,246	9,380	50,866	542.3%
Income before capital contributions	\$ 27,657	\$ 2,100	\$ 25,557	1217.0%

In comparing actual versus budgeted 2025 results, the following is noted:

The District completed its fiscal year 2025 \$25.6 million in excess of the budgeted income before capital contributions of \$2.1 million. The budget excess was due to the recognition of \$48.4 million of FEMA claims that were obligated in fiscal year 2025.

The District's operating income exceeded budget expectations by \$15.0 million, mainly due to net patient services revenue of \$16.3 million, or 2.2%, due to the mix of patient volumes as well as unanticipated additional supplemental funds of \$5.2 million. The District realized an unfavorable variance in total operating expenses of \$40.3 million, or 4.6%, in fiscal year 2025. This unfavorable expense variance was due to the utilization of contract labor, \$10.9 million, as well as unanticipated increases in staffing and related benefits, \$9.7 million and \$16.9 million, respectively. The benefit variance relates mainly to health insurance and workers compensation expenses.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Capital Assets

At June 30, 2025, the District had \$272.4 million invested in a variety of capital assets, as reflected in the following schedule (in thousands), which represents a net decrease (additions less retirements and depreciation) of \$18.2 million from the end of the prior year.

	June 30, 2025	June 30, 2024	Dollar Change	Total % Change
Land	\$ 17,542	\$ 17,542	\$ -	0.0%
Buildings and improvements	437,184	428,209	8,975	2.1%
Equipment	340,593	334,316	6,277	1.9%
Construction in progress	18,729	22,757	(4,028)	-17.7%
	814,048	802,824	11,224	1.4%
Less: accumulated depreciation	(541,607)	(512,148)	(29,459)	5.8%
Capital assets, net	<u>\$ 272,441</u>	<u>\$ 290,676</u>	<u>\$ (18,235)</u>	-6.3%

Long-Term Debt

At June 30, 2025, the District had approximately \$214.6 million in revenue and general obligation bonds outstanding as described in Note 9 to the consolidated financial statements. The general obligation bonds represent the general obligation of the District. The District has the power and is obligated to cause annual ad valorem taxes to be levied upon all property within the District, subject to taxation by the District, and collected by the County of Tulare for payment, when due, of the principal and interest on the bonds. The bond indenture agreements contain various restrictive covenants that include, among other things, minimum debt service coverage, maintenance of minimum liquidity, restrictions on certain additional indebtedness, and requirements to maintain certain financial ratios.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

Economic Outlook

The District's Board of Directors and management considered many factors when setting the fiscal year 2026 budget. Of primary importance in setting the 2026 budget is the status of the California economy, the fiscal policy of state and federal governments, the availability and affordability of labor, the general rise of health care related costs, and local and regional competition for health care services. Specific factors and assumptions incorporated in the District's fiscal year 2026 budget include:

- Inpatient utilization is projected to increase by 5.6% from 2025 levels reflecting an average daily patient census of 429. Outpatient activity expressed in equivalent inpatient days is projected to increase 10.0% from 2024.
- A 6.8% increase in gross patient services revenue due to changes in patient care volume and mix of services.
- A Medicare general acute care rate increase of approximately 2.4%, an increase of 2.9% for outpatient services, an increase of 2.8% for skilled nursing and for subacute services, an increase of 4.7% for home health services, an increase of 2.3% for rural health clinic services, a decrease of 0.2% for acute rehabilitation, and a 2.4% increase for acute psychiatric services. A Medicare sequestration increase of 4%.
- No change in reimbursement anticipated for Medi-Cal fee-for-service acute medical/surgical, rehabilitation services, skilled nursing, subacute, psychiatric, home health, and outpatient fee-for-service reimbursement. Includes \$5.7 million in anticipated fee-for-service intergovernmental transfer revenues and \$14.2 million in provider fee intergovernmental transfer and grant revenue.
- Medi-Cal managed care reimbursement rate increases of approximately 1.8% based on scheduled rate increases included in multi-year contracts. Includes \$26.0 million of Medi-Cal managed care rate range program and \$70.7 million of District Hospital Directed Payment program intergovernmental transfer revenue.
- Annual scheduled rate increases for nongovernment managed care payers for contracts negotiated in prior years as well as expected new negotiated increases with managed care plans averaging 1.7%.
- The successful improvement of health care delivery system improvement initiatives under various care transformation programs resulting in the recognition of \$7.6 million in related revenue.
- Overall expense per adjusted patient day is projected to decrease by 4.6% from the prior year.

Kaweah Delta Health Care District
Management's Discussion and Analysis (Unaudited)
June 30, 2025 and 2024

District's Fiduciary Responsibility

The District is the trustee, or fiduciary, for certain amounts held on behalf of retirement plan participants. The District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

TABLE 6
Fiduciary Activities
(in Thousands)

	RETIREMENT PLAN		
	2025	2024	2023
ASSETS			
Receivables	\$ 2,630	\$ 641	\$ 362
Investments, at fair value	290,912	285,610	271,992
NET POSITION RESTRICTED FOR PENSIONS	\$ 293,542	\$ 286,251	\$ 272,354
ADDITIONS			
Employer contributions	\$ 2,321	\$ -	\$ -
Net income from investments	25,551	33,675	25,513
Total additions	27,872	33,675	25,513
DEDUCTIONS			
Deductions	20,581	19,778	18,299
INCREASE IN NET POSITION RESTRICTED FOR PENSIONS	\$ 7,291	\$ 13,897	\$ 7,214

Report of Independent Auditors

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Consolidated Financial Statements

Kaweah Delta Health Care District
Consolidated Statements of Net Position
(in Thousands)
June 30, 2025 and 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	\$ 6,595	\$ 19,412
Board-designated and trustee assets, current portion	17,533	14,944
Accounts receivable		
Patient accounts receivable, net	154,634	133,806
Other	70,335	25,023
Total accounts receivable	224,969	158,829
Inventories	13,871	13,738
Medicare and Medi-Cal settlements	62,463	82,755
Prepaid expenses	8,234	8,403
Total current assets	333,665	298,081
NONCURRENT CASH AND INVESTMENTS		
Board-designated assets	218,025	210,518
Bond assets held by trustee	22,950	19,326
Assets in self-insurance trust fund	626	827
Total noncurrent cash and investments	241,601	230,671
RIGHT-TO-USE LEASE ASSETS, net of accumulated amortization	15,613	10,464
SUBSCRIPTION ASSETS, net of accumulated amortization	8,062	12,153
CAPITAL ASSETS		
Land	17,542	17,542
Buildings and improvements	437,184	428,209
Equipment	340,593	334,316
Construction in progress	18,729	22,757
	814,048	802,824
Less: accumulated depreciation	(541,607)	(512,148)
Total capital assets, net	272,441	290,676
OTHER ASSETS		
Property not used in operations	5,155	4,487
Health-related investments	2,147	2,676
Other	20,924	17,120
Total other assets	28,226	24,283
Total assets	899,608	866,328
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized loss on defeasance of debt	2,339	2,733
Unamortized goodwill	10,969	11,900
Deferred outflows (inflows) - actuarial	(175)	650
Total deferred outflows of resources	13,133	15,283
Total assets and deferred outflows of resources	\$ 912,741	\$ 881,611

See accompanying notes.

Kaweah Delta Health Care District
Consolidated Statements of Net Position
(in Thousands)
June 30, 2025 and 2024

	2025	2024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 43,962	\$ 41,095
Accrued payroll and related liabilities	71,620	62,382
Subscription liabilities, current portion	3,031	4,146
Lease liabilities, current portion	3,204	2,248
Bonds payable, current portion	13,014	12,585
Notes payable, current portion	-	9,850
Total current liabilities	134,831	132,306
LEASE LIABILITIES, net of current portion	12,850	8,477
SUBSCRIPTION LIABILITIES, net of current portion	3,941	5,846
LONG-TERM DEBT, net of current portion		
Bonds payable	201,619	214,713
Notes payable	20,750	20,750
Total long-term debt	222,369	235,463
NET PENSION LIABILITY	16,169	21,226
OTHER LONG-TERM LIABILITIES	50,472	36,256
Total liabilities	440,632	439,574
NET POSITION		
Invested in capital assets, net of related debt	60,147	66,112
Restricted		
Expendable	40,711	36,231
Nonexpendable - minority interest	1,530	2,017
Nonexpendable - permanent endowments	16,738	14,485
Unrestricted	352,983	323,192
Total net position	472,109	442,037
Total liabilities, deferred inflows of resources, and net position	\$ 912,741	\$ 881,611

See accompanying notes.

Kaweah Delta Health Care District
Consolidated Statements Revenues, Expenses, and Changes in Net Position
(in Thousands)
Years Ended June 30, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Net patient services revenue	\$ 743,868	\$ 699,851
Premium revenue	85,931	88,414
Other revenues		
Management services revenue	-	37,519
Other	63,699	44,299
Total other revenues	63,699	81,818
Total operating revenues	893,498	870,083
OPERATING EXPENSES		
Salaries and wages	385,298	353,465
Employee benefits	80,948	73,527
Total employment expenses	466,246	426,992
Medical and other supplies	165,851	163,147
Medical and other fees	120,264	107,382
Purchased services	69,498	67,318
Repairs and maintenance	25,463	23,506
Utilities	10,556	10,467
Rents and leases	1,706	1,928
Depreciation and amortization	39,870	38,511
Other	26,633	18,060
Total operating expenses	926,087	857,311
Operating (loss) income	(32,589)	12,772
NONOPERATING REVENUES (EXPENSES)		
Property tax revenue	5,882	5,730
Stimulus funds	48,412	14
Investment returns, net	14,634	11,754
Interest expense	(8,571)	(8,969)
(Loss) gain on disposal of capital assets	(111)	57
Total nonoperating revenues, net	60,246	8,586
INCOME BEFORE CAPITAL CONTRIBUTIONS	27,657	21,358
CAPITAL CONTRIBUTIONS	2,415	632
CHANGES IN NET POSITION	30,072	21,990
NET POSITION, beginning of year	442,037	420,047
NET POSITION, end of year	\$ 472,109	\$ 442,037

See accompanying notes.

Kaweah Delta Health Care District
Consolidated Statements of Cash Flows
(in Thousands)
Years Ended June 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from net patient services revenue	\$ 742,725	\$ 697,242
Cash received from management services and other operating revenues	148,042	155,447
Cash payments for salaries, wages, and related benefits	(457,006)	(415,084)
Cash payments for other operating expenses	(407,245)	(376,688)
Net cash from operating activities	26,516	60,917
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property tax revenue	2,086	1,994
Federal stimulus funds	666	14
Net cash from noncapital financing activities	2,752	2,008
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest payments on bonds payable	(7,755)	(8,465)
Principal payments on bonds payable	(12,585)	(12,159)
Interest payments on lease and subscription liabilities	(558)	(262)
Principal payments on lease and subscription liabilities	(6,441)	(8,145)
Proceeds from notes payable	-	20,750
Principal payments on notes payable	(9,850)	(7,895)
Contributions received for capital expenditures	2,415	632
Tax revenue related to general obligation bonds	3,796	3,737
Purchase of capital assets	(13,715)	(12,518)
Proceeds from disposal of capital assets	10	104
Net cash from capital and related financing activities	(44,683)	(24,221)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income on investments	8,582	6,202
Purchase of investments	(57,371)	(50,311)
Net health-related investment distributions	1,487	993
Proceeds from sales and maturities of investments	56,550	49,269
Net cash from investing activities	9,248	6,153
NET CHANGES IN CASH AND CASH EQUIVALENTS	(6,167)	44,857
CASH AND CASH EQUIVALENTS, beginning of year	116,117	71,260
CASH AND CASH EQUIVALENTS, end of year	\$ 109,950	\$ 116,117

See accompanying notes.

Kaweah Delta Health Care District
Consolidated Statements of Cash Flows
(in Thousands)
Years Ended June 30, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING LOSS TO		
NET CASH FROM OPERATING ACTIVITIES		
Operating (loss) income	\$ (32,589)	\$ 12,772
Adjustments to reconcile operating (loss) income to		
net cash from operating activities		
Depreciation and amortization	39,870	38,511
Provision for bad debts	18,826	9,989
Changes in operating assets and liabilities		
Accounts receivable	(37,220)	(8,722)
Inventories, prepaid expenses, and other assets	16,306	(18,567)
Accounts payable and accrued expenses, accrued		
payroll related liabilities, lease liabilities, SBITA		
liabilities, and other long-term liabilities	21,323	26,934
Net cash from operating activities	<u>\$ 26,516</u>	<u>\$ 60,917</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
TO THE STATEMENTS OF NET POSITION		
Cash and cash equivalents in current assets	\$ 6,595	\$ 19,412
Cash and cash equivalents in noncurrent		
cash and investments		
Board-designated cash and investments	92,623	89,641
Bond assets held by trustee	10,453	7,058
Assets in self-insurance trust fund	279	6
	<u>\$ 109,950</u>	<u>\$ 116,117</u>

See accompanying notes.

Kaweah Delta Health Care District
Statements of Fiduciary Net Position
(in Thousands)
Years Ended June 30, 2025 and 2024

		KAWEAH DELTA HEALTH CARE DISTRICT EMPLOYEES' RETIREMENT PLAN	
		2025	2024
ASSETS			
Receivables			
Employer contribution receivable		2,321	-
Accrued interest and dividends receivable		\$ 309	\$ 641
Total receivables		2,630	641
Investments, at fair value			
Cash and cash equivalents		2,653	3,028
Fixed income investments		63,541	63,502
Equities		224,718	219,080
Total investments		290,912	285,610
Total assets and net position restricted for pensions		\$ 293,542	\$ 286,251

See accompanying notes.

Kaweah Delta Health Care District
Statements of Changes in Fiduciary Net Position
(in Thousands)
Years Ended June 30, 2025 and 2024

	KAWEAH DELTA HEALTH CARE DISTRICT EMPLOYEES' RETIREMENT PLAN	
	2025	2024
ADDITIONS		
Contributions		
Employer contributions	\$ 2,321	\$ -
Investments income		
Net increase in fair value of investments	17,825	27,436
Interest and dividend income	8,442	7,419
Investment expense	(716)	(1,180)
Net income from investing	25,551	33,675
Total additions, net	27,872	33,675
DEDUCTIONS		
Benefit payments	20,026	19,162
Administrative expenses	555	616
Total deductions	20,581	19,778
INCREASE IN NET POSITION	7,291	13,897
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of year	286,251	272,354
End of year	\$ 293,542	\$ 286,251

See accompanying notes.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Note 1 – Basis of Presentation and Accounting Policies

A summary of significant accounting policies applied in the preparation of the accompanying consolidated financial statements follows:

Reporting entity – Kaweah Delta Health Care District (the “District”) is a political subdivision of the state of California, organized and existing under the State of California Local Health Care District Law as set forth in the Health and Safety Code of the State of California. The District is governed by a separately elected Board of Directors (the Board).

The accounting policies of the District conform to those recommended by the Health Care Committee of the American Institute of Certified Public Accountants. The District’s consolidated financial statements are presented in accordance with the pronouncements of the Governmental Accounting Standards Board (“GASB”), and the Financial Accounting Standards Board (“FASB”), when applicable. The District is not generally subject to state and federal income taxes. The District provides health care services to individuals who reside primarily in the local geographic area.

Principles of consolidation – The consolidated financial statements of the District include the accounts of the District, Kaweah Delta Hospital Foundation (the “Foundation”), Sequoia Regional Cancer Center, LLC (“SRCC”), Sequoia Regional Cancer Center – Medical Oncology, LLC (“SRCC-MO”), and TKC Development, LLC (“TKC”). SRCC, SRCC-MO, TKC, and the Foundation are component units that have been blended for presentation purposes. The District has a 75% interest in TKC, which leases real estate and equipment from the District and then subleases the real estate and equipment to SRCC and SRCC-MO. The District has a 75% interest in SRCC and an 85% interest in SRCC-MO, management services organizations providing staff, facilities, and administration services to the radiation oncology department of the District and the medical oncology department of the District. The District provides key management, administrative, and support services to SRCC and SRCC-MO, including all of their employees, leased buildings and equipment, accounting, human resources, information technology, housekeeping, risk management, and maintenance services. Effective June 2024 the operation of the medical oncology clinic transitioned from the medical oncology physician group to the medical oncology department of the District. Therefore, the revenues that were previously shown as management services revenues are now included in net patient services revenues.

The Foundation was established in March 1980, as an exempt organization under Internal Revenue Code (“IRC”) Section 501(c)(3) to raise funds to support the operation of the District. The Foundation’s bylaws provide that all funds raised be distributed to or be held for the benefit of the District. The Foundation’s general funds, which represent the Foundation’s unrestricted resources, will be distributed to the District in amounts and in periods determined by the Foundation’s Board of Trustees.

All intercompany transactions have been eliminated in the District’s consolidated financial statements.

Proprietary fund accounting – The District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual basis and consolidated financial statements are prepared using the economic resources measurement focus.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Fiduciary fund accounting – Fiduciary funds for which the District acts only as an agent or trust are not included in the business-type activities of the District. These funds are reported in the statements of fiduciary net position and statements of change in fiduciary net position at the fund financial statement level.

Kaweah Delta Health Care District Employees' Retirement Plan – The "Retirement Plan" was originally adopted as a defined benefit plan effective July 1, 1984. Effective June 30, 2011, the Retirement Plan was restated and amended (see Note 11). The Retirement Plan is administered by the sponsor, the District, and Retirement Plan assets are held by the custodian of the Retirement Plan, First State Trust Company. The Retirement Committee (the "Committee") of the District retains the responsibility to oversee the management of the Retirement Plan, including the requirement that investments and assets held within the Retirement Plan continually adhere to the requirements of the California Government Code which specifies that the trustee's primary role is to preserve capital, then maintain investment liquidity and thirdly, to protect investment yield. As such, the District acts as the fiduciary of the Retirement Plan.

Use of estimates – The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounting standards – Pursuant to GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, Financial Accounting Standards Board ("FASB") and American Institute of Certified Public Accountants ("AICPA") Pronouncements*, the District's proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as codified pronouncements issued on or before November 30, 1989 and State Controller's *Minimum Audit Requirements* for California Special Districts and the State Controller's office prescribed reporting guidelines.

Net patient services revenue and patient accounts receivable – Net patient services revenue is reported at the estimated net realizable amount from patients, governmental programs, health maintenance and preferred provider organizations, and insurance contracts under applicable laws, regulations, and program instructions. Net realizable amounts are generally less than the District's established rates. Final determination of certain amounts payable is subject to review by appropriate third-party representatives. Subsequent adjustments, if any, arising from such reviews are recorded in the year final settlement becomes known. Significant concentrations of net patient accounts receivable at June 30, 2025 and 2024, include Medicare, 33.53% and 41.02%, respectively, and Medi-Cal, 24.66% and 29.30%, respectively. The District provides for estimated losses on amounts receivable directly from patients based on historical bad debt experience. Past due status is based on the date the account is determined to be payable directly from the patient. When the account is deemed uncollectible in accordance with District policy, it is written off to bad debt expense. Recoveries from previously written-off accounts are recorded when received. At June 30, 2025 and 2024, the District provided allowances for losses on amounts receivable directly from patients totaling \$47.6 million and \$50.0 million, respectively. Amounts written off to bad debt expense included in net patient services revenue totaled approximately \$18.8 million and \$10.0 million for 2025 and 2024, respectively.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

The District renders service to patients under contractual arrangements with the Medicare and Medi-Cal programs. Medicare payments are primarily prospective for inpatients, while Medicare payments for outpatients are based on a combination of a fee-for-service schedule and prospective reimbursement. Medi-Cal inpatient payments are subject to the state's prospective payment system. Medi-Cal outpatient services are reimbursed on a fee-for-service schedule. The programs' administrative procedures preclude final determination of amounts due for services to program patients until after the cost reports are audited or otherwise reviewed by and settled with the respective administrative agencies. Medicare cost reports for 2019 through 2024 are subject to audit and possible adjustment. Medi-Cal cost report for 2024 is subject to audit and possible adjustment. Net Medicare and Medi-Cal program patient services revenue amounted to approximately \$443.5 million and \$404.4 million in 2025 and 2024, respectively. The District recognized in the consolidated statements of revenues, expenses, and changes in net position a decrease of approximately \$8.7 million in 2025 and an increase of \$207,000 in 2024, respectively, in net patient services revenue pertaining to the settlement of previous years' cost reports.

Cash and cash equivalents – Cash and cash equivalents include cash in bank checking, savings, and time deposit accounts, money market funds, and investments in highly liquid debt instruments with a maturity of three months or less when purchased.

Charity care – The District provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy. The District accepts all patients regardless of their ability to pay. Partial payments, to which the District is entitled from public assistance programs on behalf of patients that meet the District's charity care criteria, are reported as net patient services revenue. Charity care, which is excluded from recognition as receivables or revenue in the consolidated financial statements, provided in 2025 and 2024, measured on the basis of uncompensated cost, was \$5.1 million and \$4.6 million, respectively.

Inventories – Inventories are reported at cost (determined by the first-in, first-out method), which is not in excess of market value.

Prepaid expenses – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Investments – Investments are reported at fair value, based on quoted market prices when applicable, and realized and unrealized gains and losses are included in nonoperating revenues as investment income. The fair market value of money market funds, guaranteed investment contracts, and investments in the Local Agency Investment Funds ("LAIF"), an external investment pool for government agencies administered by the state of California, approximates cost due to the liquid nature of these investments.

Noncurrent cash and investments – Noncurrent cash and investments include unrestricted cash and investments designated by the Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, cash, and investments held by trustees under bond indentures, and cash and investments held in the District's self-insurance trust fund.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Intangible asset – The District contributed \$2.0 million of the 2004 general obligation bond proceeds to the city of Visalia (the “City”) for the construction of a parking garage in exchange for 84 parking spaces for District use (see Note 9). The District’s use of the parking spaces is indefinite, and the District is amortizing the asset over the estimated 25-year useful life of the parking garage. Amortization began in 2007 when the parking garage was completed and placed into service by the City.

Capital assets – Property, plant, and equipment are reported on the basis of cost or, in the case of donated items, on the basis of fair market value at the date of donation. Routine maintenance and repairs are charged to expense as incurred. Expenditures that increase values, change capacities, or extend useful lives are capitalized.

Depreciation expense and amortization of capital assets are combined in the consolidated statements of revenues, expenses, and changes in net position and are computed by the straight-line method for financial reporting purposes over the estimated useful lives of the assets or the life of the lease, whichever is less, which range from 5 to 40 years for buildings and improvements, and 3 to 25 years for equipment and leasehold improvements.

At times the District may dispose of capital assets prior to the end of the assets’ projected useful life. In cases when an associated gain or loss is recognized due to the disposal, the related gain or loss is shown as a nonoperating revenue or expenditure in the consolidated statements of revenue, expenses, and changes in net position.

Right-to-use lease assets and lease liabilities – The District has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 87, *Leases* (GASB No. 87). The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease. The District recognizes lease contracts or equivalents that have a term exceeding one year and that meet the definition of an other than short-term lease. The District uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the District’s incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

Subscription assets and Subscription liabilities – The District has recorded subscription assets as a result of implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB No. 96). The subscription assets are initially measured at an amount equal to the initial measurement of the related to subscription-based information technology arrangements (“SBITA”). The subscription assets are amortized on a straight-line basis over the life of the related lease. The District recognizes SBITA contracts or equivalents that have a term exceeding one year and that meet the definition of an other than short-term contract. The District uses a discount rate that is explicitly stated or implicit in the contract. When a readily determinable discount rate is not available, the discount rate is determined using the District’s incremental borrowing rate at start of the lease for a similar asset type and term length to the contract. Short-term lease payments are expensed when incurred.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Consolidated statements of revenues, expenses, and changes in net position – All revenues and expenses directly related to the delivery of health care services are included in operating revenues and expenses in the consolidated statements of revenues, expenses, and changes in net position. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or investment income.

Medical malpractice and general liability self-insurance – The District maintains a self-insurance policy against malpractice and comprehensive general liability loss with supplemental coverage for losses in excess of \$4.0 million per incident and \$6.0 million in aggregate with a coverage limit of \$20.0 million per incident and in aggregate. The current portion of the related liability is reported in accounts payable and accrued expenses on the consolidated statements of net position, while the long-term portion is included in other long-term liabilities. The District has established an irrevocable trust for the purpose of appropriating assets to cover such losses. Under the trust agreement, the trust assets can only be used for payment of malpractice losses, general liability losses, related expenses, and the cost of administering the trust. The assets of the trust and related liabilities are reported on the consolidated statements of net position. Income from the trust assets, estimated losses from claims, and administrative costs are reported in the consolidated statements of revenues, expenses, and changes in net position.

Losses from asserted and unasserted claims identified under the District's incident reporting system are accrued based on estimates that incorporate the District's past experience as well as other considerations, including the nature of each claim or incident and relevant trend factors. The District's accrued malpractice losses also include an estimate of possible losses attributable to incidents that may have occurred, but have not been identified under the incident reporting system. The District has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Estimated future payments relating to malpractice losses have been discounted at a 3.0% rate.

Workers' compensation self-insurance – The District maintains a self-insurance policy against workers' compensation losses with supplemental coverage for losses in excess of \$1.5 million. The Board has designated funds for the payment of workers' compensation claims. The current portion of the related liability is reported in accrued payroll and related liabilities on the consolidated statements of net position, while the long-term portion is included in other long-term liabilities. Losses from asserted and unasserted claims identified under the District's incident reporting system are accrued based on estimates that incorporate the District's past experience, as well as other considerations including the nature of each claim or incident and relevant trend factors. The District's accrued workers' compensation losses also include an estimate of possible losses attributable to incidents that may have occurred, but have not been identified under the incident reporting system. The District has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Estimated future payments relating to workers' compensation losses have been discounted at a 4.0% rate.

Medical benefits self-insurance – The District maintains a policy of self-insuring medical costs up to \$850,000 per employee. The related liability is reported in accrued payroll and related liabilities on the consolidated statements of net position. Losses from asserted and unasserted claims identified under the District's reporting system are accrued based on estimates that incorporate the District's past experience and relevant trend factors. The District's accrued medical insurance liability also includes an estimate of possible losses attributable to incidents that may have occurred, but have not been reported.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Compensated absences – The District's benefits-eligible employees earn vacation, short-term illness, and holiday leave, referred to as Paid Time Off ("PTO"), at varying rates based upon qualifying service hours. Employees may accumulate PTO up to a specified maximum. Accrued PTO is paid to the employee upon termination of employment or upon conversion to nonbenefits-eligible status. The estimated amount of PTO payable to employees is reported as a current liability as of June 30, 2025 and 2024. Extended Illness Bank ("EIB") time is also earned at a specific rate per qualified service hour. Employees who were vested in the District's defined benefit retirement plan as of June 30, 2011 (the effective date it was "frozen"), were offered a one-time opportunity to have their accrued EIB time applied to length of service up to a maximum of one-year service credit. However, no payment is made for accrued EIB time when employment is terminated. See "new accounting pronouncements" for additional consideration over the impact of GASB No. 101.

Premium revenue and health care services cost recognition – The District contracts with a Medicare Advantage company (Humana) to provide health care services for certain members for which it receives revenue on a capitated basis. Under this agreement, the District receives monthly capitation payments based upon the number of participants covered under the agreements, regardless of services actually performed by the District or others under the agreements. Revenue is recognized during the period in which the District is obligated to provide services to the participants. The agreement for which the District is compensated on a capitated basis requires that the District provide or arrange for certain covered health care services to all members covered under the contract, which results in the District compensating other providers on a fee-for-services basis for the services. The cost of these services is accrued in the period the services are provided to the members, based in part, on estimates by management. The accrual of expense for such services provided includes an estimate of services provided but not reported to the District as of the fiscal year end.

Net position – Net position is divided into three components: net investment in capital assets, restricted, and unrestricted.

These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted expendable net position, the use of which is restricted through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation and includes assets in self-insurance trust funds, revenue bond reserve fund assets, and net position restricted to use by donors. Restricted nonexpendable net position equals the principal portion of permanent endowments as well as minority interest.

Unrestricted – This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

New accounting pronouncements – The GASB issued GASB Statement No. 101, *Compensated Absences* (GASB No. 101). GASB No. 101 establishes standards of accounting and financial reporting for compensated absences and associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits. GASB No. 101 is effective for reporting periods beginning after December 15, 2023. The District has assessed the impact of this standard on the District's consolidated financial statements and determined not material.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB No. 102). The objective of GASB 102 is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. GASB 102 is effective for fiscal years beginning after June 15, 2024. The District has assessed the impact of GASB 102 on the District's consolidated financial statements and determined not material.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB No. 103). The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The financial statement improvements resulting from GASB 103 include changes to management's discussion and analysis, presentation of major discretely presented component units, reporting extraordinary and special items as unusual or infrequent items, changes to the proprietary statement of revenues, expenses, and changes in fund net position, definitions of operating and nonoperating revenues and expenses, and the presentation of budgetary comparison information. GASB 103 is effective for fiscal years beginning after June 15, 2025. The District is currently assessing the impact of GASB 103 on the District's consolidated financial statements.

Reclassifications – Certain reclassifications have been made to prior period financial statements to conform to the current period presentation. These reclassifications had no impact on net assets for the year ended June 30, 2024.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Note 2 – Noncurrent Cash and Investments

Cash and investments required for obligations classified as current liabilities are reported as current assets. The composition of noncurrent cash and investments at June 30 were as follows (in thousands):

	2025	2024
Board-designated assets		
Cash and cash equivalents	\$ 92,623	\$ 89,641
U.S. Treasury obligations	48,570	50,347
Federal agency obligations	4,329	6,049
Municipal obligations	6,047	7,496
Corporate obligations	31,473	29,124
Equity securities	12,958	12,257
Mutual funds	1,254	1,313
Asset and mortgage-backed securities	27,967	20,327
Alternative investments	333	711
Interest receivable	1,081	568
Current portion	(8,610)	(7,315)
	<u>\$ 218,025</u>	<u>\$ 210,518</u>
	2025	2024
Bond assets held in trust		
Cash and cash equivalents	\$ 10,453	\$ 7,058
Federal agency obligations	519	2,217
U.S. Treasury obligations	19,772	16,712
Interest receivable	42	-
Current portion	(7,836)	(6,661)
	<u>\$ 22,950</u>	<u>\$ 19,326</u>
	2025	2024
Assets in self-insurance trust fund		
Cash and cash equivalents	\$ 279	\$ 6
U.S. Treasury obligations	1,429	1,780
Interest receivable	6	8
Current portion	(1,088)	(967)
	<u>\$ 626</u>	<u>\$ 827</u>

Note 3 – Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

The three levels of inputs that may be used to measure fair value within the fair value hierarchy are:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of net position reported at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall (in thousands):

June 30, 2025					
	Level 1	Level 2	Level 3	Investments Held at Net Asset Value	Balance
Cash and cash equivalents	\$ 94,381	\$ -	\$ -	\$ -	\$ 94,381
U.S. Treasury obligations	69,770	-	-	-	69,770
Federal agency obligations	-	4,848	-	-	4,848
Municipal obligations	-	6,048	-	-	6,048
Corporate obligations	-	31,474	-	-	31,474
Asset and mortgage-backed securities	-	27,968	-	-	27,968
Other Foundation assets	14,212	-	-	333	14,545
	<u>\$ 178,363</u>	<u>\$ 70,338</u>	<u>\$ -</u>	<u>\$ 333</u>	<u>\$ 249,034</u>
June 30, 2024					
	Level 1	Level 2	Level 3	Investments Held at Net Asset Value	Balance
Cash and cash equivalents	\$ 89,020	\$ -	\$ -	\$ -	\$ 89,020
U.S. Treasury obligations	68,839	-	-	-	68,839
Federal agency obligations	-	8,266	-	-	8,266
Municipal obligations	-	7,496	-	-	7,496
Corporate obligations	-	29,124	-	-	29,124
Asset and mortgage-backed securities	-	20,327	-	-	20,327
Other Foundation assets	13,571	-	-	711	14,282
	<u>\$ 171,430</u>	<u>\$ 65,213</u>	<u>\$ -</u>	<u>\$ 711</u>	<u>\$ 237,354</u>

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Note 4 – Bank Deposits

At June 30, 2025 and 2024, the District had bank balances totaling \$15.5 million and \$27.1 million, respectively, which approximate book balances. Of these balances, \$4.0 million and \$3.8 million were insured by the Federal Deposit Insurance Corporation at June 30, 2025 and 2024, respectively, and the remainder was collateralized. The California Government Code (the Code) requires financial institutions to secure the District's deposits, in excess of insured amounts, by pledging government securities as collateral. The fair value of pledged securities must equal at least 110% of the District's deposits.

Note 5 – Investments

GASB Statement No. 40, *Deposit and Investment Risk Disclosures—An Amendment of GASB Statement No. 3*, requires the District to disclose its deposit and investment policies related to investments with credit risk or deposits with custodial credit risk, the credit ratings and maturities of its investments (other than U.S. government obligations or obligations guaranteed by the U.S. government), and additional disclosures related to uninsured deposits. A summary of scheduled maturities by investment type at June 30, 2025, is as follows (in thousands):

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1–5	More than 5
U.S. Treasury obligations	\$ 69,770	\$ 16,143	\$ 53,288	\$ 339
Federal agency obligations	4,848	4,780	17	51
Corporate obligations	31,474	4,607	26,774	93
Municipal obligations	6,048	589	5,459	-
Asset and mortgage-backed securities	27,968	162	27,806	-
LAIF	48,594	48,594	-	-
CAMP	36,717	36,717	-	-
Money market funds	9,070	9,070	-	-
	234,489	\$ 120,662	\$ 113,344	\$ 483
Equity securities	12,958			
Alternative investments	333			
Mutual funds	1,254			
	<u>\$ 249,034</u>			

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

A summary of scheduled maturities by investment type at June 30, 2024, is as follows (in thousands):

	Fair Value	Investment Maturities (in Years)		
		Less than 1	1–5	More than 5
U.S. Treasury obligations	\$ 68,839	\$ 7,399	\$ 61,125	\$ 315
Federal agency obligations	8,266	3,635	4,579	52
Corporate obligations	29,125	7,342	21,681	102
Municipal obligations	7,496	3,593	3,903	-
Asset and mortgage-backed securities	20,328	836	19,492	-
Supranational Agency	-	-	-	-
LAIF	15,494	15,494	-	-
CAMP	68,261	68,261	-	-
Money market funds	5,264	5,264	-	-
	223,073	\$ 111,824	\$ 110,780	\$ 469
Equity securities	12,257			
Alternative investments	711			
Mutual funds	1,313			
	<u>\$ 237,354</u>			

Investment activities of the District are governed by sections of the Code, which specify the authorized investments that may be made by the District. The District's investment policy (the "Policy") requires that all investing activities of the District comply with the Code and also sets forth certain additional restrictions that exceed those imposed by the Code. The Foundation is governed by the IRC; therefore, its investment activities are not subject to the same requirements as the District.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's investment policy provides that no investment shall be made in any security having a term remaining to maturity exceeding five years at the time of investment. The Foundation's Policy allows for longer-term investments.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Policy requires that, to be eligible for investment, corporate notes shall be rated "A," or its equivalent, or better by a nationally recognized rating service at the time of purchase. The Policy also limits investment in collateralized mortgage obligations to obligations rated "AA," or its equivalent, or better. All of the District's investments in corporate obligations and collateralized mortgage obligations met these requirements as of June 30, 2025 and 2024. The Policy allows for investments in LAIF up to the maximum amount allowed by the State of California. The investment in LAIF is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty. The State of California Treasurer's office has regulatory oversight of LAIF. The Policy includes no limitations or restrictions related to investments in United States Treasury or federal agency obligations. The Policy also allows for investment in shares of beneficial interest issued by a joint power authority (JPA) organized pursuant to the Code that invests in the securities and obligations authorized under the Code. The Code requires that the JPA issuing the shares shall have retained an investment adviser with appropriate size and experience as outlined in the Code. The District is a participant in a JPA program, the California Asset Management Program, commonly known as "CAMP", for the purpose of pooling local agency assets for investing. Participation in the JPA program is open to any public agency in California. The JPA program is governed by a Board of Trustees ("Trustees"), all of whom are experienced investment officers or employees of the public agency members. The Trustees are responsible for setting the overall policies and procedures for and for overall administration of the JPA. The CAMP pool is managed to maintain a dollar-weighted portfolio maturity of 60 days or less and seeks to maintain a constant NAV of one dollar per share.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The market value of LAIF investments represented 19.5% and 6.5% of the District's total investment market value at June 30, 2025 and 2024, respectively. The market value of CAMP investments represented 14.7% and 28.8% at June 30, 2025 and 2024, respectively.

Note 6 – Capital Assets

A summary of changes in capital assets during 2025 is as follows (in thousands):

	Beginning Balance 2024	Additions	Deletions	Transfers	Ending Balance 2025
Land	\$ 17,542	\$ -	\$ -	\$ -	\$ 17,542
Buildings and improvements	428,209	11	-	8,964	437,184
Equipment	334,316	6,642	(1,782)	1,417	340,593
Construction in progress	22,757	7,061	-	(11,089)	18,729
	802,824	13,714	(1,782)	(708)	814,048
Less: accumulated depreciation and amortization	512,148	31,120	(1,661)	-	541,607
	<u>\$ 290,676</u>	<u>\$ (17,406)</u>	<u>\$ (121)</u>	<u>\$ (708)</u>	<u>\$ 272,441</u>

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

A summary of changes in capital assets during 2024 is as follows (in thousands):

	Beginning Balance 2023	Additions	Deletions	Transfers	Ending Balance 2024
Land	\$ 17,542	\$ -	\$ -	\$ -	\$ 17,542
Buildings and improvements	427,105	87	-	1,017	428,209
Equipment	328,663	4,835	(5,421)	6,239	334,316
Construction in progress	25,413	7,602	-	(10,258)	22,757
	798,723	12,524	(5,421)	(3,002)	802,824
Less: accumulated depreciation and amortization	486,537	30,986	(5,375)	-	512,148
	<u>\$ 312,186</u>	<u>\$ (18,462)</u>	<u>\$ (46)</u>	<u>\$ (3,002)</u>	<u>\$ 290,676</u>

Note 7 – Health-Related Investments

The following table summarizes the District's health-related investments recorded on the equity method at June 30 (in thousands):

	2025	2024
Cypress Company, LLC	\$ 750	\$ 647
Sequoia Surgery Center, LLC	400	892
Sequoia Integrated Health Plan, LLC	920	916
Visalia Kidney Center	77	221
	<u>\$ 2,147</u>	<u>\$ 2,676</u>

Investment in Cypress Company, LLC (“CyCo”) – In August 2010, Cypress Surgery Center formed CyCo, a real estate holding company organized as a California limited liability company, and transferred all of its real property and associated real estate debt, along with certain other assets and liabilities, to CyCo. The District holds a 40% investment in CyCo.

Investment in Sequoia Surgery Center, LLC (formerly Cypress Surgery Center) – At June 30, 2017, the District held a 31% investment in a free-standing ambulatory surgery center located within the District. In August 2010, Cypress Surgery Center completed a “merger” with the Center for Ambulatory Medicine and Surgery (“CAMS”), a local ambulatory surgery center, and changed its legal name to Sequoia Surgery Center, LLC, as well as its organizational structure from a California limited partnership to a California limited liability company. To effect the merger, Cypress Surgery Center acquired 100% of the assets and outstanding ownership interests of CAMS in exchange for approximately 52% ownership in Cypress Surgery Center (now Sequoia Surgery Center, LLC). As a result of this acquisition, the District's ownership interest in Sequoia Surgery Center, LLC, was diluted from 64.9% to approximately 31%. Sequoia Surgery Center, LLC, leases its ambulatory surgery center facility from CyCo.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Investment in Northwest Visalia Senior Housing, LLC – In January 2017, the District made its initial capital contribution to establish its investment in a joint venture company. Northwest Visalia Senior Housing, LLC, was formed in furtherance of the members' elder care mission and to put into practice innovative approaches to care of the elderly, simultaneously addressing the housing and health care needs of the elderly. This will be accomplished in part by constructing, developing, owning, maintaining, and operating a full service assisted living retirement facility in Visalia, California. Northwest Visalia Senior Housing, LLC, is owned 33.33% by the District, 33.33% by Shannon Senior Care, LLC, 20% by BTV Senior Housing, LLC, and 13.34% by Millennium Advisors, Inc. Net loss allocations have exceeded initial capital contributions resulting in a deficit equity position for Northwest Visalia Senior Housing, LLC. The District has recorded its interest in the joint venture company at \$0 in accordance with GAAP as the District is not liable for obligations of the joint venture company.

Investment in Sequoia Integrated Health, LLC – In August 2016, the District made its initial capital contribution to establish its investment in a joint venture company formed in furtherance of the members' common purpose to better serve and coordinate health care services for the communities of Tulare and Kings Counties, and to own and operate an integrated delivery network in California and activities incident thereto. Sequoia Integrated Health, LLC, is owned 50% by the District, 25% by Key Medical Group, Inc., and 25% by Foundation for Medical Care of Tulare and Kings Counties, Inc. The District has recorded its interest in the joint venture based upon its initial capital contributions.

Investment in Quail Park Retirement Village, LLC – The District holds an investment in a joint venture company that operates an assisted living facility in Visalia, California. The joint venture company, Quail Park Retirement Village, LLC, is owned 44% by the District and 56% by Living Care Visalia, LLC, and its affiliated investors. Under the terms of the joint venture agreement, the District has an option to purchase an additional 5% of Living Care Visalia, LLC's equity interest at fair market value determined at the time of sale. Distributions have exceeded initial capital contributions resulting in a deficit equity position for Quail Park Retirement Village, LLC. The District has recorded its interest in the joint venture company at \$0 in accordance with U.S. GAAP as the District is not liable for obligations of the joint venture company.

Investment in Laurel Court at Quail Park, LLC – In June 2011, the District made its initial capital contribution to establish its investment in a joint venture company formed to construct, develop, own, maintain, and operate a full service memory care retirement facility in Visalia, California. The joint venture company, Laurel Court at Quail Park, LLC, is owned 44% by the District and 56% by Living Care Visalia, LLC. Distributions have exceeded initial capital contributions resulting in a deficit equity position for Laurel Court at Quail Park, LLC. The District has recorded its interest in the joint venture company at \$0 in accordance with U.S. GAAP as the District is not liable for obligations of the joint venture company.

Income or loss from equity method investments is included in other revenues in the corresponding consolidated statements of revenues, expenses, and changes in net position.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Note 8 – Right-to-Use Lease Assets and Lease Liabilities and Subscription Assets and Subscription Liabilities

Right-to-use lease assets and lease liabilities – The District is a lessee for noncancelable leases of buildings with lease terms through 2035. There are no residual value guarantees included in the measurement of the District's lease liabilities nor recognized as an expense for the years ended June 30, 2025 and 2024. The District does not have any commitments that were incurred at the commencement of the leases. The District is subject to variable equipment usage payments that are expenses when incurred. There were no amounts recognized as variable lease payments as lease expense on the combined statements of revenues, expenses, and changes in net position for the years ended June 30, 2025 and 2024. No termination penalties were incurred during the fiscal year.

The following table summarizes the District's right-to-use lease assets at June 30 (in thousands):

	Balance as of June 30, 2024	Increases	Decreases	Balance as of June 30, 2025
Right-to-use lease assets	\$ 19,722	\$ 8,454	\$ -	\$ 28,176
Less: accumulated amortization	(9,258)	(3,305)	-	(12,563)
Right-to-use lease assets, net	<u>\$ 10,464</u>	<u>\$ 5,149</u>	<u>\$ -</u>	<u>\$ 15,613</u>
	Balance as of June 30, 2023	Increases	Decreases	Balance as of June 30, 2024
Right-to-use lease assets	\$ 17,544	\$ 2,192	\$ (14)	\$ 19,722
Less: accumulated amortization	(6,295)	(2,963)	-	(9,258)
Right-to-use lease assets, net	<u>\$ 11,249</u>	<u>\$ (771)</u>	<u>\$ (14)</u>	<u>\$ 10,464</u>

The following table summarizes the District's lease liabilities at June 30 (in thousands):

	Balance as of June 30, 2024	Increases	Decreases	Balance as of June 30, 2025
Lease liabilities	\$ 10,725	\$ 8,454	\$ (3,125)	\$ 16,054
	Balance as of June 30, 2023	Increases	Decreases	Balance as of June 30, 2024
Lease liabilities	\$ 11,355	\$ 2,184	\$ (2,814)	\$ 10,725

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

The future lease liability principal and interest lease payments as of June 30, 2025, were as follows (in thousands):

Years Ending June 30,	Principal Payments	Interest Payments	Total
2026	\$ 3,204	\$ 337	\$ 3,541
2027	2,860	284	3,144
2028	2,509	235	2,744
2029	2,118	191	2,309
2030	1,410	150	1,560
2031–2035	3,953	253	4,206
	<u>\$ 16,054</u>	<u>\$ 1,450</u>	<u>\$ 17,504</u>

The District evaluated the right-to-use lease assets for impairment and determined there was no impairment for the years ended June 30, 2025 and 2024.

Subscription assets and subscription liabilities – The District entered into various agreements for information technology subscriptions. These agreements range in terms through 2029. Variable payments based upon the use of the underlying subscription assets are not included in the subscription liabilities because they are not fixed in substance—therefore, these payments are not included in subscription assets or subscription liabilities. There were no variable subscription expenses or payments in the fiscal years ended June 30, 2025 and 2024.

The following tables summarize the District's subscription assets at June 30 (in thousands):

	Balance as of June 30, 2024	Increases	Decreases	Balance as of June 30, 2025
Subscription assets	\$ 21,204	\$ 295	\$ -	\$ 21,499
Less: accumulated amortization	(9,051)	(4,386)	-	(13,437)
Subscription assets, net	<u>\$ 12,153</u>	<u>\$ (4,091)</u>	<u>\$ -</u>	<u>\$ 8,062</u>

	Balance as of June 30, 2023	Increases	Decreases	Balance as of June 30, 2024
Subscription assets	\$ 13,034	\$ 8,170	\$ -	\$ 21,204
Less: accumulated amortization	(4,617)	(4,434)	-	(9,051)
Subscription assets, net	<u>\$ 8,417</u>	<u>\$ 3,736</u>	<u>\$ -</u>	<u>\$ 12,153</u>

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

The following table summarizes the District's subscription liabilities at June 30 (in thousands):

	Balance as of June 30, 2024	Increases	Decreases	Balance as of June 30, 2025
Subscription liabilities	\$ 9,992	\$ 295	\$ (3,316)	\$ 6,972

	Balance as of June 30, 2023	Increases	Decreases	Balance as of June 30, 2024
Subscription liabilities	\$ 7,160	\$ 8,170	\$ (5,338)	\$ 9,992

The future subscription liability principal and interest lease payments as of June 30, 2025, were as follows (in thousands):

	Principal Payments	Interest Payments	Total
Years Ending June 30,			
2026	\$ 3,031	\$ 164	\$ 3,195
2027	1,546	89	1,635
2028	1,244	43	1,287
2029	1,151	3	1,154
	<u>\$ 6,972</u>	<u>\$ 299</u>	<u>\$ 7,271</u>

The District evaluated the subscription assets for impairment and determined there was no impairment for the years ended June 30, 2025 and 2024.

Note 9 – Bonds and Note Payable

Bonds payable – During January 2014, the District issued \$48.9 million of Kaweah Delta Health Care District General Obligation Refunding Bonds, Series 2014, at rates of 3.6% to 4.1%, solely to advance refund \$47.3 million of the outstanding 2004 General Obligation bonds, bearing interest rates of 5.0% to 5.5%. Mandatory sinking fund redemption payments on the bonds began on August 1, 2015. The final maturity of the bonds is August 1, 2034. The advance refunding of the 2004 bonds resulted in decreased debt service payments of approximately \$6.3 million over the next 21 years, and an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$4.3 million.

The general obligation bonds represent the general obligation of the District. The District has the power and is obligated to cause annual *ad valorem* taxes to be levied upon all property within the District, subject to taxation by the District, and collected by the County for payment, when due, of the principal and interest on the bonds.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

During October 2015, the District issued \$19.4 million of Kaweah Delta Health Care District Revenue Bonds, Series 2015A. The 2015A revenue bonds bear interest at a rate of 2.975%. The net proceeds were used to prepay existing debt, including a portion of the 2006 and 2011B revenue bonds as well as the outstanding amount of the 2003A and 2011A revenue bonds. The 2015A revenue bonds maturing on or after June 1, 2025, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to the principal amount of the bonds, without premium. The current refunding of the 2003A and 2006 bonds and the advanced refunding of the 2011A and 2011B bonds resulted in decreased debt service payments of approximately \$3.9 million over the next 18 years, and an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$3.0 million.

During December 2015, the District issued \$98.4 million of Kaweah Delta Health Care District Revenue Bonds, Series 2015B. The 2015B revenue bonds bear interest rates of 3.25% to 5.0%. The net proceeds were for the acquisition, construction, installation, and equipping of the second, fifth, and sixth floors of the Kaweah Delta Medical Center's Acequia Wing, expansion and improvement of the emergency department, expansion of outpatient endoscopy services, acquisition and implementation of a new information technology platform (Cerner), acquisition and construction of a new urgent care center, improvements to the Exeter Health Clinic campus, and other projects. The 2015B revenue bonds, maturing on or after June 1, 2025, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to the principal amount of the bonds, without premium.

During December 2017, the District issued \$59.5 million Series 2017C of Kaweah Delta Health Care District Revenue Bonds. The 2017C revenue bonds bear interest at a rate of 2.71%. The net proceeds were used to refund \$46.0 million of the 2012 revenue bonds and to prepay the remaining 2011 Siemens lease obligation. The 2017C revenue bonds maturing on or after June 1, 2028, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to the principal amount of the bonds, without premium. The advance refunding of the 2012 revenue bonds and lease obligations resulted in decreased debt service payments of approximately \$8.6 million over the next 24 years and an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$5.9 million.

During January 2020, the District issued \$6.8 million Series 2020A and \$8.2 million Series 2020B of Kaweah Delta Health Care District Revenue Bonds. Both the 2020A and the 2020B revenue bonds bear interest at a rate of 2.37%. The net proceeds were used to fund capital projects and equipment. The 2020A and 2020B revenue bonds, maturing on or after June 1, 2020, to May 31, 2025, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to 102% of the principal amount of the bonds. The 2020A and 2020B revenue bonds, maturing on or after June 1, 2025, to May 31, 2030, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to 101% of the principal amount of the bonds. The 2020A and 2020B revenue bonds, maturing on or after June 1, 2030, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to the principal amount of the bonds, without premium.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

During April 2022, the District issued \$32.0 million Series 2022 Kaweah Delta Health Care District Revenue Refunding Bonds. The revenue bonds bear interest at a rate of 2.0%. The net proceeds were used to prepay existing debt, including the remaining 2017A and 2017B bonds. The 2022 revenue bonds, maturing on or after June 1, 2022, to May 31, 2023, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to 102% of the principal amount of the bonds. The 2022 revenue bonds, maturing on or after June 1, 2023, to May 31, 2025, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to 101% of the principal amount of the bonds. The 2022 revenue bonds, maturing on or after June 1, 2025, are subject to redemption at the option of the District prior to their respective stated maturities at a price equal to the principal amount of the bonds, without premium. The current refunding of the 2017A and 2017B bonds resulted in decreased debt service payments of approximately \$1.3 million over the next nine years and an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$1.2 million.

Principal and interest payments due on the revenue and general obligation bonds over the next five years, and in five-year increments, thereafter, calculated at the interest rate in effect at June 30, 2025, are as follows (in thousands):

	Principal	Interest
Years Ending June 30,		
2026	\$ 13,014	\$ 7,400
2027	13,454	7,035
2028	13,919	6,649
2029	14,413	6,245
2030	14,883	5,849
2031–2035	54,215	23,638
2036–2040	37,785	15,891
2041–2045	51,345	6,486
	213,028	\$ 79,193
Unamortized premium	1,605	
	214,633	
Less: current portion	13,014	
	<u>\$ 201,619</u>	

The bond indenture agreements contain various restrictive covenants that include, among other things, minimum debt service coverage, maintenance of minimum liquidity, restrictions on certain additional indebtedness, and requirements to maintain certain financial ratios. Management believes the District's days cash on hand and debt service coverage ratios met required levels as of June 30, 2025.

The District paid approximately \$8.3 million in interest in 2025 and 2024, on all debt, including revenue and general obligation bonds, and notes payable.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

A summary of changes in bonds payable for the years ended June 30 is as follows (in thousands):

	Beginning Balance	Additions	Payments	Ending Balance
2025	\$ 225,613	\$ -	\$ 12,585	\$ 213,028
2024	\$ 237,772	\$ -	\$ 12,159	\$ 225,613

Notes payable – To offset the delay and assist with the cash flow issues caused by the change from PRIME to QIP, the State legislature authorized the California Health Facilities Financing Authority (“CHFFA”) to provide low-cost working capital loans to eligible nondesignated public hospitals to assist with their operations. This program is referred to as the CHFFA Bridge Loan Program. The District received loans in phase one of the program totaling \$ 7.9 million and totaling \$9.8 million in phase two. The loans mature 24 months from loan execution and the proceeds are to be used for working capital expenditures. The loans have no interest but were offset by a 1% loan fee at distribution. The loans are subordinate to the revenue bonds but are secured by an interest in future Medi-Cal payments. The phase one loans were repaid in fiscal year 2024 and phase two loans were repaid in fiscal year 2025.

The Distressed Hospital Loan Program (“DHLP”) was established through legislation to offer interest-free, working capital loans to non-profit and publicly operated, financially distressed hospitals, while they implement turnaround strategies to regain financial viability. The District received a DHLP loan of \$20.8 million in 2025. Payments are deferred for the first 18 months and then equal installments are required until the loan is repaid over the remaining 54 months. The loan is on parity with the revenue bonds and secured by an interest in future Medi-Cal payments. During fiscal year 2025, the District applied for and was granted a loan modification that extended the payment deferral period an additional 12 months.

A summary of changes in noninterest-bearing notes payable for the years ended June 30 is as follows (in thousands):

	Beginning Balance	Additions	Payments	Ending Balance
2025	\$ 30,600	\$ -	\$ 9,850	\$ 20,750
2024	\$ 17,745	\$ 20,750	\$ 7,895	\$ 30,600

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Principal payments due on notes payable over the next five years, and thereafter for the years ended June 30 are as follows (in thousands):

Years Ending June 30,	Principal
2026	\$ -
2027	3,843
2028	4,611
2029	4,611
2030	4,611
2031	3,074
	<u>\$ 20,750</u>

Note 10 – Self-Insured Claims

As discussed in Note 1, the District is self-insured for medical malpractice and general comprehensive liability, medical benefits, and workers' compensation, and discounts the medical malpractice and general comprehensive and workers' compensation liabilities using a 3.0% and 4.0% discount rate, respectively. The following is a summary of the changes in the self-insured plan liabilities, included in accounts payable and accrued expenses, accrued payroll and related liabilities, and other long-term liabilities on the consolidated statements of net position for the years ended June 30 (in thousands):

	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
2025	\$ 32,310	\$ 47,740	\$ 38,750	\$ 41,300	\$ 12,526
2024	\$ 27,591	\$ 40,072	\$ 35,353	\$ 32,310	\$ 13,226

Note 11 – Employees' Retirement Plan

The Kaweah Delta Health Care District's Employees' Retirement Plan (the "Retirement Plan") is a single-employer defined benefit pension plan established to provide retirement benefits for District employees based on length of service and the average of the highest consecutive three years of earnings. The Retirement Plan is administered by a retirement plan committee appointed by the Board of the District. The Retirement Plan issues a separate financial report that includes financial statements and required supplemental information.

Employees were eligible to participate on the first day of a pay period following six months of service if hired prior to January 1, 2003, and elected not to participate in the salary deferral plan's matching contribution component. Employees hired on or after January 1, 2003, were not eligible to participate in the Retirement Plan. Employees' retirement benefits vested 100% after five years of completed service.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Effective June 30, 2011, the Retirement Plan was amended to suspend all accruals and otherwise freeze benefits under the plan.

The Retirement Plan complies with the IRC and is not subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). As a government plan, the Retirement Plan is exempt from the annual minimum funding requirements of ERISA. The Retirement Plan's funding policy is to contribute an annual amount necessary to amortize any unfunded net pension liability over a 15-year period. The District made a \$2.3 million contribution to the plan in 2025 and no contributions to the plan in 2024.

Investment activities of the Retirement Plan are governed by sections of the California Government Code, which allow any type of prudent investment. The Plan's investment policy is intended to assist the Retirement Committee (the "Committee") in prudently evaluating investment options and establishing an allocation strategy for the assets of the Plan. The objective of the Committee is to ensure the security of all accrued benefits. The Committee's asset allocation strategy is predicated on meeting its objective with a desire to effectively manage funded status volatility and mitigate undue risk exposure, taking into consideration performance expectations, risk tolerance and volatility, liquidity, and the Plan's time horizon. An analysis of Plan liabilities, projected liquidity needs and assets is used to determine the Plan's long-term investment strategy. The Committee intends to utilize a range of investment alternatives to achieve the return and risk objectives of the Plan.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Retirement Plan's investment in a single issuer. As of June 30, 2025, there were no investments exceeding 5% of the Plan's total investments. There were no investments held with a single corporate or government agency issuer that exceeded 5% of the Plan's total investments (excluding investments issued by the U.S. government and mutual funds that are exempt from reporting).

There were no other concentrations of investments at or exceeding 5% of the Retirement Plan's fiduciary net position (excluding investments issued by the U.S. government and mutual funds that are exempt from reporting).

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The mutual funds are priced using a NAV. The mutual funds may include several different underlying investments, including equities, bonds, real estate, and global securities. The NAV price is derived from the value of these investments, accrued income, anticipated cash flows (maturities), management fees, and other fund expenses. Certain investments within the fund may be deemed unobservable and not considered to be in an active market.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

The following tables present the fair value measurements of financial instruments recognized by the Retirement Plan in the accompanying fiduciary statements of net position measured at fair value on a recurring basis and the level within the GASB Statement No. 72, *Fair Value Measurement and Application*, fair value hierarchy in which the fair value measurements fall at June 30 (in thousands):

Fair Value Measurements at June 30, 2025				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 2,653	\$ -	\$ -	\$ 2,653
Fixed income investments	51,393	12,148	-	63,541
Equity securities	224,718	-	-	224,718
Total assets in the fair value hierarchy	<u>\$ 278,764</u>	<u>\$ 12,148</u>	<u>\$ -</u>	<u>\$ 290,912</u>

Fair Value Measurements at June 30, 2024				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 3,028	\$ -	\$ -	\$ 3,028
Fixed income investments	50,485	13,017	-	63,502
Equity securities	219,080	-	-	219,080
Total assets in the fair value hierarchy	<u>\$ 272,593</u>	<u>\$ 13,017</u>	<u>\$ -</u>	<u>\$ 285,610</u>

The District uses a measurement date of June 30 for each year presented. The actuarial valuation for fiscal years 2025 and 2024 is based on participant data as of June 30, 2024 and 2023. Update procedures were used to roll forward the total pension liability to the measurement date.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Components of pension cost and deferred outflows and deferred inflows of resources under the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, are as follows for the years ended June 30 (in thousands):

	2025	2024
PENSION COST		
Administrative expense	\$ 554	\$ 616
Interest	22,310	22,930
Expected return on assets, net of investment expenses	(20,784)	(19,685)
Recognition of deferred outflows	(2,996)	6,624
Recognition of deferred inflows	(996)	(11,914)
	<u>\$ (1,912)</u>	<u>\$ (1,429)</u>
DEFERRED OUTFLOWS OF RESOURCES		
Established July 1		
Difference between expected and actual experience	\$ (2,541)	\$ (9,807)
Net difference in expected and actual earnings	(1,626)	5,167
	<u>(4,167)</u>	<u>(4,640)</u>
Deferred outflows of resources, beginning of year	<u>(4,167)</u>	<u>(4,640)</u>
AMOUNT RECOGNIZED IN CURRENT YEAR PENSION COST		
Established July 1		
Difference between expected and actual experience	(2,533)	(7,316)
Net difference in expected and actual earnings	(1,459)	2,026
	<u>(3,992)</u>	<u>(5,290)</u>
Amount recognized in current year	<u>(3,992)</u>	<u>(5,290)</u>
Deferred outflows of resources, end of year	<u>\$ (175)</u>	<u>\$ 650</u>

Amounts reported as deferred outflows of resources to be recognized in pension cost for future years (in thousands):

Years Ending June 30,	
2025	\$ 9,543
2026	(5,014)
2027	(3,751)
2028	(953)
	<u>\$ (175)</u>

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Participant data for the plan is as follows for June 30:

	2025	2024
Active employees	434	476
Terminated vested	957	970
Retirees receiving benefits	977	929
Total participants	<u>2,368</u>	<u>2,375</u>

The following table summarizes changes in net pension liability for the years ended June 30
(in thousands):

	2025	2024
TOTAL PENSION LIABILITY		
Interest	\$ 22,310	\$ 22,930
Differences between expected and actual experience	(50)	(11,606)
Benefit payments	<u>(20,026)</u>	<u>(19,162)</u>
NET CHANGES IN TOTAL PENSION LIABILITY	2,234	(7,838)
TOTAL PENSION LIABILITY, beginning of year	<u>307,477</u>	<u>315,315</u>
TOTAL PENSION LIABILITY, end of year	<u>309,711</u>	<u>307,477</u>
PLAN FIDUCIARY NET POSITION		
Employer contributions	2,321	-
Net investment gain (loss)	25,550	33,675
Benefit payments	(20,026)	(19,162)
Administrative expenses	<u>(554)</u>	<u>(616)</u>
NET CHANGES IN PLAN FIDUCIARY NET POSITION	7,291	13,897
PLAN FIDUCIARY NET POSITION, beginning of year	<u>286,251</u>	<u>272,354</u>
PLAN FIDUCIARY NET POSITION, end of year	<u>293,542</u>	<u>286,251</u>
NET PENSION LIABILITY, end of year	<u>\$ 16,169</u>	<u>\$ 21,226</u>
Plan fiduciary net position as percentage of total pension liability	<u>94.78%</u>	<u>93.10%</u>
Covered employee payroll	N/A	N/A
Net pension liability as percent of covered payroll	N/A	N/A

The pension liability is based on actuarial calculations applied to census data and the Retirement Plan provisions. Certain estimates in the data were updated in the current year, resulting in a reduction in the total pension liability as reflected in the above differences between expected and actual experience.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2025:

Valuation date	June 30, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Asset valuation method	Fair Value
Actuarial assumptions (including 2% inflation):	
Discount Rate	7.5%
Mortality	RP-2014 table, projected using MP-2021
Projected Salary Increases	N/A

The mortality assumptions are updated annually with the most recent tables published by the Society of Actuaries, if any.

Sensitivity of Net Pension Liability at June 30, 2025, to changes in the Discount Rate (in thousands):

1% Decrease (6.5%)	\$45,259
Current Discount Rate (7.5%)	\$16,169
1% Increase (8.5%)	(\$8,693)

The District also administers a salary deferral plan (the "Salary Plan") available to substantially all full-time employees meeting certain service requirements. The Salary Plan qualifies under the IRC Section 401(k) and was established to provide supplemental retirement income for employees of the District. Under the Salary Plan, the District makes matching contributions to participants in accordance with an established schedule based upon each participant's years of service with the District. The District made matching contributions of \$0 million and \$4.0 million in 2025 and 2024, respectively. The District recognized pension expense of \$9.3 million and \$7.2 million related to the Salary Plan in 2025 and 2024, respectively. The liability related to the Salary Plan was \$14.7 million and \$5.4 million at June 30, 2025 and 2024, respectively. The Salary Plan does not meet the definition of a blended component unit or a fiduciary activity.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees become vested in the District contributions and earnings on District contributions after completion of five years of service. Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to offset future District contributions. For the years ended June 30, 2025 and 2024, forfeitures reduced the District's pension expense by \$114,000 and \$289,000, respectively.

The District offers its employees a deferred compensation plan (the "457 Plan") created in accordance with IRC Section 457. The 457 Plan, available to all District employees with at least one year of service, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or certain emergency situations. The 457 Plan does not meet the definition of a blended component unit or a fiduciary activity.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Note 12 – Commitments

At June 30, 2025, the District has projects in progress to construct, improve, and equip various routine, ancillary, and support services. Major projects in progress include the expansion of the existing mental health facility, the purchase and remodel of a pediatric crisis stabilization facility, and various improvement projects to existing facilities. Total costs expended as of June 30, 2025, related to these projects and others are approximately \$18.7 million. The total estimated cost of these projects at completion is approximately \$35.8 million, of which approximately \$22.4 million has been expended or contractually obligated. Funding for the projects is expected to include a combination of grant funds, operating cash flows, community donations, and funded reserves.

The District has entered into various physician income guarantees whereby, pursuant to the terms in the agreement, the District has extended income guarantees to certain doctors in exchange for the doctors maintaining a medical practice in the District's service area. Payments under the guarantees are expected to be forgiven over a two to three-year period, should the physician remain in practice in the community. If a doctor terminates his medical practice in the community prior to the completion of the term, the remaining balance under the guarantee is immediately due and payable. The District records expenses under these guarantees as payments are made to physicians. Accounts receivable are recorded when defaults under the agreements occur and are evaluated for collectability.

Note 13 – Contingencies

Malpractice, workers' compensation, and comprehensive general liability claims have been asserted against the District by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial. There are also known incidents that have occurred through June 30, 2025, that may result in the assertion of additional claims. District management has accrued their best estimate of these contingent losses.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Over the last several years, government activity has increased with respect to investigations and allegations concerning possible violations of regulations by health care providers, which could result in the imposition of significant fines and penalties as well as significant repayment of previously billed and collected revenue for patient services. Management believes that the District is in substantial compliance with current laws and regulations and that any potential liability arising from compliance issues have been properly reflected in the District's consolidated financial statements or are not considered to be material to the District's financial position and results of operations as of and for the years ended June 30, 2025 and 2024.

As disclosed in Note 1, the Medicare and Medi-Cal government reimbursement programs account for a substantial amount of the District's net patient services revenue. Expenditure reduction efforts and budget concerns within the United States, and California legislature continue to create uncertainty over the volume of future health care funding. It is at least reasonably possible that future reimbursements for patient services under these programs could be negatively impacted.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

Note 14 – Intergovernmental and Direct Grant Supplemental Payment Programs

The District participates in various supplemental payment programs administered by the state of California including intergovernmental transfer and direct grant funding mechanisms. A summary of these programs is as follows:

Quality Assurance Fee Managed Care Medi-Cal Payment Program – The District receives payments under the Quality Assurance Fee (“QAF”) Managed Care Medi-Cal payment program. The California Hospital Fee Program (the “Program”) was signed into law by the Governor of California and became effective on April 1, 2009. The Program is ongoing but requires an extension or revision of the methodology approved by CMS periodically. The Program required a “hospital fee” or “QAF” to be paid by certain hospitals to a state fund established to accumulate the assessed QAF and receive matching federal funds. QAF and corresponding matching federal funds are then paid to participating hospitals in two supplemental payment methodologies: a fee-for-service methodology and a managed care plan methodology.

In the 2009-10 Program, the District, as a nondesignated public hospital (“NDPH”) in California, was not subject to the QAF assessment according to the legislation, but rather received net supplemental payments. The Program evolved in 2010 through 2014, with District hospitals participating in a variety of ways. Legislation for the Program that ran from January 1, 2014, through December 31, 2016 (“SB239”), allowed for direct grant funding for rural District hospitals and additional funding available in the form of Intergovernmental Transfer (“IGT”) payments offered for a match of funding. Passage of Proposition 52 in November 2016 made SB239 permanent and allowed for the creation of the HQAF V program that provides for direct grants for District hospitals as well as IGT-generated funding. The HQAF V program runs from January 1, 2017, through December 31, 2019. The HQAF VI program runs from January 1, 2019, through December 31, 2020. In fiscal years 2025 and 2024, the District recognized QAF program-related net patient services revenue of \$18.5 million and \$20.9 million, respectively.

NDPH IGT Program – The District also receives AB113 IGT fee-for-service (“FFS”) Medi-Cal Inpatient payments. Legislation in March 2011 (“SB 90”) extended the QAF Program for the period from January 1, 2011, through June 30, 2011; however, the extension under SB 90 included only private hospitals and thus excluded the District related to the FFS portion of the QAF Program. As an alternative, the NDPH IGT Program was established under AB 113 in 2011 to allow NDPH facilities to access additional federal funds. Under this legislation, the District recognized net patient services revenue of a \$5.2 million and \$14.0 million related to this program for the years ended June 30, 2025 and 2024, respectively.

Rate Range IGT Program – The District receives “Rate Range” IGT managed Medi-Cal payments. Federal rules allow that NDPH facilities may access managed care rate range room as determined by negotiations with Medi-Cal managed care plans. As defined by law, rate range room is the difference between the amount that the State pays the managed care plans, referred to as a “lower bound” rate, and the maximum allowed, or the “upper bound” rate. This difference, or rate range, is then available through supplemental IGT payments to public entities that participate in the program in each county. The District recognized net patient services revenue of \$48.0 million and \$27.1 million related to this program in fiscal years 2025 and 2024, respectively.

Kaweah Delta Health Care District

Notes to Consolidated Financial Statements

District Hospital Directed Payment Program – On June 13, 2023, CMS approved the California Department of Health Care Services' District Hospital Directed Payment ("DHDP") program for the calendar year 2023 rating period, starting January 1, 2023. The DHDP program provides supplemental payments in the form of uniform dollar increases for inpatient, outpatient, and nursing facility contracted services provided by District Hospitals (also known as nondesignated public hospitals) to Medi-Cal managed care beneficiaries. The District recognized net patient service revenue of \$46.5 million and \$21.3 million for this program for the years 2025 and 2024, respectively.

Public Hospital Redesign and Incentives in Medi-Cal Program – The Public Hospital Redesign and Incentives in Medi-Cal ("PRIME") program was approved as a part of the Medi-Cal 2020 Section 1115 demonstration waiver. The program participants included both designated public hospitals and district and municipal public hospitals. PRIME supported activities encourage participants to improve the manner in which care is delivered in order to maximize health care value and also to position participants to successfully transition managed care payments to alternative payment methodologies. The District's participation in the program in 2016, its initial year of participation, and 2017 included creating the five-year implementation plan, completing related process measures, and developing PRIME project infrastructure. Participation in 2018 included submission of baseline data, and participation in 2019 and 2020 included the measurement and achievement of quality improvement metrics. The State of California's share of the Medi-Cal funding for the PRIME program was furnished by IGT's from the participants. Beginning January 1, 2021, district and municipal public hospitals transitioned from PRIME to the Quality Incentive Pool ("QIP") program. QIP shares the goals of PRIME and will allow public hospitals to continue to work on quality initiatives begun in PRIME. The State will direct managed care plans to make QIP payments tied to performance on designated performance metrics that are linked to delivery of service and quality outcomes. To receive the QIP payments the public hospitals must achieve specified improvement targets, which grow more difficult through year-over-year improvement or sustained high performance requirements. The District recognized other operating revenue of \$13.4 million and \$8.8 million related to the PRIME and QIP programs in fiscal years 2025 and 2024, respectively.

Note 15 – Subsequent Events

Subsequent events are events or transactions that occur after the consolidated statement of net position date, but before the consolidated financial statements are issued. The District recognizes in the consolidated financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the consolidated statement of net position, including the estimates inherent in the process of preparing the consolidated financial statements. The District's consolidated financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the consolidated statement of net position, but arose after the consolidated statement of net position date and before the consolidated financial statements are issued.

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Required Supplementary Information

Kaweah Delta Health Care District
Supplemental Pension Information (Unaudited)
June 30, 2025 and 2024

The following table summarizes the number of total plan participants at June 30:

	2025	2024
Active employees	434	476
Terminated vested	957	970
Retirees receiving benefits	977	929
Total participants	<u>2,368</u>	<u>2,375</u>

The following table summarizes changes in net pension liability for the years ended June 30 (in thousands):

	2025	2024
TOTAL PENSION LIABILITY		
Interest	\$ 22,310	\$ 22,930
Differences between expected and actual experience	(50)	(11,606)
Benefit payments	<u>(20,026)</u>	<u>(19,162)</u>
NET CHANGES IN TOTAL PENSION LIABILITY	2,234	(7,838)
TOTAL PENSION LIABILITY, beginning of year	<u>307,477</u>	<u>315,315</u>
TOTAL PENSION LIABILITY, end of year	<u>309,711</u>	<u>307,477</u>
PLAN FIDUCIARY NET POSITION		
Employer contributions	2,321	-
Net investment gain (loss)	25,550	33,675
Benefit payments	(20,026)	(19,162)
Administrative expenses	<u>(554)</u>	<u>(616)</u>
NET CHANGES IN PLAN FIDUCIARY NET POSITION	7,291	13,897
PLAN FIDUCIARY NET POSITION, beginning of year	<u>286,251</u>	<u>272,354</u>
PLAN FIDUCIARY NET POSITION, end of year	<u>293,542</u>	<u>286,251</u>
NET PENSION LIABILITY, end of year	<u>\$ 16,169</u>	<u>\$ 21,226</u>
Plan fiduciary net position as percentage of total pension liability	<u>94.78%</u>	<u>93.10%</u>
Covered employee payroll	N/A	N/A
Net pension liability as percent of covered payroll	N/A	N/A

Kaweah Delta Health Care District
Supplemental Pension Information (Continued)
Years Ended June 30, 2025 and 2024

The District's actuarially determined contribution and actual contributions, since 2016, are presented in the following table (in thousands):

<u>Fiscal Year Ended</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Excess (Shortage)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a Percentage of Covered Payroll</u>
2016	\$ 3,224	\$ 5,000	\$ 1,776	N/A	N/A
2017	6,879	9,000	2,121	N/A	N/A
2018	5,818	11,400	5,582	N/A	N/A
2019	4,533	11,400	6,867	N/A	N/A
2020	3,466	11,400	7,934	N/A	N/A
2021	4,414	11,400	6,986	N/A	N/A
2022	-	11,400	11,400	N/A	N/A
2023	4,350	-	(4,350)	N/A	N/A
2024	4,697	-	(4,697)	N/A	N/A
2025	2,321	2,321	-	N/A	N/A
	<u>\$ 39,702</u>	<u>\$ 73,321</u>	<u>\$ 33,619</u>		

CARDIOLOGY SERVICE QUALITY REPORT-

Outstanding Health Outcomes (OHO) QUALITY & PATIENT SAFETY PRIORITY

Acute Myocardial Infarction (AMI) STEMI
Mortality & Processes of Care

October 2025



kaweahhealth.org

Cardiovascular Dept. Quality Goals

➤ **GOAL #1: Reduce ST Elevated Myocardial Infarction (STEMI) Mortality from 2.1% to <1.86%**

- Goal Met with latest rolling four quarters at 1.80%
- Zero STEMI mortalities in 4 quarters

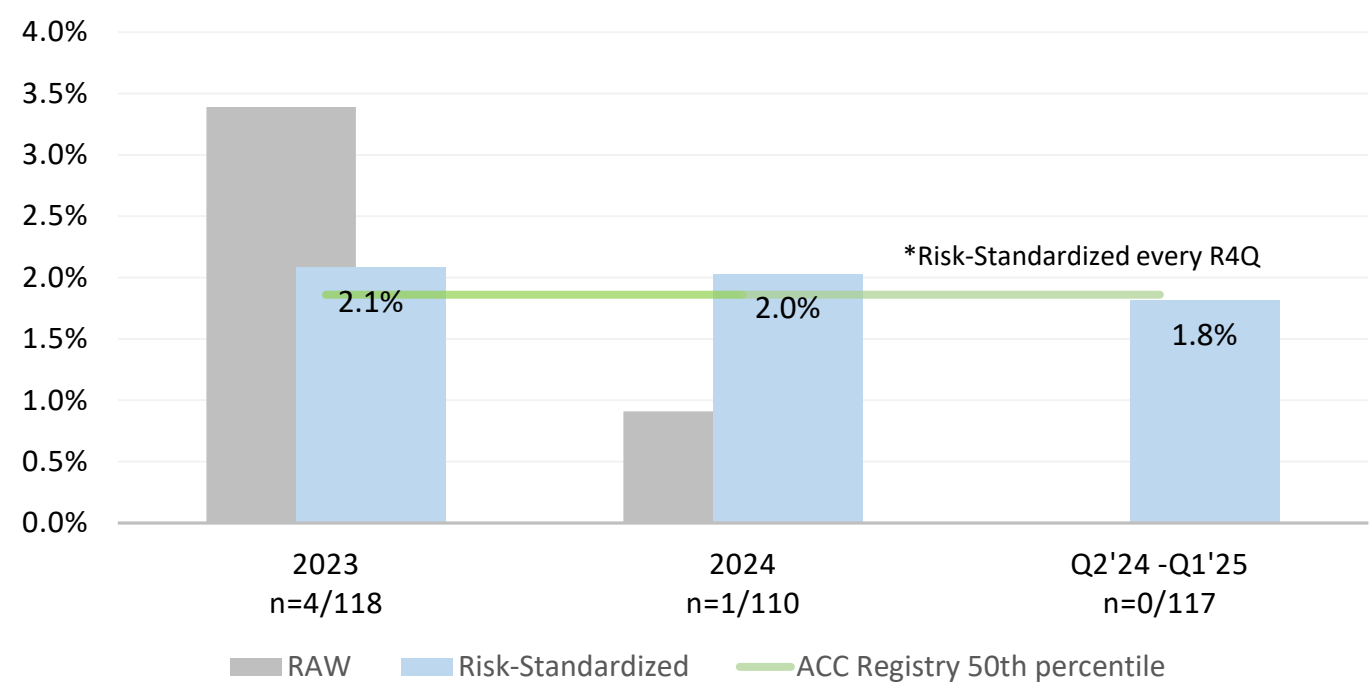
➤ **GOAL #2: Reduce Acute Kidney Injury (AKI) from 6.3% to <5.5%**

- Goal Met with latest rolling four quarters at 5.0%
- In the 90th percentile, Top performing 10% in Nation

➤ **GOAL #3: Reduce Bleeding Events from 2.19% to <1.31%**

- Goal Met with latest rolling four quarters at 0.91%
- In the 90th percentile, Top performing 10% in Nation

STEMI Mortality Reduction (pt's w/out cardiogenic shock or cardiac arrest)



FY25 PLAN – Mortality Reduction

High Level Action Plan

- Thoughtful Pause initiative
 - Thoughtful Pause documented 50% by 12/31/2025
- Improve door to balloon time from outside facilities by Q4 2025
 - Baseline July 2024 – Dec 2024 = 156 minutes
 - Goal: 110 minutes (Reduce by 46 minutes) by 12/31/25

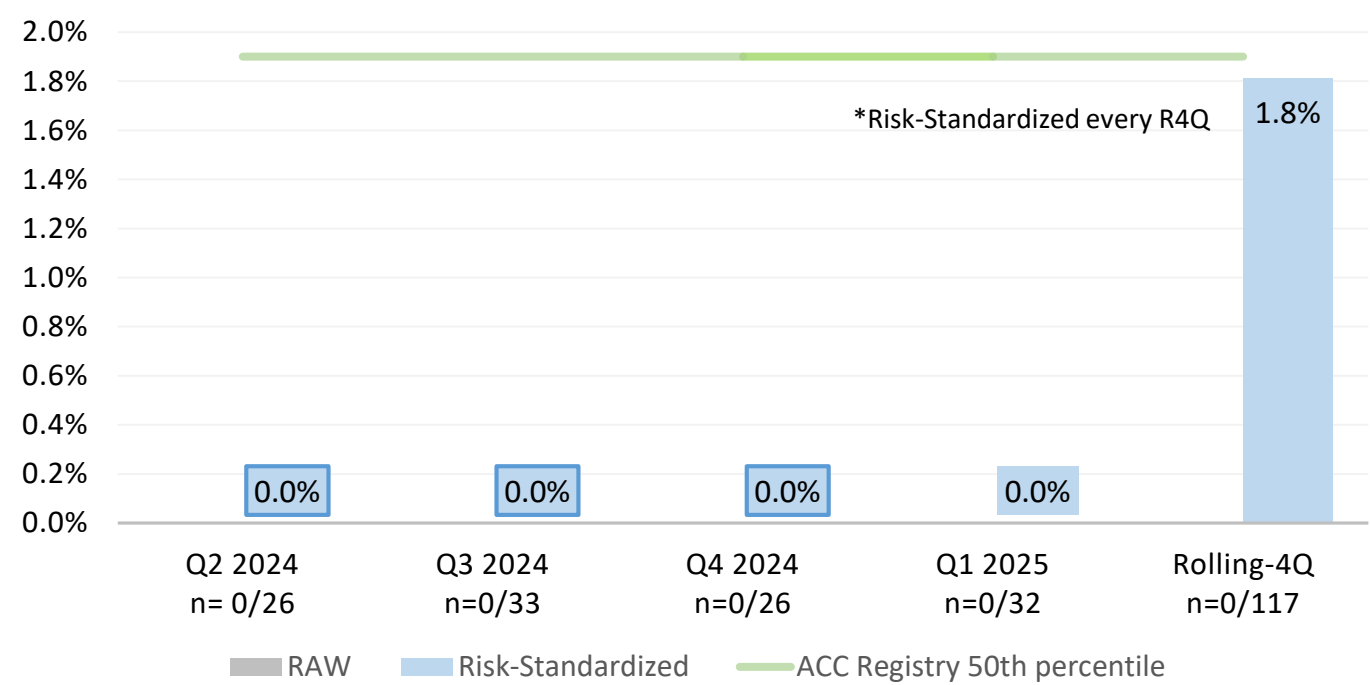
FY25 GOAL

Decrease PCI In-Hospital Risk-Standardized Mortality Rate – STEMI Patients w/o shock or Cardiac arrest to $\leq 1.86\%$ *

*American College of Cardiology National mean from Q1 2025

GOAL MET

STEMI Mortality Reduction (pt's w/out cardiogenic shock or cardiac arrest)



FY25 GOAL

Decrease PCI In-Hospital Risk-Standardized Mortality Rate – STEMI Patients w/o shock or Cardiac arrest to $\leq 1.86\%$ *

*American College of Cardiology National mean from Q1 2025

FY25 PLAN – Mortality Reduction

High Level Action Plan

- Thoughtful Pause initiative
 - Thoughtful Pause documented 100% by 12/31/2025
 - 30% thoughtful pause documented on STEMI's Mar 2025-June 2025; Improved from 0% FY24
- Improve door to balloon time from outside facilities by Q4 2025
 - January – June 2025 = 164 minutes; increased by 8 minutes from baseline
 - Goal: 110 minutes (Reduce by 54 minutes) by 12/31/25

GOAL MET

STEMI Mortality Reduction (pt's w/out cardiogenic shock or cardiac arrest)

The last data point did not meet goal because:

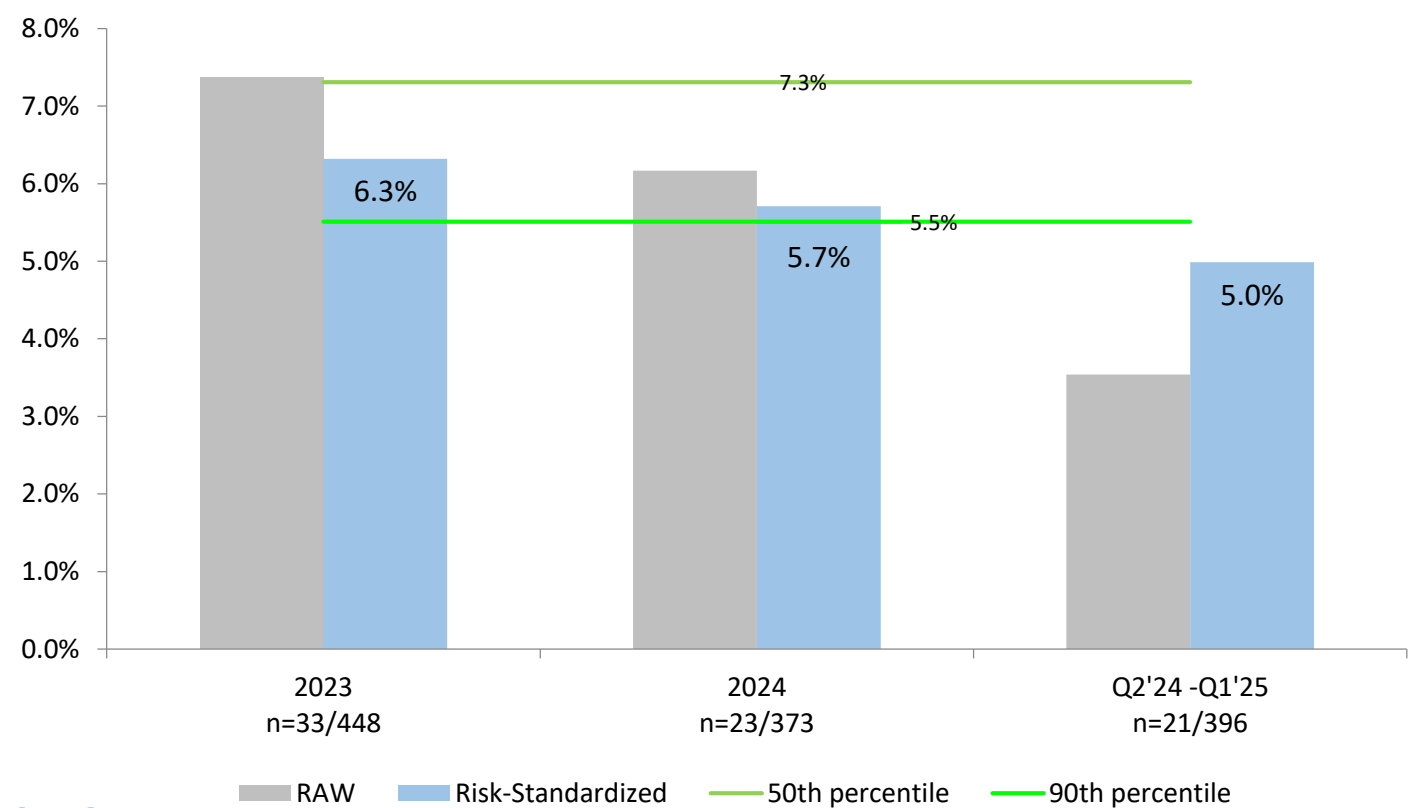
- N/A data point met goal.

Targeted Opportunities (What specifically can help in achieving this goal?)

1. Increased use of “Thoughtful Pause” documentation to exclude complex eligible cases from analysis
2. Encouraging M&M attendance and facilitating discussions about case details to enable peer involvement
3. Collaboration between hospitals to decrease ED Door to Stent Inflation (Balloon) time for transfers, coordinating transport for patients to reduce delays

CURRENT IMPROVEMENT ACTIVITIES	COMPLETION DATE	BARRIERS
Review of all mortalities between Cath Lab medical director, Attending cardiologist and M&M committee members	On-going	Risk adjusted data for provider level detail is unavailable through NCDR; manual chart review must be performed and clinical discussions held
Review American College of Cardiology guidelines for Appropriate Use Criteria (AUC) with cardiologists for each outlier	12/31/2025	May require individual meetings – time constraints
Cath Lab medical director to assist with the above – meet with peers regarding Appropriate Use Criteria (AUC) guidelines	12/31/2025	Same as above
Engage with transferring facilities about ED Door to Stent Inflation (Balloon) time for transfer STEMI's	12/31/2025	Scheduling for outside facilities ED directors, nursing leaders, Medical Director of KH Cath Lab, etc. difficult to coordinate

Acute Kidney Injury (AKI) Reduction



FY25 GOAL

Decrease Risk-Standardized Acute Kidney Injury Post PCI to $\leq 5.5\%$ *

*American College of Cardiology National 90th percentile from Q1 2025

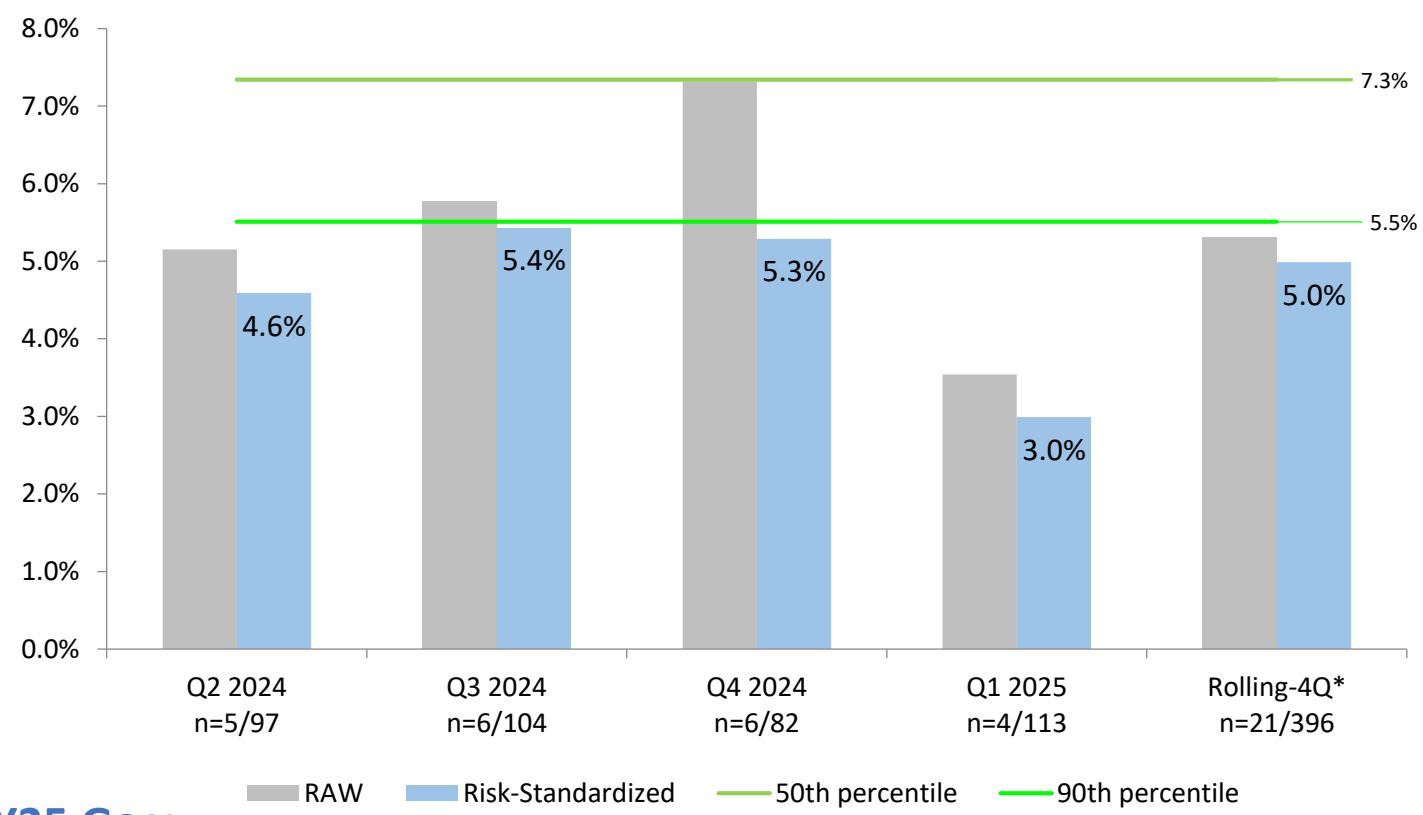
FY25 PLAN – Acute Kidney Injury (AKI) Reduction

High Level Action Plan

- Medical Director engagement with high contrast users
 - Reduce contrast use by 10%
 - Baseline July 2024 – Dec 2024 average contrast use: 164ml
 - Goal: 150ml by 12/31/2025

GOAL MET

Acute Kidney Injury (AKI) Reduction



FY25 GOAL

Decrease Risk-Standardized Acute Kidney Injury Post PCI to $\leq 5.5\%$ *

*American College of Cardiology National 90th percentile from Q1 2025

FY25 PLAN – Acute Kidney Injury (AKI) Reduction

High Level Action Plan

- Medical Director engagement with peers about contrast use
 - Reduce contrast use by 10%
 - January – July 2025 average contrast use = 168 ml. 4ml increase from baseline.
 - Goal by 12/31/2025 = 150ml

GOAL MET

Acute Kidney Injury (AKI) Reduction

The last data point did not meet goal because:

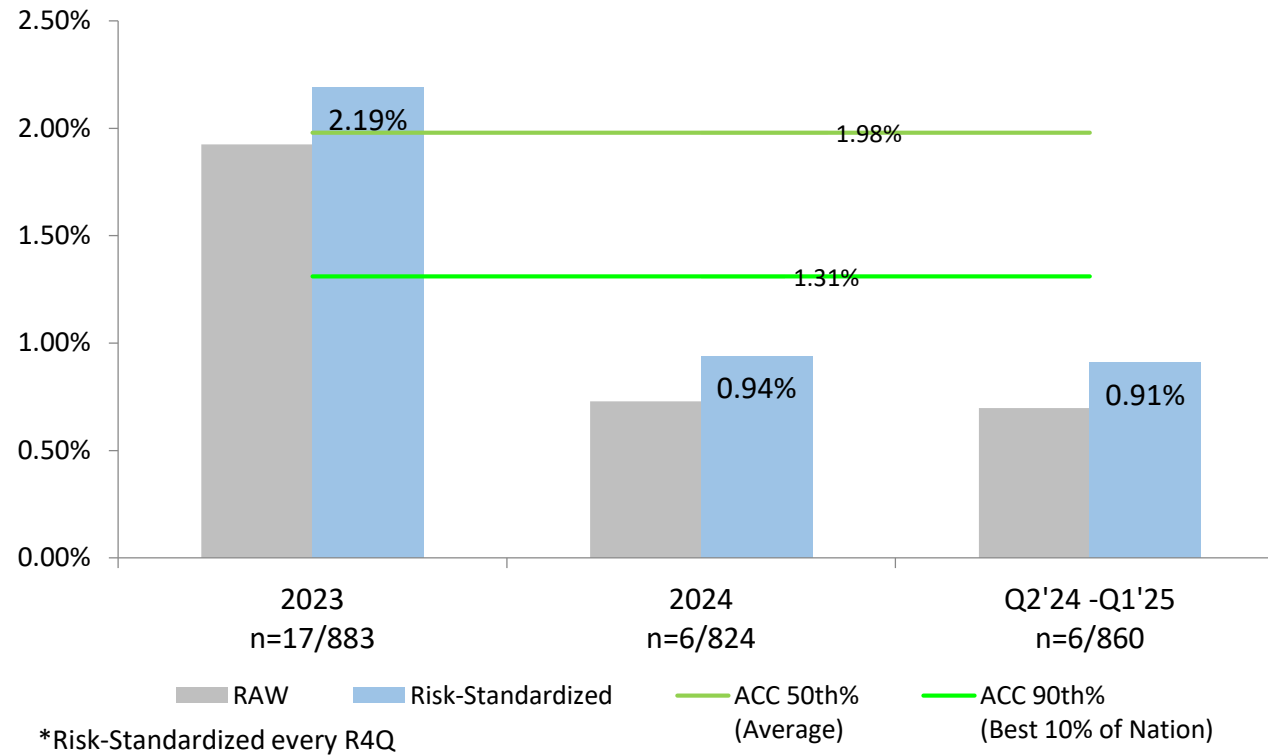
- N/A data point met goal.

Targeted Opportunities (What specifically can help in achieving this goal?)

1. Prioritizing patients receiving pre-hydration per protocol (500 ml), while maintaining schedule (pt. in lab on table per schedule, IV access issues, patient late for check-in)
2. Cardiologist/ED providers clinical assessment is vital in ordering safe hydration amounts per patient history (i.e. heart failure)

CURRENT IMPROVEMENT ACTIVITIES	COMPLETION DATE	BARRIERS
Data review at physician level; address outliers (contrast use and AKI)	On-going	NA
Audit for physician compliance in using standardized order sets (including pre-hydration order as applicable)	On-going	Manual process; need to enlist ISS help for automated report, if possible
Audit contrast usage by cardiologist; Cath Lab medical director addresses with high contrast using cardiologists	On-going	Change in practice difficult for physicians
Cardiologists with lowest AKI rate & lowest contrast use posted in MD lounge (blinded), to encourage peer discussions	On-going	NA

Bleeding Event Reduction



FY25 GOAL

Decrease Risk Standardized Bleeding Rate to $\leq 1.31\%$ *

*American College of Cardiology National 90th percentile from Q1 2025

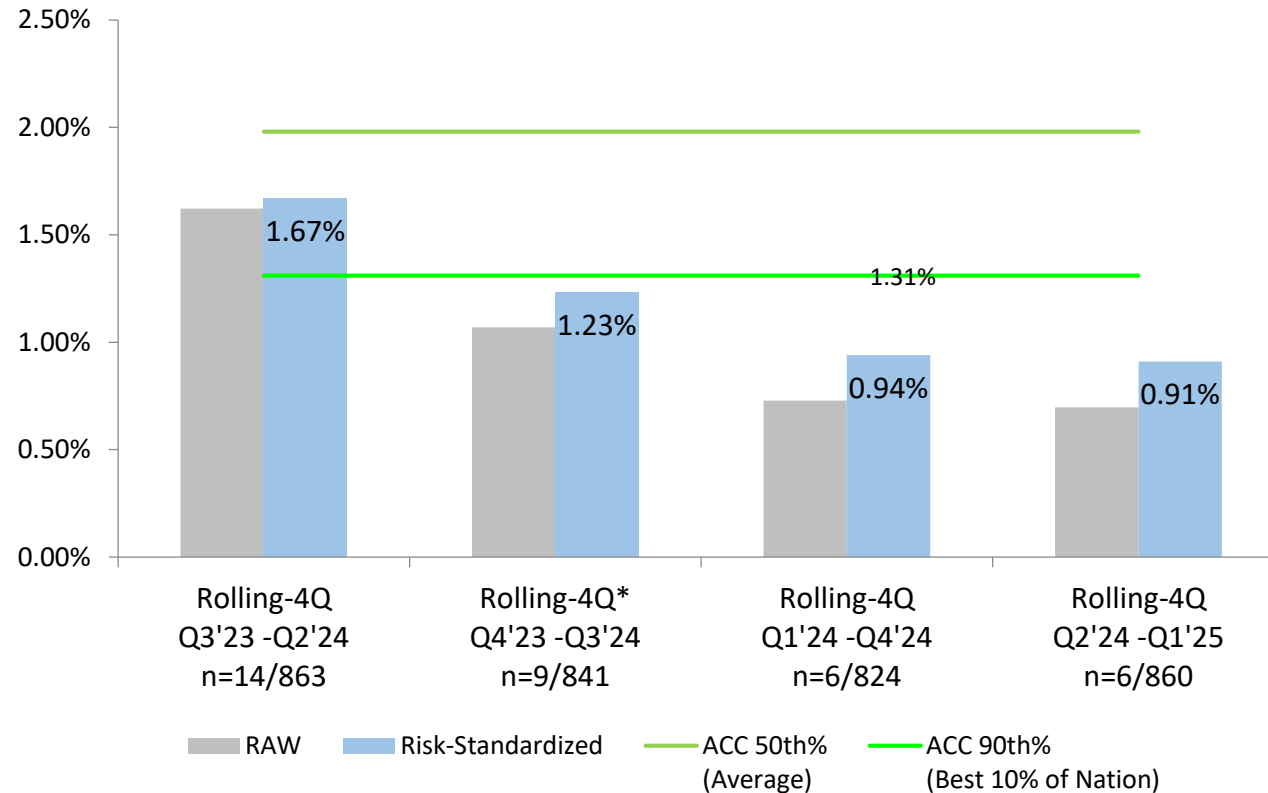
FY25 PLAN – Bleeding Rate Reduction

High Level Action Plan

- Medical Director 1:1s with cardiologists to increase radial usage
 - Baseline July 2024 – Dec 2024 radial access usage = 49%
 - Goal = 66%
- Identify trends with bleeds unrelated to radial usage
 - Case study for each fall out completed by 12/31/2025

GOAL MET

Bleeding Event Reduction



FY25 GOAL

Decrease Risk Standardized Bleeding Rate to $\leq 1.31\%$ *

*American College of Cardiology National 90th percentile from Q1 2025

FY25 PLAN – Bleeding Rate Reduction

High Level Action Plan

- Medical Director 1:1s with cardiologists to increase radial usage
 - January - June 2025 radial access usage = 57.7%, Improved by 8.7% from baseline
 - Goal = 66%
- Identify trends with bleeds unrelated to radial usage
 - Case Studies completed for 100% of bleeding events

GOAL MET

Bleeding Event Reduction

The last data point did not meet goal because:

- N/A - Data point met goal

Targeted Opportunities (What specifically can help in achieving this goal?)

1. Nursing education on assessing PCI access site and early warning signs of bleeds; appropriate usage of preventive strategies.
Education conducted and added to mandatory RN annual competency
2. Manual audit of bleeding events continues; Cath Lab medical director meeting with individual cardiologists for peer discussions

CURRENT IMPROVEMENT ACTIVITIES	COMPLETION DATE	BARRIERS
Sharing provider level radial access rates to encourage increased utilization; top 5 cardiologists using radial access posted in MD lounge; Cath Lab medical director encouraging radial use/offering assistance to individual cardiologists to increase radial usage	On-going	New or differing practices and processes
Audit of each bleed to determine trend, if any	12/31/25	Manual chart audit; staff resources
If trend identified with the above, develop plan to address (i.e. staff education for appropriate sheath pull & hold, diligent vascular access site & pain assessment, etc.)	On-going	NA
Manual sheath removal & vascular sealant device education is now RN annual mandatory competency	On-going	Ensuring compliance for multiple nursing units (4T, 2N, 3W, CVICU, ICU & CVICCU)

Cardiovascular Dept. Quality Goals

- **GOAL #1: Reduce ST Elevated Myocardial Infarction (STEMI) Mortality from 2.1% to <1.86%**
 - Goal Met with latest rolling four quarters at 1.80%
 - Zero STEMI mortalities in 4 quarters

- **GOAL #2: Reduce Acute Kidney Injury (AKI) from 6.3% to <5.5%**
 - Goal Met with latest rolling four quarters at 5.0%
 - In the 90th percentile, Top performing 10% in Nation

- **GOAL #3: Reduce Bleeding Events from 2.19% to <1.31%**
 - Goal Met with latest rolling four quarters at 0.91%
 - In the 90th percentile, Top performing 10% in Nation

Thank you

Live with passion.

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



PATIENT EXPERIENCE AND SATISFACTION UPDATE

Patient & Community Experience Board Report

October 2025



kaweahhealth.org



Kaweah Health
MORE THAN MEDICINE. LIFE.



Patient Experience Matters



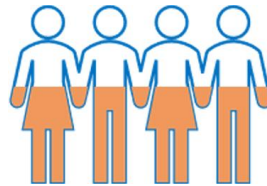
Opportunities and insights to increase patient satisfaction.

Kaweah Health September 2025

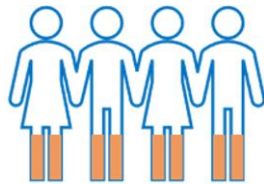
Fiscal Year Data

July 2025 - August 2025

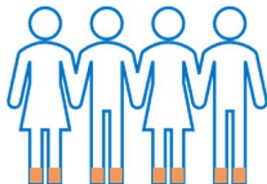
Survey Scores



HCAHPS – 71.6
55th Percentile

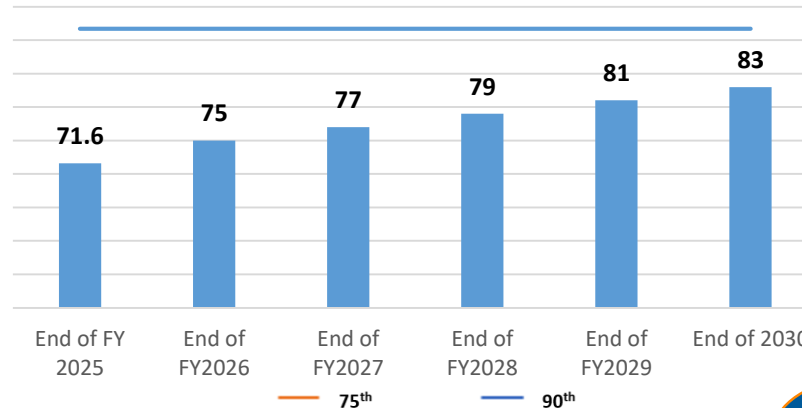


Inpatient
NPS – 61.7
35th Percentile



Medical Practice
NPS – 85.3
14th Percentile

5 Year HCAHPS Goal



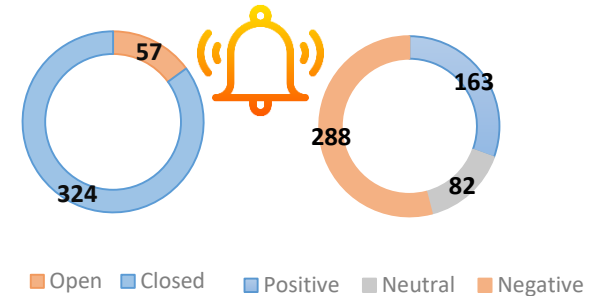
September 2025

Rounding
250
Rounds

MIDAS
71
Opened

PX
Phone
96 Calls

Service Alerts



Human Understanding – 74.5
11th Percentile

PRIORITIES FOR ORGANIZATION

- Informed of delays
- Quiet rooms at night
- Explained what to do if not better after discharge
- Providing consistent information
- Knowing medical history

Patient Experience Phone Line – X5151

Patient Experience Office Hours – Tuesday 9:00am-10:00am, Friday 2:00pm-3:00pm; (G2Meeting)

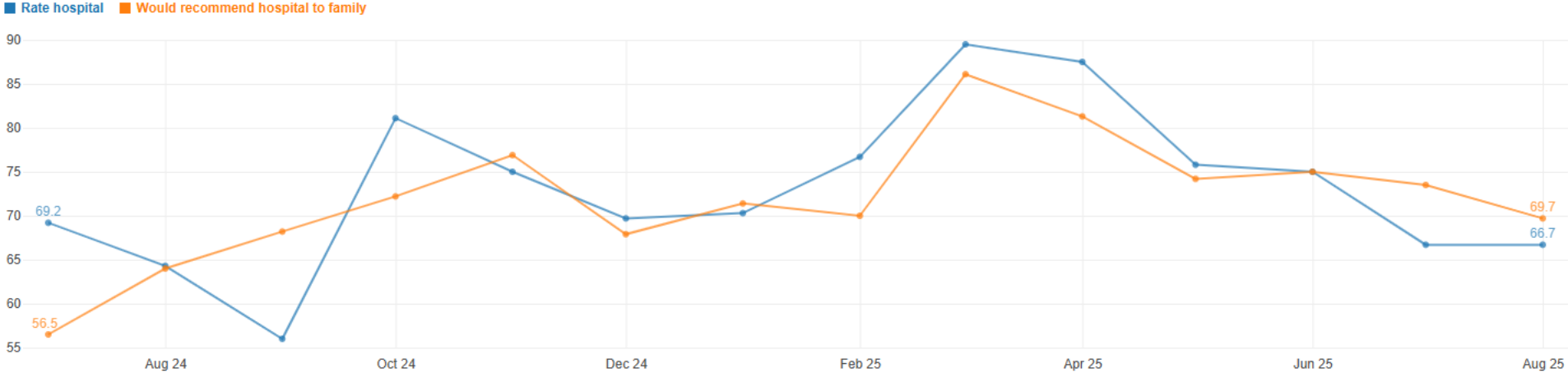
HCAHPS Trend

☆ Favorite

📄 Subscribe

📄 Export

Jul 01, 2024 - Aug 31, 2025



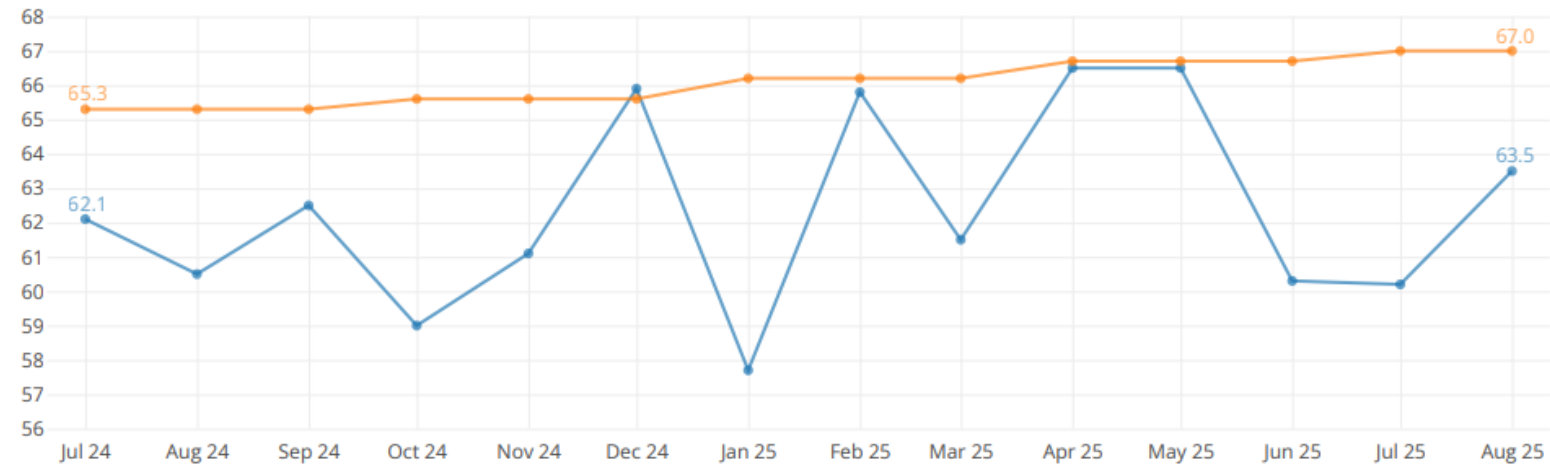
Question	Benchmark	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25
Rate hospital	71.5	69.2 n = 26	64.3 n = 28	56.0 n = 25	81.1 n = 37	75.0 n = 44	69.7 n = 33	70.3 n = 37	76.7 n = 30	89.5 n = 38	87.5 n = 32	75.8 n = 33	75.0 n = 36
Would recommend hospital to family	72.4	56.5 n = 23	64.0 n = 25	68.2 n = 22	72.2 n = 36	76.9 n = 39	67.9 n = 28	71.4 n = 35	70.0 n = 30	86.1 n = 36	81.3 n = 32	74.2 n = 31	75.0 n = 36
	Benchmark	Jul 25										Aug 25	
Rate hospital	71.5	66.7 n = 33										66.7 n = 33	
Would recommend hospital to family	72.4	73.5 n = 34										69.7 n = 33	

Respondents

3,446

■ NPS: Facility would recommend ■ Benchmark

NPS: Facility would recommend



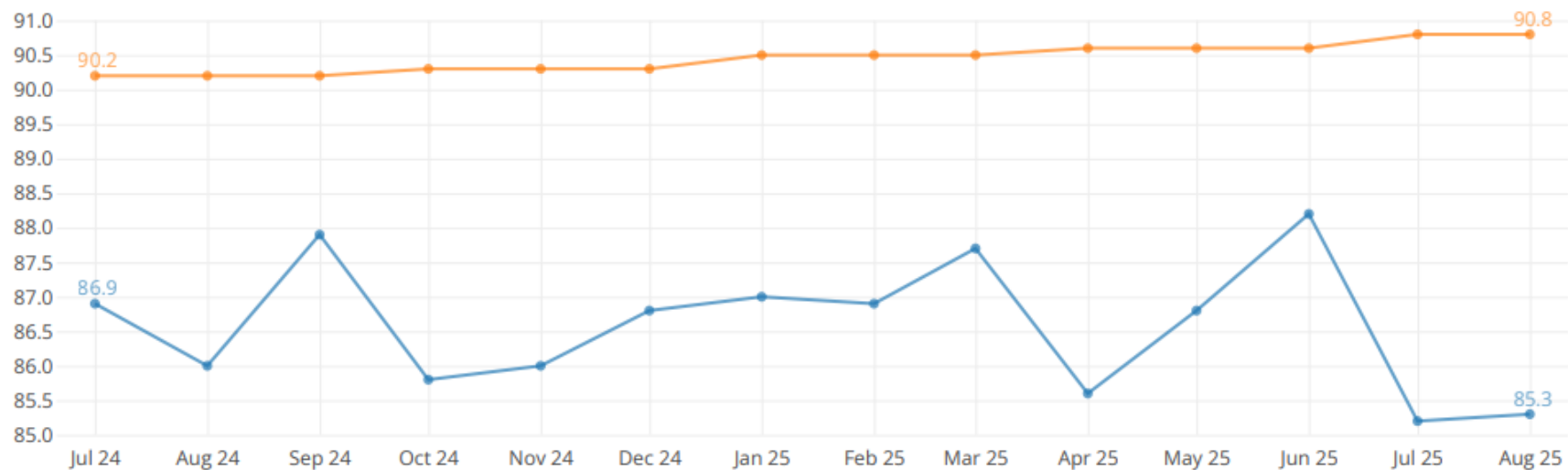
	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25
NPS: Facility would recommend	62.1 n = 256	60.5 n = 261	62.5 n = 267	59.0 n = 288	61.1 n = 239	65.9 n = 229	57.7 n = 220	65.8 n = 272	61.5 n = 257	66.5 n = 224	66.5 n = 221	60.3 n = 242
NPS: Facility would recommend	60.2 n = 259	63.5 n = 211										

Respondents

11,285

■ Provider would recommend ■ Benchmark

Provider would recommend



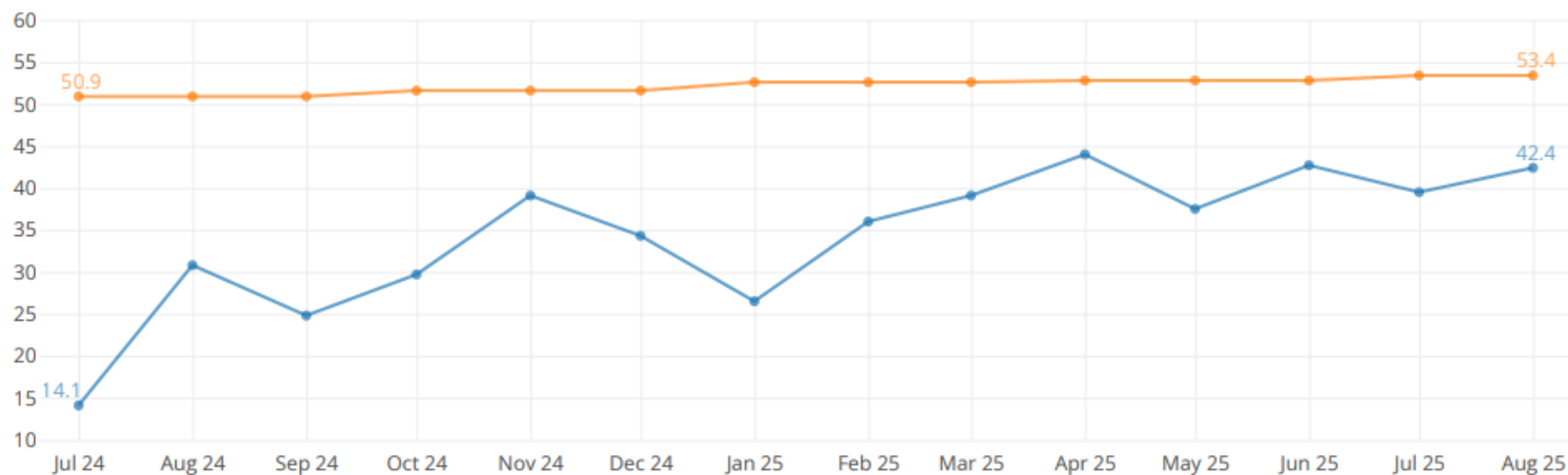
Provider would recommend	Jul 2024 86.9 n = 893	Aug 2024 86.0 n = 968	Sep 2024 87.9 n = 792	Oct 2024 85.8 n = 878	Nov 2024 86.0 n = 722	Dec 2024 86.8 n = 702	Jan 2025 87.0 n = 966	Feb 2025 86.9 n = 878	Mar 2025 87.7 n = 857	Apr 2025 85.6 n = 769	May 2025 86.8 n = 733	Jun 2025 88.2 n = 669
Provider would recommend	Jul 2025 85.2 n = 770	Aug 2025 85.3 n = 688										

Respondents

12,269

■ NPS: Facility would recommend ■ Benchmark

NPS: Facility would recommend



NPS: Facility would recommend

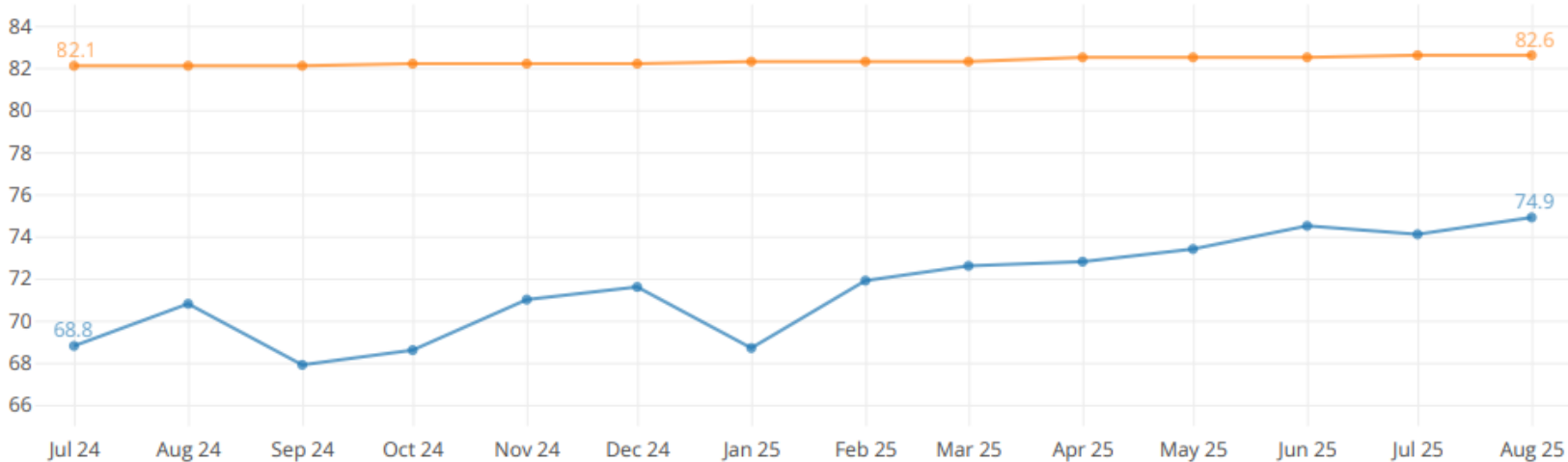
Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
14.1	30.8	24.8	29.7	39.1	34.3	26.5	36.0	39.1	44.0	37.5	42.7
n = 765	n = 1,056	n = 1,009	n = 960	n = 886	n = 846	n = 889	n = 850	n = 883	n = 789	n = 920	n = 750

NPS: Facility would recommend

Jul 2025	Aug 2025										
39.5	42.4										
n = 845	n = 821										

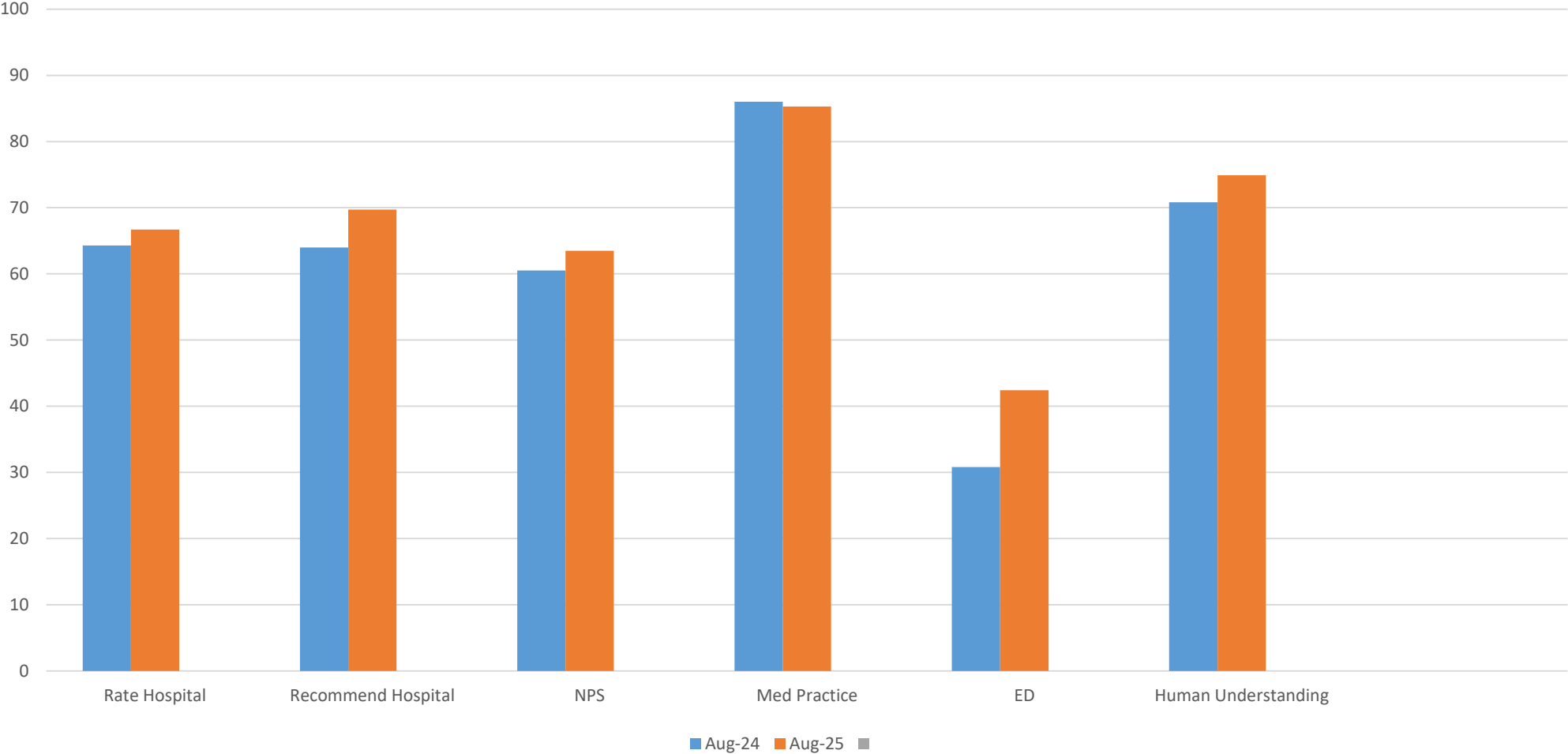
■ Human Understanding ■ Benchmark

Human Understanding



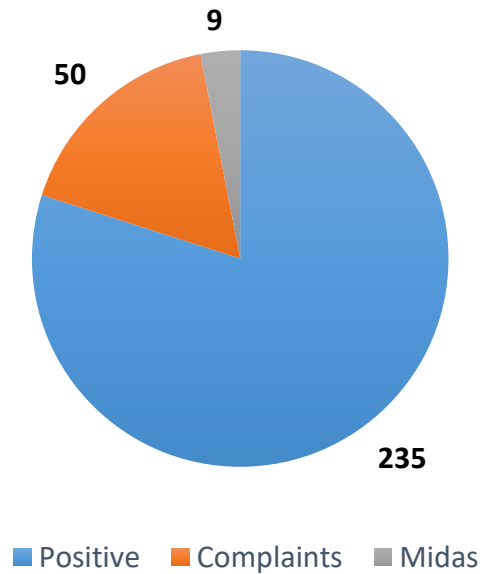
	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025
Human Understanding	68.8 n = 2,669	70.8 n = 3,027	67.9 n = 2,695	68.6 n = 2,884	71.0 n = 2,473	71.6 n = 2,365	68.7 n = 2,828	71.9 n = 2,726	72.6 n = 2,768	72.8 n = 2,584	73.4 n = 3,359	74.5 n = 3,360
Human Understanding	74.1 n = 3,593	74.9 n = 3,499										

August 2024 vs. August 2025



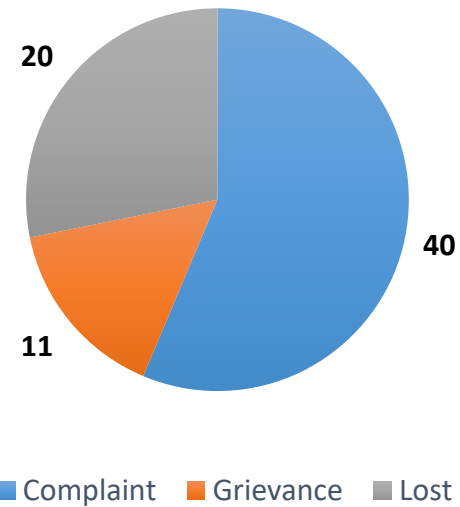
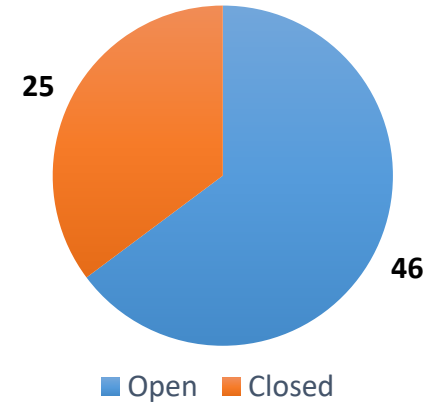
Rounding: September

250 Rounds



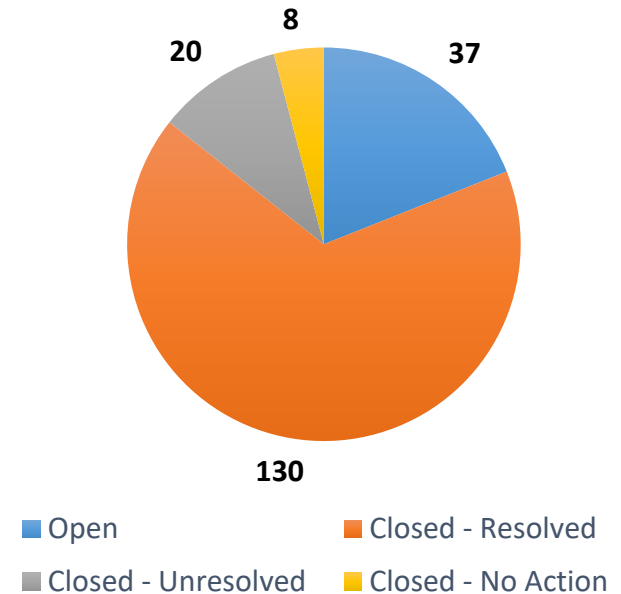
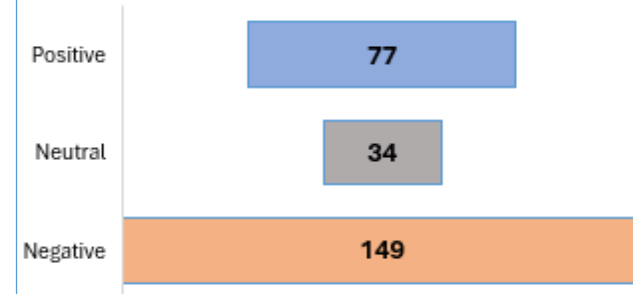
MIDAS: September

71 Opened



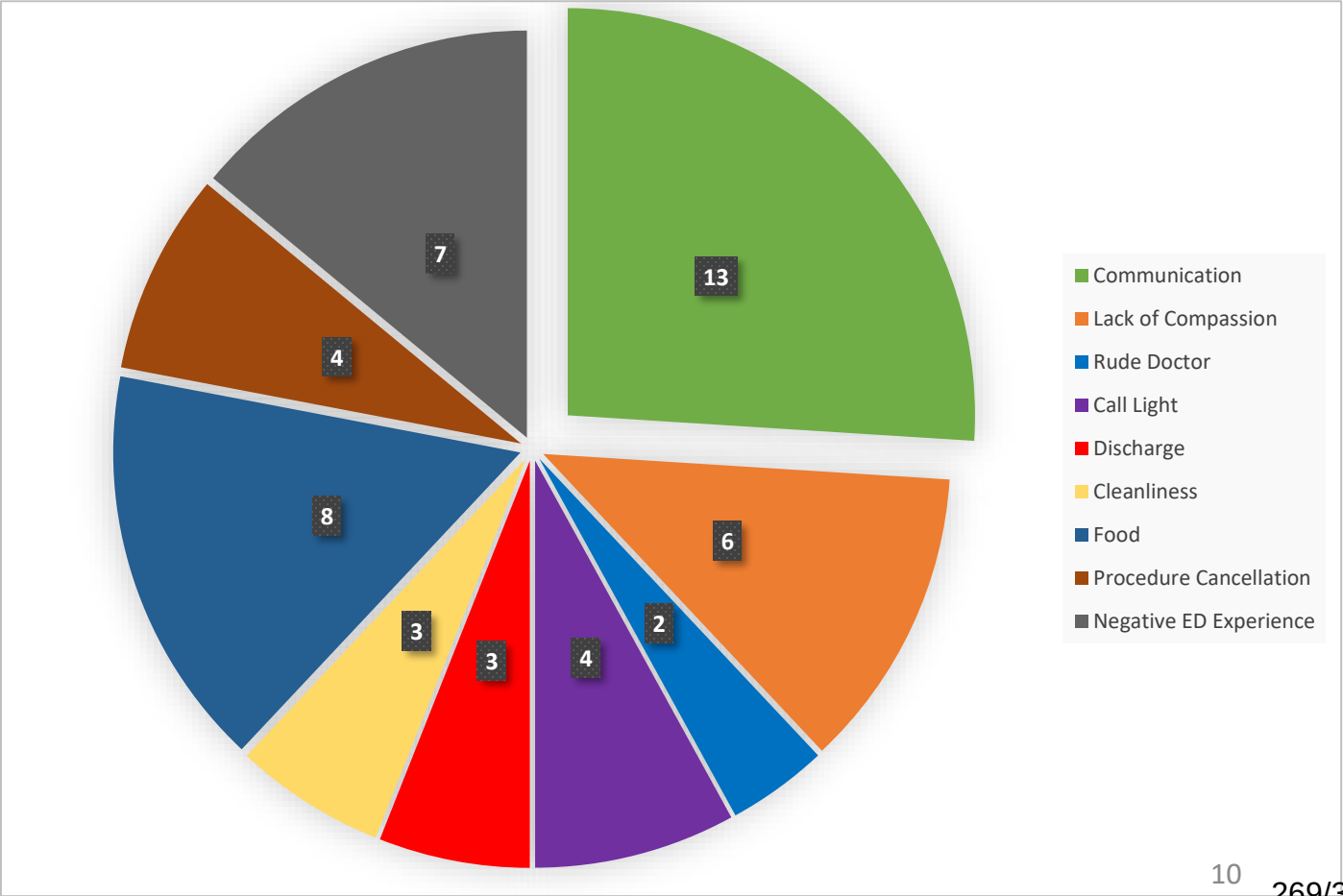
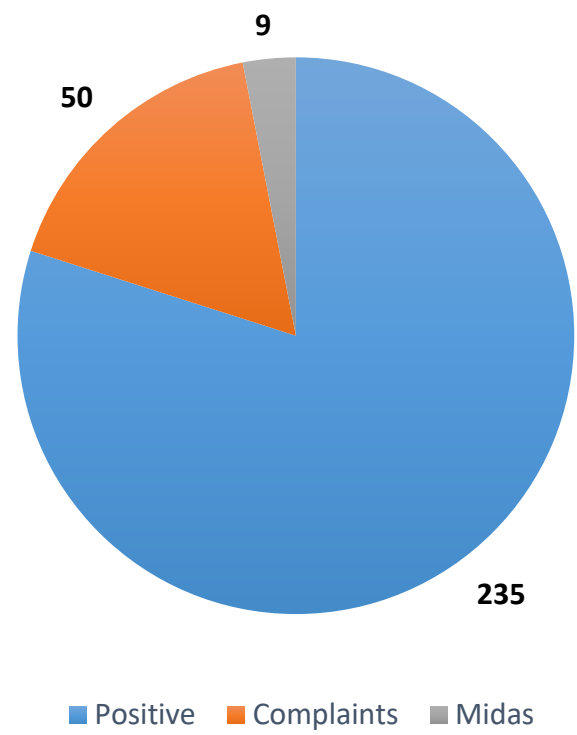
Service Alerts: August

195 Total



Rounding: September

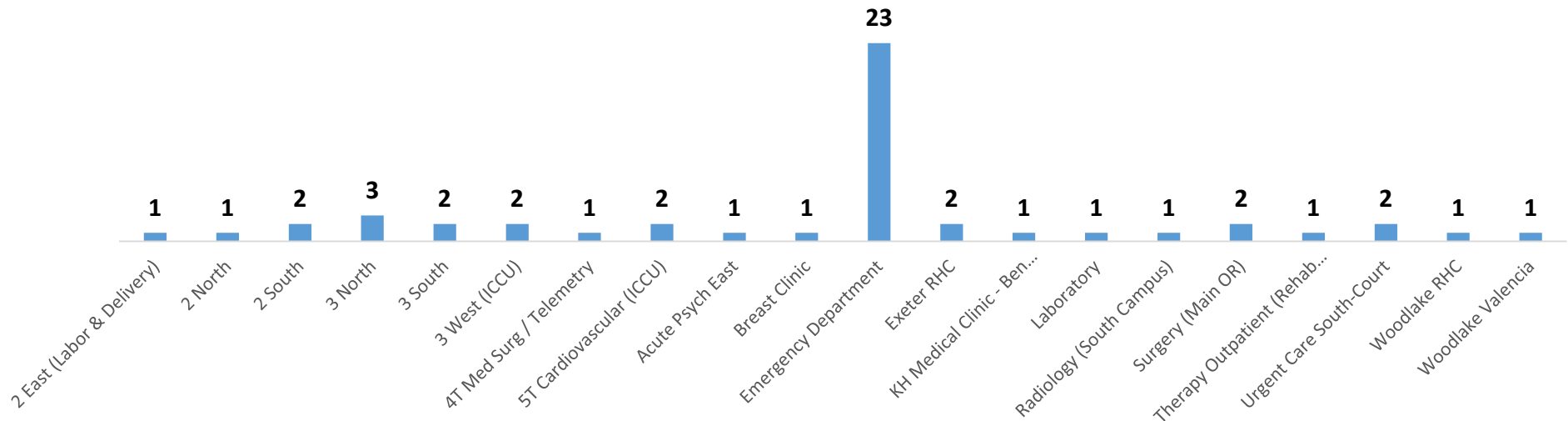
250 Rounds



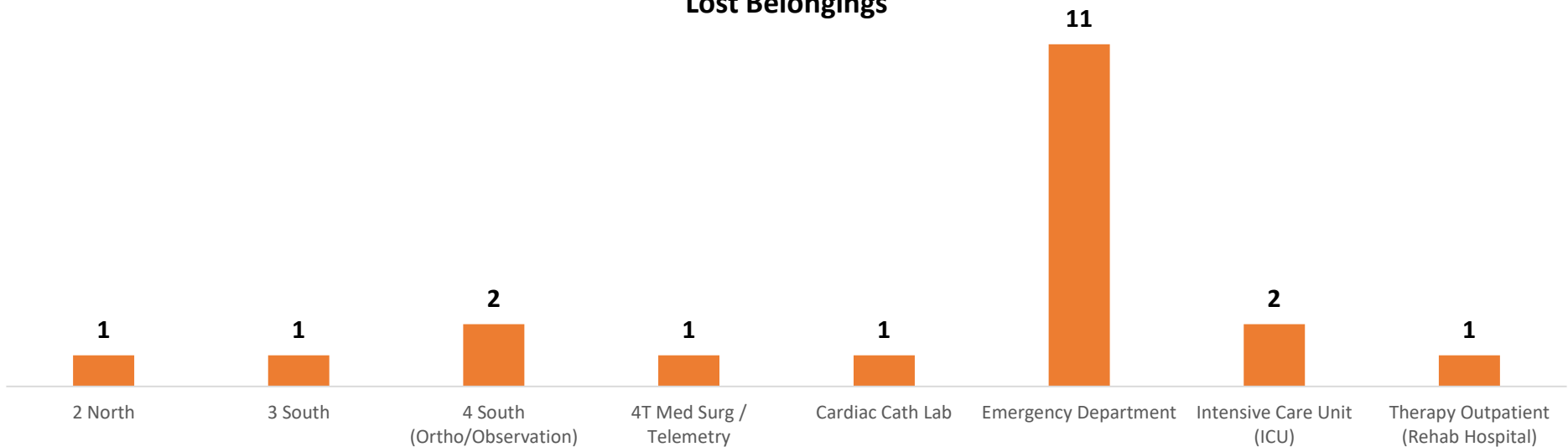
MIDAS: September

71 Opened

Complaint & Grievances

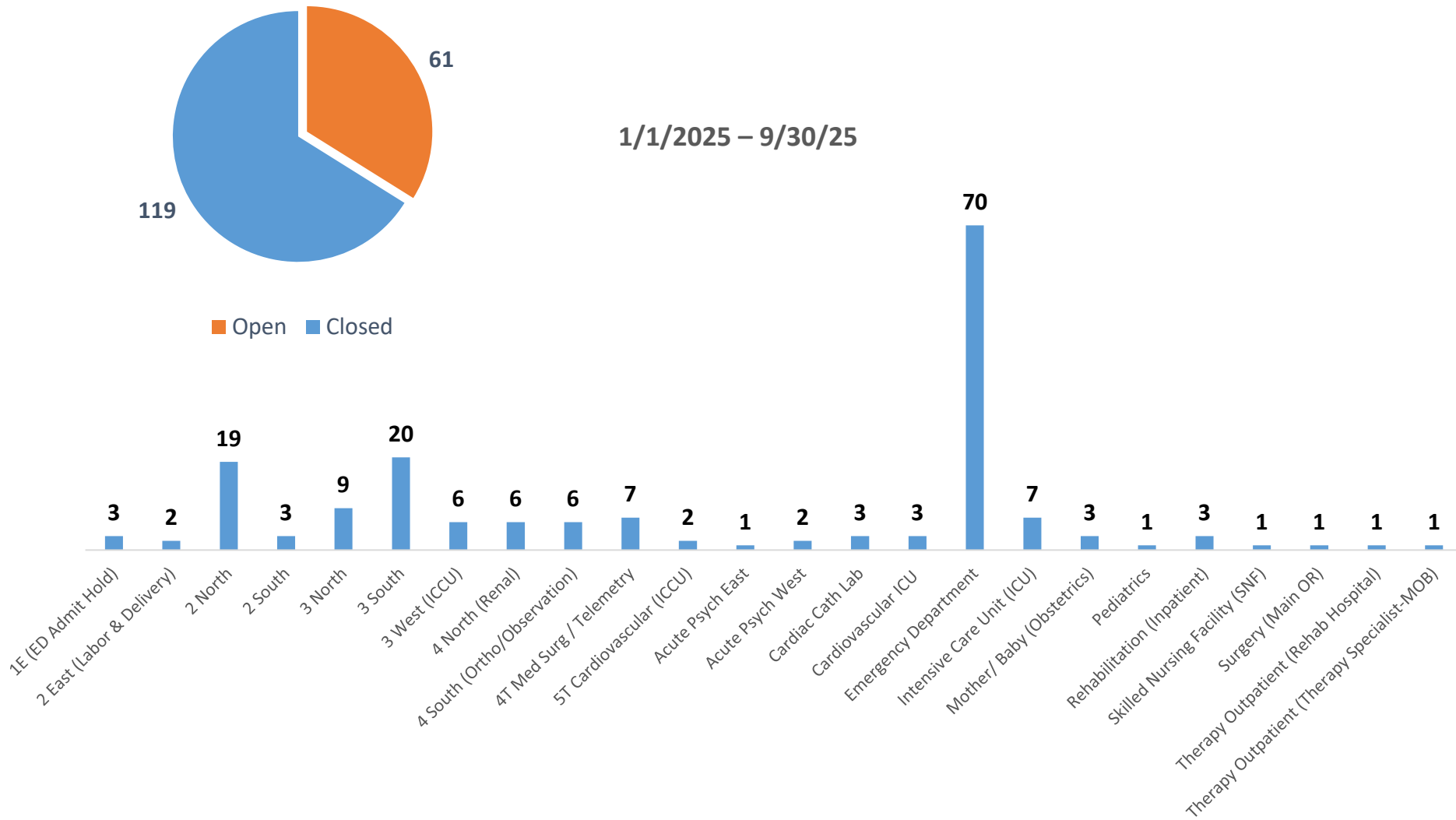


Lost Belongings



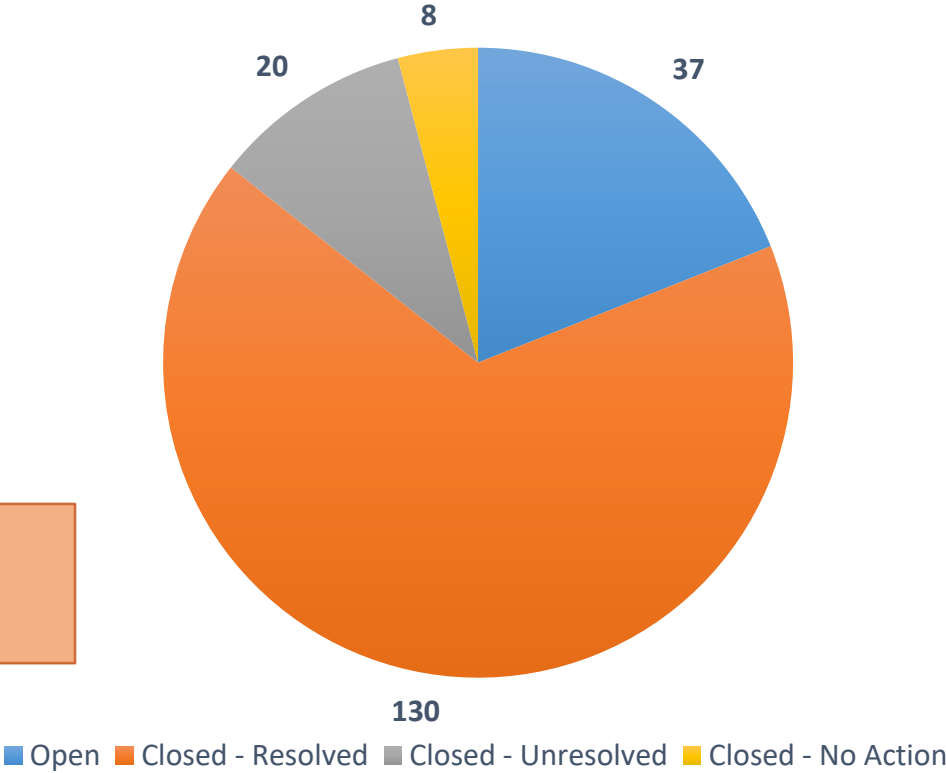
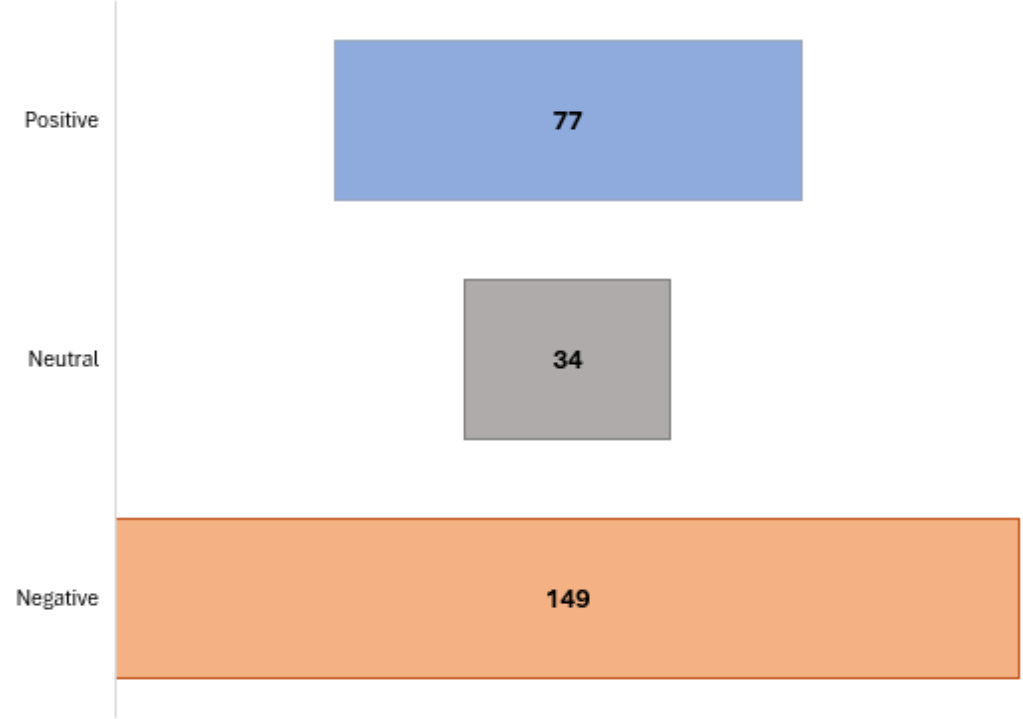
Lost Belongings

Year to Date Total: 180



Service Alerts: August

195 Total



ROUNDING

September Executive Team Rounds = 9 executive rounds

Executive	March	April	May	June	July	August	September
Gary H.		17-Apr	14-May	30-Jun	17-Jul	26-Aug	23-Sep
Marc M.		30-Apr	12-May	25-Jun	11-Jul	14-Aug	11-Sep
Jag B.	18-Mar		6-May	30-Jun		19-Aug	16-Sep
Malinda T.	5-Mar		19-May	19-Jun		12-Aug	22-Sep
Dianne C.		9-Apr		26-Jun	23-Jul	29-Aug	
Schlene P.			13-May	19-Jun	31-Jul	13-Aug	10-Sep
Ben C.	24-Mar		29-May	11-Jun	9-Jul	25-Aug	29-Sep
Ryan G.	11-Mar	23-Apr				27-Aug	24-Sep
Paul S.		21-Apr			8-Jul		4-Sep
Doug L.	24-Mar			5-Jun	15-Jul	5-Aug	3-Sep

STRATEGIC PLAN INITIATIVE PATIENT AND COMMUNITY EXPERIENCE



FY 2026 Strategic Plan

Patient Experience and Community Engagement
October 22, 2025



kaweahhealth.org



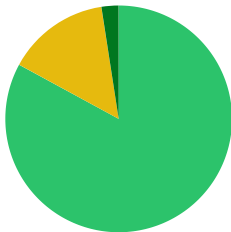
Kaweah Health

MORE THAN MEDICINE. LIFE

275/353

Patient Experience and Community Engagement - Marc Mertz and Deborah Volosin

All Items



On Track 34 (83%)
 Off Track 6 (15%)
 Achieved 1 (2%)

Spotlight Items

Name	Aligns To	Status	Spotlight Comment
Restore Overnight Stay Privileges for Visitors to Enhance Patient Support and Experience	Foster a mindset toward a Patient and Community-Centered Culture at Kaweah Health by partnering community members with hospital leadership to co-design services and processes within the system. (CAC meetings, leadership presentations, Lost Belongings initiative, etc. Always include patients and community members on committees that involve patient care concerns)	Achieved	Overnight visitor privileges were restored as part of a larger re-vamp of the Medical Center Visitation Policy. The policy was approved last month by the Board Of Directors and a robust and detailed communication plan is underway.
Executive Team to support the Patient Experience team by modeling patient-centered behaviors, reinforcing expectations with leaders, and using patient feedback to guide priorities and visibly champion key initiatives	Adopting a Patient-Centered Approach to the Entire Healthcare Experience	On Track	All Executive Team members are rounding with the Patient Experience Team at least once monthly. We are piloting WMTY initiative on two units to enhance rounding communication and encourage human centered communication between staff, patients and families.
ET to highlight at least one patient-centered initiative, success story, or improvement opportunity each leadership meeting, demonstrating alignment with PX team priorities and patient feedback	Executive Team to support the Patient Experience team by modeling patient-centered behaviors, reinforcing expectations with leaders, and using patient feedback to guide priorities and visibly champion key initiatives	On Track	A patient will be sharing their experience with the Leadership Team at the October 2025 Leadership meeting to reinforce the positive impact that a patient centered culture can have across the continuum of care.

Empower ALL Team Members to Deliver Patient Centric Care Champion: Deborah Volosin and Marc Mertz

Description: Focus on equipping team members at all levels with the necessary skills, tools, and authority to drive meaningful improvements in patient interactions, service delivery, and overall satisfaction.

Work Plan (Tactics)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.1.1	Ensure Unit Leaders Are Accessing Survey Data and Patient Experience Feedback and that they are sharing the information with their teams	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX monitors leader activity in NRC system to ensure they are reviewing feedback and scores.
4.1.2	Provide training on best practices to all areas of organization to focus on the both the HCAHPS and Real Time surveys and priorities set by NRC	07/01/2025	06/30/2026	Deborah Volosin	On Track	Survey information is presented monthly at Board meetings, Leadership, and Kaweah Care. PX Director presents at New Employee Orientation.
4.1.3	Set PX goals in Spring 2025, provide training and education to drive improvement and accountability so that each area meets their PX goals	07/01/2025	06/30/2026	Deborah Volosin	On Track	Fiscal Year goals were set for the organization wide and for each surveyed unit individually. These goals will be a part of the communication during quarterly meetings with leaders.
4.1.4	Support Services Partnership and Coordination	07/01/2025	06/30/2026	Deborah Volosin	On Track	The PX Steering Committee meets monthly to review aspects of the patient's journey outside of clinical care. Wayfinding, visitor badges, security, food services, facilities, and marketing.

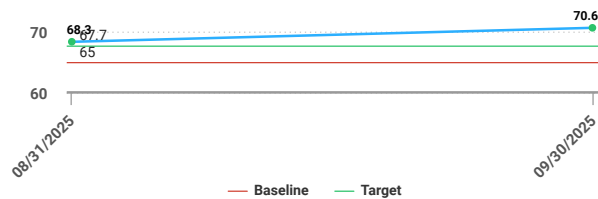
Performance Measure (Outcomes)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.1.2.3	Achieve an organizational-wide score of 67.7 in Real Time Net Promoter Score (NPS)	07/01/2025	06/30/2026	Deborah Volosin	On Track	Raw score is 70.6 July 1, 2025-September 30, 2025
4.1.2.2	Achieve an organizational-wide score of 73.8 in HCAHPS "Would Recommend Hospital".	07/01/2025	06/30/2026	Deborah Volosin	Off Track	Raw score is 72.7 July 1, 2025-September 30, 2025
4.1.2.1	Achieve an organizational-wide score of 74 in HCAHPS "Overall Rating of Hospital"	07/01/2025	06/30/2026	Deborah Volosin	Off Track	Raw score is 70.1 July 1, 2025-September 30, 2025
4.1.1.1	Patient Experience to monitor user activity logs and provide monthly reports to Leadership, each unit manager, assistant manager, and clinical director	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX monitors leader activity in NRC system to ensure they are actively reviewing feedback and scores.
4.1.4.1	PX Steering Committee to act on feedback to improve all aspects of the patient journey	07/01/2025	06/30/2026	Deborah Volosin	On Track	Updates to surgery waiting room experience, extended hours for hot food in cafeteria, customer service training for staff, etc.

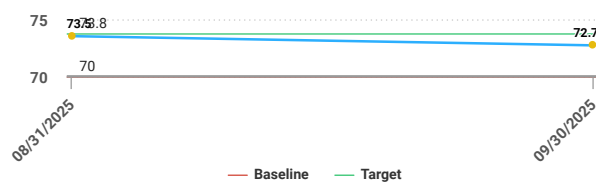
Empower ALL Team Members to Deliver Patient Centric Care Champion: Deborah Volosin and Marc Mertz

Description: Focus on equipping team members at all levels with the necessary skills, tools, and authority to drive meaningful improvements in patient interactions, service delivery, and overall satisfaction.

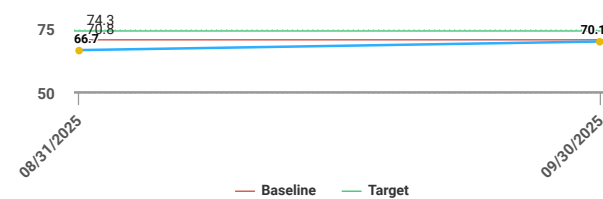
Achieve an organizational-wide score of 67.7 in Real Time Net Promoter Score (NPS)



Achieve an organizational-wide score of 73.8 in HCAHPS "Would Recommend Hospital".



Achieve an organizational-wide score of 74 in HCAHPS "Overall Rating of Hospital"



Foster a Culture of Human Understanding

Champions: Deborah Volosin and Marc Mertz

Description: Foster an environment where empathy, respect, and compassion are at the core of all interactions.

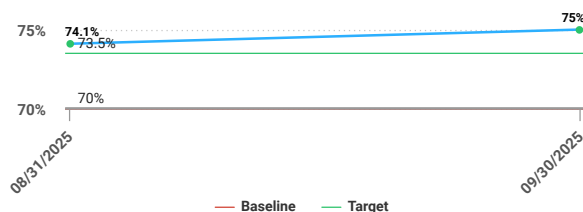
Work Plan (Tactics)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.2.1	Provide Staff Education on Delivering Compassionate, Empathetic, and Individualized Patient Care	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX Director presented at 4 unit staff meetings in September. Prepping units for WMTY Pilot
4.2.2	Implement a Comprehensive Customer Service Training Across All Areas of the Organization	07/01/2025	06/30/2026	Deborah Volosin	On Track	Patient Access rolling out to front line staff in the months of October and November 2025.

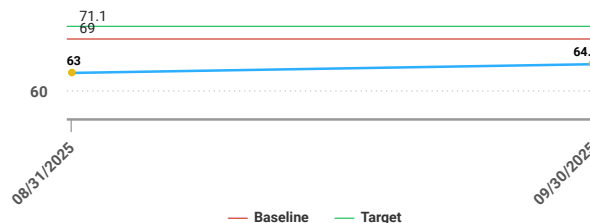
Performance Measure (Outcomes)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.2.1.1	Achieve an Organizational-wide Score of 73.5 in Human Understanding	07/01/2025	06/30/2026	Deborah Volosin	On Track	Raw score is 75 FY - 9/30/2025
4.2.2.1	Achieve an Organizational-wide Score of 71.1 in Responsiveness of Staff	07/01/2025	06/30/2026	Deborah Volosin	Off Track	Raw Score FY to 9/30/2025

Achieve an Organizational-wide Score of 73.5 in Human Understanding



Achieve an Organizational-wide Score of 71.1 in Responsiveness of Staff



Enhancement of Environment Champion: Deborah Volosin and Marc Mertz

Description: Focus on improving the hospital's physical spaces to promote comfort, accessibility, and a sense of healing.

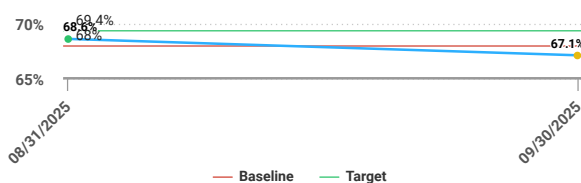
Work Plan (Tactics)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.3.1	Conduct Executive Rounds with EVS, Facilities, Patient Experience to Identify and Address Cleanliness and Other Improvement Opportunities	07/01/2025	06/30/2026	Deborah Volosin	On Track	Facilities round continue on a monthly basis with Facilities, Chief Strategy Officer, EVS, and Patient Experience
4.3.2	Incorporate Cleanliness Feedback into Patient Experience QR Code Surveys and relay information to EVS Leadership	07/01/2025	06/30/2026	Kevin Morrison	On Track	Have implemented QR codes for easier accessibility by visitors and patients to notify of issues. Will work with Deborah in updating the QR code surveys to include cleanliness information.
4.3.3	Implement Facility Upgrade and Refurbishment Projects to Enhance the Patient and Staff Environment	07/01/2025	06/30/2026	Kevin Morrison	On Track	Continuing to complete projects (i.e. flooring replacement, restroom upgrades, Ambrosia Cafe) that enhance the environment.

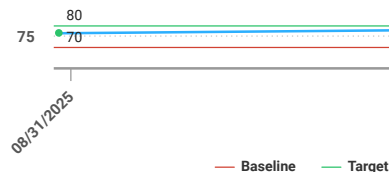
Performance Measure (Outcomes)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.3.2.1	Achieve a Score of 69.4 in The HCAHPS Cleanliness Score	07/01/2025	06/30/2026	Deborah Volosin	Off Track	Raw Score of 67.1 FY - 9/30/2025
4.3.2.2	Achieve a Score of 80 in Real-Time "Clean Clinic" Score	07/01/2025	06/30/2026	Deborah Volosin	Off Track	Raw Score of 78.3 FY to 9/30/2025
4.3.3.1	Complete 5 Facility Upgrades and Refurbishment Projects	07/01/2025	06/30/2026	Kevin Morrison	On Track	Currently have completed 4S Flooring Replacement, 3N Flooring replacement is in progress, and Ambrosia Cafe has been completed.

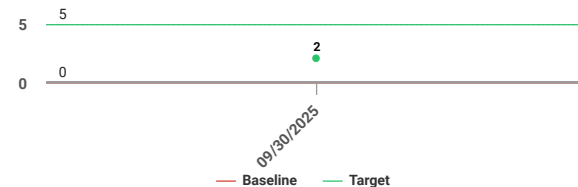
Achieve a Score of 69.4 in The HCAHPS Cleanliness Score



Achieve a score of 80 in "Cleanliness of Clinic" Score



Complete 5 Facility Upgrades and Refurbishment Projects



Community Engagement Champion: Deborah Volosin and Marc Mertz

Description: Build strong relationships with the community to foster trust, improve health outcomes, and increase access to care.

Work Plan (Tactics)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.4.1	Foster a mindset toward a Patient and Community-Centered Culture at Kaweah Health by partnering community members with hospital leadership to co-design services and processes within the system. (CAC meetings, leadership presentations, Lost Belongings initiative, etc. Always include patients and community members on committees that involve patient care concerns)	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX Director has involved CAC groups on new initiatives, policy updates, and new processes.
4.4.2	Expand Engagement and Participation in Community Advisory Councils	07/01/2025	06/30/2026	Deborah Volosin	On Track	The Fiscal Year goal is to add 10 new members to the Community Advisory Councils
4.4.3	Encourage Greater Involvement of Kaweah Health Leaders in Service Clubs and Community Organizations	07/01/2025	06/30/2026	Deborah Volosin	On Track	Since July 1, 2025, we have added two additional leaders to a service club.
4.4.4	Expand Opportunities for KH Leaders to Participate in the Speakers Bureau	07/01/2025	06/30/2026	Deborah Volosin	On Track	Dr. Danny Vasquez, Dr. Ly, Dr. Jaques, Melany Gambini, Dr. Randolph, and Daisy Keller have presented at CAC meetings and service organizations this fiscal year.

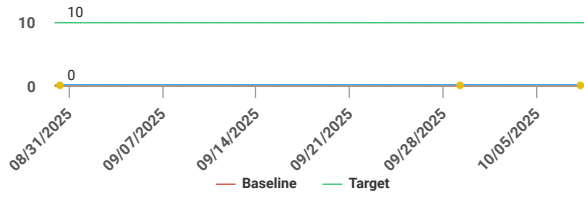
Performance Measure (Outcomes)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.4.1.1	Restore Overnight Stay Privileges for Visitors to Enhance Patient Support and Experience	07/01/2025	06/30/2026	Deborah Volosin	Achieved	Visitor Policy approved by BOD in September. All patients can have one overnight visitor.
4.4.1.2	Revise Policies to Foster a More Welcoming and Supportive Environment for Patients and Families	07/01/2025	06/30/2026	Deborah Volosin	On Track	Visitor policy was updated and approved. Continuing to work on Lost Belongings Policy
4.4.2.1	Add 10 New Members In FY26	07/01/2025	06/30/2026	Deborah Volosin	Off Track	No new members have been added to CAC groups this fiscal year
4.4.3.1	Goal of 25 Leaders Participating in Service Clubs	07/01/2025	06/30/2026	Deborah Volosin	On Track	Two leaders have joined a service club so far this fiscal year, which puts our total leaders involved in service clubs at 24.
4.4.4.1	Goal of 12 New Speaking Engagements for Leaders In The Community	07/01/2025	06/30/2026	Deborah Volosin	On Track	We have taken 6 leaders out to service clubs so far this fiscal year.

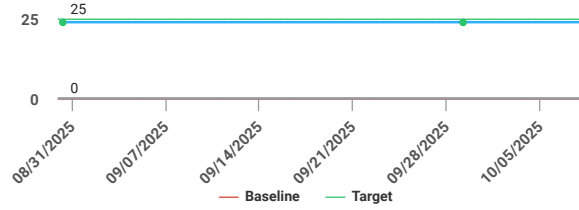
Community Engagement Champion: Deborah Volosin and Marc Mertz

Description: Build strong relationships with the community to foster trust, improve health outcomes, and increase access to care.

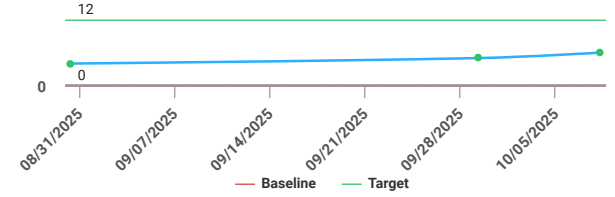
Gain 10 New Members In FY26



Goal of 25 Leaders Participating in Service Clubs



Gain 12 New Speaking Engagements for Leaders In The Community



Promote a Patient-Centric Culture Champion: Deborah Volosin and Marc Mertz

Description: Focus on ensuring that every touchpoint in a patient's healthcare journey—from scheduling and admission to discharge and follow-up care—is designed with their needs, preferences, and well-being in mind.

Work Plan (Tactics)

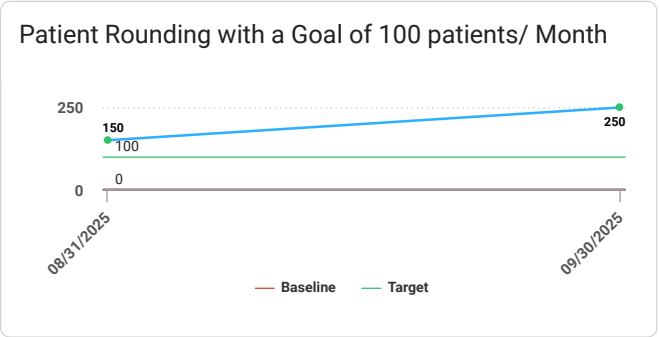
#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.5.1	Executive Team to support the Patient Experience team by modeling patient-centered behaviors, reinforcing expectations with leaders, and using patient feedback to guide priorities and visibly champion key initiatives	07/01/2025	06/30/2026	Deborah Volosin	On Track	ET rounds with PX at least once a month. Focusing on 2S/2N in October due to the WMTY initiative.
4.5.2	Identify and Address Departmental Barriers to Delivering Excellent Customer Service by meeting with clinical unit leaders quarterly to review Patient Experience data	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX Director met with unit directors and leaders in June. Next Quarterly meetings will be in October.
4.5.3	Utilize Community Advisory Council (CAC) members to help conduct a Comprehensive Evaluation of the Patient Journey From First Engagement to the Receipt of Their Final Bill to Identify Improvement Opportunities	07/01/2025	06/30/2026	Deborah Volosin	On Track	Wayfinding Exercise is underway during the month of October.
4.5.4	Patient Rounding	07/01/2025	06/30/2026	Deborah Volosin	On Track	250 In-Person Patient Rounds in the month of September

Performance Measure (Outcomes)

#	Name	Start Date	Due Date	Assigned To	Status	Last Comment
4.5.1.1	ET to highlight at least one patient-centered initiative, success story, or improvement opportunity each leadership meeting, demonstrating alignment with PX team priorities and patient feedback	07/01/2025	06/30/2026	Deborah Volosin	On Track	CEO & PX Director regularly share patient experience stories at Leadership meetings. A patient is coming to Leadership meeting in October to share his experience.
4.5.2.1	Director of Patient and Community Experience will report out on the unit specific barriers and successes at the Kaweah Care committee	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX Director shared barriers at 10/25 Kaweah Care Meeting
4.5.3.1	Community Advisory Council members will participate in a minimum of two structured evaluations of the patient journey, covering key milestones from initial engagement through final billing. Findings will be documented and shared with the Executive Team, with at least two improvement recommendations implemented as a result of their input	07/01/2025	06/30/2026	Deborah Volosin	On Track	The Wayfinding exercise is launching in October 2025.
4.5.4.1	Patient Experience Team will interact with a minimum of 100 patients/families per month. (rounding, phone, email, social media, etc.). ET and Board Members will round one hour per month with the PX team with rounding numbers reported at the Kaweah Care Meetings	07/01/2025	06/30/2026	Deborah Volosin	On Track	PX rounded 250 times in the month of September

Promote a Patient-Centric Culture Champion: Deborah Volosin and Marc Mertz

Description: Focus on ensuring that every touchpoint in a patient's healthcare journey—from scheduling and admission to discharge and follow-up care—is designed with their needs, preferences, and well-being in mind.

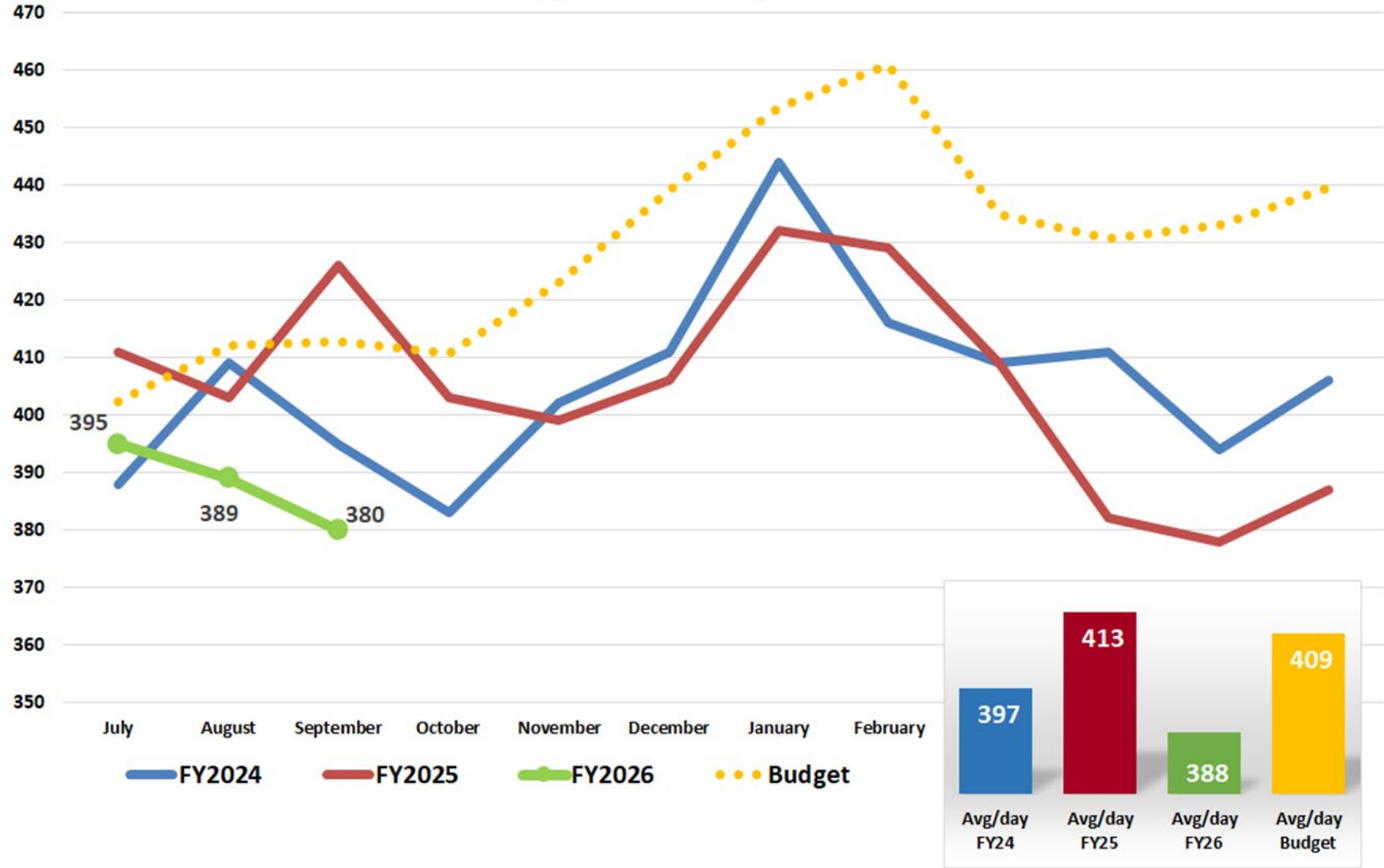


FINANCIALS

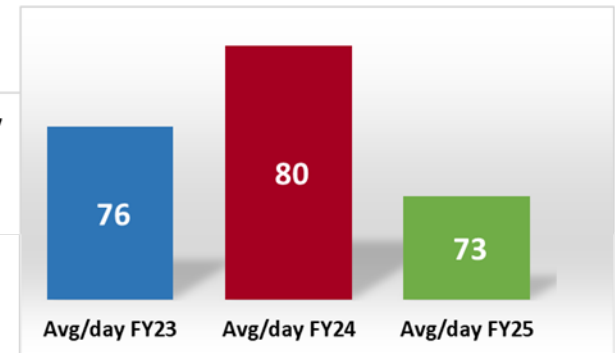
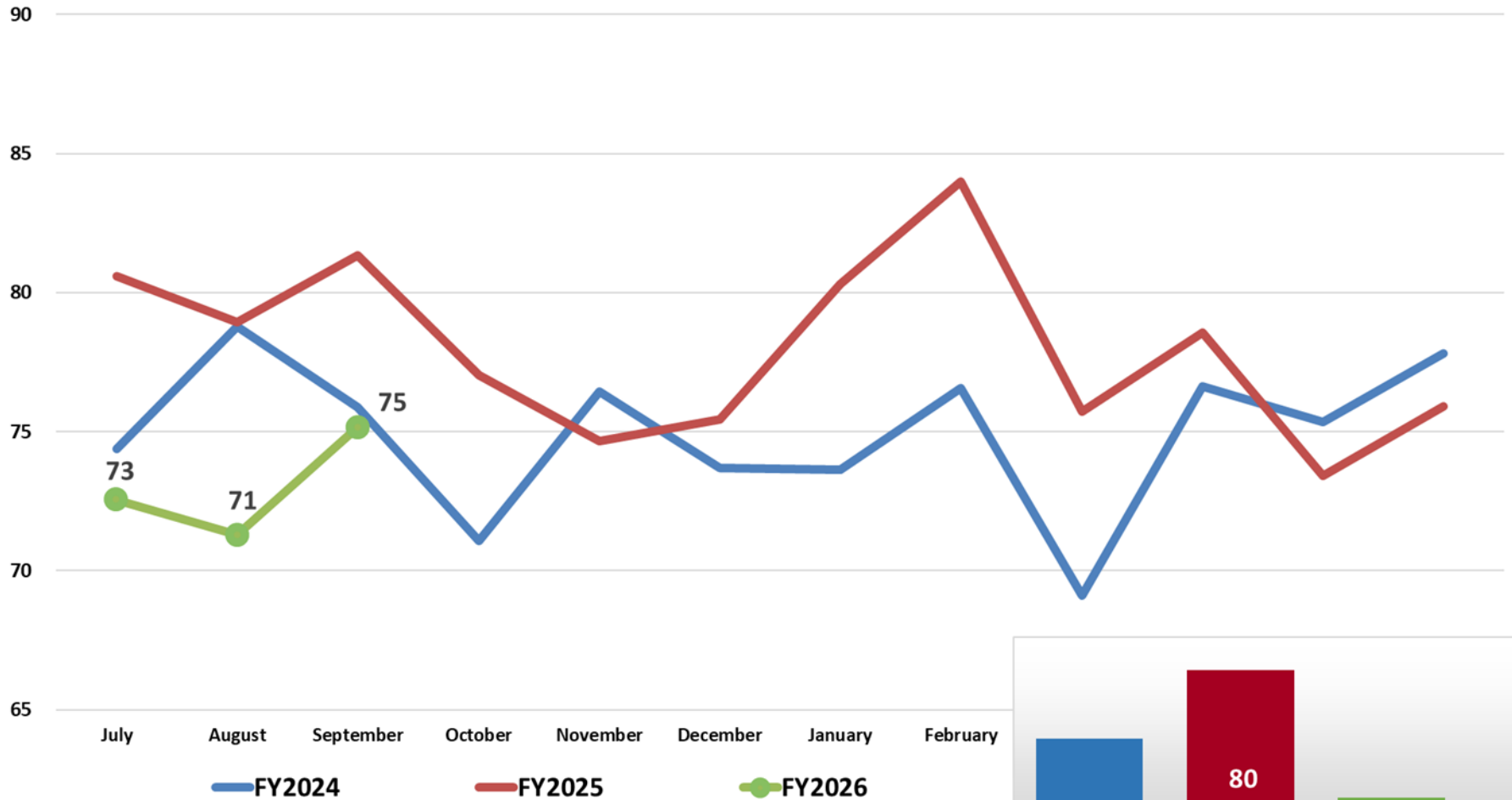
CFO Financial Report

Month Ending September 2025

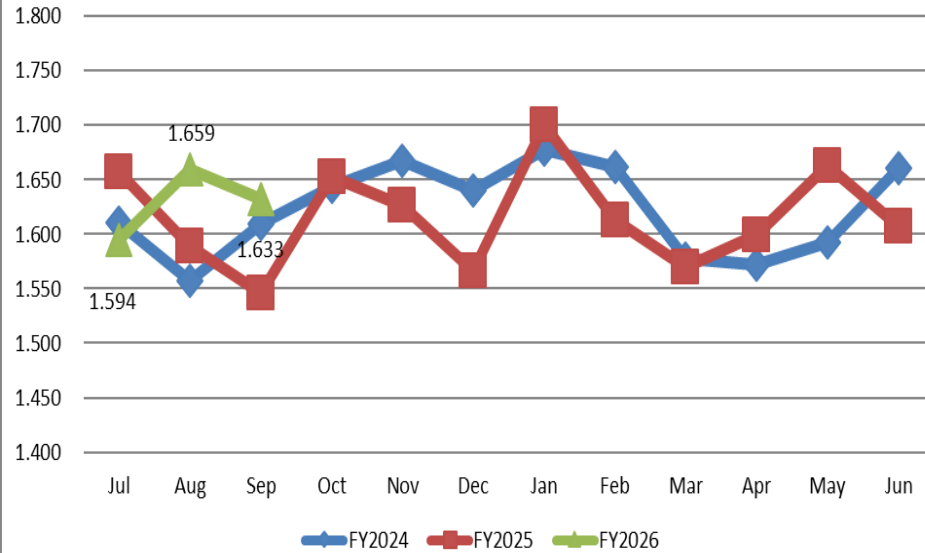
Average Daily Census



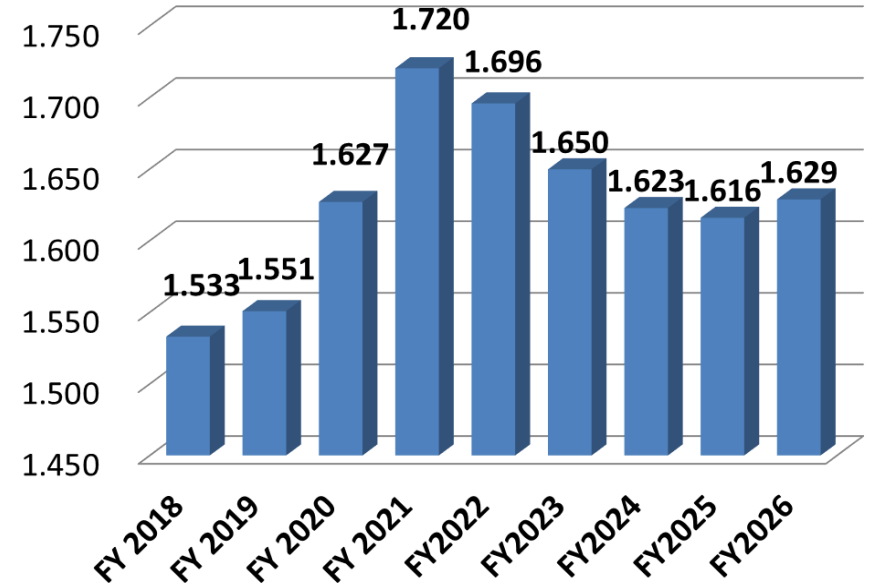
Average Discharges per Day



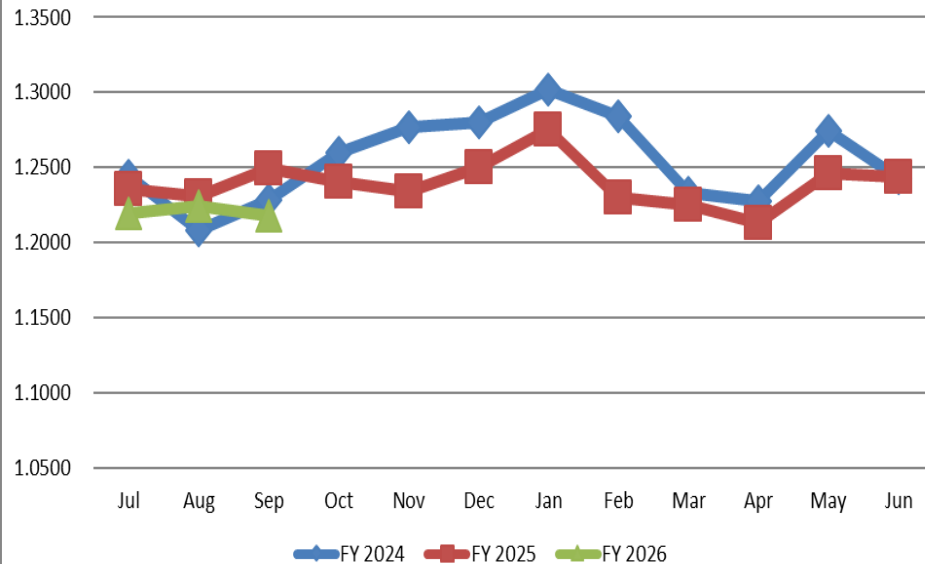
Case Mix Index w/o Normal Newborns



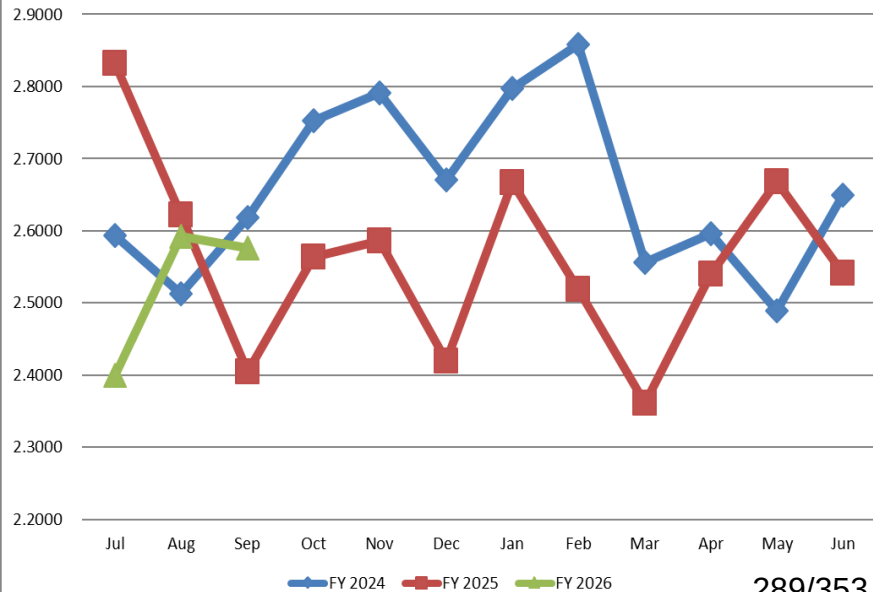
Case Mix Index w/o Normal Newborns - All



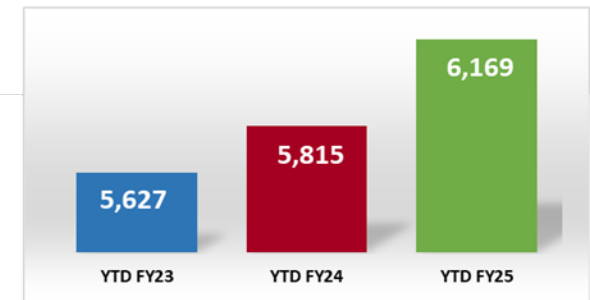
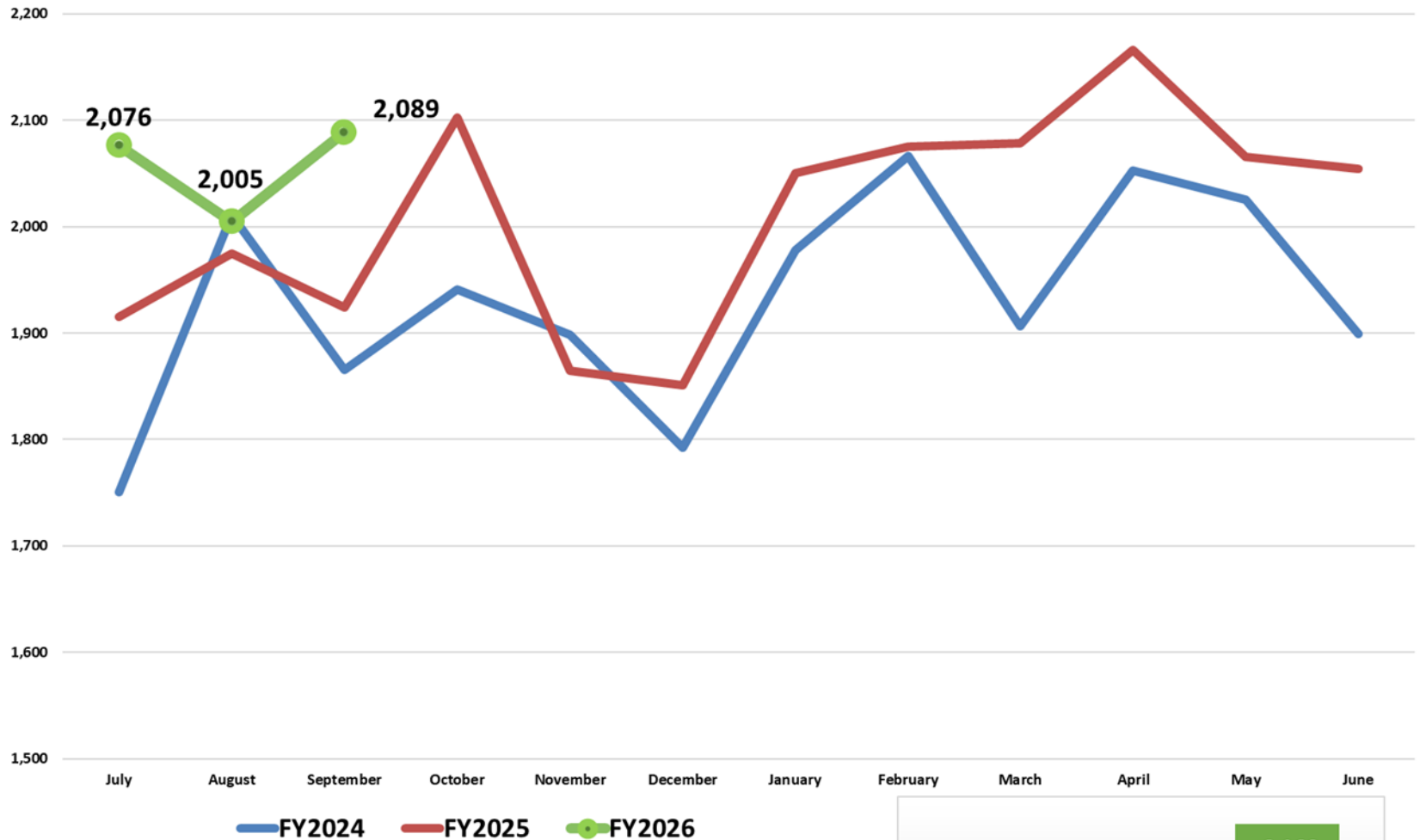
Case Mix **Medical** w/o Normal Newborns



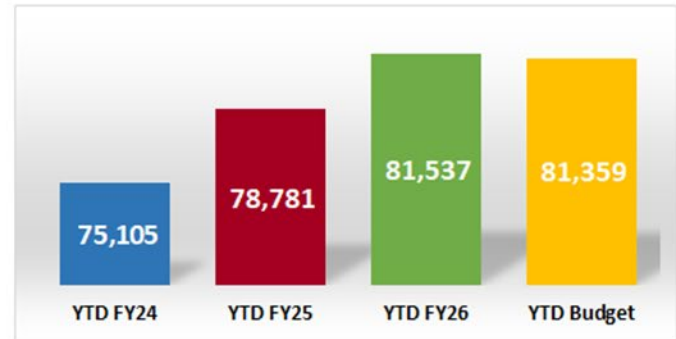
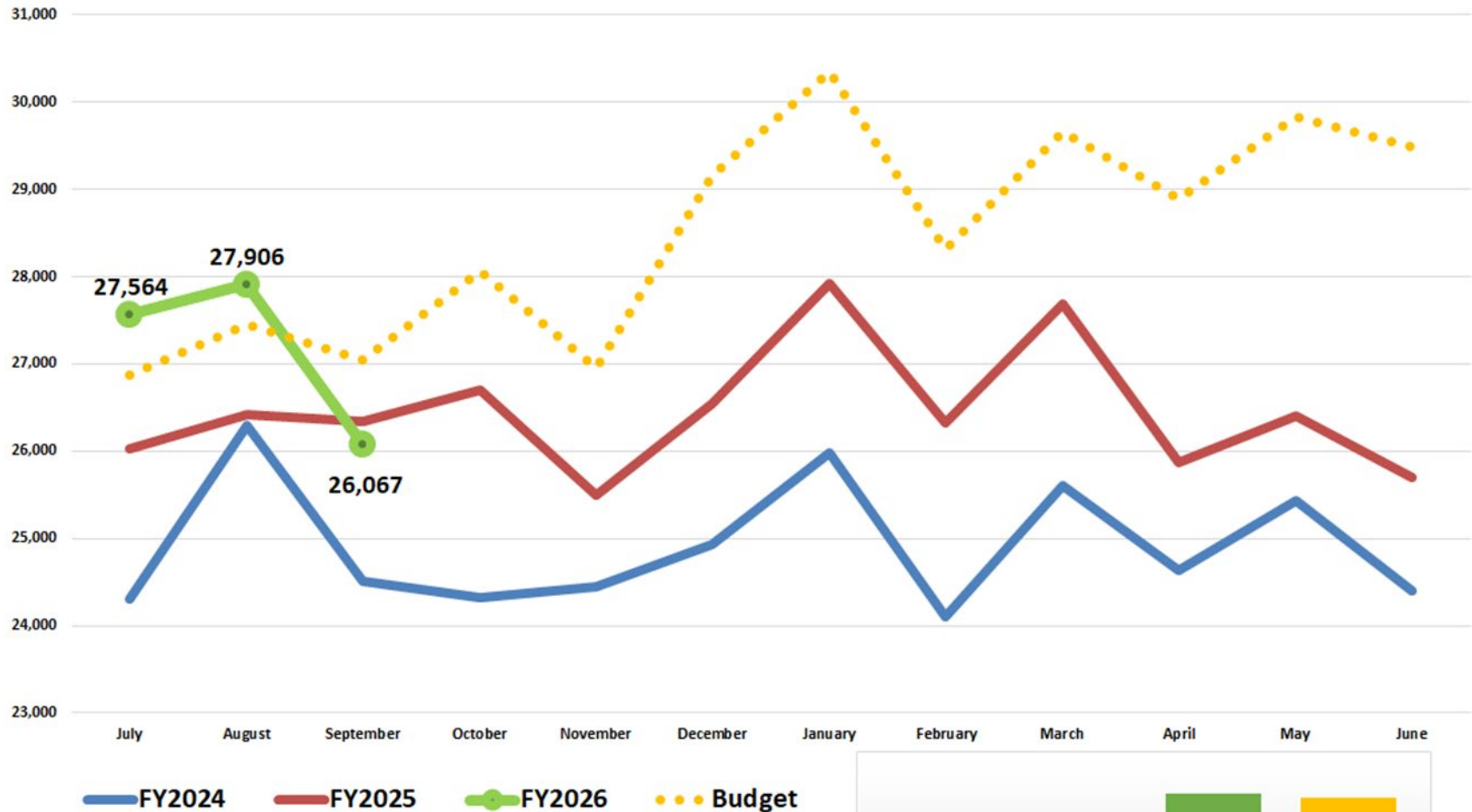
Case Mix Index **Surgical** w/o Normal Newborns



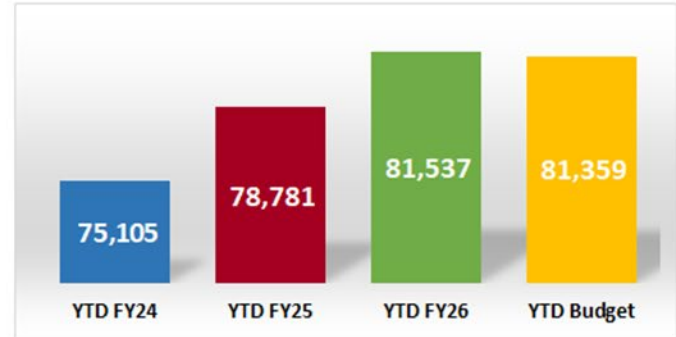
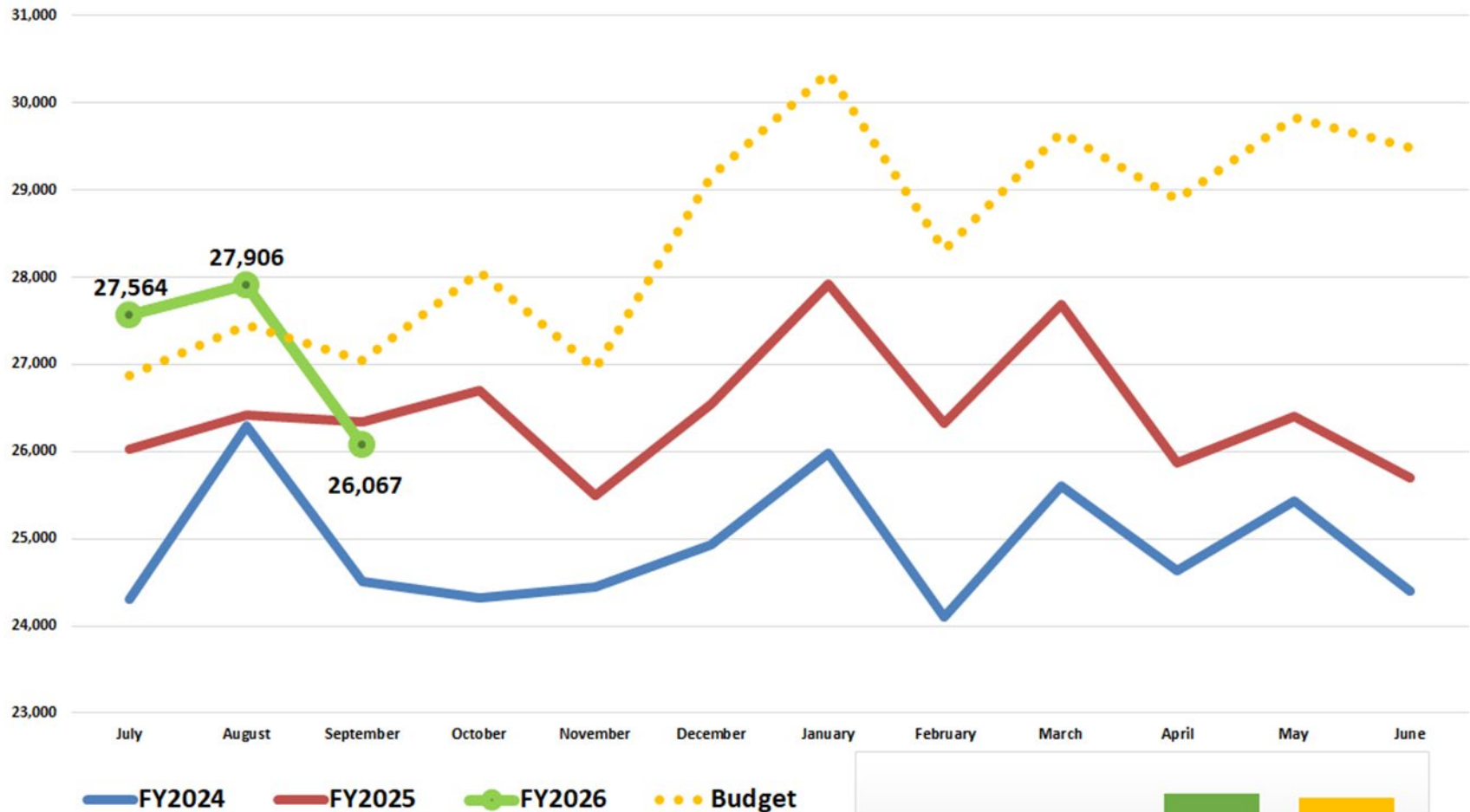
Outpatient Registrations Per Day



Adjusted Patient Days



Adjusted Patient Days



Statistical Results – Fiscal Year Comparison (Sep)

Actual Results			Budget	Budget Variance	
Sep 2024	Sep 2025	% Change	Sep 2025	Change	% Change

Average Daily Census	426	380	(10.9%)	413	(33)	(8.0%)
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KDHCD Patient Days:

Medical Center	8,557	7,433	(13.1%)	8,234	(801)	(9.7%)
Acute I/P Psych	1,114	1,321	18.6%	1,440	(119)	(8.3%)
Sub-Acute	919	863	(6.1%)	899	(36)	(4.0%)
Rehab	716	573	(20.0%)	639	(66)	(10.3%)
TCS-Ortho	354	409	15.5%	357	52	14.6%
NICU	556	343	(38.3%)	372	(29)	(7.8%)
Nursery	558	445	(20.3%)	442	3	0.7%

Total KDHCD Patient Days	12,774	11,387	(10.9%)	12,383	(996)	(8.0%)
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Total Outpatient Volume	57,720	62,670	8.6%	68,462	(5,792)	(8.5%)
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Statistical Results – Fiscal Year Comparison (Jul-Sep)

Actual Results			Budget	Budget Variance	
FYTD 2025	FYTD 2026	% Change	FYTD 2025	Change	% Change

Average Daily Census	413	388	(6.1%)	409	(21)	(5.2%)
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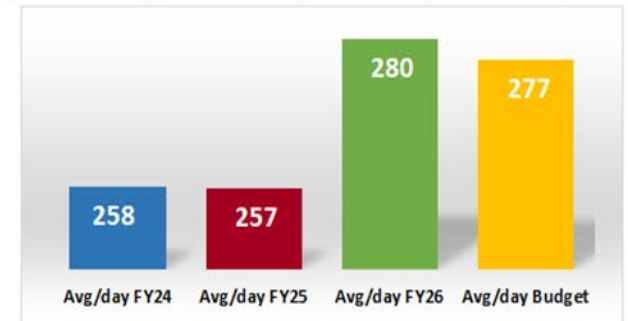
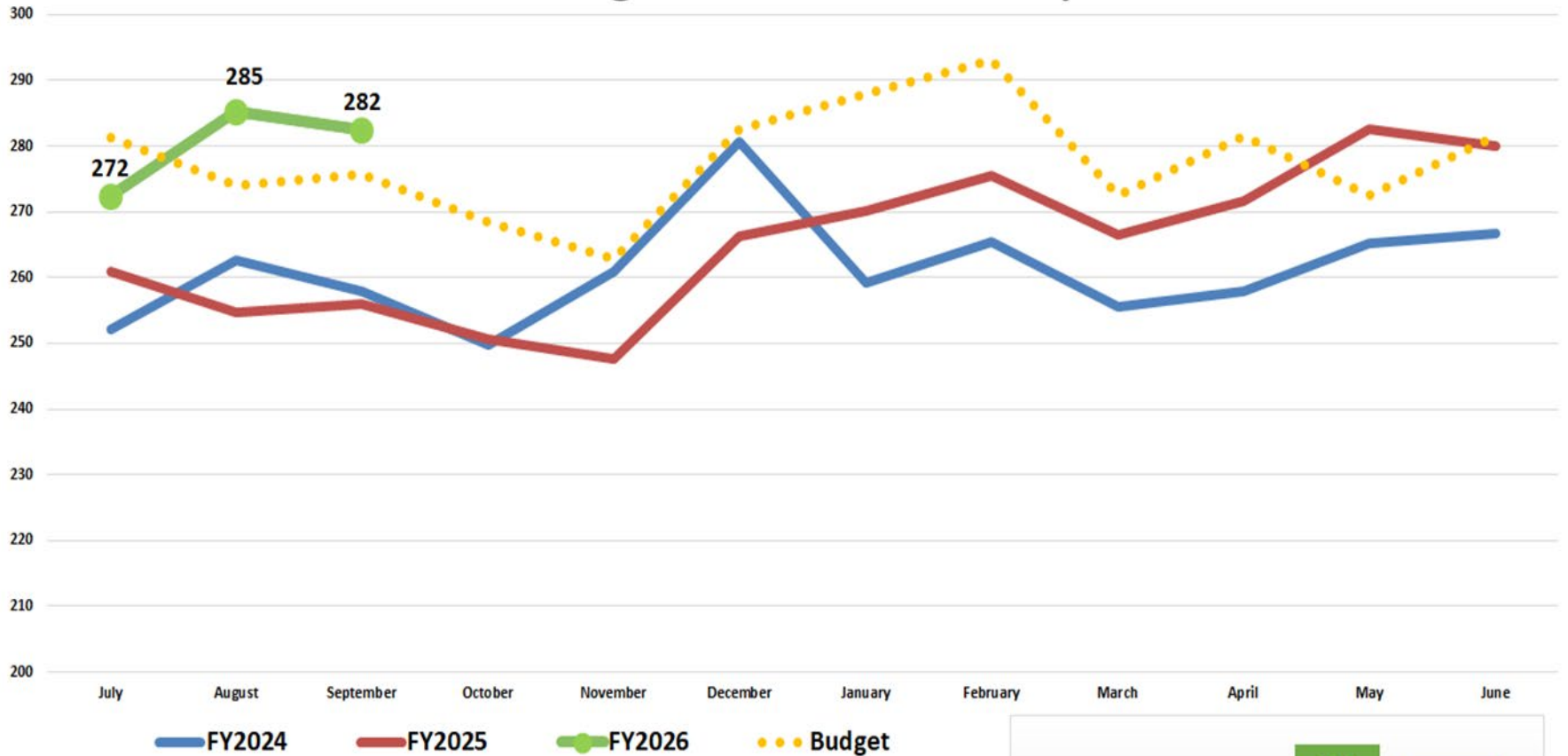
KDHCD Patient Days:

Medical Center	26,475	23,185	(12.4%)	25,242	(2,057)	(8.1%)
Acute I/P Psych	3,394	4,122	21.4%	4,292	(170)	(4.0%)
Sub-Acute	2,707	2,616	(3.4%)	2,725	(109)	(4.0%)
Rehab	1,648	1,774	7.6%	1,841	(67)	(3.6%)
TCS-Ortho	984	1,292	31.3%	1,175	117	10.0%
NICU	1,307	1,231	(5.8%)	1,072	159	14.8%
Nursery	1,502	1,457	(3.0%)	1,287	170	13.2%

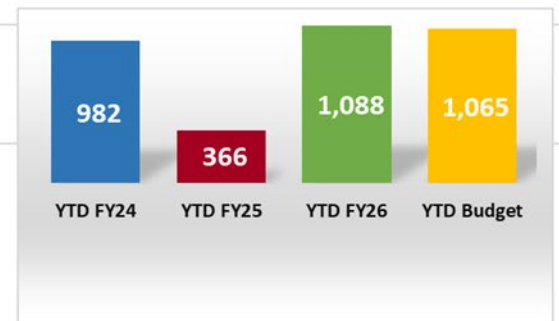
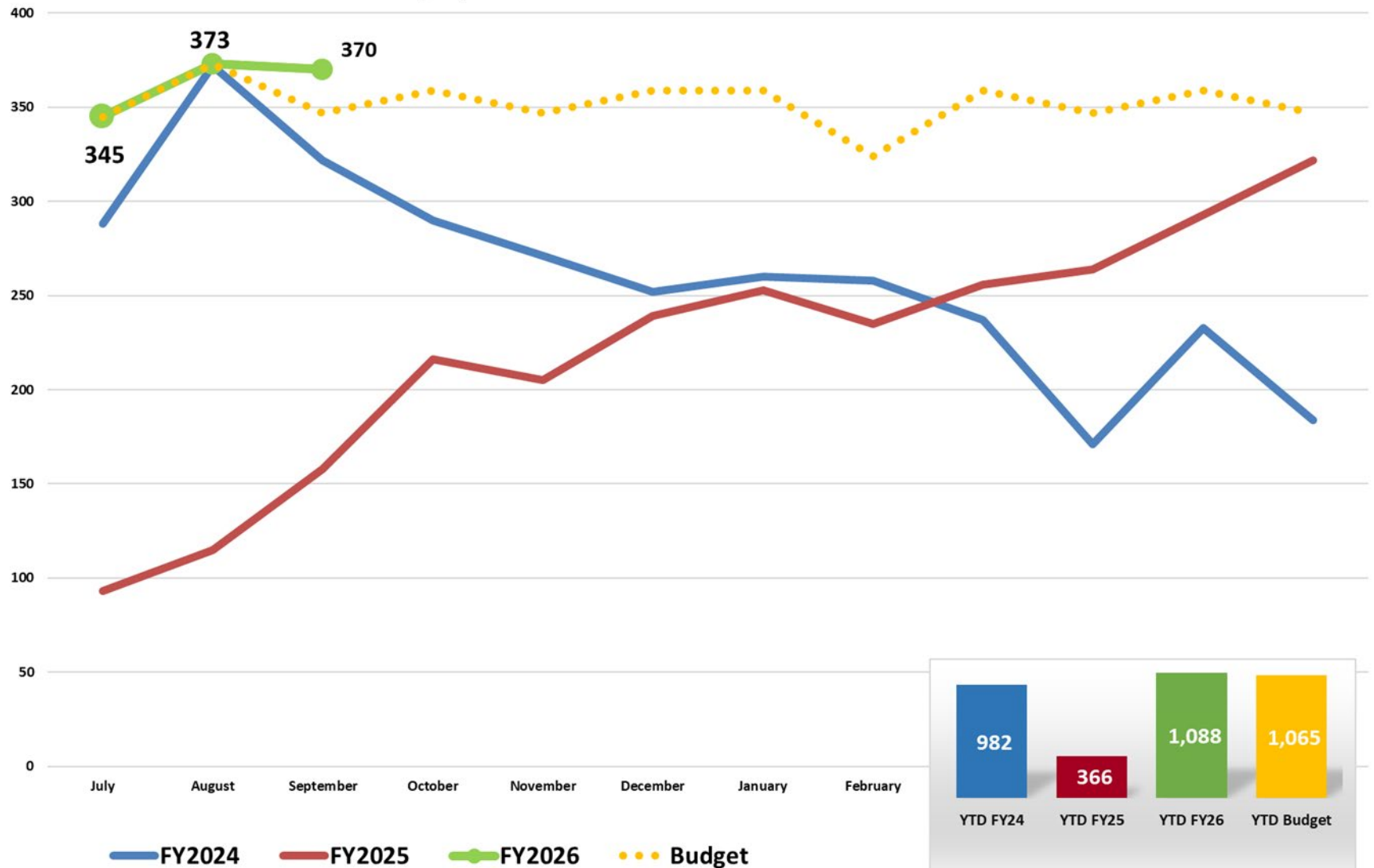
Total KDHCD Patient Days	38,017	35,677	(6.1%)	37,634	(1,957)	(5.2%)
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Total Outpatient Volume	178,310	189,181	6.1%	209,950	(20,769)	(9.9%)
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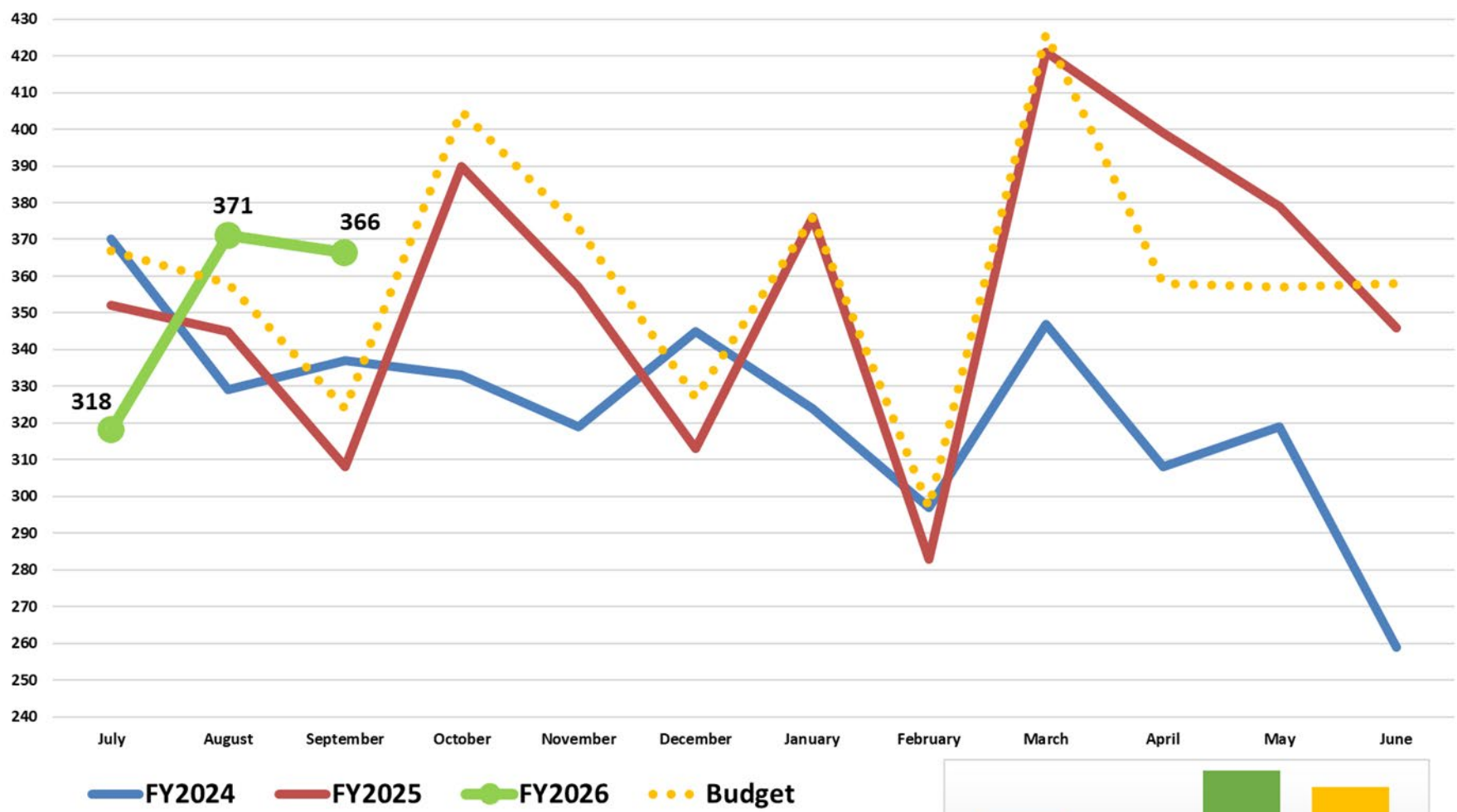
ED - Avg Treated Per Day



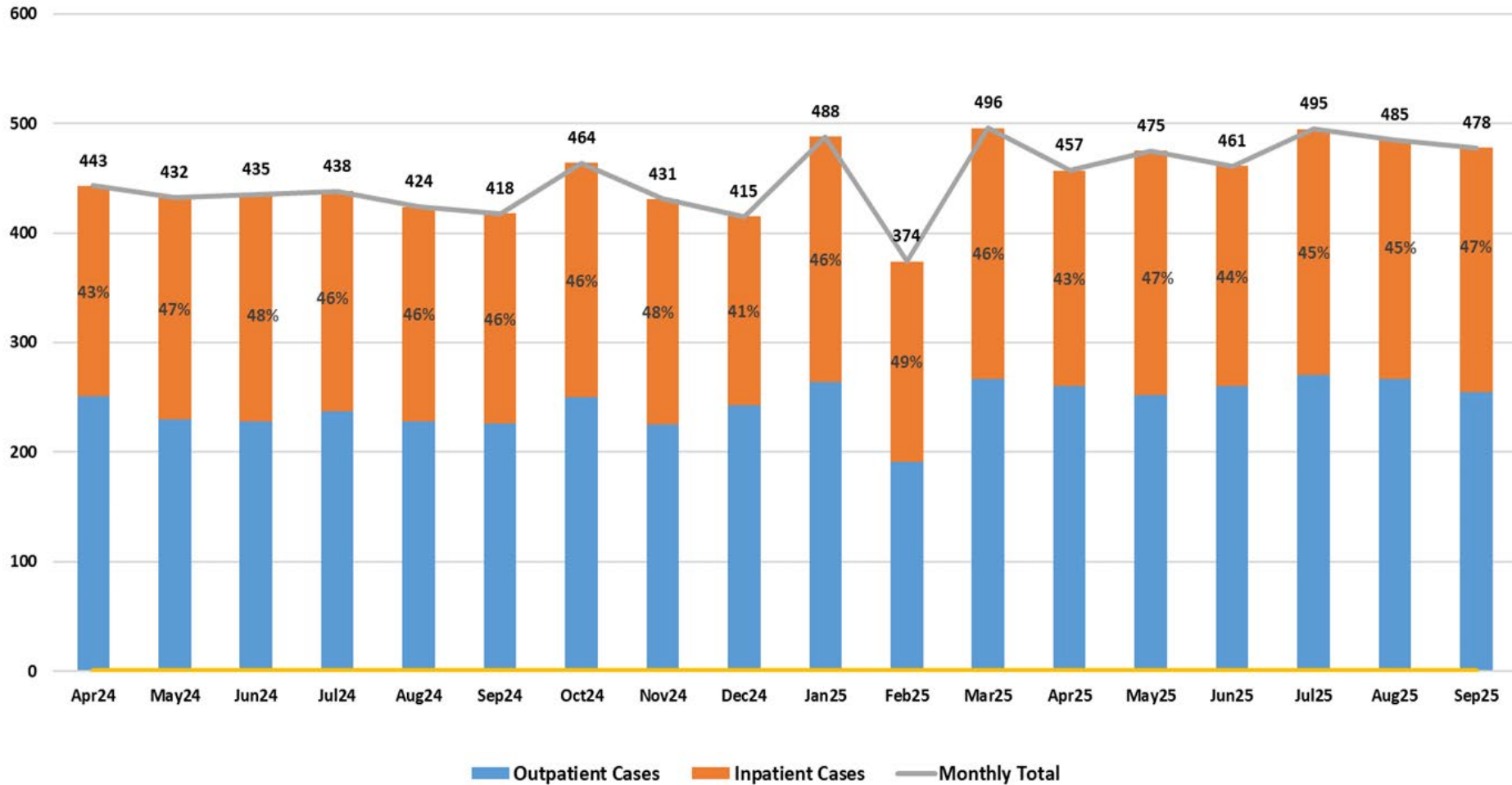
Therapy-Wound Care Encounters



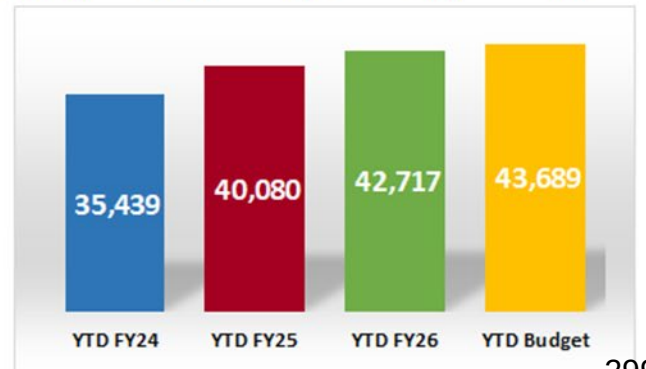
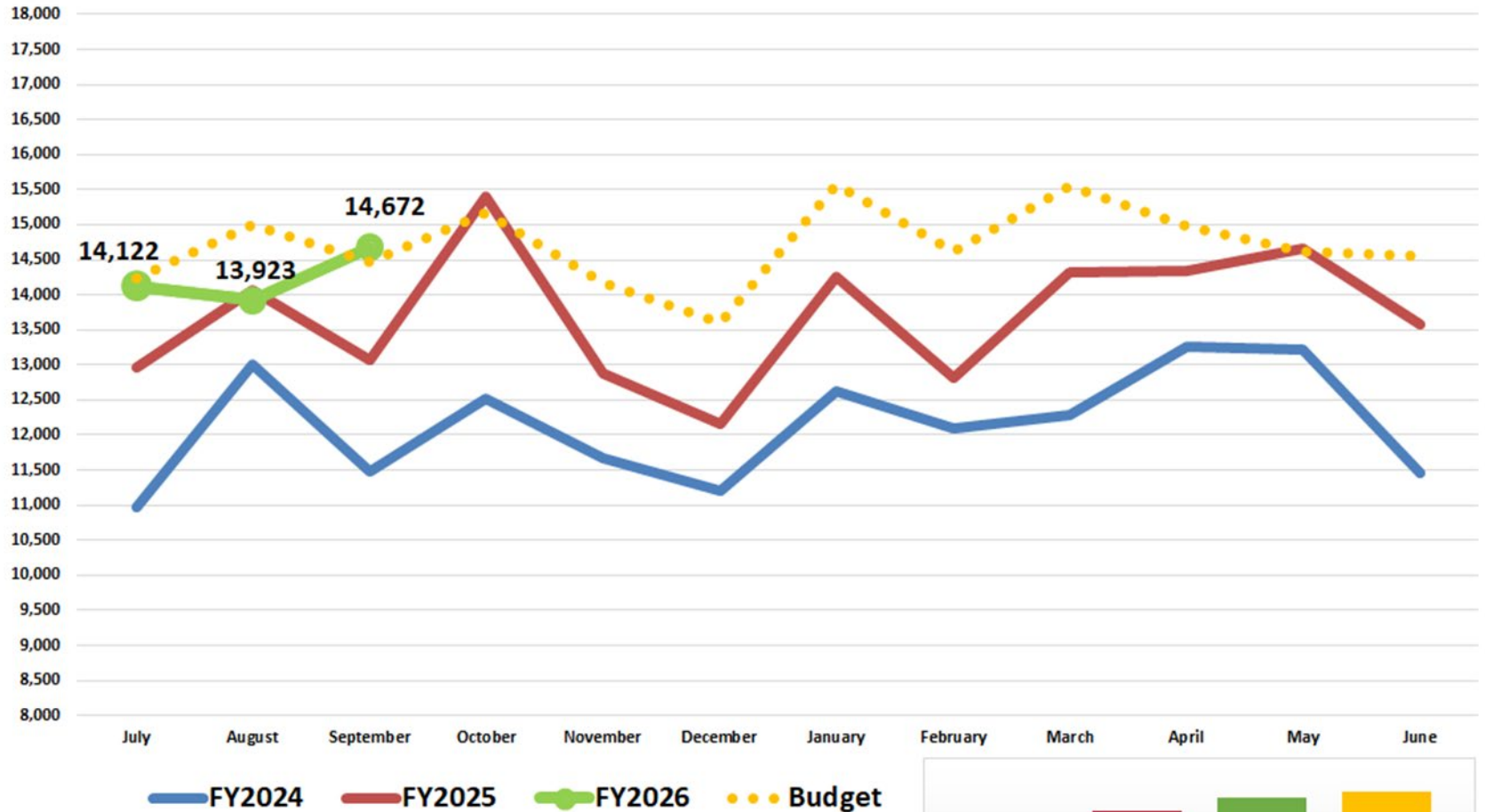
Cath Lab (IP & OP) – 100 Min Units



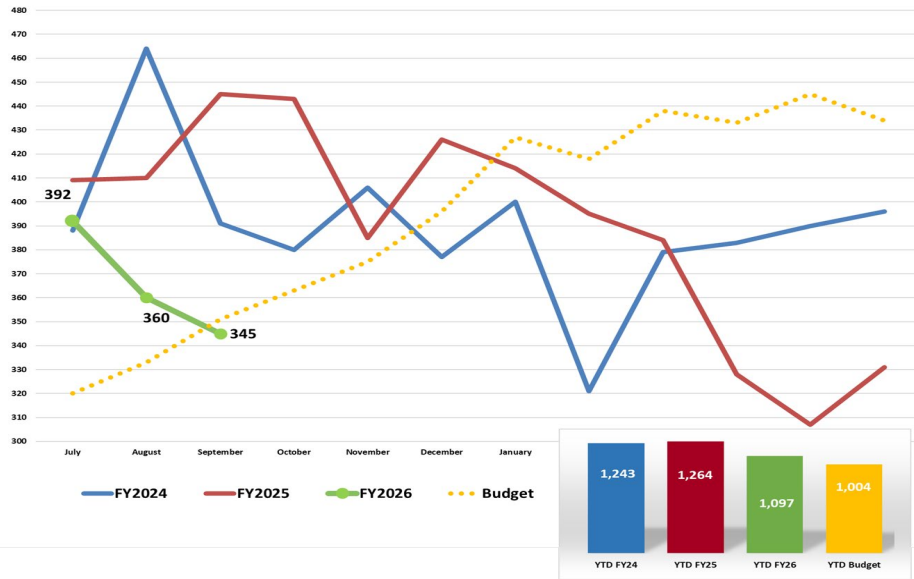
Cath Lab Patients (IP & OP)



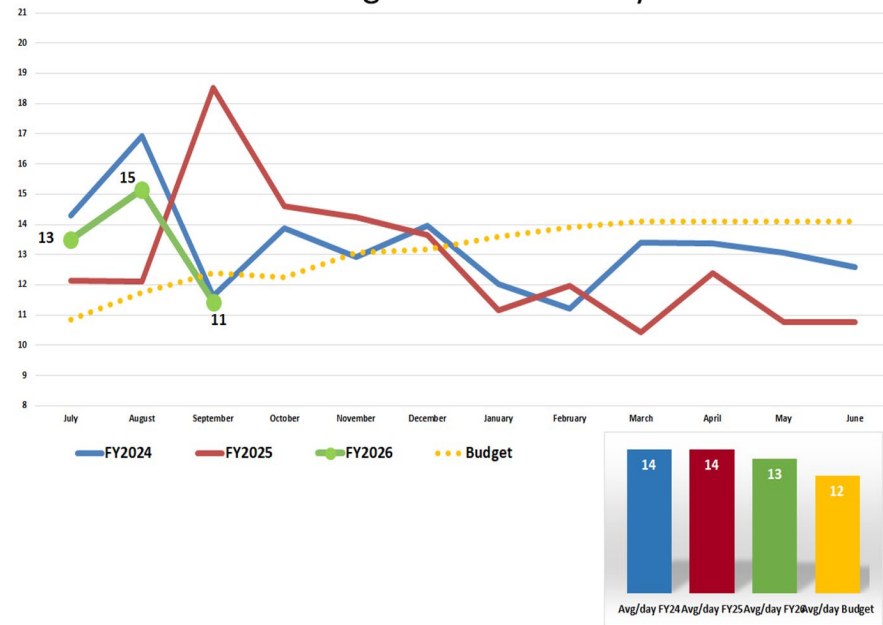
Rural Health Clinics Registrations



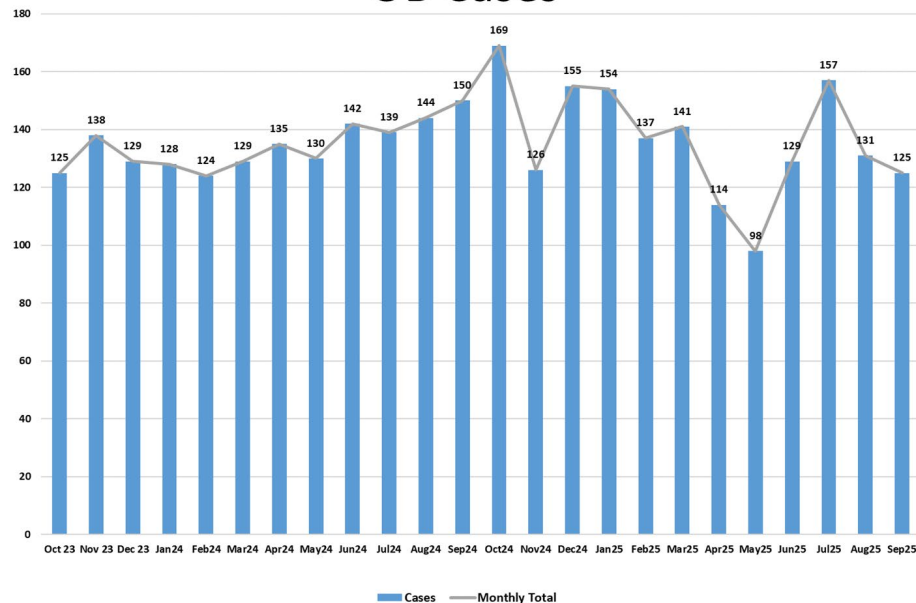
Deliveries



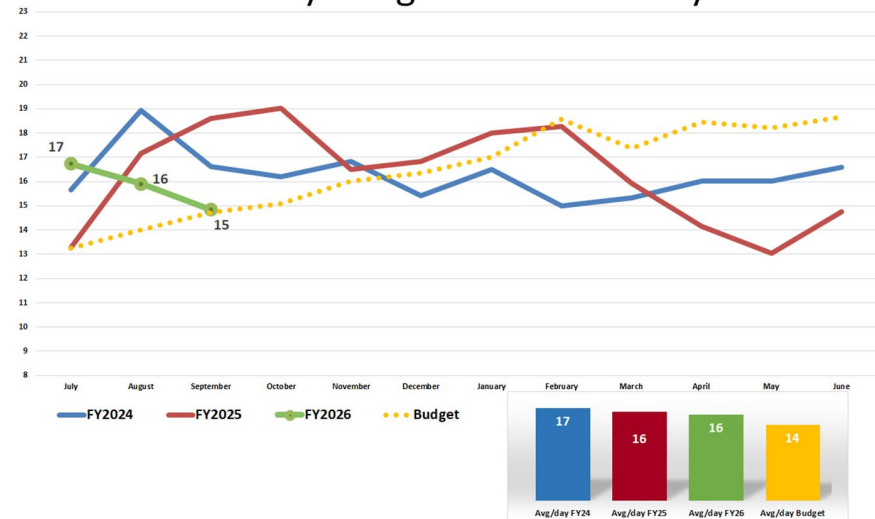
NICU - Avg Patients Per Day



OB Cases



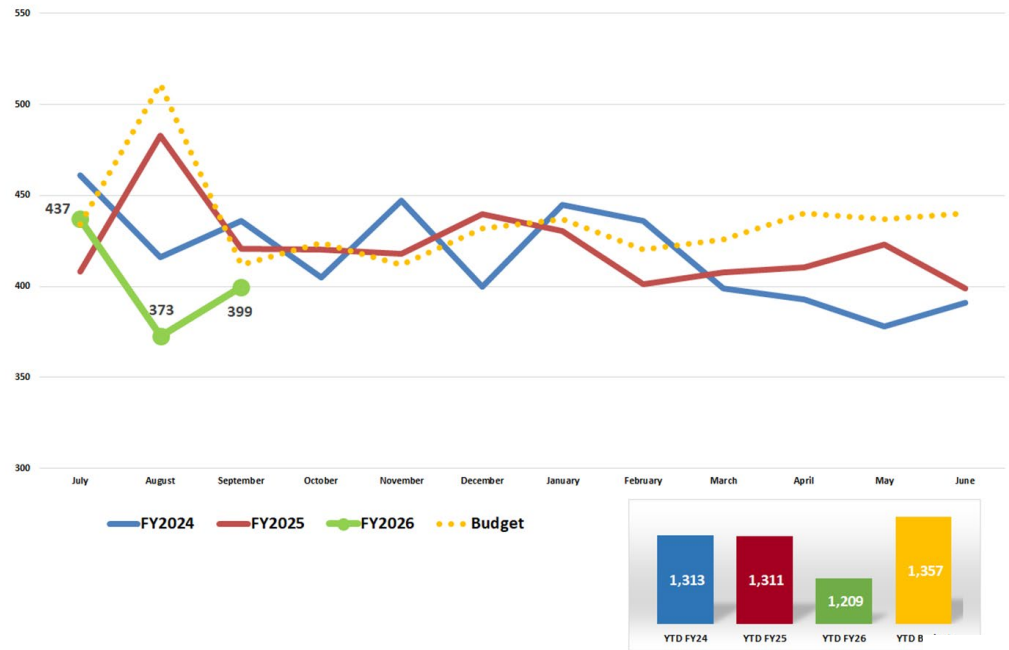
Nursery - Avg Patients Per Day



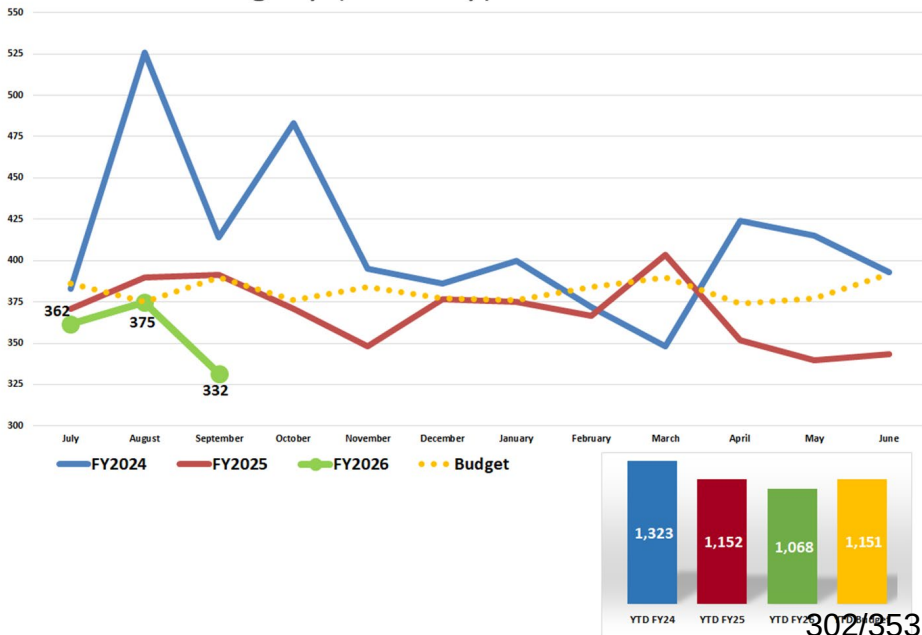
Surgery Cases (IP & OP)



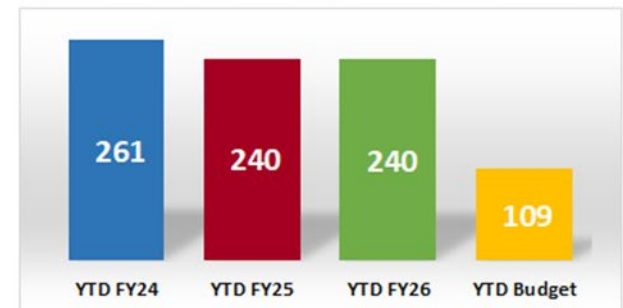
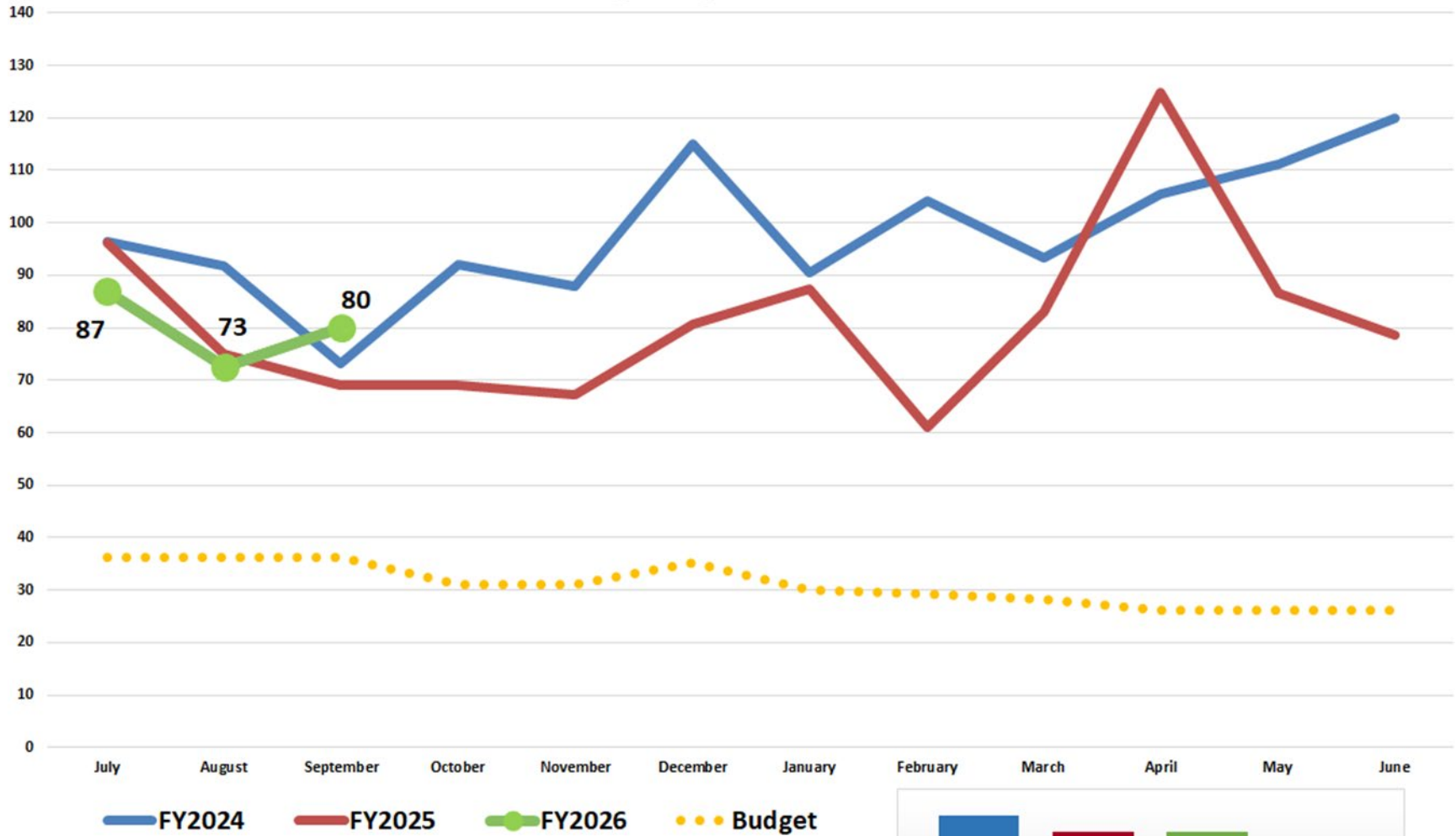
Surgery (IP Only) - 100 Min Unit



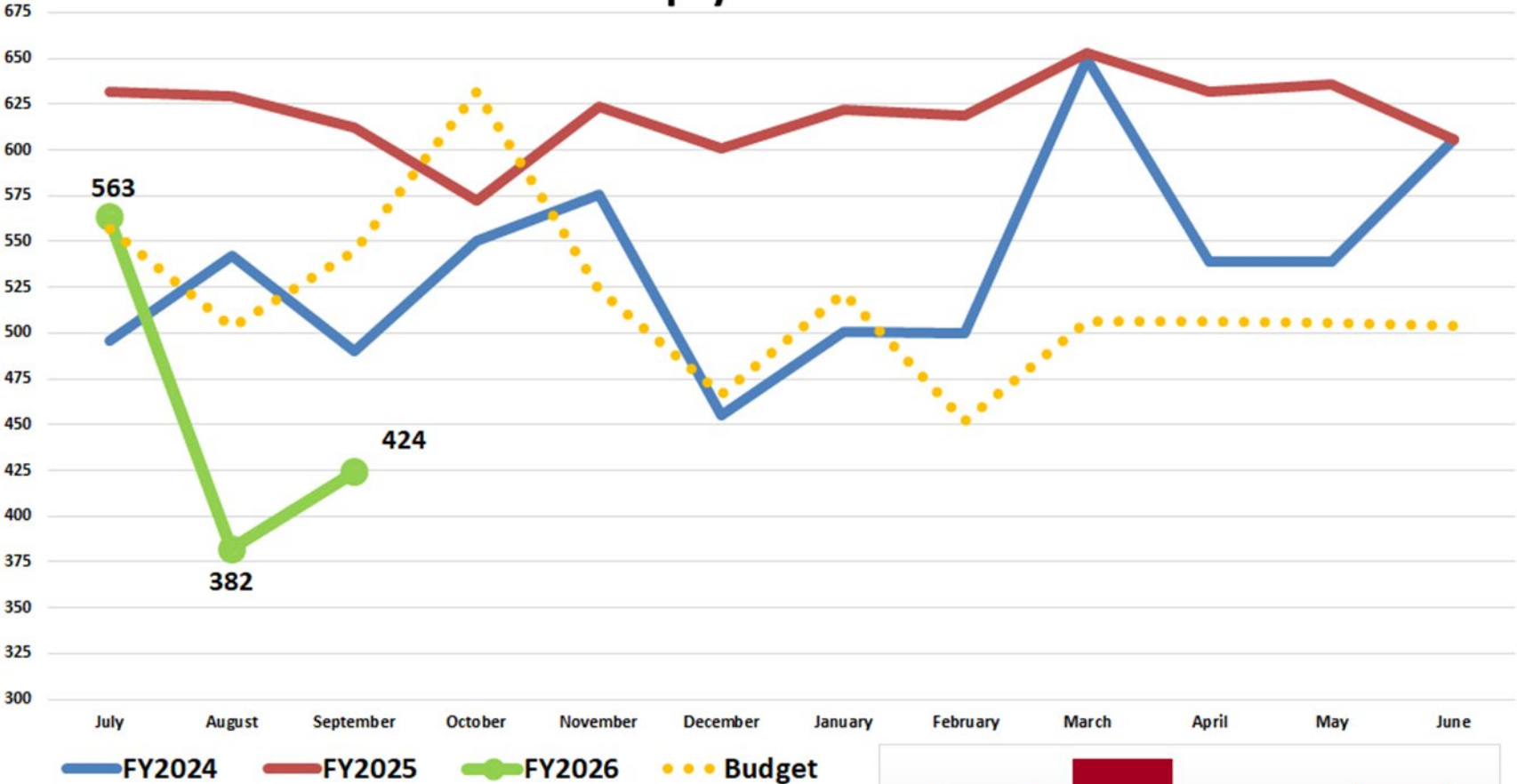
Surgery (OP Only) - 100 Min Units



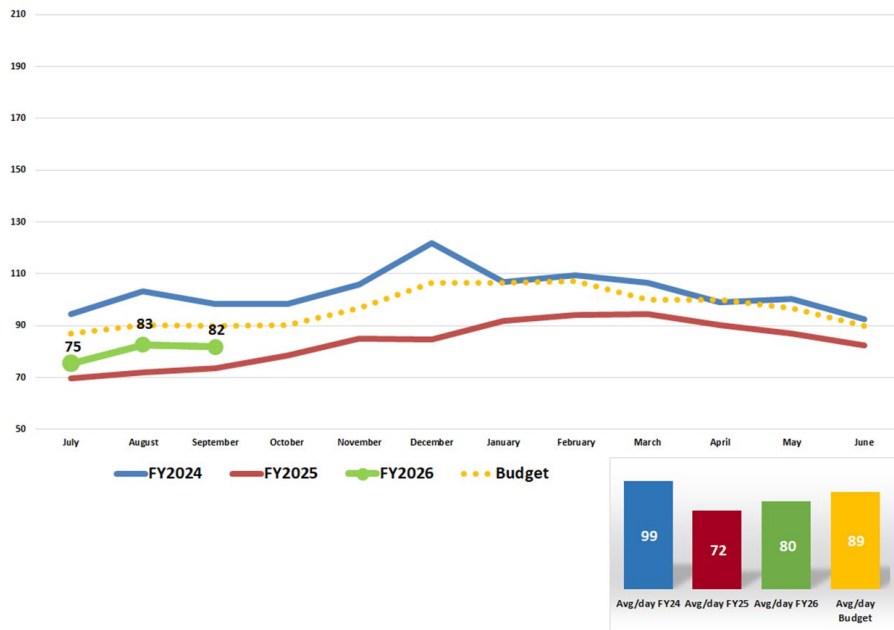
Cardiac Surgery - 100 Min Units



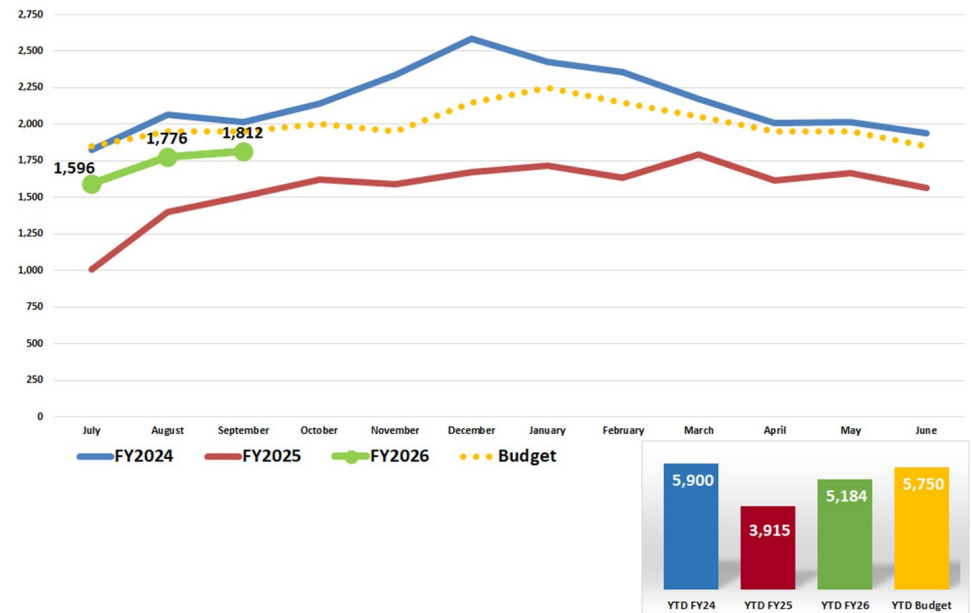
Endoscopy Procedures



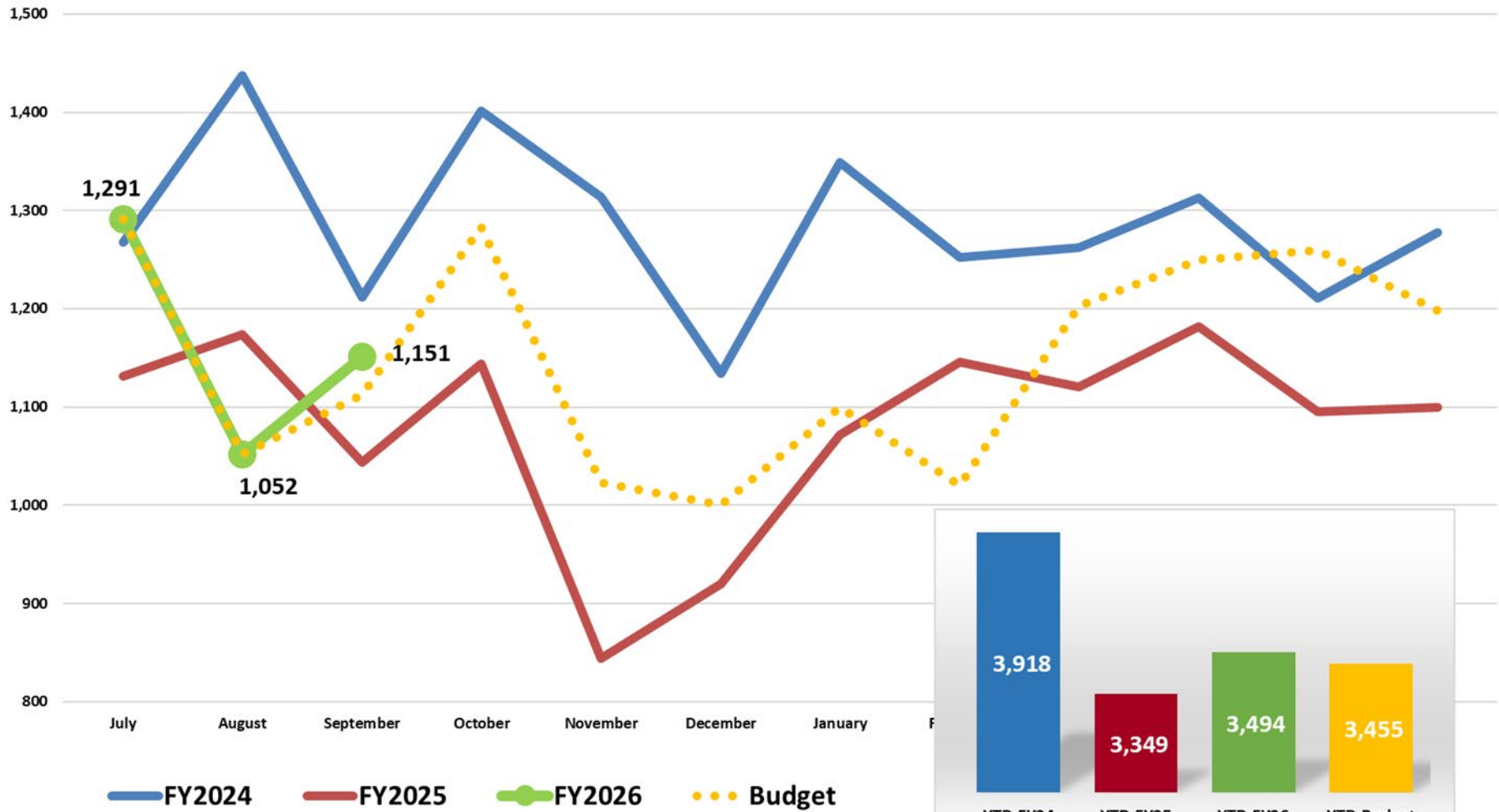
Urgent Care – Court Avg Visits Per Day



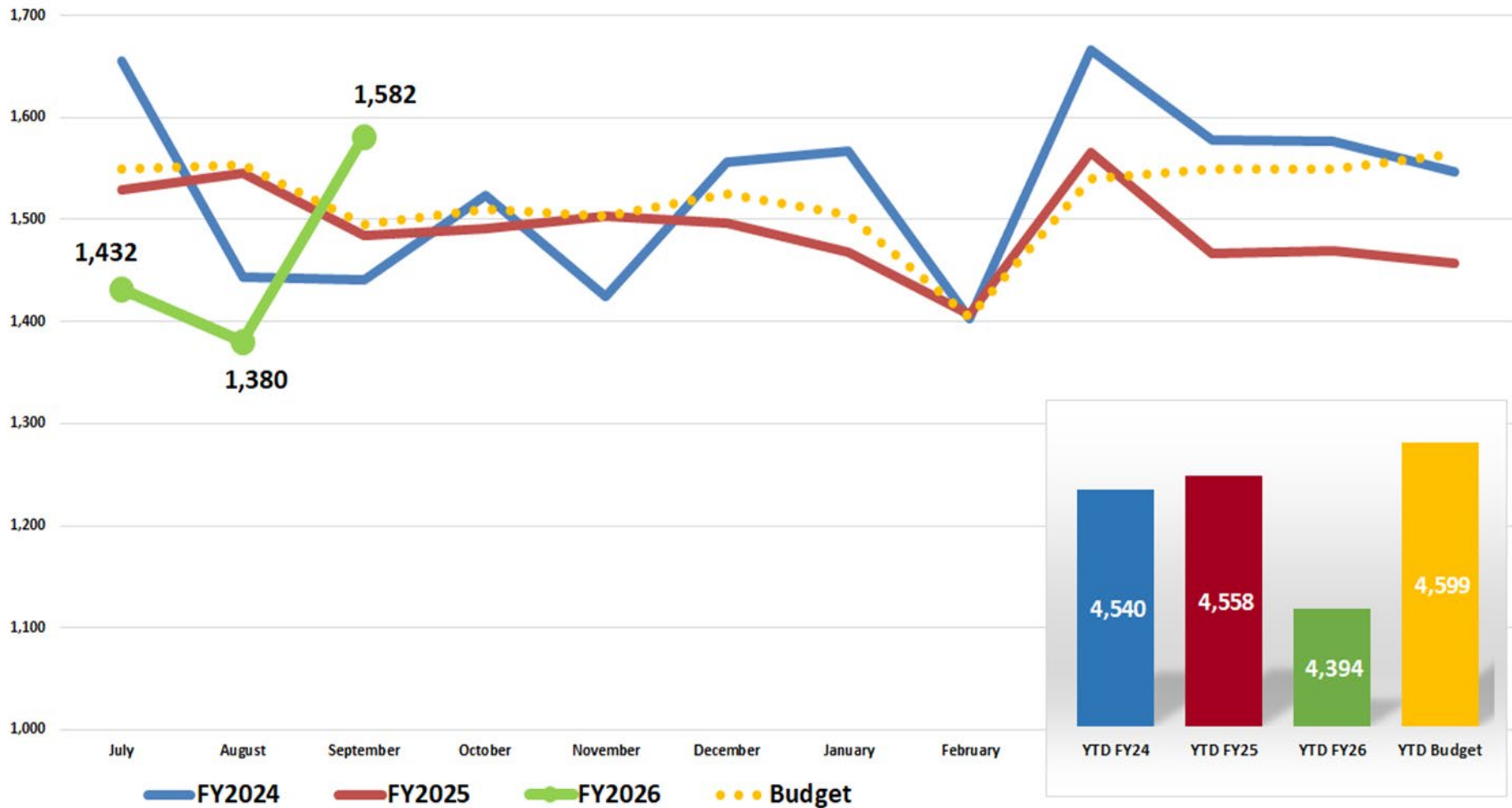
Urgent Care – Demaree Total Visits



Medical Oncology Treatments



Chronic Dialysis - Visalia



Other Statistical Results – Prior Year/Budget Comparison (Sept)

	Actual Results				Budget	Budget Variance	
	Sep 24	Sep 25	Change	% Change	Sep 25	Change	% Change
ED - Avg Treated Per Day	256	282	26	10.3%	276	7	2.5%
Surgery (IP & OP) – 100 Min Units	812	731	(81)	(9.9%)	802	(71)	(8.8%)
Endoscopy Procedures	612	424	(188)	(30.7%)	545	(121)	(22.2%)
Cath Lab (IP & OP) - 100 Min Units	308	366	58	19.0%	324	42	13.1%
Cardiac Surgery Cases	21	29	8	38.1%	36	(7)	(19.8%)
Deliveries	445	345	(100)	(22.5%)	351	(6)	(1.7%)
Clinical Lab	240,254	258,892	18,638	7.8%	264,278	(5,387)	(2.0%)
Reference Lab	6,763	7,754	991	14.7%	6,728	1,026	15.2%
Dialysis Center - Visalia Visits	1,484	1,582	98	6.6%	1,495	87	5.8%
Infusion Center - Units of Service	399	614	215	53.9%	630	(16)	(2.5%)
Hospice Days	3,442	4,147	705	20.5%	4,022	125	3.1%
Home Health Visits	2,757	3,189	432	15.7%	3,071	118	3.8%
Home Infusion Days	21,174	23,489	2,315	10.9%	21,630	1,859	8.6%

Other Statistical Results – Fiscal Year Comparison (Jul-Sept)

	YTD Actual Results				Budget	Budget Variance	
	YTD Sep 24	YTD Sep 25	Change	% Change	YTD Sep 25	Change	% Change
ED - Avg Treated Per Day	257	280	23	8.9%	277	3	1.1%
Surgery (IP & OP) – 100 Min Units	2,464	2,278	(186)	(7.6%)	2,508	(230)	(9.2%)
Endoscopy Procedures	1,873	1,369	(504)	(26.9%)	1,605	(236)	(14.7%)
Cath Lab (IP & OP) - 100 Min Units	1,005	1,055	50	5.0%	1,049	6	0.6%
Cardiac Surgery Cases	80	87	7	8.8%	109	(22)	(19.8%)
Deliveries	1,264	1,097	(167)	(13.2%)	1,004	93	9.3%
Clinical Lab	734,363	775,827	41,464	5.6%	807,799	(31,973)	(4.0%)
Reference Lab	22,743	24,089	1,346	5.9%	22,302	1,787	8.0%
Dialysis Center - Visalia Visits	4,558	4,394	(164)	(3.6%)	4,599	(205)	(4.5%)
Infusion Center - Units of Service	1,319	1,937	618	46.9%	1,953	(16)	(0.8%)
Hospice Days	10,411	11,995	1,584	15.2%	12,188	(193)	(1.6%)
Home Health Visits	8,676	9,249	573	6.6%	9,170	79	0.9%
Home Infusion Days	67,883	73,647	5,764	8.5%	66,951	6,696	10.0%

Other Statistical Results – Prior Year/Budget Comparison (Sept)

	Actual Results				Budget	Budget Variance	
	Sep 24	Sep 25	Change	% Change	Sep 25	Change	% Change
All O/P Rehab Svcs Across District	19,709	21,038	1,329	6.7%	20,804	234	1.1%
Physical & Other Therapy Units (I/P & O/P)	18,936	18,191	(745)	(3.9%)	19,325	(1,134)	(5.9%)
Radiology - CT - All Areas	4,749	5,259	510	10.7%	4,568	691	15.1%
Radiology - MRI - All Areas	841	944	103	12.2%	852	92	10.7%
Radiology - Ultrasound - All Areas	2,906	2,976	70	2.4%	2,977	(1)	(0.0%)
Radiology - Diagnostic Radiology	9,651	10,036	385	4.0%	9,665	371	3.8%
Radiology – Main Campus	15,674	16,210	536	3.4%	15,247	963	6.3%
Radiology - Ultrasound - Main Campus	2,338	2,276	(62)	(2.7%)	2,141	135	6.3%
West Campus - Diagnostic Radiology	1,050	1,298	248	23.6%	1,119	179	15.9%
West Campus - CT Scan	470	573	103	21.9%	456	117	25.7%
West Campus - MRI	385	434	49	12.7%	404	30	7.4%
West Campus - Ultrasound	568	700	132	23.2%	836	(136)	(16.3%)
West Campus - Breast Center	1,513	1,361	(152)	(10.0%)	1,514	(153)	(10.1%)
Med Onc Visalia Treatments	1,044	1,151	107	10.2%	1,112	39	3.5%
Rad Onc Visalia Treatments	1,533	1,671	138	9.0%	1,584	87	5.5%
Rad Onc Hanford Treatments	217	306	89	41.0%	233	73	31.0%

Other Statistical Results – Fiscal Year Comparison (Jul-Sept)

	YTD Actual Results				Budget	Budget Variance	
	YTD Sep 24	YTD Sep 25	Change	% Change	YTD Sep 25	Change	% Change
All O/P Rehab Svcs Across District	62,496	62,338	(158)	(0.3%)	62,944	(606)	(1.0%)
Physical & Other Therapy Units (I/P & O/P)	55,841	55,835	(6)	(0.0%)	59,637	(3,802)	(6.4%)
Radiology - CT - All Areas	14,028	15,479	1,451	10.3%	13,885	1,594	11.5%
Radiology - MRI - All Areas	2,609	2,805	196	7.5%	2,663	142	5.3%
Radiology - Ultrasound - All Areas	9,236	9,238	2	0.0%	9,192	46	0.5%
Radiology - Diagnostic Radiology	28,750	28,902	152	0.5%	29,076	(174)	(0.6%)
Radiology – Main Campus	46,698	47,454	756	1.6%	46,111	1,343	2.9%
Radiology - Ultrasound - Main Campus	7,265	7,066	(199)	(2.7%)	6,657	409	6.2%
West Campus - Diagnostic Radiology	3,253	3,896	643	19.8%	3,461	435	12.6%
West Campus - CT Scan	1,466	1,614	148	10.1%	1,438	176	12.2%
West Campus - MRI	1,235	1,288	53	4.3%	1,271	17	1.3%
West Campus - Ultrasound	1,971	2,172	201	10.2%	2,535	(363)	(14.3%)
West Campus - Breast Center	5,157	4,179	(978)	(19.0%)	5,158	(979)	(19.0%)
Med Onc Visalia Treatments	3,349	3,494	145	4.3%	3,455	39	1.1%
Rad Onc Visalia Treatments	4,699	5,246	547	11.6%	4,851	395	8.2%
Rad Onc Hanford Treatments	721	875	154	21.4%	721	154	21.4%

Other Statistical Results – Prior Year/Budget Comparison (Sept)

	Actual Results				Budget	Budget Variance	
	Sep 24	Sep 25	Change	% Change	Sep 25	Change	% Change
Rural Health Clinics Registrations	13,060	14,440	1,380	10.6%	13,761	679	4.9%
RHC Exeter - Registrations	6,312	6,786	474	7.5%	6,675	111	1.7%
RHC Lindsay - Registrations	1,721	1,951	230	13.4%	1,900	51	2.7%
RHC Woodlake - Registrations	1,253	917	(336)	(26.8%)	730	187	25.6%
RHC Woodlake Valencia - Registrations	0	696	696	0.0%	704	(8)	(1.1%)
RHC Dinuba - Registrations	1,506	1,513	7	0.5%	1,850	(337)	(18.2%)
RHC Tulare - Registrations	2,268	2,577	309	13.6%	2,606	(29)	(1.1%)
Urgent Care – Court Total Visits	2,205	2,456	251	11.4%	2,700	(244)	(9.0%)
Urgent Care – Demaree Total Visits	1,510	1,812	302	20.0%	1,950	(138)	(7.1%)
KH Medical Clinic - Ben Maddox Visits	867	1,204	337	38.9%	1,250	(46)	(3.7%)
KH Medical Clinic - Plaza Visits	229	232	3	1.3%	229	3	1.3%
KH Medical Willow Clinic Visits	0	794	794	0.0%	1,000	(206)	(20.6%)
KH Cardiology Center Visalia Registrations	1,526	1,461	(65)	(4.3%)	1,685	(224)	(13.3%)
KH Mental Wellness Clinic Visits	259	299	40	15.4%	390	(91)	(23.3%)
Urology Clinic Visits	323	152	(171)	(52.9%)	308	(156)	(50.6%)

Other Statistical Results – Fiscal Year Comparison (Jul-Sept)

	YTD Actual Results				Budget	Budget Variance	
	YTD Sep 24	YTD Sep 25	Change	% Change	YTD Sep 25	Change	% Change
Rural Health Clinics Registrations	40,080	42,042	1,962	4.9%	41,577	465	1.1%
RHC Exeter - Registrations	18,991	19,683	692	3.6%	20,330	(647)	(3.2%)
RHC Lindsay - Registrations	5,621	5,847	226	4.0%	6,100	(253)	(4.1%)
RHC Woodlake - Registrations	3,732	2,511	(1,221)	(32.7%)	2,190	321	14.7%
RHC Woodlake Valencia - Registrations	0	1,960	1,960	0.0%	2,112	(152)	(7.2%)
RHC Dinuba - Registrations	4,733	4,559	(174)	(3.7%)	5,400	(841)	(15.6%)
RHC Tulare - Registrations	7,003	7,482	479	6.8%	7,556	(74)	(1.0%)
Urgent Care – Court Total Visits	6,600	7,358	758	11.5%	8,200	(842)	(10.3%)
Urgent Care – Demaree Total Visits	3,915	5,184	1,269	32.4%	5,750	(566)	(9.8%)
KH Medical Clinic - Ben Maddox Visits	2,476	3,428	952	38.4%	3,300	128	3.9%
KH Medical Clinic - Plaza Visits	839	675	(164)	(19.5%)	839	(164)	(19.5%)
KH Medical Willow Clinic Visits	0	2,474	2,474	0.0%	2,750	(276)	(10.0%)
KH Cardiology Center Visalia Registrations	4,641	4,349	(292)	(6.3%)	4,891	(542)	(11.1%)
KH Mental Wellness Clinic Visits	887	1,022	135	15.2%	1,170	(148)	(12.6%)
Urology Clinic Visits	977	559	(418)	(42.8%)	924	(365)	(39.5%)

FY25 Financials – Before and After Final Audit Entries(000's)

	FY25 PreAudit	FY25 Post Audit	FY25 Change	Explanations
Operating Revenue				
Net Patient Service Revenue	\$657,902	\$648,904	(\$8,999)	\$7.7M 2019-2024 Medicare cost reports amendments; \$621 Medi-Cal final settlements true-up; \$642k FY25 final cost report calculation
Supplemental Govt Programs	\$95,229	\$94,965	(\$265)	Final true up of DHDP program
Prime Program	\$13,994	\$13,994	\$0	
Premium Revenue	\$85,330	\$85,931	\$601	Accrual of Wellcare payment
Other Revenue	\$51,482	\$51,793	\$311	Additional retail pharmacy collections
Other Operating Revenue	\$246,035	\$246,682	\$647	
Total Operating Revenue	\$903,938	\$895,585	(\$8,352)	
Operating Expenses				
Salaries & Wages	\$386,197	\$386,997	\$800	At risk compensation accrual of FY25 estimate
Contract Labor	\$25,550	\$25,550	(\$0)	
Employee Benefits	\$81,591	\$79,249	(\$2,342)	Final pension valuation - investment earnings 4th quarter higher than projection
Total Employment Expenses	\$493,338	\$491,796	(\$1,542)	
Medical & Other Supplies	\$165,989	\$165,851	(\$138)	Inventory valuations
Physician Fees	\$88,113	\$88,396	\$283	Invoice Accruals
Purchased Services	\$21,103	\$21,412	\$309	Invoice Accruals
Repairs & Maintenance	\$25,354	\$25,463	\$109	Invoice Accruals
Utilities	\$10,522	\$10,556	\$34	
Rents & Leases	\$1,689	\$1,706	\$17	
Depreciation & Amortization	\$39,841	\$39,870	\$29	
Interest Expense	\$7,229	\$7,229	(\$0)	
Other Expense	\$25,978	\$32,950	\$6,972	Increase due to updated risk reserves \$6.5m
Humana Cap Plan Expenses	48,086	48,086	(0)	
Total Other Expenses	\$433,904	\$441,519	\$7,615	
Total Operating Expenses	\$927,242	\$933,315	\$6,073	
Operating Margin	(\$23,304)	(\$37,730)	(\$14,426)	
Stimulus/FEMA	\$48,412	\$48,412	\$0	
Operating Margin after Stimulus/FEMA	\$25,107	\$10,682	(\$14,426)	
Nonoperating Revenue (Loss)	\$17,007	\$16,977	(\$30)	
Excess Margin	\$42,114	\$27,658	(\$14,456)	

FY26 Budget Modifications – Before and After (000's)

	FY26 Bdgt Original	FY26 Bdgt After changes	Chg from Original FY26 Bdgt
Operating Revenue			
Net Patient Service Revenue	\$692,141	\$689,140	(\$3,001)
Supplemental Gov't Programs	\$123,100	\$116,718	(\$6,382)
Prime Program	\$8,268	\$7,568	(\$700)
Premium Revenue	\$83,170	\$86,863	\$3,693
Other Revenue	\$50,635	\$51,881	\$1,246
Other Operating Revenue	\$265,173	\$263,030	(\$2,143)
Total Operating Revenue	\$957,314	\$952,170	(\$5,144)
Operating Expenses			
Salaries & Wages	\$404,038	\$404,657	\$619
Contract Labor	\$19,832	\$20,584	\$753
Employee Benefits	\$91,631	\$88,175	(\$3,457)
Total Employment Expenses	\$515,501	\$513,416	(\$2,085)
			0%
Medical & Other Supplies	\$172,828	\$171,448	(\$1,379)
Physician Fees	\$90,890	\$90,619	(\$272)
Purchased Services	\$22,454	\$22,470	\$17
Repairs & Maintenance	\$31,356	\$30,420	(\$935)
Utilities	\$11,642	\$11,593	(\$49)
Rents & Leases	\$1,695	\$1,656	(\$39)
Depreciation & Amortization	\$42,042	\$42,042	\$0
Interest Expense	\$6,739	\$6,739	\$0
Other Expense	\$28,194	\$27,492	(\$703)
Humana Cap Plan Expenses	\$43,803	44,403	\$600
Total Other Expenses	\$451,643	\$448,882	(\$2,761)
Total Operating Expenses	\$967,144	\$962,298	(\$4,846)
Operating Margin	(\$9,830)	(\$10,128)	(\$298)
Nonoperating Revenue (Loss)	\$10,175	\$10,472	\$297
Excess Margin	\$345	\$345	\$0

Budget savings identified to offset Supplemental/Medicare \$ reductions

Note: No changes to 401K match and annual merit

Revenue: Summary of Primary Impacts

- **Net Patient Revenue:** Offsetting impacts – Net Revenue increases were offset by additional reductions in payments primarily due to the Medicare Sequestration. Net impact was a (\$3M) decrease.
 - Medicare Sequestration: (\$7.35M) less Net Revenue than originally budgeted
 - Net Revenue Increases: \$6.17M: Primarily due to increases in the Infusion Center, SRCC Medical Oncology, Wound Care, Women's Health, Cardiac Surgery plus an additional \$750K across 12 other departments.
Net Revenue Decreases (\$1.83M): Youth Crisis Center, Ben Maddox Clinic, Akers Clinic, and in therapies at the downtown campus.
- **Supplemental Revenue:** We experienced a (\$6.4M) reduction in the supplemental revenue compared to our original budget due to the One BBB Act. This is lower than originally estimated for our HQAF, Directed payments, and Rate Range programs. This was based on recent information as we fine tuned the estimates with DHLF.
- **Premium Revenue:** Increased by \$3.7M due to higher Humana premium payments that was updated to reflect the current population mix and future projections.
- **Other Revenue:** Increased by \$1.5M due to initiatives in Retail Pharmacy by \$646K, Food & Nutritional Services & Gift shop \$603K

Main Budget Savings Initiatives: Employee Expenses

Summary of Primary Impacts: Employee Expenses

- **Employee Wages: Net Impact \$619K increase**
 - 58 Departments reduced their budgeted FTEs by \$7.86M.
 - The Vacancy Factor was reduced by (\$5.47M) to reduce the overall vacancy estimate based on recent analysis and more in line with prior year budget estimates.
 - There were 15 departments with FTE increases of (\$3M). These were primarily related to additional volume or staffing changes : ICCU, Cardiac Cath lab, Willow Women's Health, SRCC Medical Oncology, Security Services, Subacute, Radiology KHMC
- **Contract Labor: Net impact \$753K increase**
 - The ED increased their budget for contract services by \$128K this was primarily offset by decreases in Finance and Radiology as well as the removal of \$900K in unidentified budgeted savings goal for contract labor. Net overall impact was a \$753K increase.
- **Benefits**
 - A decrease of \$3.5M was recorded in our Pension plan due to market rates experience and projections

Main Budget Savings Initiatives: Other Expenses

Summary of Primary Impacts: Other Expenses

This category has the highest # of reduction strategies in over 60 departments at \$6.4M in reductions. The reductions were offset by \$3.7M in increases primarily related to new revenue growth strategies.

- **Supplies:** Some of the larger impacts were in the Emergency Department by a reduction of \$699K, followed by Pharmacy Patients Drug Sold by \$584K, Surgery by \$410K, and \$831K across 20 other departments.
These were offset by the Infusion center due to growth (987K).
- **Repairs and Maintenance:** Primary reduction in ISS Applications of \$799K
- **Other Expenses:** 32 Departments reduced (\$677K) in this category with all under \$100K. The largest reduction was in the Service Call Center with \$100K in telephone savings strategies.
- **Capitated Third Party Claims Expenses:** Increased by \$600K which is related to the increase in the premium of \$3.7M due to an increased volume assumption.

September Financial Summary (000's) Budget Comparison

Operating Revenue

Net Patient Service Revenue

Other Operating Revenue

Total Operating Revenue

Operating Expenses

Employment Expenses

Other Expenses

Total Operating Expenses

Operating Margin

Stimulus/FEMA

Operating Margin after Stimulus/FEMA

Nonoperating Revenue (Loss)

Excess Margin

Comparison to Budget - Month of September			
Budget Sep-2025	Actual Sep-2025	\$ Change	% Change
\$55,037	\$56,822	\$1,785	3.1%
\$21,723	\$22,899	\$1,175	5.1%
\$76,760	\$79,720	\$2,960	3.7%
\$41,165	\$42,190	\$1,025	2.4%
\$36,523	\$38,038	\$1,515	4.0%
\$77,688	\$80,228	\$2,540	3.2%
(\$928)	(\$507)	\$420	
\$0	(\$0)	(\$0)	
(\$928)	(\$507)	\$420	
\$992	\$1,968	\$976	
\$65	\$1,461	\$1,396	

Year to Date Financial Summary (000's)

Operating Revenue

Net Patient Service Revenue

Other Operating Revenue

Total Operating Revenue

Operating Expenses

Employment Expenses

Other Expenses

Total Operating Expenses

Operating Margin

Stimulus/FEMA

Operating Margin after Stimulus/FEMA

Nonoperating Revenue (Loss)

Excess Margin

Comparison to Budget - YTD September			
Budget YTD Sep-2025	Actual YTD Sep-2025	\$ Change	% Change
\$168,784	\$166,612	(\$2,172)	-1.3%
\$64,988	\$68,651	\$3,662	5.3%
\$233,772	\$235,263	\$1,490	0.6%
\$126,061	\$128,483	\$2,422	1.9%
\$111,789	\$113,508	\$1,720	1.5%
\$237,850	\$241,992	\$4,141	1.7%
(\$4,078)	(\$6,729)	(\$2,651)	
\$0	(\$0)	(\$0)	
(\$4,078)	(\$6,729)	(\$2,651)	
\$2,712	\$4,270	\$1,558	
(\$1,366)	(\$2,459)	(\$1,093)	

September Financial Comparison (000's)

	Comparison to Budget - Month of September				Comparison to Prior Year - Month of September			
	Budget Sep-2025	Actual Sep-2025	\$ Change	% Change	Actual Sep-2024	Actual Sep-2025	\$ Change	% Change
Operating Revenue								
Net Patient Service Revenue	\$55,037	\$56,822	\$1,785	3.1%	\$51,648	\$56,822	\$5,173	9.1%
Supplemental Gov't Programs	\$9,727	\$10,083	\$357	3.5%	\$7,482	\$10,083	\$2,601	25.8%
Prime Program	\$631	\$631	(\$0)	0.0%	\$792	\$631	(\$161)	-25.6%
Premium Revenue	\$7,062	\$7,126	\$64	0.9%	\$7,145	\$7,126	(\$20)	-0.3%
Other Revenue	\$4,304	\$5,059	\$755	14.9%	\$3,722	\$5,059	\$1,337	26.4%
Other Operating Revenue	\$21,723	\$22,899	\$1,175	5.1%	\$19,142	\$22,899	\$3,757	16.4%
Total Operating Revenue	\$76,760	\$79,720	\$2,960	3.7%	\$70,790	\$79,720	\$8,930	11.2%
Operating Expenses								
Salaries & Wages	\$31,857	\$33,046	\$1,188	3.6%	\$31,522	\$33,046	\$1,524	4.6%
Contract Labor	\$2,125	\$1,376	(\$749)	-54.4%	\$1,279	\$1,376	\$97	7.0%
Employee Benefits	\$7,183	\$7,768	\$585	7.5%	\$4,869	\$7,768	\$2,899	37.3%
Total Employment Expenses	\$41,165	\$42,190	\$1,025	2.4%	\$37,671	\$42,190	\$4,519	10.7%
Medical & Other Supplies	\$13,604	\$14,494	\$890	6.1%	\$13,940	\$14,494	\$554	3.8%
Physician Fees	\$7,499	\$7,632	\$133	1.7%	\$7,618	\$7,632	\$14	0.2%
Purchased Services	\$1,801	\$2,109	\$308	14.6%	\$1,521	\$2,109	\$588	27.9%
Repairs & Maintenance	\$2,500	\$2,205	(\$294)	-13.4%	\$2,099	\$2,205	\$106	4.8%
Utilities	\$1,012	\$1,069	\$56	5.3%	\$961	\$1,069	\$108	10.1%
Rents & Leases	\$136	\$196	\$60	30.7%	\$155	\$196	\$41	21.0%
Depreciation & Amortization	\$3,502	\$3,473	(\$29)	-0.8%	\$3,232	\$3,473	\$241	6.9%
Interest Expense	\$554	\$568	\$14	2.5%	\$583	\$568	(\$15)	-2.6%
Other Expense	\$2,264	\$2,172	(\$92)	-4.2%	\$2,315	\$2,172	(\$143)	-6.6%
Humana Cap Plan Expenses	\$3,650	\$4,120	\$470	11.4%	\$3,053	\$4,120	\$1,066	25.9%
Total Other Expenses	\$36,523	\$38,038	\$1,515	4.0%	\$35,477	\$38,038	\$2,560	6.7%
Total Operating Expenses	\$77,688	\$80,228	\$2,540	3.2%	\$73,148	\$80,228	\$7,079	8.8%
Operating Margin	(\$928)	(\$507)	\$420		(\$2,358)	(\$507)	\$1,851	
Stimulus/FEMA	\$0	(\$0)	(\$0)		\$0	(\$0)	(\$0)	
Operating Margin after Stimulus/FEMA	(\$928)	(\$507)	\$420		(\$2,358)	(\$507)	\$1,851	
Nonoperating Revenue (Loss)	\$992	\$1,968	\$976		\$4,720	\$1,968	(\$2,752)	
Excess Margin	\$65	\$1,461	\$1,396		\$2,362	\$1,461	(\$901)	

Year to Date: July through September Financial Comparison (000's)

	Comparison to Budget - YTD September				Comparison to Prior Year - YTD September			
	Budget YTD Sep-2025	Actual YTD Sep-2025	\$ Change	% Change	Actual YTD Sep-2024	Actual YTD Sep-2025	\$ Change	% Change
Operating Revenue								
Net Patient Service Revenue	\$168,784	\$166,612	(\$2,172)	-1.3%	\$155,964	\$166,612	\$10,648	6.4%
Supplemental Gov't Programs	\$29,180	\$29,522	\$342	1.2%	\$22,660	\$29,522	\$6,862	23.2%
Prime Program	\$1,892	\$1,892	(\$0)	0.0%	\$2,376	\$1,892	(\$484)	-25.6%
Premium Revenue	\$21,186	\$22,160	\$975	4.4%	\$21,848	\$22,160	\$312	1.4%
Other Revenue	\$12,731	\$15,076	\$2,345	15.6%	\$11,768	\$15,076	\$3,308	21.9%
Other Operating Revenue	\$64,988	\$68,651	\$3,662	5.3%	\$58,652	\$68,651	\$9,999	14.6%
Total Operating Revenue	\$233,772	\$235,263	\$1,490	0.6%	\$214,616	\$235,263	\$20,646	8.8%
Operating Expenses								
Salaries & Wages	\$97,047	\$100,552	\$3,505	3.5%	\$95,390	\$100,552	\$5,161	5.1%
Contract Labor	\$7,209	\$6,333	(\$876)	-13.8%	\$3,344	\$6,333	\$2,989	47.2%
Employee Benefits	\$21,805	\$21,599	(\$206)	-1.0%	\$16,259	\$21,599	\$5,340	24.7%
Total Employment Expenses	\$126,061	\$128,483	\$2,422	1.9%	\$114,993	\$128,483	\$13,490	10.5%
Medical & Other Supplies	\$42,486	\$43,751	\$1,265	2.9%	\$43,719	\$43,751	\$32	0.1%
Physician Fees	\$22,461	\$23,729	\$1,268	5.3%	\$22,225	\$23,729	\$1,504	6.3%
Purchased Services	\$5,524	\$5,829	\$305	5.2%	\$4,708	\$5,829	\$1,122	19.2%
Repairs & Maintenance	\$7,665	\$6,615	(\$1,050)	-15.9%	\$6,325	\$6,615	\$290	4.4%
Utilities	\$2,913	\$2,946	\$33	1.1%	\$2,790	\$2,946	\$156	5.3%
Rents & Leases	\$421	\$407	(\$14)	-3.5%	\$401	\$407	\$6	1.6%
Depreciation & Amortization	\$10,512	\$9,859	(\$653)	-6.6%	\$9,537	\$9,859	\$323	3.3%
Interest Expense	\$1,698	\$1,707	\$9	0.5%	\$1,778	\$1,707	(\$71)	-4.2%
Other Expense	\$6,915	\$6,159	(\$756)	-12.3%	\$6,271	\$6,159	(\$112)	-1.8%
Humana Cap Plan Expenses	\$11,192	\$12,505	\$1,313	10.5%	\$11,443	\$12,505	\$1,063	8.5%
Total Other Expenses	\$111,789	\$113,508	\$1,720	1.5%	\$109,196	\$113,508	\$4,313	3.8%
Total Operating Expenses	\$237,850	\$241,992	\$4,141	1.7%	\$224,189	\$241,992	\$17,803	7.4%
Operating Margin	(\$4,078)	(\$6,729)	(\$2,651)		(\$9,572)	(\$6,729)	\$2,843	
Stimulus/FEMA	\$0	(\$0)	(\$0)		\$0	(\$0)	(\$0)	
Operating Margin after Stimulus/FEM.	(\$4,078)	(\$6,729)	(\$2,651)		(\$9,572)	(\$6,729)	\$2,843	
Nonoperating Revenue (Loss)	\$2,712	\$4,270	\$1,558		\$6,806	\$4,270	(\$2,536)	
Excess Margin	(\$1,366)	(\$2,459)	(\$1,093)		(\$2,767)	(\$2,459)	\$307	

Month of September - Budget Variances

- **Net Patient Service Revenue:** The favorable budget variance in revenue is primarily due to the increase in our outpatient volume.
- **Other Revenue:** The \$755K favorable budget variance is primarily due to an increase over budget in our retail pharmacy revenue.
- **Salaries and Wages:** The \$1.2M unfavorable variance is due to increases in registered nurse expenses as compared to budget.
- **Medical & Other Supplies:** The \$890k unfavorable variance is due to an increase in retail pharmacy costs (\$365K) due to increase in revenue, and other minor equipment of (\$323K) due to some closure of projects and IS projects.

Budget and Actual Fiscal Year 2026: Trended Operating Margin (000's)

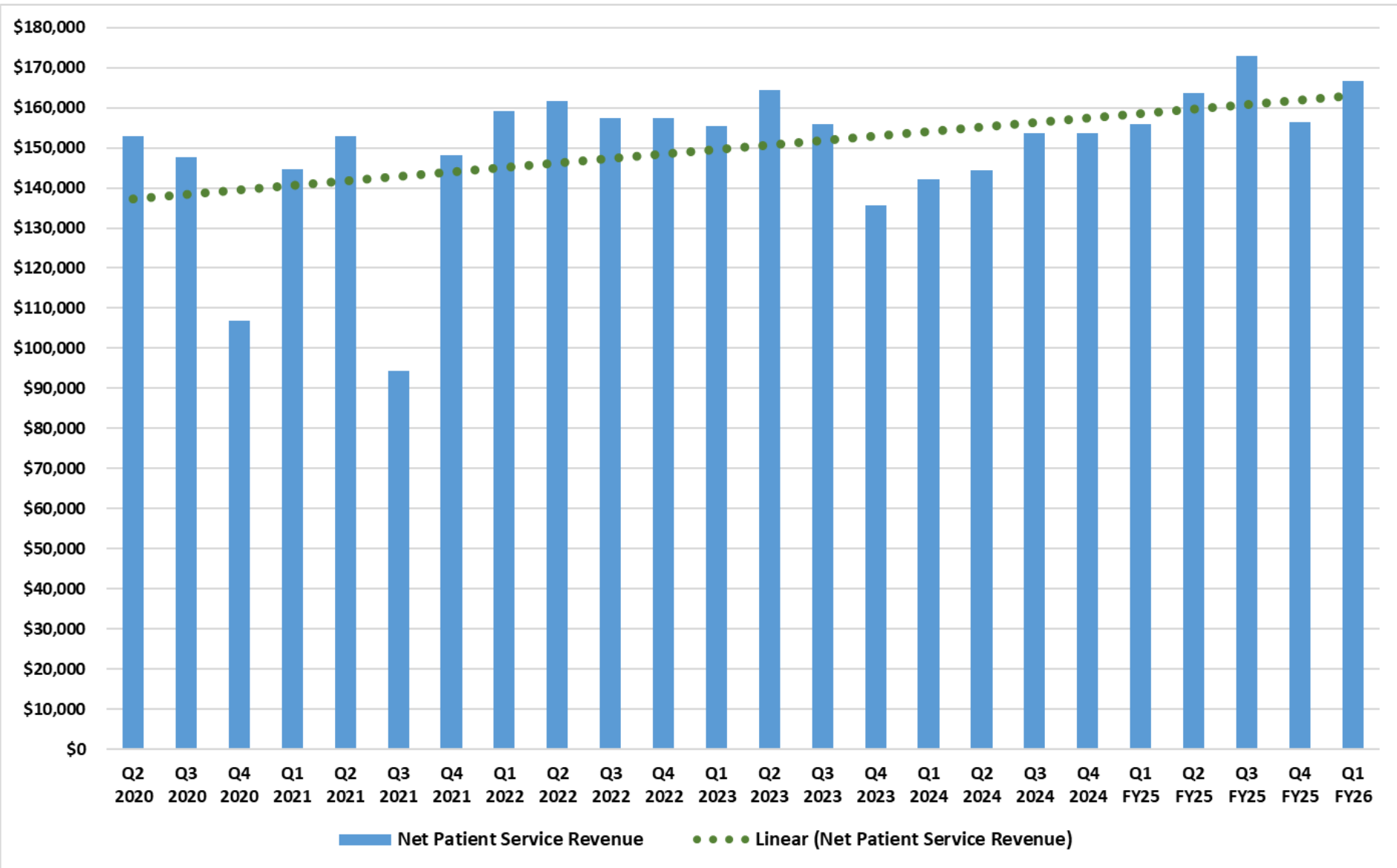
	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	FY 2026
Patient Service Revenue	\$61,895	\$53,731	\$57,324	\$55,188	\$56,648	\$44,473	\$56,501	\$53,289	\$56,822	\$166,612
Other Revenue	\$18,042	\$18,979	\$21,231	\$20,234	\$20,167	\$29,489	\$21,848	\$23,904	\$22,899	\$68,651
Total Operating Revenue	\$79,938	\$72,710	\$78,555	\$75,422	\$76,815	\$73,962	\$78,349	\$77,193	\$79,720	\$235,263
Employee Expense	\$39,859	\$38,637	\$42,423	\$43,595	\$46,037	\$40,488	\$43,550	\$42,743	\$42,190	\$128,483
Other Operating Expense	\$36,630	\$33,796	\$36,024	\$34,988	\$38,656	\$44,194	\$38,484	\$36,987	\$38,038	\$113,508
Total Operating Expenses	\$76,489	\$72,433	\$78,446	\$78,583	\$84,693	\$84,682	\$82,034	\$79,730	\$80,228	\$241,992
Net Operating Margin	\$3,448	\$277	\$109	(\$3,161)	(\$7,878)	(\$10,720)	(\$3,685)	(\$2,537)	(\$507)	(\$6,729)
Stimulus/FEMA	\$0	\$0	\$690	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NonOperating Income	\$845	\$1,166	\$1,313	\$1,114	\$955	\$2,603	\$1,059	\$1,243	\$1,968	\$4,270
Excess Margin	\$4,293	\$1,443	\$2,111	(\$2,047)	(\$6,923)	(\$8,117)	(\$2,625)	(\$1,295)	\$1,461	(\$2,459)

Profitability											Moody's A
Operating Margin %	4.3%	0.4%	0.1%	(4.2%)	(10.3%)	(14.5%)	(4.7%)	(3.3%)	(0.6%)	(2.9%)	0.1%
Operating Margin %excl. Int	5.1%	1.1%	0.9%	(3.4%)	(9.5%)	(13.6%)	(4.0%)	(2.6%)	0.1%	(2.1%)	
Operating EBIDA	\$7,207	\$4,052	\$4,115	\$920	(\$3,534)	(\$6,230)	\$104	\$1,200	\$3,534	\$4,837	
Operating EBIDA Margin	9.0%	5.6%	5.2%	1.2%	(4.6%)	(8.4%)	0.1%	1.6%	4.4%	2.1%	5.6%

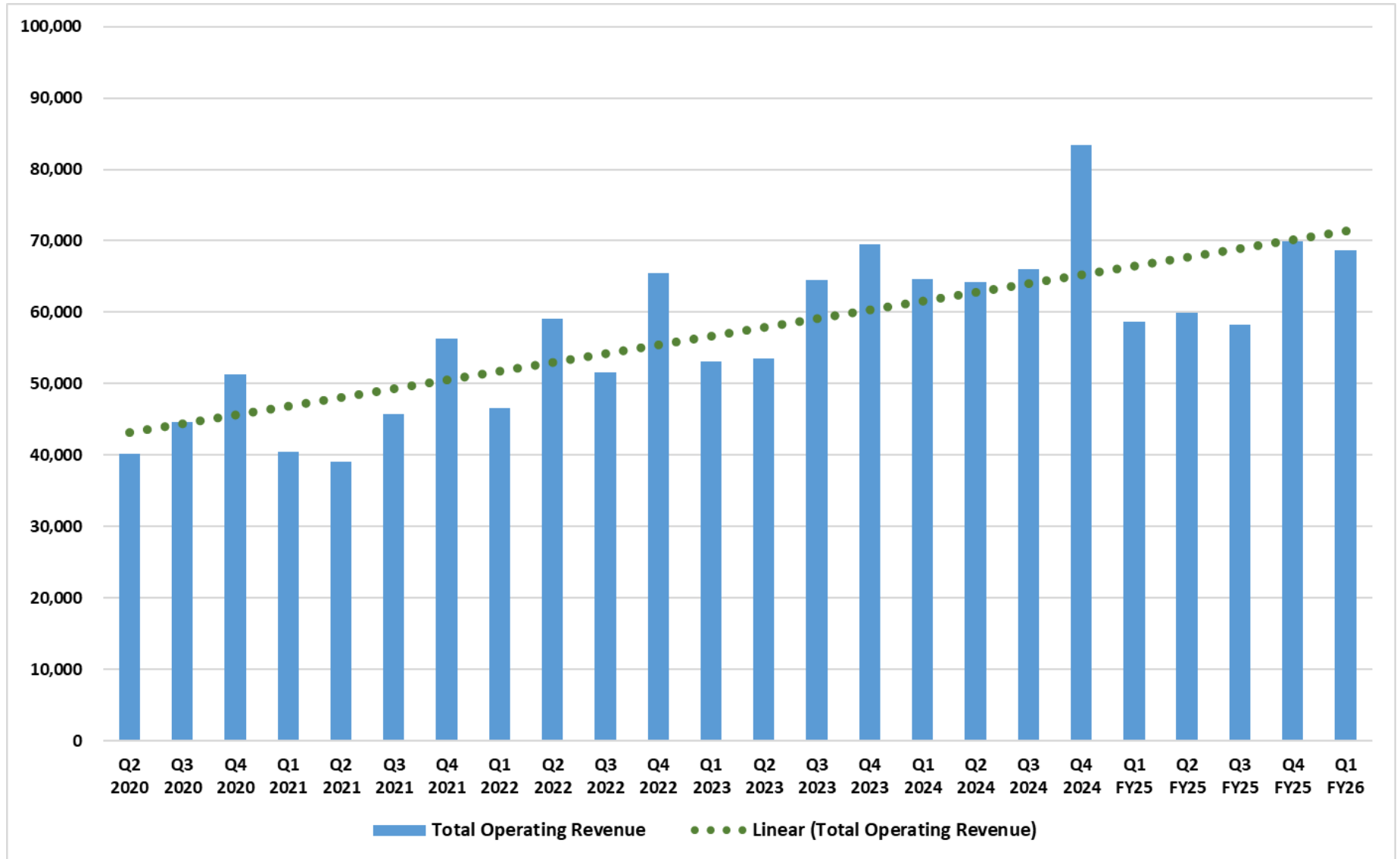
Liquidity Indicators											
Day's Cash on Hand	80.3	88.9	88.1	95.7	90.5	95.7	102.7	96.4	93.2	93.2	206.5
Day's in Accounts Rec.	70.6	73.0	68.6	63.6	71.3	68.8	72.0	71.2	67.9	67.9	48.0

Debt & Other Indicators											
Debt Service Coverage (MADS)	3.20	3.90	4.10	4.00	3.70	4.00	0.50	0.90	1.60	1.60	3.80
Discharges (Monthly)	2,339	2,352	2,347	2,357	2,276	2,277	2,249	2,210	2,255	2,238	
Adj Discharges (Case mix adj)	8,294	8,320	8,053	8,500	8,534	8,255	8,071	8,493	8,430	8,331	
Adjusted patient Days (Mo.)	27,924	26,332	27,682	25,868	26,409	25,593	27,564	27,906	26,067	27,179	
Cost/Adj Discharge	\$9.2	\$8.7	\$9.7	\$9.2	\$9.9	\$10.3	\$10.2	\$9.4	\$9.5	\$9.7	
Compensation Ratio	64%	72%	74%	79%	81%	91%	77%	80%	74%	77%	

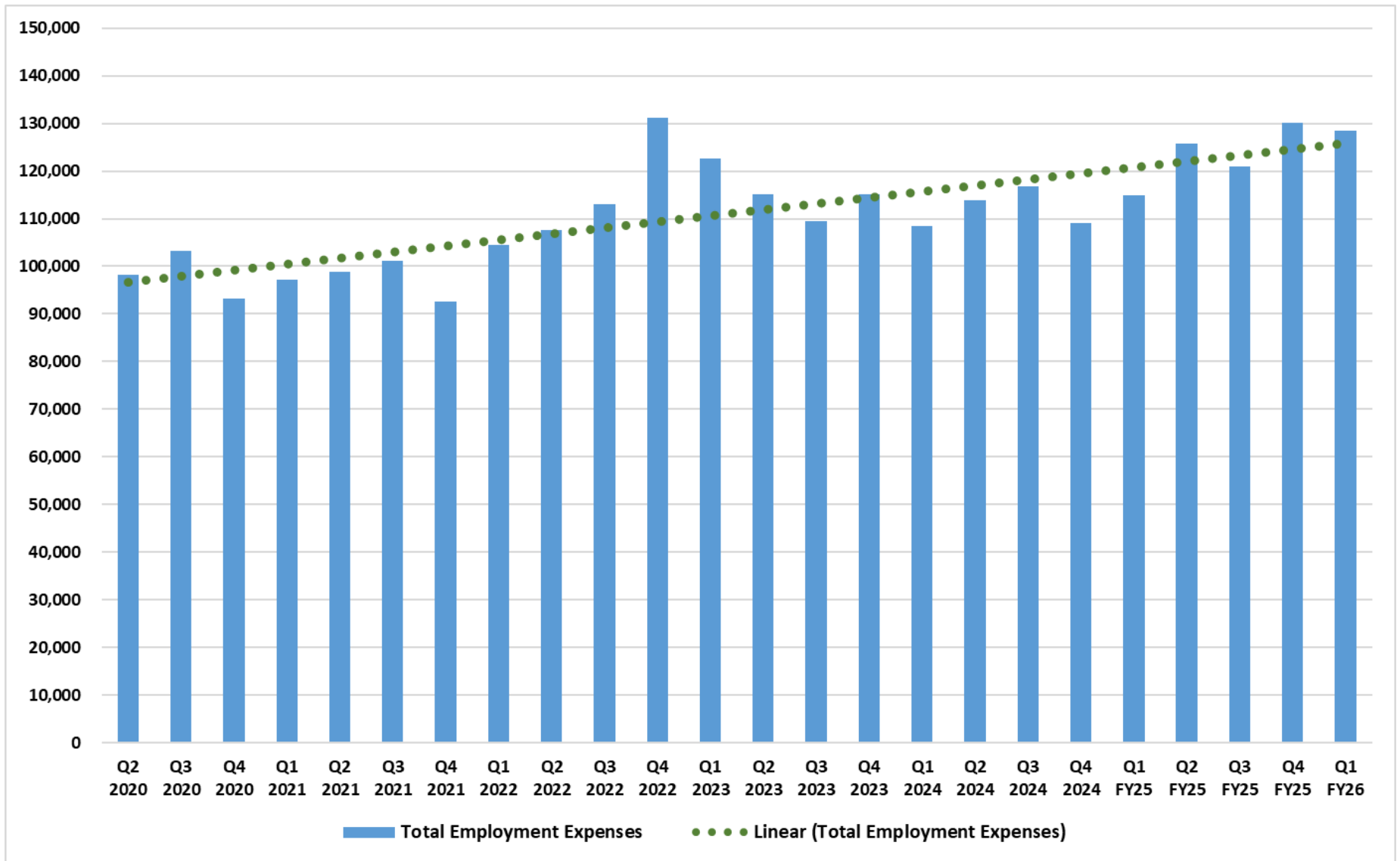
Quarterly Results: Trended Net Patient Revenue (000's)



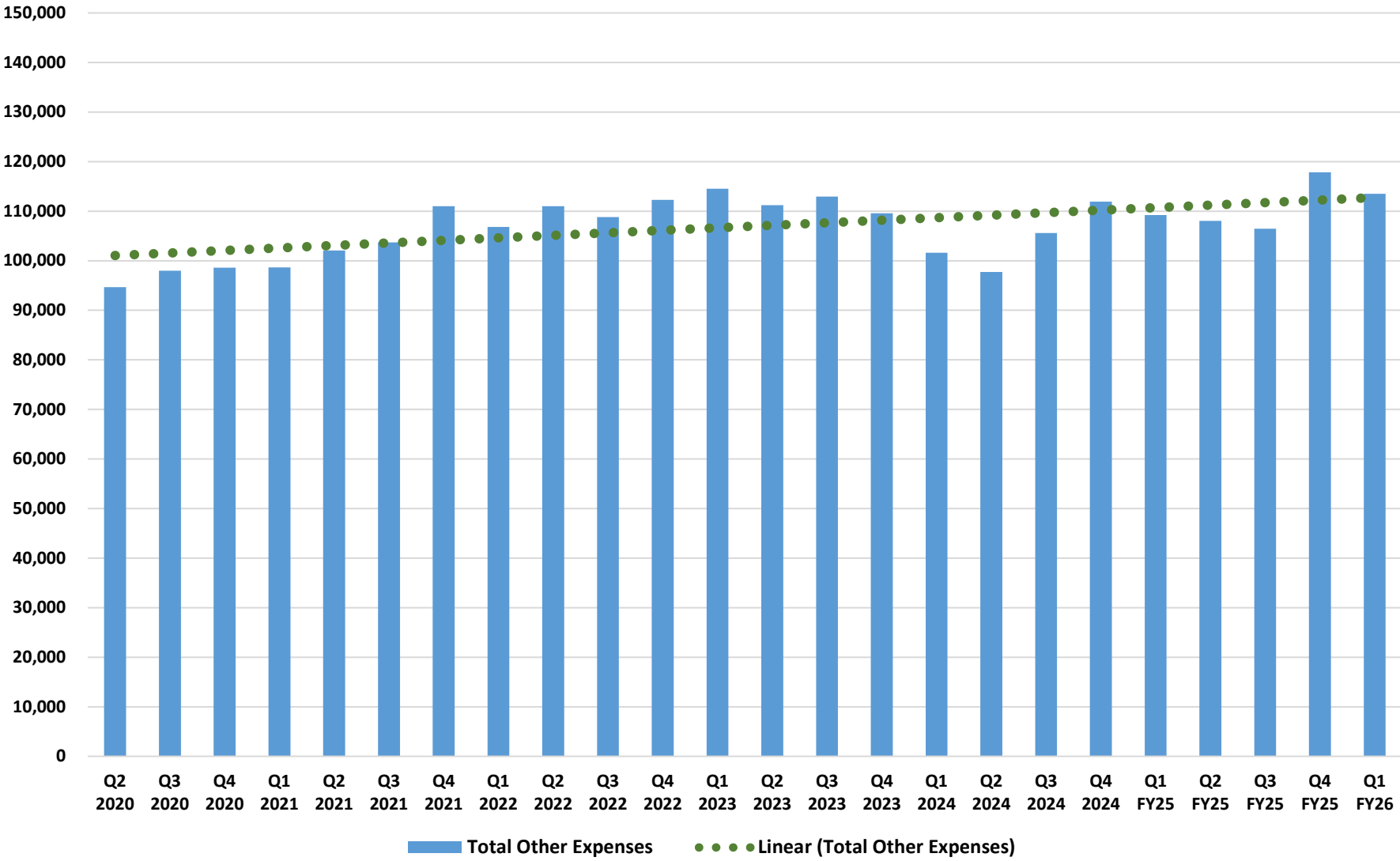
Quarterly Results: Other Operating Income (000's)



Quarterly Results: Total Employment Costs (000's)



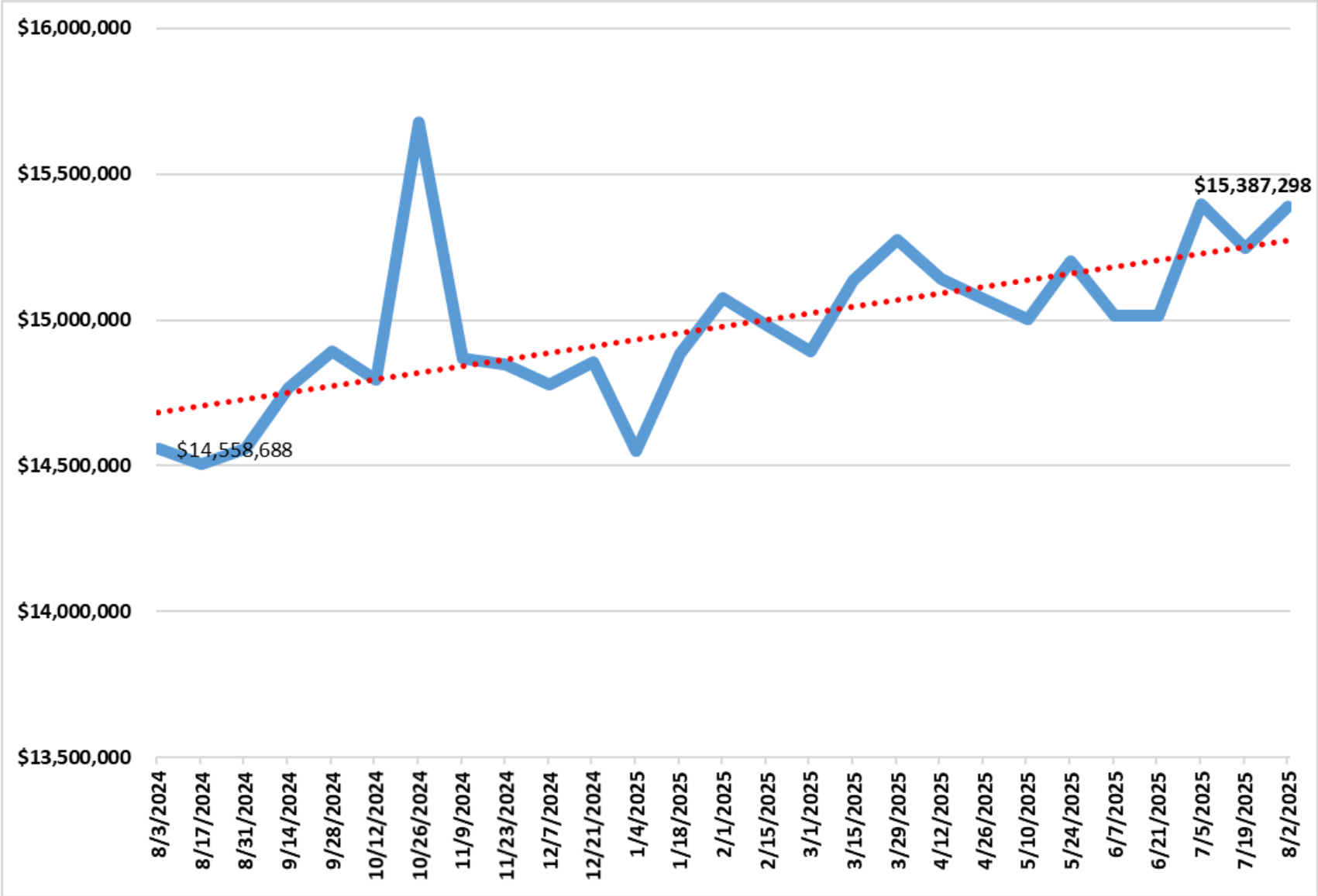
Quarterly Results: Total Other Operating Expenses (000's)



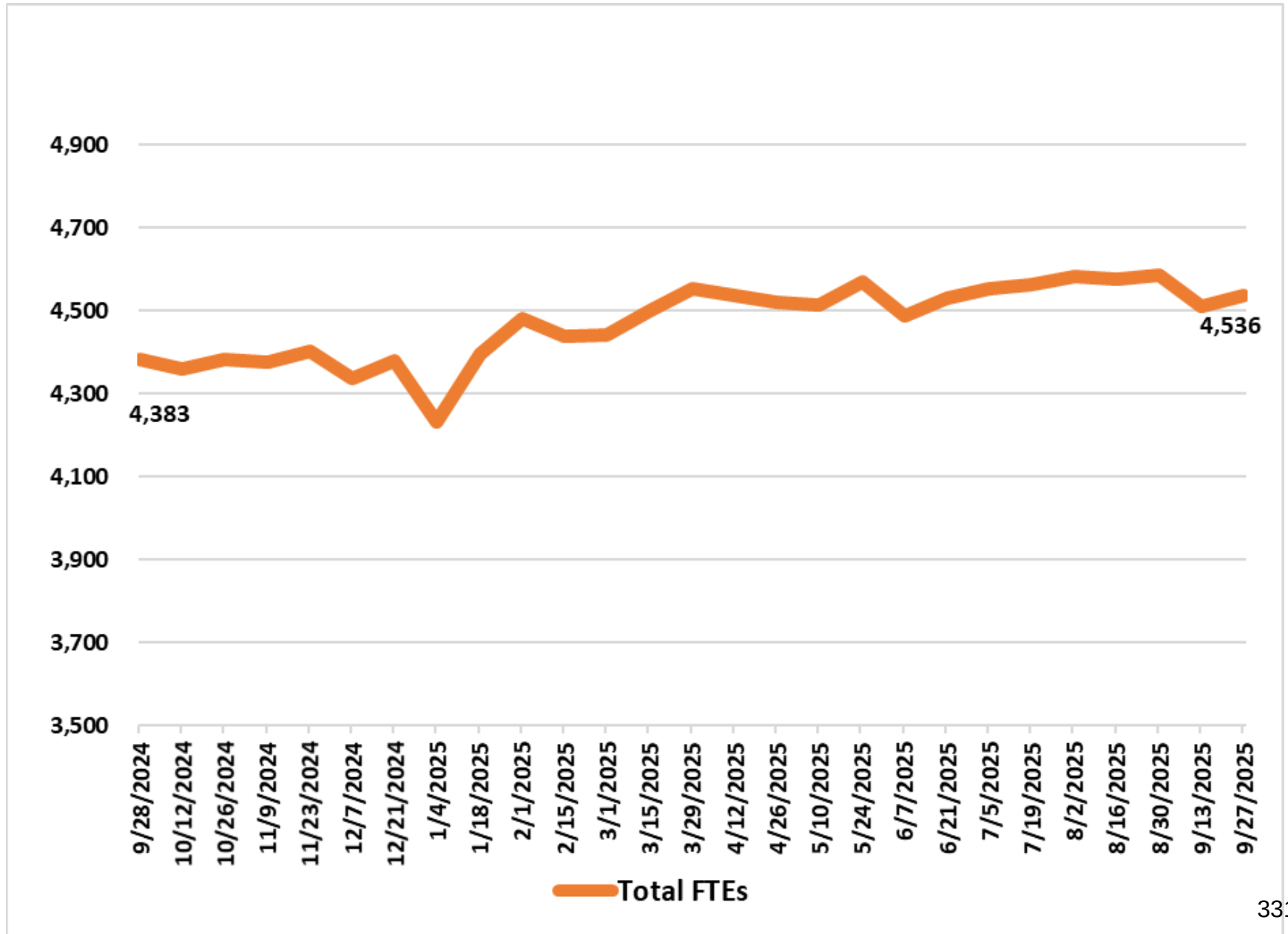
Trended Income Statement (000's)

	FY 19	FY 20	FY 21	FY 22	FY23	FY 24	FY 25	FY26 Q1	FY 25 Budget	FY 26 Budget	Diff FY25 Actual - Budget
Operating Revenue											
Net Patient Service Revenue	\$561,911	\$557,860	\$596,175	\$635,520	\$611,350	\$593,846	\$648,904	\$166,612	\$637,868	\$689,140	\$11,036
Supplemental Gov't Programs	76,471	61,392	56,081	75,202	81,807	106,005	94,965	29,522	89,717	116,718	5,247
Prime Program	17,717	16,196	10,668	15,850	8,719	8,832	13,994	1,892	9,502	7,568	4,491
Premium Revenue	40,871	50,903	58,107	69,495	79,051	88,413	85,931	22,761	90,567	86,863	(4,636)
Management Services Revenue	31,751	32,805	34,167	36,060	38,651	37,518	0	0	0	0	0
Other Revenue	24,245	21,422	22,674	25,811	32,387	37,459	51,793	14,476	52,872	51,881	(1,079)
Other Operating Revenue	191,056	182,718	181,697	222,418	240,615	278,228	246,682	68,651	242,658	263,030	4,024
Total Operating Revenue	752,967	740,578	777,872	857,938	851,965	872,074	895,585	235,263	880,525	952,170	15,060
Operating Expenses											
Salaries & Wages	287,902	308,594	324,151	350,198	337,091	353,465	387,194	100,552	375,604	404,657	11,591
Contract Labor	14,997	9,767	9,778	41,435	49,160	21,040	25,550	6,333	14,685	20,584	10,865
Employee Benefits	73,216	74,158	55,994	63,754	75,963	73,526	79,052	21,599	64,017	88,175	15,035
Total Employment Expenses	376,115	392,520	389,923	455,386	462,214	448,031	491,796	128,483	454,306	513,416	37,490
Medical & Other Supplies	112,866	119,490	131,449	130,842	130,224	127,531	165,851	43,751	174,807	171,448	(8,956)
Physician Fees	85,521	92,595	96,690	108,238	105,007	81,122	88,396	23,729	86,628	90,619	1,769
Purchased Services	21,151	20,096	19,231	19,289	18,647	18,892	21,412	5,829	21,484	22,470	(72)
Repairs & Maintenance	25,878	25,488	26,144	28,402	25,814	27,429	25,463	6,615	24,899	30,420	563
Utilities	5,642	6,001	7,392	9,170	10,151	10,467	10,556	2,946	10,987	11,593	(431)
Rents & Leases	6,119	6,373	6,192	6,171	2,201	1,928	1,706	407	1,843	1,656	(137)
Depreciation & Amortization	30,851	30,678	31,646	32,882	39,653	34,589	39,870	9,859	39,621	42,042	249
Interest Expense	5,453	5,886	6,771	7,563	7,482	7,545	7,229	1,707	7,163	6,739	66
Other Expense	17,260	20,422	20,737	22,748	26,810	23,280	32,950	6,159	26,858	27,492	6,092
Humana Cap Plan Expenses	19,151	23,441	34,758	38,443	43,179	48,426	48,086	12,505	44,345	44,403	3,740
Management Services Expense	31,359	32,363	34,447	34,977	39,037	35,614	0	0	0	0	0
Total Other Expenses	361,250	382,834	415,456	438,725	448,205	416,822	441,519	113,508	438,636	448,882	2,883
Total Operating Expenses	737,366	775,353	805,379	894,111	910,418	864,854	933,315	241,992	892,942	962,298	40,374
Operating Margin	15,601	(34,775)	(27,507)	(36,173)	(58,453)	7,221	(37,730)	(6,729)	(12,416)	(10,128)	(25,314)
Stimulus Funds	0	10,149	32,461	18,742	609	\$14	\$48,412	\$0	\$6,600	0	41,812
Operating Margin after Stimulus	15,601	(24,626)	4,954	(17,431)	(57,844)	7,234	10,682	(6,729)	(5,816)	(10,128)	16,498
Nonoperating Revenue (Loss)	12,306	16,975	7,460	(8,036)	10,627	\$14,124	\$16,977	\$4,270	\$7,916	10,472	9,061
Excess Margin	\$27,907	(\$7,651)	\$12,414	(\$25,467)	(\$47,218)	\$21,358	\$27,658	(\$2,459)	\$2,100	\$345	\$25,559
Operating Margin before Stimulus	2.1%	(4.7%)	(3.5%)	(4.2%)	(6.9%)	0.8%	(4.2%)	(2.9%)	(1.4%)	(1.1%)	
Operating Margin after Stimulus	2.1%	(3.3%)	0.6%	(2.0%)	(6.8%)	0.8%	1.2%	(2.9%)	(0.7%)	(1.1%)	
Excess Margin	3.7%	(1.0%)	1.6%	(3.0%)	(5.5%)	2.4%	3.1%	(1.0%)	0.2%	0.0%	

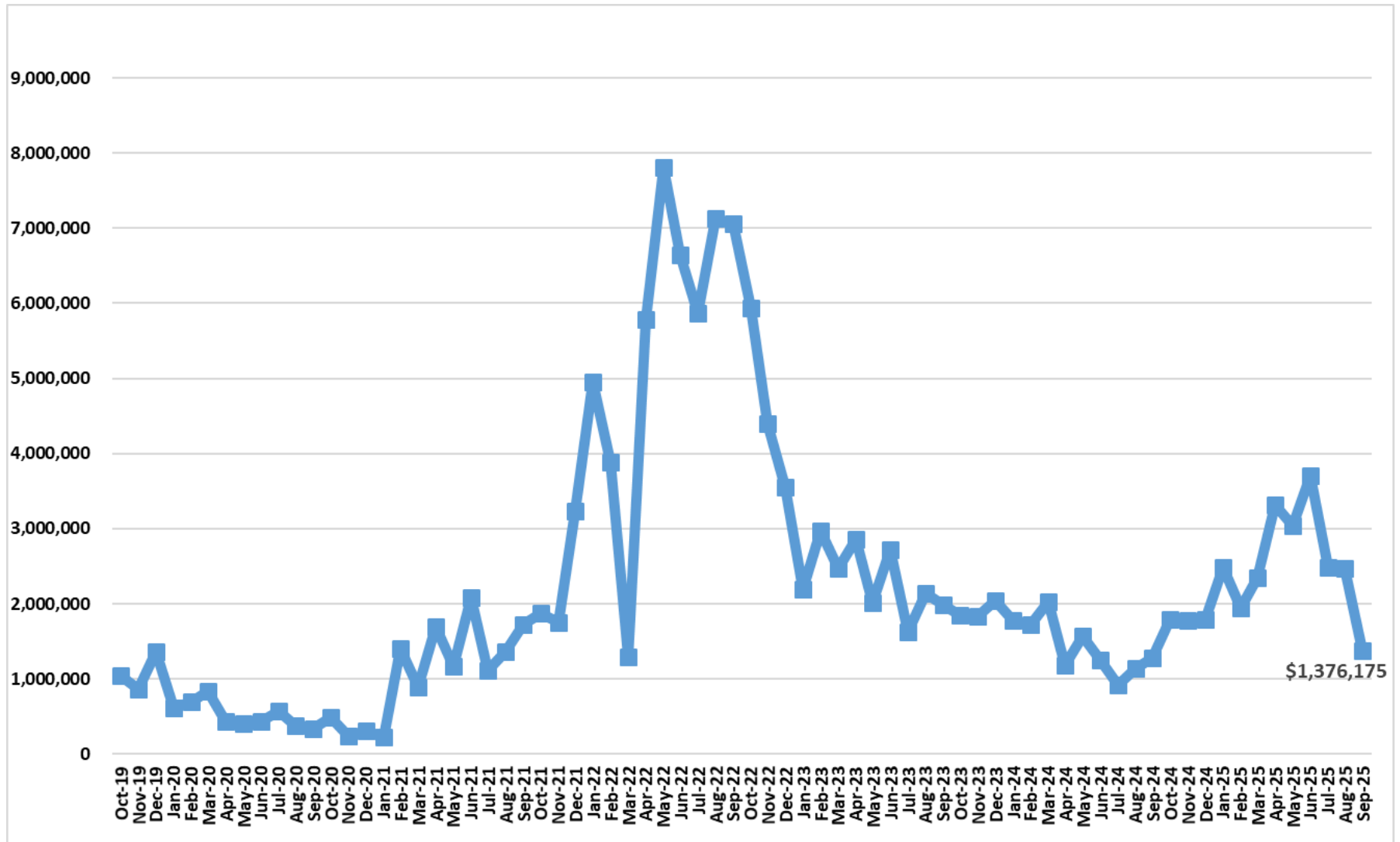
Biweekly Payroll Costs excluding Contract Labor



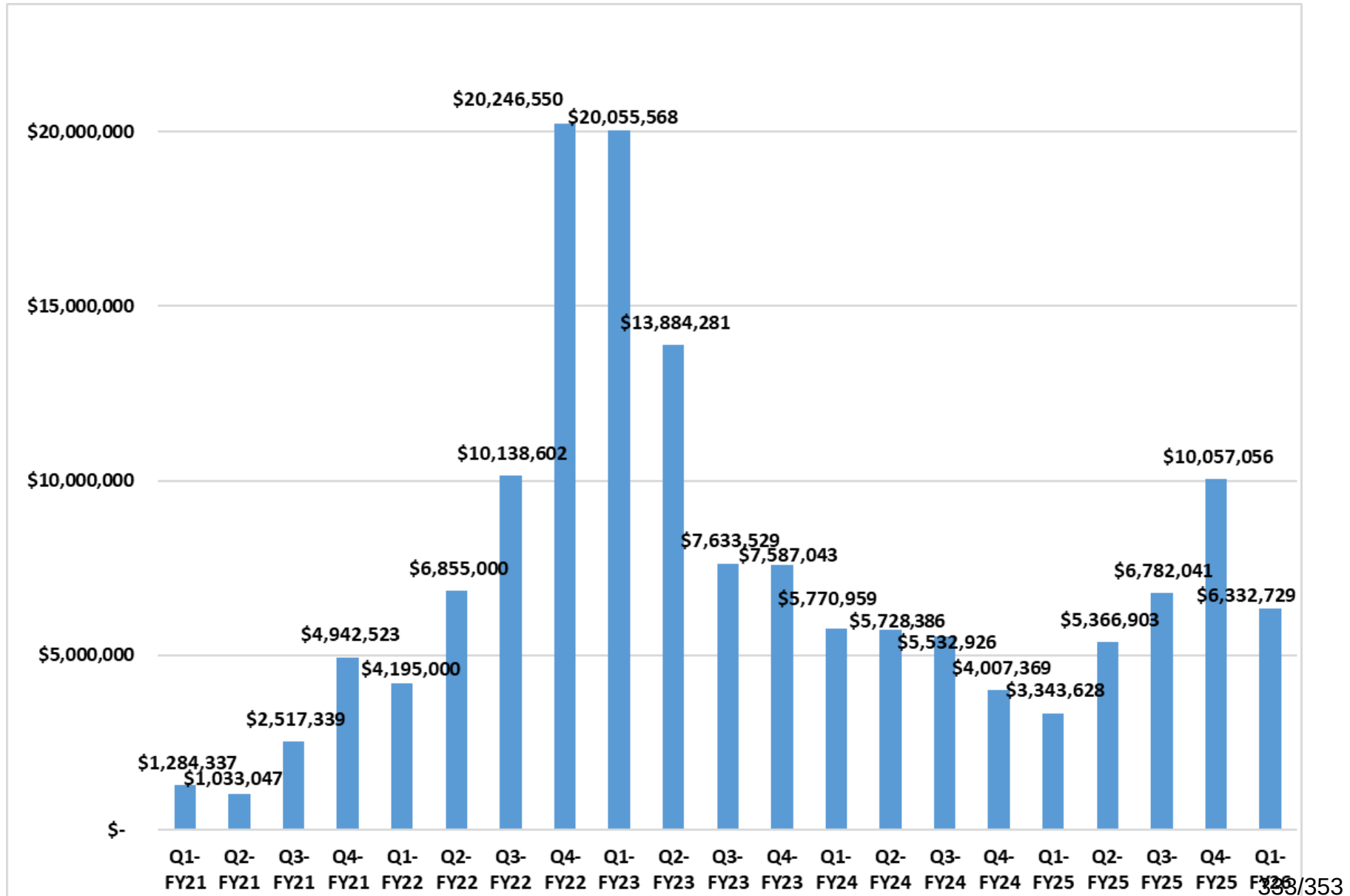
Total FTEs (includes Contract Labor)



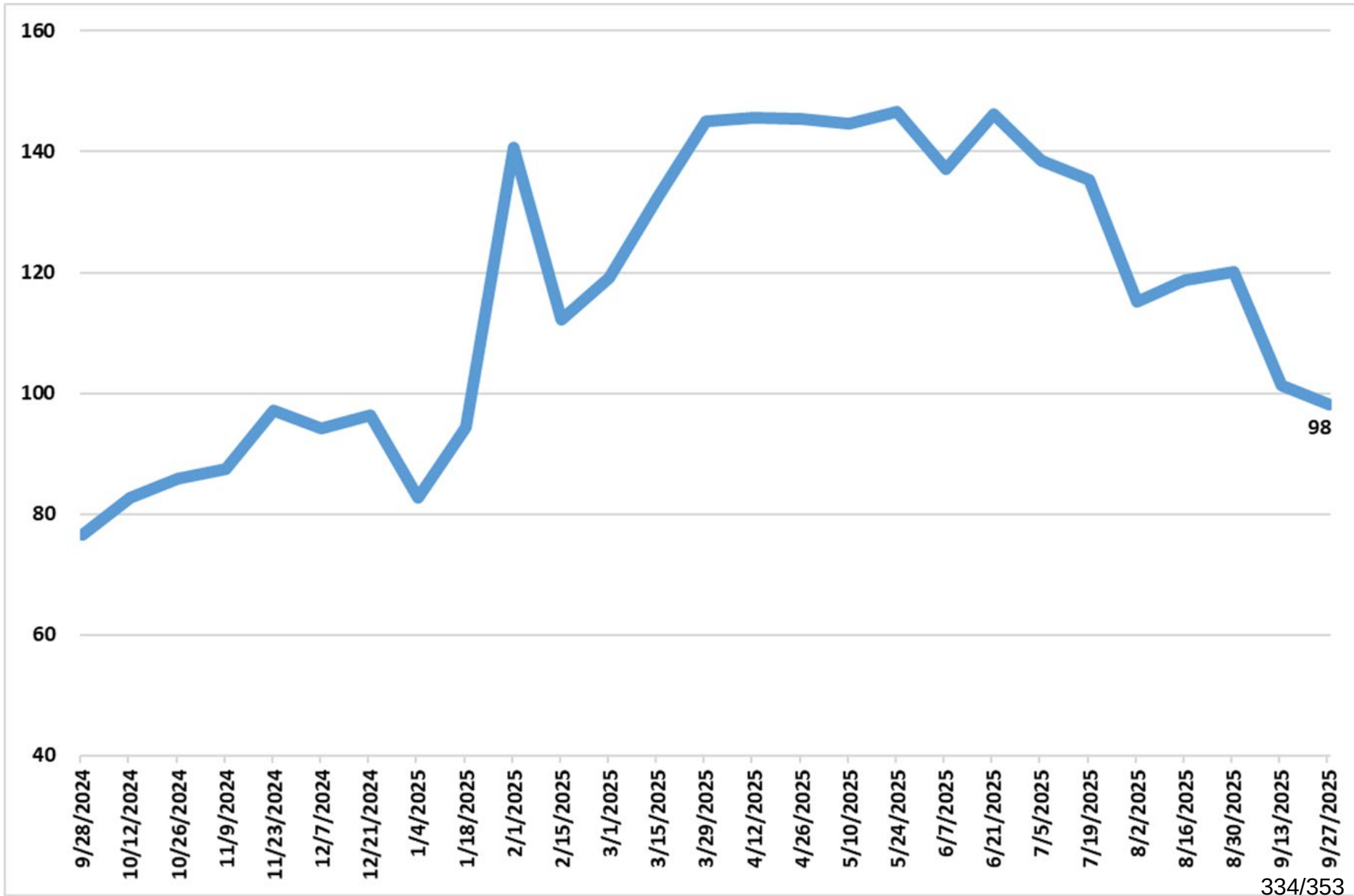
Monthly Contract Labor Costs



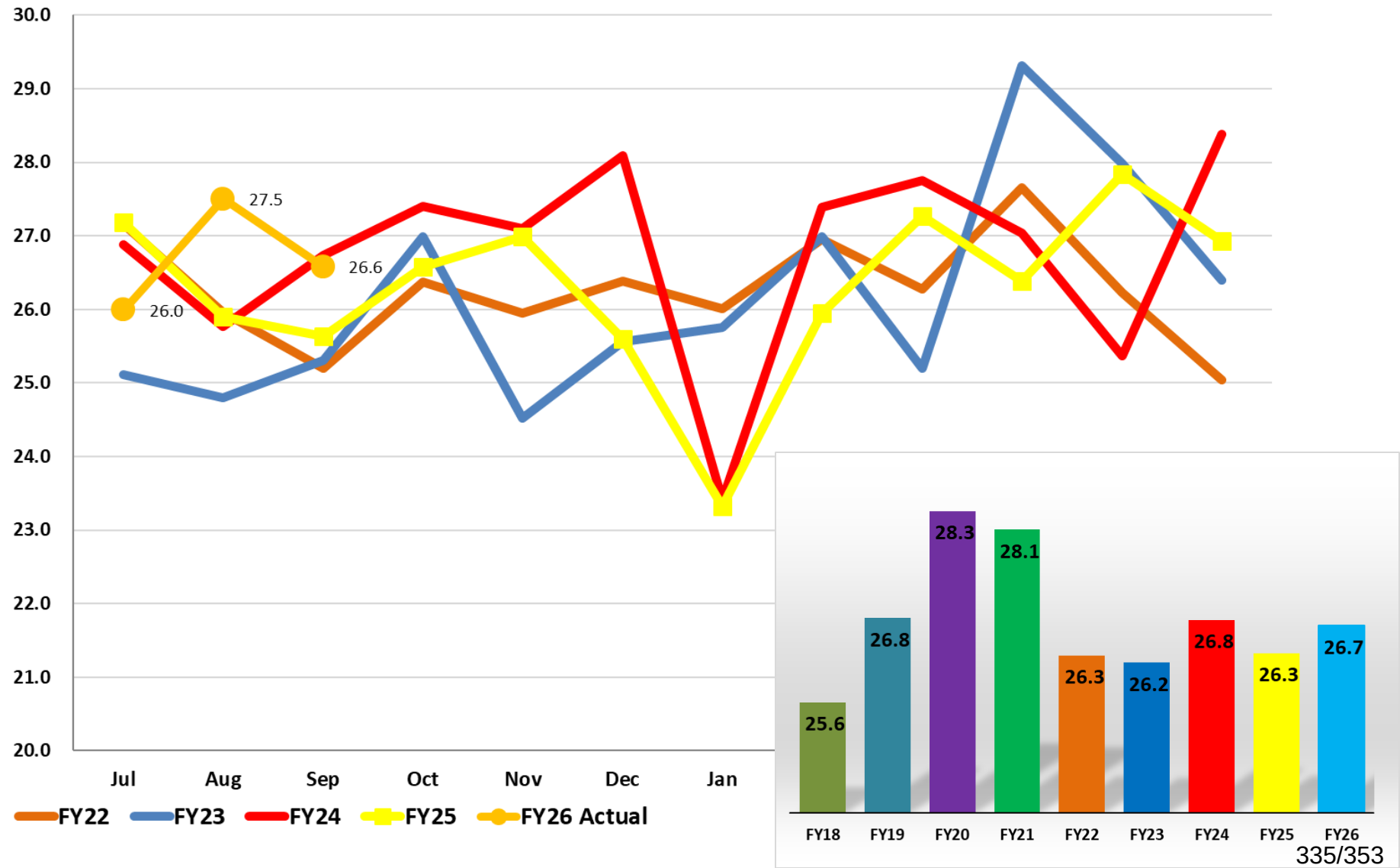
Quarterly Contract Labor Expenses



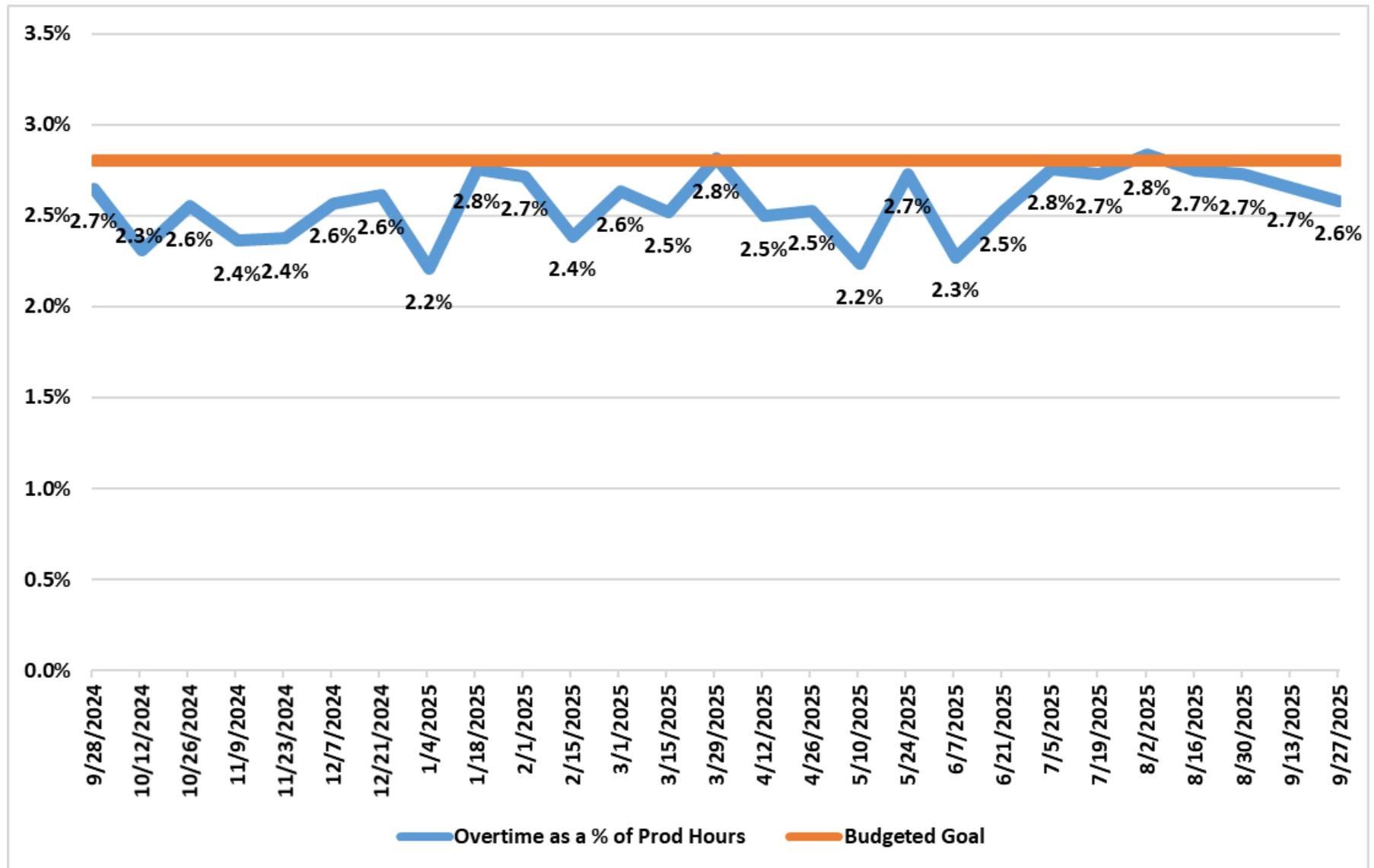
Contract Labor Full Time Equivalents (FTEs)



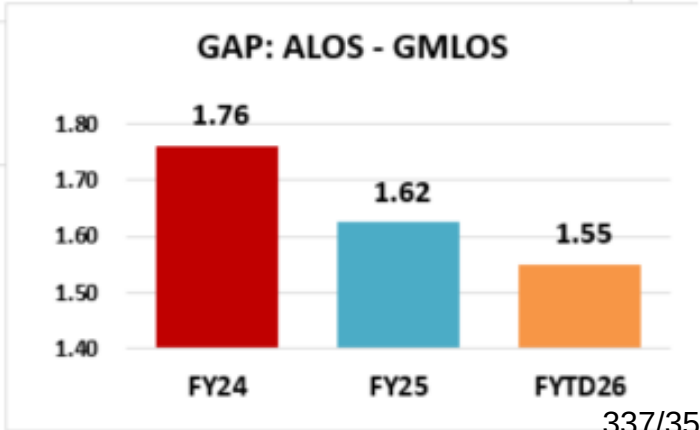
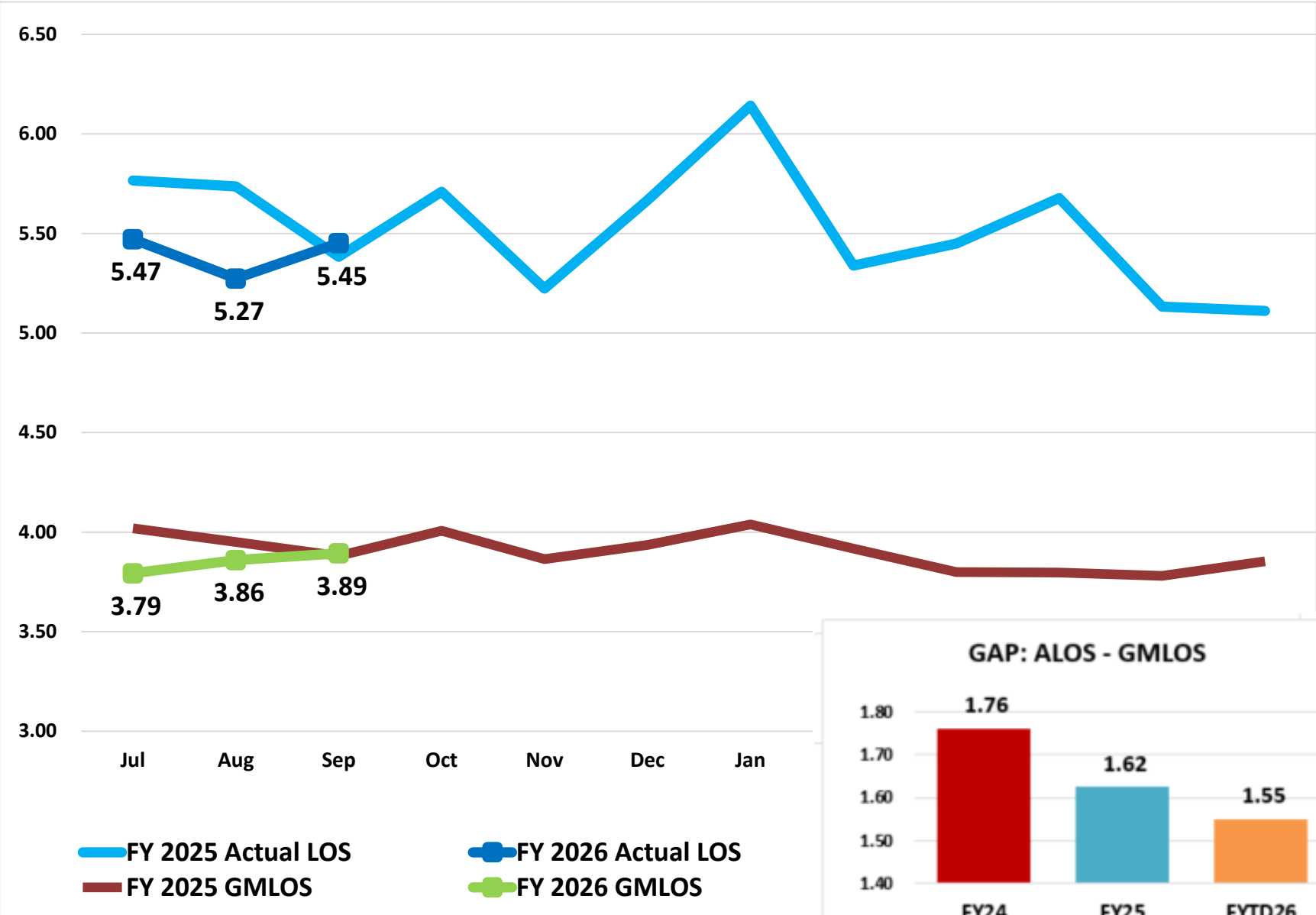
Productivity Measure : Worked Hours/ Adj. Patient Days



Overtime as a % of Productive Hours

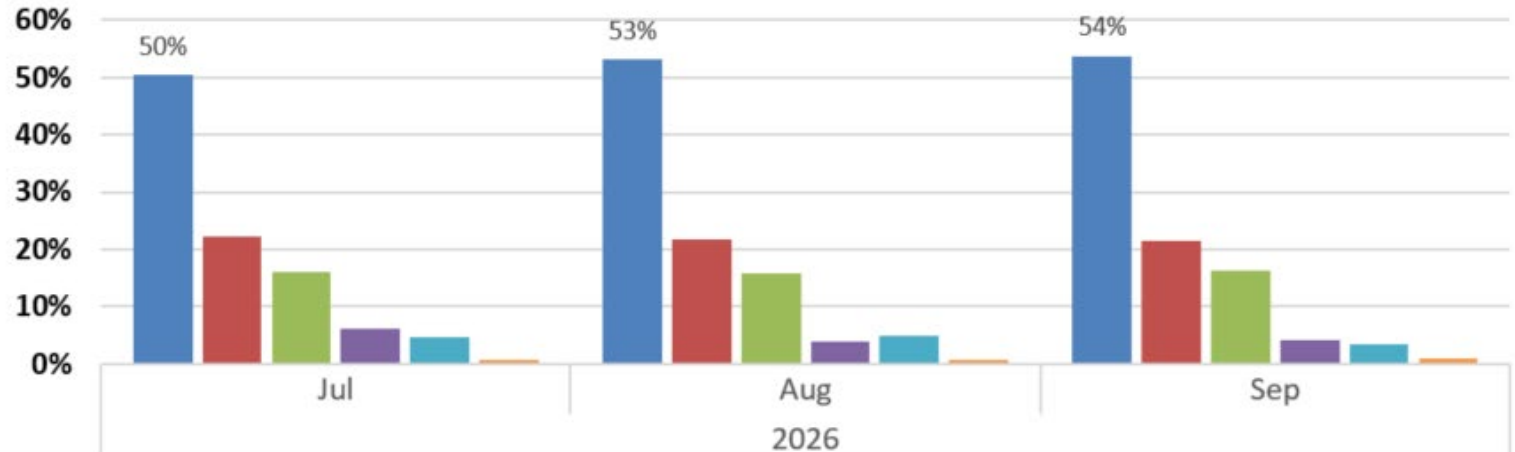


Average Length of Stay versus National Average (GMLOS)



Average Length of Stay Distribution

FY26 Overall LOS Distribution

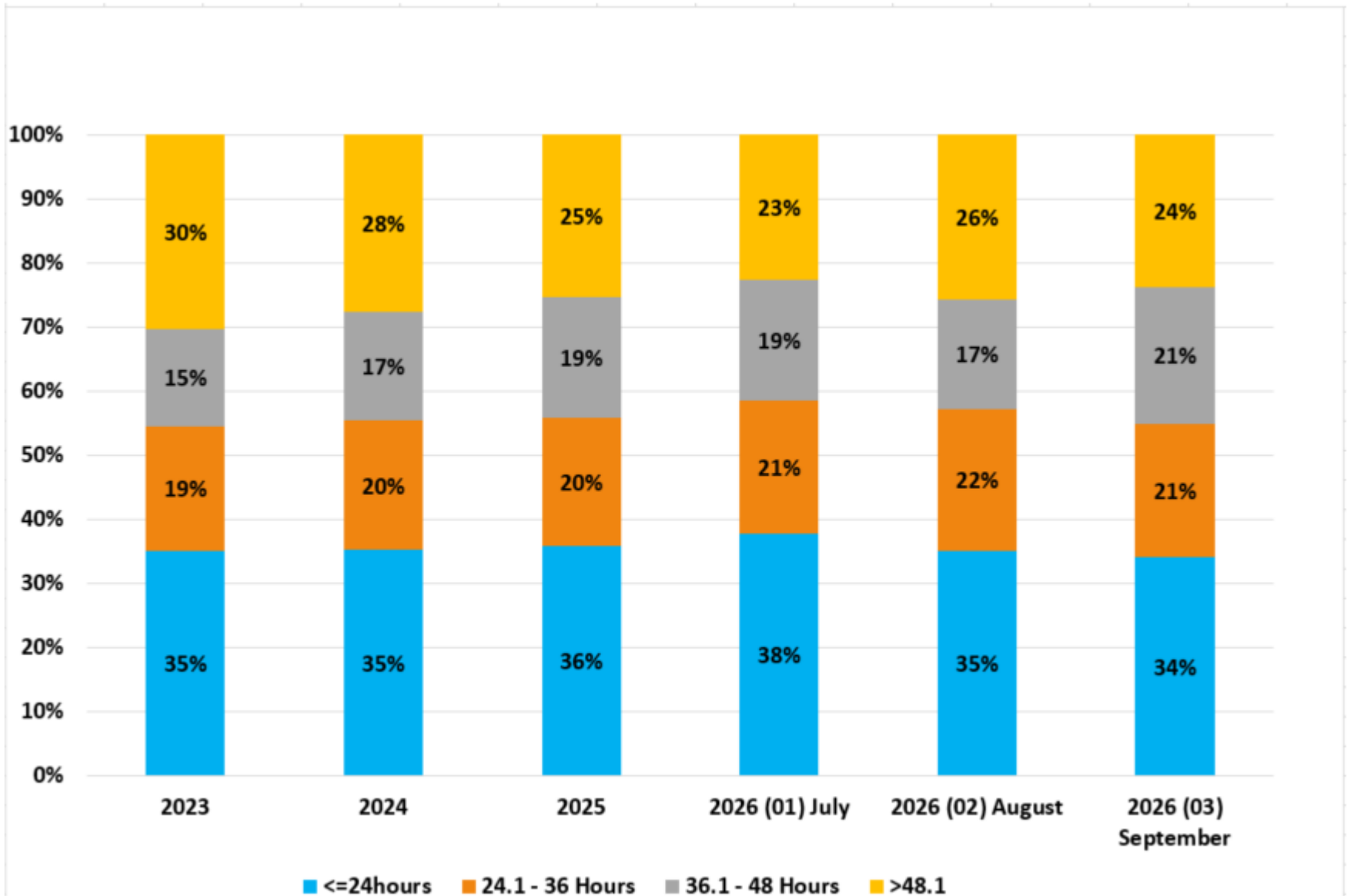


■ at GMLOS or Better	50%	53%	54%
■ 1-2 days over GMLOS	22%	22%	22%
■ 2-6 days over GMLOS	16%	16%	16%
■ 6-10 days over GMLOS	6%	4%	4%
■ 10-30 days over GMLOS	5%	5%	4%
■ 30+ days over GMLOS	0.6%	0.6%	0.9%

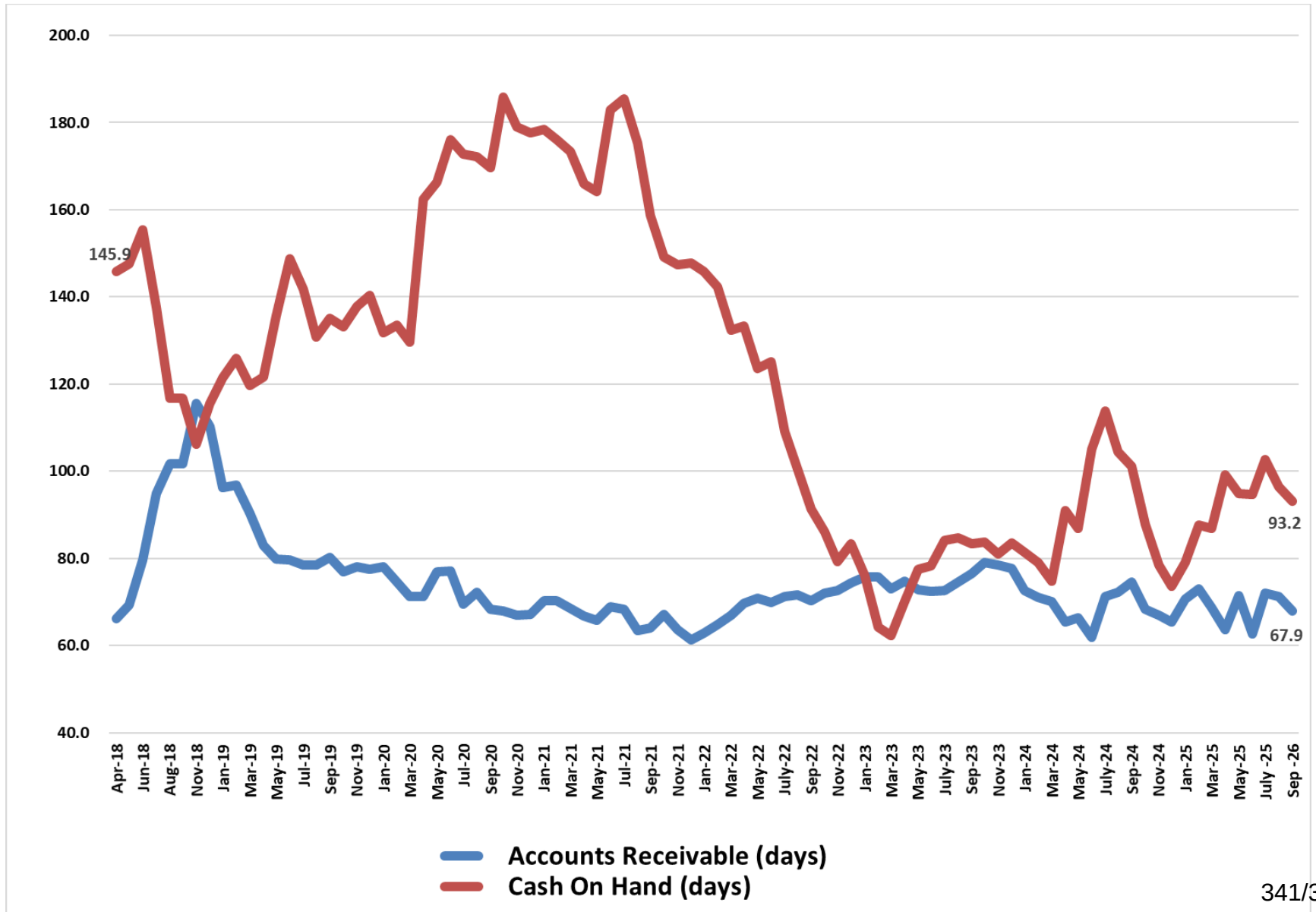
Average Length of Stay versus National Average (GMLOS)

	ALOS	GMLOS	GAP
Jul-24	5.77	4.02	1.75
Aug-24	5.74	3.95	1.79
Sep-24	5.38	3.88	1.50
Oct-24	5.71	4.01	1.70
Nov-24	5.22	3.86	1.36
Dec-24	5.67	3.94	1.73
Jan-25	6.14	4.04	2.10
Feb-25	5.34	3.92	1.42
Mar-25	5.45	3.80	1.65
Apr-25	5.68	3.80	1.88
May-25	5.13	3.78	1.35
Jun-25	5.11	3.85	1.26
Jul-25	5.47	3.79	1.68
Aug-25	5.27	3.86	1.41
Sep-25	5.45	3.89	1.56

Trended % of Observation by Length of Stay



Trended Liquidity Ratios



Ratio Analysis Report

SEPTEMBER 30, 2025

	Current Month Value	Prior Month Value	June 30, 2025 Unaudited Value	2023 Moody's Median Benchmark		
				Aa	A	Baa
LIQUIDITY RATIOS						
Current Ratio (x)	2.6	2.5	2.5	1.7	1.8	1.7
Accounts Receivable (days)	67.9	71.2	72.2	47.8	47.7	47.8
Cash On Hand (days)	93.2	96.4	95.2	273.9	188.4	134.1
Cushion Ratio (x)	11.0	11.3	10.9	44.7	24.2	16.6
Average Payment Period (days)	48.2	48.6	53.9	70.9	62.7	64.0
CAPITAL STRUCTURE RATIOS						
Cash-to-Debt	115.9%	119.0%	114.9%	271.7%	164.5%	131.0%
Debt-To-Capitalization	31.7%	31.4%	31.1%	22.5%	31.1%	35.0%
Debt-to-Cash Flow (x)	6.0	10.7	2.6	2.4	3.6	6.9
Debt Service Coverage	2.0	1.1	4.6	6.7	4.5	2.1
Maximum Annual Debt Service Coverage (x)	1.6	0.9	3.6	6.8	3.8	1.9
Age Of Plant (years)	14.0	14.5	13.6	11.1	12.8	13.9
PROFITABILITY RATIOS						
Operating Margin	(2.9%)	(4.0%)	(3.6%)	2.1%	0.5%	(2.3%)
Excess Margin	(1.0%)	(2.5%)	3.4%	5.5%	2.7%	(.9%)
Operating Cash Flow Margin	2.1%	0.8%	1.6%	6.7%	5.5%	3.0%
Return on Assets	(1.1%)	(2.6%)	3.6%	3.9%	2.4%	(.7%)

Consolidated Statements of Net Position (000's)

	Sep-25	Jun-25
	(Unaudited)	
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,334	\$ 6,595
Current Portion of Board designated and trusted assets	21,374	\$ 17,533
Accounts receivable:		\$ -
Net patient accounts	144,669	\$ 154,634
Other receivables	32,586	\$ 70,335
	177,255	224,969
Inventories	14,133	\$ 13,871
Medicare and Medi-Cal settlements	83,459	\$ 62,463
Prepaid expenses	12,431	\$ 8,234
Total current assets	315,986	333,666
NON-CURRENT CASH AND INVESTMENTS -		
less current portion		
Board designated cash and assets	219,123	\$ 218,025
Revenue bond assets held in trust	23,147	\$ 22,950
Assets in self-insurance trust fund	616	\$ 626
Total non-current cash and investments	242,886	241,602
INTANGIBLE RIGHT TO USE LEASE,	15,531	\$ 15,613
net of accumulated amortization		
INTANGIBLE RIGHT TO USE SBITA,	7,112	\$ 8,062
net of accumulated amortization		
CAPITAL ASSETS		
Land	17,542	\$ 17,542
Buildings and improvements	438,525	\$ 437,184
Equipment	343,677	\$ 340,593
Construction in progress	20,163	\$ 18,729
	819,908	814,048
Less accumulated depreciation	547,712	\$ 541,607
	272,196	272,441
OTHER ASSETS		
Property not used in operations	5,145	\$ 5,155
Health-related investments	1,832	\$ 2,147
Other	22,203	\$ 20,922
Total other assets	29,180	28,224
Total assets	882,890	899,608
DEFERRED OUTFLOWS	12,802	\$ 13,133
Total assets and deferred outflows	\$ 895,692	\$ 912,741

Consolidated Statements of Net Position (000's)

	Sep-25	Jun-25
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 27,684	\$ 43,963
Accrued payroll and related liabilities	71,729	\$ 71,620
SBITA liability, current portion	2,912	\$ 3,031
Lease liability, current portion	3,396	\$ 3,204
Bonds payable, current portion	15,564	\$ 13,014
Notes payable, current portion	384	\$ -
Total current liabilities	121,668	134,831
LEASE LIABILITY, net of current portion	12,603	\$ 12,850
SBITA LIABILITY, net of current portion	2,998	\$ 3,941
LONG-TERM DEBT, less current portion		
Bonds payable	196,669	\$ 201,619
Notes payable	20,366	\$ 20,750
Total long-term debt	217,035	222,369
NET PENSION LIABILITY	18,841	\$ 16,169
OTHER LONG-TERM LIABILITIES	52,684	\$ 50,472
Total liabilities	425,829	440,632
NET ASSETS		
Invested in capital assets, net of related debt	59,823	\$ 60,147
Restricted	63,673	\$ 58,980
Unrestricted	346,367	\$ 352,983
Total net position	469,863	\$ 472,110
Total liabilities and net position	\$ 895,692	\$ 912,741

KAWEAH DELTA HEALTH CARE DISTRICT
SUMMARY OF FUNDS
September 30, 2025

Board designated funds	Maturity Date	Yield	Investment Type	G/L Account	Amount	Total
LAIF		4.40	Various		41,608,632	
CAMP		4.36	CAMP		38,118,895	
Allspring		3.75	Money market		94,428	
PFM		3.75	Money market		323,391	
Western Alliance		0.25	Money market		130,781	
Allspring	29-Oct-25	0.55	MTN-C	Procter Gamble Co	1,300,000	
Allspring	31-Oct-25	0.25	U.S. Govt Agency	US Treasury Bill	770,000	
Allspring	30-Nov-25	0.38	U.S. Govt Agency	US Treasury Bill	2,550,000	
Allspring	31-Mar-26	0.75	U.S. Govt Agency	US Treasury Bill	675,000	
Western Alliance - CDARS	2-Apr-26	4.01	CD	First Heritage Bank	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Farmers & Merchants Bank	13,721	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Citizens Bank & Trust	22,822	
Western Alliance - CDARS	2-Apr-26	4.01	CD	American Plus Bank, N.A.	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	BOKF, National Association	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	CalPrivate Bank	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Centreville Bak	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Citizens Bank & Trust	217,555	
Western Alliance - CDARS	2-Apr-26	4.01	CD	City Natl Bank of Sulphur Springs	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Farmer & Merchants Bank	178,557	
Western Alliance - CDARS	2-Apr-26	4.01	CD	First Oklahoma Bank	203,034	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Homeland Federal Savings Bank	16,172	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Locus Bank	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Old National Bank	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	River City Bank	240,376	
Western Alliance - CDARS	2-Apr-26	4.01	CD	Solera National Bank	240,376	
Allspring	21-Apr-26	4.75	MTN-C	Morgan Stanley	1,000,000	
PFM	15-May-26	3.30	MTN-C	IBM Corp	410,000	
PFM	28-May-26	1.20	MTN-C	Astrazeneca LP	265,000	
Allspring	18-Jun-26	1.13	MTN-C	Toyota Motor	1,400,000	
Allspring	30-Jun-26	0.88	U.S. Govt Agency	US Treasury Bill	1,850,000	
Allspring	1-Jul-26	1.89	Municipal	Anaheim Ca Pub	1,000,000	
PFM	1-Jul-26	1.46	Municipal	Los Angeles Ca	270,000	
PFM	7-Jul-26	5.25	MTN-C	American Honda Mtn	145,000	
PFM	20-Jul-26	3.73	ABS	Honda Auto Rec Own	7,507	
PFM	31-Jul-26	0.63	U.S. Govt Agency	US Treasury Bill	330,000	
PFM	14-Sep-26	1.15	MTN-C	Caterpillar Finl Mtn	220,000	
PFM	18-Sep-26	5.61	MTN-C	Natixis Ny	405,000	
Allspring	30-Sep-26	0.88	U.S. Govt Agency	US Treasury Bill	2,210,000	
PFM	30-Sep-26	0.88	U.S. Govt Agency	US Treasury Bill	1,000,000	
Allspring	31-Oct-26	1.13	U.S. Govt Agency	US Treasury Bill	800,000	
PFM	1-Nov-26	4.76	Municipal	California St Univ	125,000	
PFM	4-Nov-26	1.65	MTN-C	American Express Co	445,000	
PFM	13-Nov-26	5.60	MTN-C	National Rural Mtn	160,000	
Allspring	30-Nov-26	1.25	U.S. Govt Agency	US Treasury Bill	2,000,000	
Allspring	4-Dec-26	5.49	MTN-C	Citibank N A	1,000,000	
Allspring	15-Jan-27	1.95	MTN-C	Target Corp	900,000	
PFM	26-Feb-27	4.80	MTN-C	Cisco Sys Inc	260,000	
PFM	15-Mar-27	5.90	ABS	Daimler Trucks	159,285	
PFM	18-Mar-27	4.99	MTN-C	State Street Corp	335,000	
PFM	25-Mar-27	3.22	U.S. Govt Agency	FHLMC	575,000	
PFM	30-Mar-27	5.39	MTN-C	Hormel Food Corp	115,000	
PFM	15-Apr-27	2.50	MTN-C	Home Depot Inc	220,000	
PFM	15-Apr-27	3.97	ABS	Carmax Auto Owner	120,496	
Allspring	30-Apr-27	2.75	U.S. Govt Agency	US Treasury Bill	970,000	
PFM	30-Apr-27	0.50	U.S. Govt Agency	US Treasury Bill	250,000	
PFM	30-Apr-27	2.75	U.S. Govt Agency	US Treasury Bill	800,000	
PFM	1-May-27	5.41	MTN-C	Goldman Sachs	220,000	
PFM	13-May-27	5.00	MTN-C	Paccar Financial Mtn	95,000	
PFM	15-May-27	3.70	MTN-C	Unitedhealth Group	85,000	
PFM	15-May-27	2.38	U.S. Govt Agency	US Treasury Bill	925,000	
PFM	17-May-27	3.66	ABS	Capital One Prime	67,296	
Allspring	21-May-27	5.41	MTN-C	Goldman Sachs	1,100,000	
Allspring	15-Jul-27	3.68	Municipal	Massachusetts St	1,000,000	
PFM	26-Jul-27	4.60	MTN-C	Blackrock Funding	185,000	
PFM	31-Jul-27	2.75	U.S. Govt Agency	US Treasury Bill	185,000	
Allspring	1-Aug-27	3.46	Municipal	Alameda Cnty Ca	500,000	
Allspring	1-Aug-27	3.23	Municipal	San Jose Ca Redev	400,000	
Allspring	6-Aug-27	4.45	MTN-C	Paccar Financial Mtn	900,000	
PFM	15-Aug-27	2.25	U.S. Govt Agency	US Treasury Bill	190,000	
PFM	31-Aug-27	0.50	U.S. Govt Agency	US Treasury Bill	1,140,000	
Allspring	15-Sep-27	5.93	MTN-C	Bank of America	1,100,000	
Allspring	1-Oct-27	4.66	Municipal	San Francisco Ca	1,000,000	
PFM	8-Oct-27	4.35	MTN-C	Toyota Motor	130,000	
Allspring	22-Oct-27	4.33	MTN-C	State Street Corp	1,000,000	
PFM	31-Oct-27	0.50	U.S. Govt Agency	US Treasury Bill	1,500,000	
Allspring	15-Nov-27	4.60	MTN-C	Caterpillar Finl Mtn	1,000,000	
Allspring	15-Nov-27	5.49	ABS	Nissan Auto Lease	500,000	
PFM	15-Nov-27	4.51	ABS	Mercedes Benz Auto	74,418	
PFM	17-Nov-27	5.02	MTN-C	Bp Cap Mkts Amer	310,000	
PFM	15-Jan-28	4.10	MTN-C	Mastercard	130,000	
Allspring	18-Jan-28	5.66	ABS	Mercedes Benz Auto	1,000,000	
PFM	24-Jan-28	4.90	MTN-C	Wells Fargo MTN	145,000	
PFM	7-Feb-28	3.44	MTN-C	Bank New York Mellon Mtn	300,000	
Allspring	12-Feb-28	4.55	MTN-C	Eli Lilly Co	300,000	
Allspring	16-Feb-28	4.47	ABS	GM Finl Consumer	541,439	
PFM	18-Feb-28	5.41	ABS	Honda Auto	240,014	
PFM	24-Feb-28	4.55	MTN-C	Cisco Sys Inc	70,000	
PFM	24-Feb-28	4.55	MTN-C	Hershey Co	80,000	
PFM	25-Feb-28	5.47	ABS	BMW Vehicle Owner	54,996	
PFM	26-Feb-28	4.48	MTN-C	Chevron USA Inc	340,000	
PFM	29-Feb-28	1.13	U.S. Govt Agency	US Treasury Bill	1,500,000	
PFM	1-Mar-28	4.55	MTN-C	Johnson Johnson Sr	80,000	
PFM	17-Apr-28	5.48	ABS	Hyundai Auto	78,713	
Allspring	22-Apr-28	5.57	MTN-C	JP Morgan	1,100,000	
PFM	23-Apr-28	4.89	MTN-C	Goldman Sachs	155,000	
PFM	30-Apr-28	3.50	U.S. Govt Agency	US Treasury Bill	750,000	
PFM	30-Apr-28	1.25	U.S. Govt Agency	US Treasury Bill	600,000	
PFM	9-May-28	4.25	MTN-C	Cummins INC	20,000	
PFM	15-May-28	5.23	ABS	Ford CR Auto Owner	117,591	
PFM	15-May-28	5.46	ABS	Ally Auto Rec	134,441	
PFM	26-May-28	5.50	MTN-C	Morgan Stanley	280,000	
PFM	31-May-28	3.63	U.S. Govt Agency	US Treasury Bill	730,000	
PFM	15-Jun-28	4.35	MTN-C	Target Corp	75,000	
PFM	15-Jun-28	4.35	MTN-C	Target Corp	290,000	
PFM	16-Jun-28	5.45	ABS	GM Finl con Auto Rec	79,263	

KAWEAH DELTA HEALTH CARE DISTRICT
SUMMARY OF FUNDS
September 30, 2025

PFM	25-Jun-28	4.82	U.S. Govt Agency	FHLMC	530,000
PFM	25-Jun-28	4.78	U.S. Govt Agency	FHLMC	431,745
Allspring	30-Jun-28	4.00	U.S. Govt Agency	US Treasury Bill	500,000
PFM	30-Jun-28	4.00	U.S. Govt Agency	US Treasury Bill	1,300,000
PFM	1-Jul-28	4.42	Municipal	Los Angeles Ca	140,000
PFM	6-Jul-28	4.66	MTN-C	Morgan Stanley	250,000
Allspring	14-Jul-28	4.95	MTN-C	John Deere Mtn	700,000
PFM	14-Jul-28	4.95	MTN-C	John Deere Mtn	120,000
PFM	24-Jul-28	4.42	MTN-C	Truist Bk Sr Nt	275,000
PFM	25-Jul-28	4.18	U.S. Govt Agency	FNMA	515,622
Allspring	1-Aug-28	5.75	Municipal	San Diego County	1,000,000
PFM	15-Aug-28	4.15	MTN-C	Lockheed Martin	40,000
PFM	15-Aug-28	5.53	ABS	Fifth Third Auto	288,689
PFM	15-Aug-28	5.69	ABS	Harley Davidson	392,444
PFM	25-Aug-28	4.74	U.S. Govt Agency	FHLMC	545,000
PFM	25-Aug-28	4.65	U.S. Govt Agency	FHLMC	545,000
PFM	15-Sep-28	5.16	ABS	Chase Issuance Trust	435,000
PFM	15-Sep-28	5.23	ABS	American Express	445,000
PFM	25-Sep-28	4.85	U.S. Govt Agency	FHLMC	410,000
PFM	25-Sep-28	4.80	U.S. Govt Agency	FHLMC	535,000
PFM	29-Sep-28	5.80	MTN-C	Citibank N A	535,000
PFM	30-Sep-28	4.63	U.S. Govt Agency	US Treasury Bill	500,000
Allspring	25-Oct-28	5.80	MTN-C	Bank New York Mtn	1,000,000
PFM	25-Oct-28	5.07	U.S. Govt Agency	FHLMC	200,000
PFM	25-Oct-28	4.86	U.S. Govt Agency	FHLMC	300,000
PFM	31-Oct-28	1.38	U.S. Govt Agency	US Treasury Bill	1,500,000
PFM	31-Oct-28	1.38	U.S. Govt Agency	US Treasury Bill	775,000
Allspring	15-Nov-28	4.98	ABS	Bank of America	394,000
PFM	25-Nov-28	5.00	U.S. Govt Agency	FHLMC	280,000
PFM	25-Dec-28	4.57	U.S. Govt Agency	FHLMC	325,000
PFM	25-Dec-28	4.72	U.S. Govt Agency	FHLMC	315,000
PFM	31-Dec-28	3.75	U.S. Govt Agency	US Treasury Bill	1,200,000
PFM	31-Dec-28	1.38	U.S. Govt Agency	US Treasury Bill	500,000
PFM	12-Jan-29	5.02	MTN-C	Morgan Stanley	250,000
PFM	16-Jan-29	4.60	ABS	Chase Issuance Trust	490,000
PFM	24-Jan-29	4.92	MTN-C	JP Morgan	140,000
PFM	31-Jan-29	4.60	MTN-C	Paccar Financial Mtn	160,000
PFM	8-Feb-29	4.60	MTN-C	Air products	295,000
PFM	8-Feb-29	4.60	MTN-C	Texas Instrs	370,000
PFM	15-Feb-29	4.94	ABS	Wells Fargo Card	560,000
PFM	20-Feb-29	4.90	MTN-C	Cummins INC	195,000
PFM	22-Feb-29	4.90	MTN-C	Bristol Myers Squibb	200,000
Allspring	26-Feb-29	5.18	ABS	BMW Vehicle Owner	1,100,000
PFM	26-Feb-29	4.85	MTN-C	Cisco Sys Inc	225,000
PFM	26-Feb-29	4.85	MTN-C	Astrazeneca	165,000
PFM	28-Feb-29	4.25	U.S. Govt Agency	US Treasury Bill	750,000
PFM	14-Mar-29	4.70	MTN-C	Blackrock Funding	50,000
PFM	14-Mar-29	4.70	MTN-C	Blackrock Funding	220,000
Allspring	15-Mar-29	5.38	ABS	Hyundai Auto Rec	1,000,000
Allspring	15-Mar-29	5.20	ABS	John Deere Owner	1,000,000
PFM	25-Mar-29	5.18	U.S. Govt Agency	FHLMC	315,000
Allspring	31-Mar-29	4.13	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	31-Mar-29	4.13	U.S. Govt Agency	US Treasury Bill	225,000
PFM	4-Apr-29	4.80	MTN-C	Adobe Inc	225,000
Allspring	15-Apr-29	5.10	ABS	Ford CR Auto Owner	1,000,000
PFM	15-Apr-29	5.10	ABS	Ford CR Auto Owner	415,000
PFM	23-Apr-29	4.91	MTN-C	Wells Fargo co	205,000
PFM	25-Apr-29	4.73	MTN-C	American Express	245,000
PFM	9-May-29	4.62	MTN-C	Bank America Mtn	290,000
PFM	15-May-29	4.42	ABS	Hyundai Auto Rec	195,000
PFM	25-May-29	4.72	U.S. Govt Agency	FHLMC	460,000
Allspring	31-May-29	4.50	U.S. Govt Agency	US Treasury Bill	1,000,000
Allspring	15-Jun-29	5.15	MTN-C	National Rural Mtn	850,000
Allspring	20-Jun-29	5.98	ABS	Verizon Master Trust	1,000,000
Allspring	25-Jun-29	4.75	MTN-C	Home Depot Inc	500,000
PFM	25-Jun-29	4.75	MTN-C	Home Depot Inc	95,000
PFM	25-Jun-29	4.64	U.S. Govt Agency	FHLMC	200,000
PFM	30-Jun-29	3.25	U.S. Govt Agency	US Treasury Bill	2,030,000
PFM	15-Jul-29	4.76	ABS	Ford CR Auto Owner	360,000
Allspring	16-Jul-29	4.65	ABS	American Express	1,025,000
PFM	17-Jul-29	4.50	MTN-C	Pepsico inc	280,000
PFM	25-Jul-29	4.54	U.S. Govt Agency	FHLMC	515,000
PFM	25-Jul-29	4.62	U.S. Govt Agency	FHLMC	410,000
Allspring	31-Jul-29	4.00	U.S. Govt Agency	US Treasury Bill	500,000
PFM	31-Jul-29	4.00	U.S. Govt Agency	US Treasury Bill	260,000
PFM	9-Aug-29	4.55	MTN-C	Toyota Motor	195,000
PFM	14-Aug-29	4.20	MTN-C	Eli Lilly Co	65,000
PFM	16-Aug-29	4.27	ABS	GM Finl con Auto Rec	155,000
PFM	18-Aug-29	4.64	ABS	Toyota Auto	260,000
PFM	20-Aug-29	4.92	ABS	Volkswagen Auto Ln	365,000
PFM	31-Aug-29	3.63	U.S. Govt Agency	US Treasury Bill	750,000
PFM	18-Sep-29	3.80	MTN-C	Novartis Capital	365,000
PFM	21-Sep-29	4.57	ABS	Honda Auto	205,000
PFM	25-Sep-29	4.85	ABS	BMW Vehicle Owner	140,000
PFM	25-Sep-29	4.79	U.S. Govt Agency	FHLMC	345,000
Allspring	30-Sep-29	3.50	U.S. Govt Agency	US Treasury Bill	950,000
Allspring	1-Oct-29	4.35	Municipal	Los Angeles Ca	250,000
PFM	4-Oct-29	4.05	MTN-C	Accenture Capital	195,000
PFM	15-Oct-29	4.15	ABS	Honda Auto	125,000
PFM	15-Oct-29	4.45	ABS	Ford Credit Auto	445,000
Allspring	31-Oct-29	4.13	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	31-Oct-29	4.13	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	15-Nov-29	4.77	ABS	Toyota Auto	220,000
Allspring	30-Nov-29	4.13	U.S. Govt Agency	US Treasury Bill	1,700,000
Allspring	15-Dec-29	4.49	ABS	Nissan Auto Rec	500,000
PFM	17-Dec-29	4.78	ABS	Mercedes Benz Auto	255,000
Allspring	31-Dec-29	4.38	U.S. Govt Agency	US Treasury Bill	1,000,000
Allspring	31-Dec-29	4.38	U.S. Govt Agency	US Treasury Bill	1,000,000
Allspring	17-Jan-30	4.95	MTN-C	Adobe Inc	900,000
PFM	17-Jan-30	4.95	MTN-C	Adobe Inc	285,000
Allspring	23-Jan-30	5.20	MTN-C	Wells Fargo co	500,000
PFM	25-Jan-30	4.41	U.S. Govt Agency	FHLMC	205,000
PFM	31-Jan-30	4.25	U.S. Govt Agency	US Treasury Bill	295,000
Allspring	12-Feb-30	4.75	MTN-C	Eli Lilly Co	600,000
PFM	24-Feb-30	4.75	MTN-C	Cisco Sys Inc	290,000
PFM	28-Feb-30	4.00	U.S. Govt Agency	US Treasury Bill	160,000
PFM	20-Mar-30	4.51	ABS	Verizon Master Trust	440,000
PFM	31-Mar-30	4.00	U.S. Govt Agency	US Treasury Bill	700,000

KAWEAH DELTA HEALTH CARE DISTRICT
SUMMARY OF FUNDS
September 30, 2025

PFM	15-Apr-30	4.28	ABS	American Express	410,000
PFM	16-Apr-30	4.66	ABS	GM Finl Consumer	95,000
PFM	24-Apr-30	4.76	MTN-C	State Street Corp	140,000
Allspring	28-Apr-30	4.35	MTN-C	Walmart Inc	500,000
PFM	28-Apr-30	4.30	MTN-C	Walmart Inc	160,000
Allspring	30-Apr-30	3.88	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	1-May-30	4.20	MTN-C	Colgate Palmolive	180,000
PFM	15-May-30	4.31	ABS	Bank of America	265,000
PFM	15-May-30	4.34	ABS	WF Card Issuance	515,000
PFM	15-May-30	4.80	MTN-C	Toyota Motor	200,000
PFM	25-May-30	0.00	U.S. Govt Agency	FHLMC	375,000
PFM	25-May-30	4.35	U.S. Govt Agency	FHLMC	575,000
PFM	29-May-30	4.91	MTN-C	Citibank N A	250,000
Allspring	31-May-30	4.00	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	5-Jun-30	4.55	MTN-C	John Deere Mtn	285,000
PFM	15-Jun-30	4.50	MTN-C	Analog Devices	435,000
PFM	21-Jun-30	4.30	ABS	Citibank Credit	580,000
PFM	25-Jun-30	4.33	U.S. Govt Agency	FHLMC	575,000
PFM	25-Jun-30	4.27	U.S. Govt Agency	FHLMC	590,000
Allspring	30-Jun-30	3.88	U.S. Govt Agency	US Treasury Bill	1,000,000
Allspring	30-Jun-30	3.88	U.S. Govt Agency	US Treasury Bill	1,000,000
PFM	30-Jun-30	3.88	U.S. Govt Agency	US Treasury Bill	540,000
Allspring	15-Jul-30	4.16	ABS	Chase Issuance Trust	1,000,000
PFM	15-Jul-30	4.30	ABS	American Express	330,000
PFM	25-Jul-30	4.29	U.S. Govt Agency	FHLMC	460,000
PFM	29-Jul-30	4.30	MTN-C	GE Aerospace	65,000
Allspring	31-Jul-30	4.00	U.S. Govt Agency	US Treasury Bill	1,575,000
Allspring	31-Jul-30	3.88	U.S. Govt Agency	US Treasury Bill	500,000
PFM	31-Jul-30	3.88	U.S. Govt Agency	US Treasury Bill	500,000
Allspring	31-Aug-30	3.75	U.S. Govt Agency	US Treasury Bill	800,000
PFM	31-Aug-30	3.75	U.S. Govt Agency	US Treasury Bill	1,800,000
PFM	15-Sep-30	3.95	MTN-C	Home Depot Inc	65,000
PFM	16-Sep-30	3.82	ABS	Capital one Mtn	360,000
					\$ 203,149,710

	Maturity Date	Yield	Investment Type	G/L Account	Amount	Total
<u>Self-insurance trust</u>						
Wells Fargo Bank			Money market	110900	1,087,518	
Wells Fargo Bank			Fixed income - L/T	152300	621,456	
						1,708,974
<u>2015A revenue bonds</u>						
US Bank			Principal/Interest payment fund	142110	1,961,242	
						1,961,242
<u>2015B revenue bonds</u>						
US Bank			Principal/Interest payment fund	142110	1,394,969	
						1,394,969
<u>2017C revenue bonds</u>						
US Bank			Principal/Interest payment fund	142110	3,541,173	
						3,541,173
<u>2020 revenue bonds</u>						
US Bank			Principal/Interest payment fund	142110	725,442	
						725,442
<u>2022 revenue bonds</u>						
US Bank			Principal/Interest payment fund	142110	1,622,368	
						1,622,368
<u>2014 general obligation bonds</u>						
CAMP			Interest Payment fund	152440	2,430,980	
						2,430,980
<u>Master Reserve fund</u>						
US Bank				142102	(284,980)	
US Bank				142103	23,432,063	
						23,147,084
<u>Operations</u>						
Wells Fargo Bank	0.38	Checking	100100	100100	(2,182,352)	
Wells Fargo Bank	0.38	Checking	100500	100500	8,269,189	
						6,086,837
<u>Payroll</u>						
Wells Fargo Bank	0.38	Checking		100200	(156,569)	
Wells Fargo Bank	0.38	Checking	Flexible Spending	100300	626,593	
Wells Fargo Bank	0.38	Checking	Benefits	100300	260,417	
Wells Fargo Bank	0.00	Checking	HSA	100300	28,155	
						758,596
						6,845,433
Total investments					\$ 246,527,375	

**KAWEAH DELTA HEALTH CARE DISTRICT
SUMMARY OF FUNDS
September 30, 2025**

Kaweah Delta Hospital Foundation

Central Valley Community Checking	Investments	100100	463,862
Various	S/T Investments	142200	6,278,399
Various	L/T Investments	142300	13,581,135
Various	Unrealized G/L	142400	3,215,051
			<u>\$ 23,538,447</u>

Summary of board designated funds:

Plant fund:

Uncommitted plant funds	\$ 141,093,069	142100
Committed for capital	26,339,679	142100
	<u>167,432,748</u>	
GO Bond reserve - L/T	1,992,658	142100
401k Matching	8,384,009	142100
Cost report settlement - current	2,135,384	142104
Cost report settlement - L/T	1,312,727	142100
	3,448,111	
Development fund/Memorial fund	104,184	112300
Workers compensation - current	6,475,000	112900
Workers compensation - L/T	15,313,000	113900
	21,788,000	
	<u>\$ 203,149,710</u>	

	Total Investments	%	Trust Accounts	Surplus Funds	%
<u>Investment summary by institution:</u>					
Bancorp	\$ -	0.0%		-	0.0%
Cal Trust	-	0.0%		-	0.0%
CAMP	38,118,895	15.5%		38,118,895	18.2%
Local Agency Investment Fund (LAIF)	41,608,632	16.9%		41,608,632	19.8%
CAMP - GOB Tax Rev	2,430,980	1.0%	2,430,980	-	0.0%
Allspring	60,304,867	24.5%	1,708,974	58,595,893	27.9%
PFM	59,930,912	24.3%		59,930,912	28.5%
Western Alliance - CDARS	3,055,623			3,055,623	1.5%
Western Alliance	130,781			130,781	0.1%
Wells Fargo Bank	8,554,408	3.5%		8,554,408	4.1%
Signature Bank	-	0.0%	-	-	0.0%
US Bank	32,392,278	13.1%	32,392,278	-	0.0%
Total investments	<u>\$ 246,527,375</u>	<u>100.0%</u>	<u>\$ 36,532,232</u>	<u>209,995,143</u>	<u>100.0%</u>

KAWEAH DELTA HEALTH CARE DISTRICT
SUMMARY OF FUNDS
September 30, 2025

Investment summary of surplus funds by type:

		Investment Limitations	
Negotiable and other certificates of deposit	\$ 3,055,623	62,999,000	(30%)
Checking accounts	6,845,433		
Local Agency Investment Fund (LAIF)	41,608,632	75,000,000	
CAMP	38,118,895		
Medium-term notes (corporate) (MTN-C)	31,625,000	62,999,000	(30%)
U.S. government agency	62,567,367		
Municipal securities	5,685,000		
Money market accounts	548,600	41,999,000	(20%)
Commercial paper	-	52,499,000	(25%)
Asset Backed Securities	19,940,593	41,999,000	(20%)
Supra-National Agency	-	62,999,000	(30%)
	<u>\$ 209,995,143</u>		

Return on investment:

Current month	<u><u>3.78%</u></u>
Year-to-date	<u><u>3.70%</u></u>
Prospective	<u><u>3.83%</u></u>
 LAIF (year-to-date)	 <u><u>4.24%</u></u>
Budget	<u><u>4.22%</u></u>

Fair market value disclosure for the quarter ended September 30, 2025 (District only):

	<u>Quarter-to-date</u>	<u>Year-to-date</u>
Difference between fair value of investments and amortized cost (balance sheet effect)	N/A	937,382
Change in unrealized gain (loss) on investments (income statement effect)	\$ 589,097	589,097

Investment summary of CDs:

American Plus Bank, N.A.	\$ 240,376
BOKF, National Association	240,376
CalPrivate Bank	240,376
Centreville Bak	240,376
Citizens Bank & Trust	240,376
City Natl Bank of Sulphur Springs	240,376
Farmer & Merchants Bank	178,557
Farmers & Merchants Bank	13,721
First Heritage Bank	240,376
First Oklahoma Bank	203,034
Homeland Federal Savings Bank	16,172
Locus Bank	240,376
Old National Bank	240,376
River City Bank	240,376
Solera National Bank	240,376
	<u>\$ 3,055,623</u>

Investment summary of asset backed securities:

Ally Auto Rec	\$ 134,441
American Express	2,210,000
Bank of America	659,000
BMW Vehicle Owner	1,294,996
Capital One Prime	67,296
Capital one Mtn	360,000
Carmax Auto Owner	120,496
Chase Issuance Trust	1,925,000
Citibank Credit	580,000
Daimler Trucks	159,285
Fifth Third Auto	288,689
Ford CR Auto Owner	1,892,591
Ford Credit Auto	445,000
GM Finl con Auto Rec	234,263
GM Finl Consumer	636,439
Harley Davidson	392,444
Honda Auto	570,014
Honda Auto Rec Own	7,507
Hyundai Auto	78,713
Hyundai Auto Rec	1,195,000
John Deere Owner	1,000,000
Mercedes Benz Auto	1,329,418
Nissan Auto Lease	500,000
Nissan Auto Rec	500,000
Toyota Auto	480,000
Verizon Master Trust	1,440,000
Wells Fargo Card	560,000
WF Card Issuance	515,000
Volkswagen Auto Ln	365,000
	<u>\$ 19,940,593</u>

KAWEAH DELTA HEALTH CARE DISTRICT
SUMMARY OF FUNDS
September 30, 2025

Investment summary of medium-term notes (corporate):

Accenture Capital	\$	195,000
Adobe Inc		1,410,000
American Express		245,000
American Express Co		445,000
American Honda Mtn		145,000
Analog Devices		435,000
Air products		295,000
Astrazeneca		165,000
Astrazeneca LP		265,000
Bank America Mtn		290,000
Bank of America		1,100,000
Bank New York Mellon Mtn		300,000
Bank New York Mtn		1,000,000
Blackrock Funding		455,000
Bp Cap Mkts Amer		310,000
Bristol Myers Squibb		200,000
Chevron USA Inc		340,000
Caterpillar Finl Mtn		1,220,000
Cisco Sys Inc		845,000
Citibank N A		1,785,000
Colgate Palmolive		180,000
Cummins INC		215,000
Eli Lilly Co		965,000
GE Aerospace		65,000
Goldman Sachs		1,475,000
Hershey Co		80,000
Home Depot Inc		880,000
Hormel Food Corp		115,000
IBM Corp		410,000
John Deere Mtn		1,105,000
Johnson Johnson Sr		80,000
JP Morgan		1,240,000
Lockheed Martin		40,000
Mastercard		130,000
Morgan Stanley		1,780,000
National Rural Mtn		1,010,000
Natixis Ny		405,000
Novartis Capital		365,000
Paccar Financial Mtn		1,155,000
Pepsico inc		280,000
Procter Gamble Co		1,300,000
State Street Corp		1,475,000
Target Corp		1,265,000
Texas Instrs		370,000
Truist Bk Sr Nt		275,000
Toyota Motor		1,925,000
Unitedhealth Group		85,000
Walmart Inc		660,000
Wells Fargo Mtn		145,000
Wells Fargo co		705,000
	\$	31,625,000

Investment summary of U.S. government agency:

Federal National Mortgage Association (FNMA)	\$	515,622
Federal Home Loan Bank (FHLB)		0
Federal Home Loan Mortgage Corp (FHLMC)		10,016,745
US Treasury Bill		52,035,000
	\$	62,567,367

Investment summary of municipal securities:

Alameda Cnty Ca	\$	500,000
Anaheim Ca Pub		1,000,000
California St Univ		125,000
Los Angeles Ca		660,000
Massachusetts St		1,000,000
San Diego County		1,000,000
San Francisco Ca		1,000,000
San Jose Ca Redev		400,000
	\$	5,685,000

Agenda item intentionally omitted