



October 20, 2023

## NOTICE

The Board of Directors of the Kaweah Delta Health Care District will meet in the City of Visalia City Council Chambers {707 W. Acequia, Visalia, CA} on Wednesday October 25, 2023: 4:00PM Open Meeting; 4:01PM Closed meeting pursuant to Government Code 54956.9(d)(1), 54956.9(d)(2), Health and Safety Code 1461 and 32155; 5:00PM Open Meeting.

All Kaweah Delta Health Care District regular board meeting and committee meeting notices and agendas are posted 72 hours prior to meetings (special meetings are posted 24 hours prior to meetings) in the Kaweah Health Medical Center, Mineral King Wing near the Mineral King entrance.

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

KAWEAH DELTA HEALTH CARE DISTRICT  
Mike Olmos, Secretary/Treasurer

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

Cindy Moccio  
Board Clerk / Executive Assistant to CEO

DISTRIBUTION:  
Governing Board  
Legal Counsel  
Executive Team  
Chief of Staff  
[www.kaweahhealth.org](http://www.kaweahhealth.org)

# KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS MEETING

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

**Wednesday October 25, 2023**

## **OPEN MEETING AGENDA {4:00PM}**

- 1. CALL TO ORDER**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or [cmoccio@kaweahhealth.org](mailto:cmoccio@kaweahhealth.org) to make arrangements to address the Board.
- 4. APPROVAL OF THE CLOSED AGENDA – 4:01PM**
  - 4.1. Conference with Legal Counsel** – Existing Litigation – Pursuant to Government Code 54956.9(d)(1) – *Rachele Berglund, Legal Counsel and Evelyn McEntire, Director of Risk Management*
    - A. Martinez (Santillian) v KDHCDC Case # VCU279163
    - B. Stanger v Visalia Medical Center Case # VCU284760
    - C. Whaley v KDHCDC Case # VCU288850
    - D. Franks v KDHCDC Case #VCU290542
    - E. Burns-Nunez v KDHCDC Case# VCU293109
    - F. Oney v KDHCDC Case # VCU293813
    - G. Parnell v Kaweah Health Case # VCU292139
    - H. Benton v KDHCDC Case # VCU295014
    - I. Cano v KDHCDC Case # VCU300701
    - J. Gabbard v KDHCDC Case # VCU297787
    - K. Gress v KDHCDC Case # VCU294286
    - L. Kingsbury v KDHCDC Case # 299220
    - M. Newport v KDHCDC Case # VCU295708
    - N. Olivares v KDHCDC Case # VCU298480
    - O. Rice v KDHCDC Case # 295620
    - P. Vanni v KDHCDC Case # VCU299235
    - Q. S. Vasquez v KDHCDC Case # VCU294513

Wednesday, October 25, 2023

Page 1 of 7

*Mike Olmos – Zone 1  
Secretary/Treasurer*

*Lynn Havard Mirviss – Zone 2I  
Vice President*

*Garth Gipson – Zone 3  
Board Member*

*David Francis – Zone 4  
President*

*Ambar Rodriguez – Zone 5  
Board Member*

- R. M. Vasquez v KDHCD Case # VCU297964
- S. Williams v KDHCD Case # VCU298276
- T. Borba v KDHCD Case # VCU301816
- U. Zamudio v KDHCD Case # 302284
- 4.2. **Conference with Legal Counsel – Anticipated Litigation** – Significant exposure to litigation pursuant to Government Code 54956.9(d)(2) – 1 Case – *Richard Salinas, Legal Counsel and Evelyn McEntire, Director of Risk Management*
- 4.3. **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee —*Evelyn McEntire, Director of Risk Management*
- 4.4. **Credentialing** - Medical Executive Committee (MEC) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 – *Daniel Hightower, MD, Chief of Staff*
- 4.5. **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee – *Daniel Hightower, MD, Chief of Staff*
- 4.6. **Approval of the closed meeting minutes** – September 12, 27 and October 6, 2023.

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

*Action Requested – Approval of the October 25, 2023 closed meeting agenda.*

## 5. ADJOURN

### CLOSED MEETING AGENDA {4:01PM}

- 1. **CALL TO ORDER**
- 2. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION** – Pursuant to Government Code 54956.9(d)(1)

*Richard Salinas, Legal Counsel and Evelyn McEntire, Director of Risk Management*

- A. Martinez (Santillian) v KDHCD Case # VCU279163
- B. Stanger v Visalia Medical Center Case # VCU284760
- C. Whaley v KDHCD Case # VCU288850
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- T. Borba v KDHCD Case # VCU301816
- U. Zamudio v KDHCD Case # 302284

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

*Richard Salinas, Legal Counsel and Evelyn McEntire, Director of Risk Management*

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

*Evelyn McEntire, Director of Risk Management*

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

*Daniel Hightower, MD, Chief of Staff*

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

*Daniel Hightower, MD, Chief of Staff*

7. **APPROVAL OF THE CLOSED MEETING MINUTES** – September [12](#), [27](#) and [October 6](#), 2023.

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

*Action Requested – Approval of the closed meeting minutes – September 12, 27 and October 6, 2023.*

8. **ADJOURN**

## OPEN MEETING AGENDA {5:00PM}

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **PUBLIC PARTICIPATION** – Members of the public may comment on agenda items before action is taken and after it is discussed by the Board. Each speaker will be allowed five minutes. Members of the public wishing to address the Board concerning items not on the agenda and within the jurisdictions of the Board are requested to identify themselves at this time. For those who are unable to attend the beginning of the Board meeting during the public participation segment but would like to address the Board, please contact the Board Clerk (Cindy Moccio 559-624-2330) or [cmoccio@kaweahhealth.org](mailto:cmoccio@kaweahhealth.org) to make arrangements to address the Board.
4. **CLOSED SESSION ACTION TAKEN** – Report on action(s) taken in closed session.
5. **OPEN MINUTES** – Request approval of the September [12](#), [27](#) and [October 6](#), 2023 open minutes.  
**Public Participation** – Members of the public may comment on agenda items before action is taken and after the item has been discussed by the Board.  
*Action Requested – Approval of the September 12, 27 and October 6, 2023 open meeting minutes.*
6. **RECOGNITIONS** – *Director*
  - 6.1. Presentation of [Resolution 2205](#) to [Michelle Wilson](#), in recognition as the Kaweah Health World Class Employee of the month – September 2023.
  - 6.2. Presentation of [Resolution 2206](#) to [David Marks](#), in recognition as the Kaweah Health World Class Employee of the month – October 2023.
7. **NEW DIRECTOR** - Meredith Alvarado, Assistant Director of Rural Health Clinics – *Ivan Jara*
8. **CREDENTIALS** - Medical Executive Committee requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the Medical Executive Committee be reviewed for approval.  
*Daniel Hightower, MD, Chief of Staff*
9. **CHIEF OF STAFF REPORT** – Report relative to current Medical Staff events and issues.  
*Daniel Hightower, MD, Chief of Staff*

10. **ANNUAL AUDITED FINANCIAL STATEMENT** – Report to Board from Moss Adams relative to the annual audited financial statement for fiscal year 2023.

*Kaweah Health; Malinda Tupper, Chief Financial Officer, Jennifer Stockton, Director of Finance, Moss Adams; Brian Conner and John Feneis*

*Recommended Action: Approval of the 2023 Annual Audited Financial Statement.*

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

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

*Action Requested – Approval of the October 25, 2023 Consent Calendar.*

**11.1. REPORTS**

- A. [Physician Recruitment](#)
- B. [Strategic Plan](#)
- C. [Throughput](#)
- D. [Risk Management](#)
- E. [Investment Report](#) (Semi-Annual)

**11.2. POLICIES – HUMAN RESOURCES** – As reviewed and supported for submission to the Board for review and consideration of approval.

- A. [HR.01](#) - Purpose and Scope of Manual / Revised
- B. [HR.02](#) - District Commitment & Staff Member Relations / Revised
- C. [HR.13](#) - Anti-Harassment and Abusive Conduct / Revised
- D. [HR.16](#) - Reasonable Accommodation & Medical Fitness for Work / Revised
- E. [HR.17](#) - Language Resource Assistant Program / Revised
- F. [HR.28](#) - Recruitment and Selection of Staff Members / Revised
- G. [HR.34](#) - Employment of Relatives / Revised
- H. [HR.37](#) - Introductory Period / Revised
- I. [HR.65](#) - Payment of Wages / Revised
- J. [HR.71](#) - Overtime Pay / Revised
- K. [HR.74](#) – Telecommuting / Revised
- L. [HR.95](#) - Job Descriptions / Revised
- M. [HR.96](#) - Personnel Files and Employee Health Records / Revised
- N. [HR.98](#) - Employment References and Personnel File Access / Revised
- O. [HR.141](#) - Employee Parking / Revised
- P. [HR.148](#) - Personal Leave of Absence / Revised
- Q. [HR.151](#) - Short Term (Reserve) Military Training Leave and Military Leave of Absence / Revised
- R. [HR.183](#) - Identification Badges / Revised
- S. [HR.188](#) - Personal Property and Valuables / Revised

- T. [HR.197](#) - Dress Code - Professional Appearance Guidelines / Revised
- U. [HR.215](#) - Grievance Procedure / Revised
- V. [HR.216](#) - Progressive Discipline / Revised
- W. [HR.220](#) - Separation from Employment / Revised
- X. [HR.221](#) - Employee Reduction in Force - or- Reassignment Resulting in Demotion / Revised
- Y. [HR.234](#) - PTO, EIB and Healthy Workplace, Healthy Families Act of 2014 / Revised
- Z. HR.15 - Request for Reconsideration of Work Assignment Based Upon Religious and/or Cultural Reasons / Reviewed
- AA. HR.94 - Employee Handbook/Human Resources Policies / Reviewed
- BB. HR.156 - Witness Duty / Reviewed
- CC. HR.169 - Jury Duty / Reviewed

**11.3.** American College of Surgeons Board support of Level III Trauma Center. The Kaweah Delta Health Care District dba Kaweah Health Board of Directors supports verification as a Level III trauma center by the American College of Surgeons. Kaweah Delta commits to maintain the high standards needed to provide optimal care of all trauma patients. The multidisciplinary trauma performance improvement program has the authority to evaluate care across disciplines, identify opportunity for improvement, and implement corrective actions. Kaweah Delta commits to adhere to the standards required for the level of verification throughout the verification cycle and to ensure that the necessary personnel, facilities, and equipment are made available to support adherence to the standards.

- 12.** [QUALITY – SEPSIS](#) – Update on process and outcome quality metrics associated with the care of the septic population and improvement action plans.

*Erika Pineda, BSN, RN, PHN, CPHQ, Quality Improvement Manager, LaMar Mack, MD, Quality and Patient Safety Medical Director.*

- 13.** [STRATEGIC PLANNING – Ideal Work Environment](#) - Detailed review of Strategic Plan Initiative.

*Dianne Cox, Chief Human Resources Officer; Brittany Taylor, Director of Human Resources; Raleen Larez, Director of Employee Relations and Engagement; Hannah Mitchell, Director of Organizational Development; Jamie Morales, Director of Talent Acquisition*

- 14.** [RUTH WOODS OPEN ARMS](#) – Service line status update following first year of service.

*Tiffany Bullock, RN, Director and Jag Batth, PT, Chief Operating Officer*

- 15.** [FINANCIALS](#) – Review of the most current fiscal year financial results.

*Malinda Tupper – Chief Financial Officer Chief Financial Officer*

**16. REPORTS**

**16.1. Chief Executive Officer Report** - Report relative to current events and issues.

*Gary Herbst, Chief Executive Officer*

**16.2. Board President** - Report relative to current events and issues.

*David Francis, Board President*

**17. ADJOURN**

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

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

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**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KAWEAH DELTA HEALTH CARE DISTRICT**

**BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

**BOARD OF DIRECTORS MEETING – CLOSED SESSION**

**KDHCD - BOARD OF DIRECTORS MEETING**

**WEDNESDAY OCTOBER 25, 2023**

**CLOSED MEETING SUPPORTING DOCUMENTS**

**PAGES 9-78**

MINUTES OF THE SPECIAL OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD TUESDAY SEPTEMBER 12, 2023, AT 5:00PM, IN KAWEAH HEALTH MEDICAL CENTER EXECUTIVE OFFICE CONFERENCE ROOM.

PRESENT: Directors Francis, Havard Mirviss, Gipson, Rodriguez & Olmos; G. Herbst, CEO; M. Tupper, CFO; B. Cripps, Chief Compliance Officer; D. Cox, Chief Human Resources Officer, R. Berglund, Legal Counsel; E. McEntire, Director of Risk Management; R. Salinas, Legal Counsel; and C. Moccio, recording

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

Director Francis requested the approval of the open meeting agenda.

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

**PUBLIC PARTICIPATION** – None.

**RESOLUTION 2203 OF KAWEAH DELTA HEALTH CARE DISTRICT AUTHORIZING EXECUTION AND DELIVERY OF A PROMISSORY NOTE, LOAN AND SECURITY AGREEMENT, AND CERTAIN ACTIONS IN CONNECTION THEREWITH FOR A LOAN UNDER THE DISTRESSES HOSPITAL LOAN PROGRAM –**

Review of Resolution 2203 related to the Department of Health Care Access and Information (HCAI) and California Health Care Facilities Finance Authority (CHFFA) Distressed Hospital Loan Program (copy attached to the original of these minutes and considered a part thereof) - *Malinda Tupper, Chief Financial Officer*

*MMSC (Havard Mirviss/Gipson) to approve Resolution 2203 of Kaweah Delta Health Care District authorizing execution and delivery of a promissory note, loan and security agreement, and certain actions in connection therewith for a loan under the distressed hospital loan program ratifying the submission of the loan application and authorizing Malinda Tupper Chief Financial Officer, to execute the loan documents, and approves the Loan and Security Agreement and the Promissory Note. This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Gipson, Rodriguez and Francis*

Director Francis requested approved of the special meeting closed agenda - Conference with Legal Counsel – Existing Litigation {Shipman v. KDHCD Case #VCU287291 – Pursuant to Government Code 54956.9(d)(1) – *Richard Salinas, Legal Counsel*

**Public Participation** – None.

*MMSC (Havard Mirviss/Rodriguez) to approved September 12, 2023 special closed meeting agenda. This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Gipson, Rodriguez and Francis*

Adjourned 4:04PM

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

ATTEST:

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

MINUTES OF THE OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD WEDNESDAY SEPTEMBER 27, 2023 AT 4:00PM, IN THE CITY OF VISALIA CITY COUNCIL CHAMBERS – 707 W. ACEQUIA, VISALIA, CA.

PRESENT: Directors Francis, Havard Mirviss, Rodriguez & Olmos; D. Hightower, MD, Chief of Staff, K. Noeske, CNO; M. Tupper, CFO; M. Mertz, Chief Strategy Officer; D. Leeper, Chief Information and Cybersecurity Office; R. Gates, Chief Population Health Officer; J. Batth, Chief Operating Officer; B. Cripps, Chief Compliance Officer D. Cox, Chief Human Resources Officer, W. Brien, MD CMO/CQO; R. Berglund, Legal Counsel; E. McEntire, Director of Risk Management and C. Moccio recording

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

Director Francis asked for approval of the open agenda.

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

**PUBLIC PARTICIPATION** – No comments.

Director Francis asked for approval of the closed agenda.

**APPROVAL OF THE CLOSED AGENDA**

- **Credentialing** - Medical Executive Committee (MEC) requests that the appointment, reappointment and other credentialing activity regarding clinical privileges and staff membership recommended by the respective department chiefs, the credentials committee and the MEC be reviewed for approval pursuant to Health and Safety Code 1461 and 32155 – *Daniel Hightower, MD, Chief of Staff*
- **Quality Assurance** pursuant to Health and Safety Code 32155 and 1461, report of quality assurance committee – *Daniel Hightower, MD, Chief of Staff*
- **Approval of the closed meeting minutes** – August 23, 2023.

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

*MMSC (Olmos/Havard Mirviss) to approve the September 27, 2023 closed agenda. This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Rodriguez and Francis Absent: Gipson*

**CONSENT CALENDAR** – Director Francis entertained a motion to approve the September 27, 2023 consent calendar with the removal of item 9.1C {Report – Environment of Care}.

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

*MMSC (Havard Mirviss/Olmos) to approve the September 27, 2023 consent calendar with the removal of 9.1C {Report – Environment of Care}. This was supported unanimously by present. Vote: Yes – Olmos, Havard Mirviss, Rodriguez and Francis Absent: Gipson*

**9.1C ENVIRONMENT OF CARE** – Discussion relative to the data from the EOC report about work place violence, how we track, trend, and monitor occurrences and follow-up.

*MMSC (Havard Mirviss/Olmos) to approve item 9.1C {Report – Environment of Care} from the September 27, 2023 consent calendar. This was supported unanimously by present. Vote: Yes – Olmos, Havard Mirviss, Rodriguez and Francis Absent: Gipson*

**RECOGNITIONS**

Presentation of Resolution 2204 to Ana Lopez, World Class Employee of the Month – August 2023.

Adjourned to closed meeting at 4:37PM

Open session called back into order at 4:42PM

**CLOSED SESSION ACTION TAKEN:** Approval the closed minutes from August 23, 2023.

**OPEN MINUTES** – Request approval of the open meeting minutes from August 23, 2023.

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

*MMSC (Havard Mirviss/Rodriguez) to approve the open minutes from August 23, 2023. This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Rodriguez and Francis Absent: Gipson*

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

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

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

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

*within their individual credentials files . This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Rodriguez and Francis Absent: Gipson*

**CHIEF OF STAFF REPORT** – Report relative to current Medical Staff events and issues – *D. Hightower, MD, Chief of Staff*

- No Report.

**QUALITY – DIVERSION PREVENTION** – A review of key initiatives to maintain safety by recognizing, preventing, and reporting potential medication drug diversion (copy attached to the original of these minutes and considered a part thereof) - *Evelyn McEntire, Director of Risk Management and Shannon Cauthen, Director of Critical Care Services*

**STRATEGIC PLAN - PATIENT AND COMMUNITY EXPERIENCE** – Detailed review of Strategic Plan Initiative (copy attached to the original of these minutes and considered a part thereof) - *Keri Noeske, Chief Nursing Officer*

**FINANCIALS** – Review of the most current fiscal year financial results. (copy attached to the original of these minutes and considered a part thereof) – *Malinda Tupper – Chief Financial Officer*

## **REPORTS**

Chief Executive Officer Report - Report relative to current events and issues – *Jag Batth, COO*

- Mr. Herbst noted that the CA legislature introduced 2600 bills and there are 900 unsigned Bills that are on the Governor’s desk that he has until October 14<sup>th</sup> to sign. The proposed healthcare minimum wage bill, if signed, will be devastating to California hospitals. The CHA was opposed to this Bill and they flipped to supporting the Bill. We received an email from the Hospital Council requesting Kaweah to submit a letter of support to the Governor – Kaweah declined. Discussion regarding the Districts membership with the CHA.

Board President - Report relative to current events and issues - *David Francis, Board President*

- No Report.

**ADJOURN** - Meeting was adjourned at 6:05PM.

MINUTES OF THE SPECIAL OPEN MEETING OF THE KAWEAH DELTA HEALTH CARE DISTRICT BOARD OF DIRECTORS HELD FRIDAY OCTOBER 6, 2023 AT 8:00AM, IN EXECUTIVE OFFICE CONFERENCE ROOM {305 W. ACEQUIA AVENUE – KAWEAH HEALTH MEDICAL CENTER}

PRESENT: Directors Francis, Olmos, Rodriguez, Havard Mirviss & Gipson; G. Herbst, CEO; R. Berglund, Legal Counsel; C. Moccio, recording

The meeting was called to order at 8:00AM by Director Francis.

Director Francis entertained a motion to approve the agenda.

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

**PUBLIC PARTICIPATION** – None

**APPROVAL OF THE CLOSED AGENDA – 8:01AM**

- **Hearing Procedures** – Appointment of hearing officer pursuant to Health and Safety Code 32154

Director Francis requested the approval of the closed meeting agenda.

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

*MMSC (Havard Mirviss/Gipson) to approve the October 6, 2023 closed agenda. This was supported unanimously by those present. Vote: Yes – Olmos, Havard Mirviss, Rodriguez, Gipson, and Francis*

**ADJOURN** - Meeting was adjourned at 8:01AM

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

ATTEST:

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



## **RESOLUTION 2205**

WHEREAS, the Department Heads of the KAWEAH DELTA HEALTH CARE DISTRICT dba KAWEAH HEALTH are recognizing Michelle Wilson with the World Class Service Excellence Award for the Month of September 2023, for consistent outstanding performance, and,

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

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

PASSED AND APPROVED this 25<sup>th</sup> day of October 2023 by a unanimous vote of those present.

President, Kaweah Delta Health Care District

ATTEST:

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

## **Michelle Wilson – EOM Nominations**

***Molly Niederreiter*** - Michelle is the Clinical Informaticist for so many areas I don't know how she keeps it straight, but somehow, she does. She has extensive knowledge of Cerner which makes her invaluable whenever we need support for break/fix as well as optimization. She is quick to respond, provides timely updates and has excellent follow through. Michelle is a pleasure to work with, she always has a positive can-do attitude towards work and will dig deep/go above and beyond to find the optimal solution. I can't say enough about the impact Michelle has on our ability to provide excellent service and an ideal work environment. Please let me know if more examples are needed as Michelle is well deserving of this recognition.

***Tara Norman*** - Michelle is an absolute joy to work with!!. Her positivity and energy for her job and assisting those she works with is infectious. I know I can always count on Michelle to collaborate, get creative, and think outside the box when we make complex requests. She is extremely accountable and always willing to assist when asked. I have worked with Michell for many years and look forward to continuing to work with her!!!!

***Geraldine White*** - Michelle is such a wonderful person to work with and always so helpful and follow through on questions/concerns. Her work ethic is commendable and under stressful situations continues to thrive and keeps her bright and cheerful personality intact. Over the years she has proven to be a valuable member of our team and an asset to our workforce.

***Leah Daugherty*** - Michelle Wilson is one of my clinical informaticists. She covers several areas including Mental Health, Rehab, and LTC. Last year she accepted the additional work of managing the Ambulatory clinic areas. She jumped in with a positive attitude and all. This was no easy task. The ambulatory setting is filled with multiple workflows from different specialties including but not limited to our population health area, women's health, pediatrics, cardiology, the Infusion center, etc. Michelle is a competent nurse who exemplifies excellent qualities such as, integrity, humility, honesty, kindness, an infectious and bubbly personality, including an enormous amount of compassion for others. She understands the technical world and does

a great job as the Informatics Nurse to help our end users understand and incorporate this within the Clinical setting. She is knowledgeable, hardworking, and has an amazing sense of personal accountability. Even though Michelle no longer works in direct patient care, she uses her clinical experience, works with our end users and leaders to understand and be able to give her all to ensure the EMR workflows do not negatively impact patient care. I truly value Michelle as she is one of a kind.



## **RESOLUTION 2206**

WHEREAS, the Department Heads of the KAWEAH DELTA HEALTH CARE DISTRICT dba KAWEAH HEALTH are recognizing David Marks with the World Class Service Excellence Award for the Month of October 2023, for consistent outstanding performance, and,

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

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

PASSED AND APPROVED this 25<sup>th</sup> day of October 2023 by a unanimous vote of those present.

President, Kaweah Delta Health Care District

ATTEST:

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

Nomination: David Marks, just been recognized by, Kristin Olson

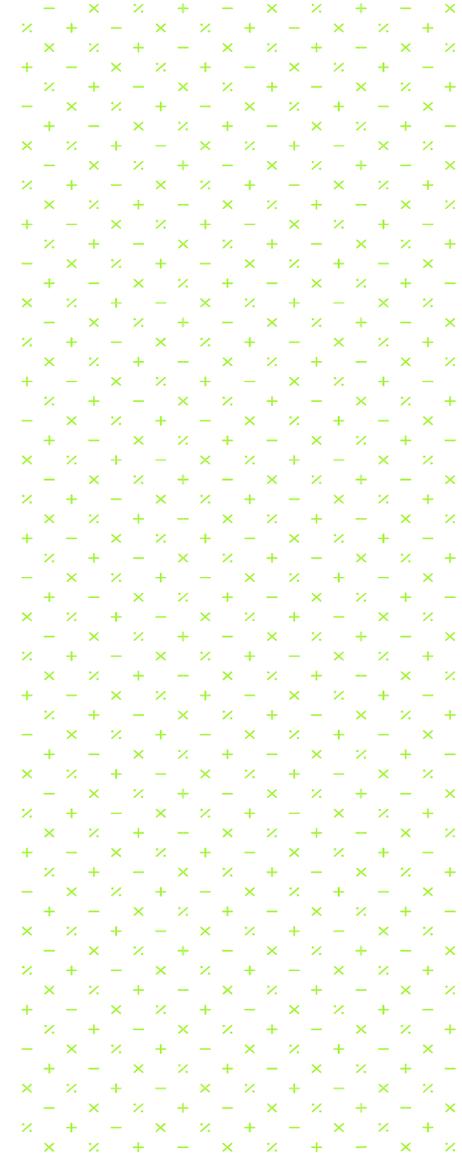
“David started with GME as the simulation assistant a little over a year ago. During his year, David has done an amazing job with organizing and making the sim lab efficient and more accessible to all its users. David takes initiative to learn more about medical simulation and what it entails to make things better and improve systems we have in place. David continues to be an amazing resource to everyone in the GME office as well as to the clinical education team. David has been instrumental in collaborating with the clinical education team to ensure the simulation center meets their needs. “The development of our clinical bedside staff and residents' skills requires more than just teaching in a classroom. It requires practice in a controlled and clean environment with different supplies and mannequins. All of the supplies and mannequins need constant care and organization with all the different groups utilizing the SimLab space. This is where the amazing David Marks has made an impact. The SimLab has been revolutionized by his organization and it has never been cleaner. The goal was to have the new hires try to find all of the things wrong with the room. He has done a great job in his role and developed the SimLab into a positive learning environment.” We are so lucky to have David on our team and we look forward to seeing David continue to grow in his role. Thank you David for all your hard work and your dedication to GME, the sim lab, and Kaweah.



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# Kaweah Delta Healthcare District

2023 Audit Results



Board of Directors

# Kaweah Delta Health Care District

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Dear Board of Directors:

Thank you for your continued engagement of Moss Adams LLP. We are pleased to have the opportunity to meet with you to discuss the results of our audit of the consolidated financial statements of Kaweah Delta Health Care District (the “District”) for the year ended June 30, 2023.

The accompanying report, which is intended solely for the use of the Board of Directors and management, presents important information regarding the District consolidated financial statements and our audit that we believe will be of interest to you. It is not intended to be, and should not be, used by anyone other than these specified parties.

We conducted our audit with the objectivity and independence that you expect. We received the full support and assistance of the District personnel. We are pleased to serve and be associated with the District as its independent public accountants and look forward to our continued relationship.

We look forward to discussing our report or any other matters of interest with you during this meeting.



# Agenda

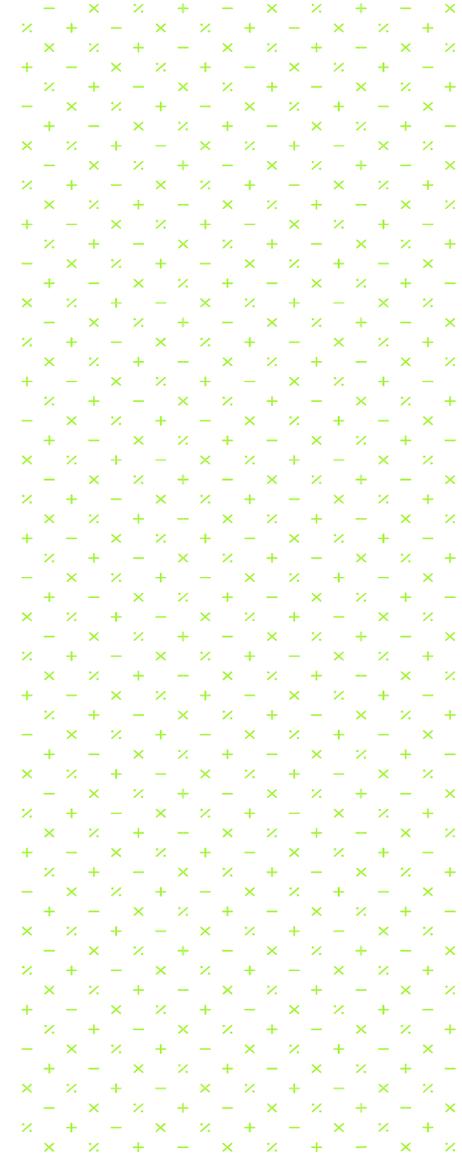
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- Auditor Opinion and Report
- Communication with Those Charged with Governance
- Financial Ratios and Metrics
  - Statement of Financial Position
  - Operations





# Auditor Opinion and Report



## Scope of Services

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We have performed the following services for the District:

- Annual consolidated financial statement audit as of and for the year ended June 30, 2023



# Auditor Report on the Financial Statements

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## Unmodified Opinion

- Consolidated financial statements are presented fairly and in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”)
- 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*



# Communication with Those Charged with Governance

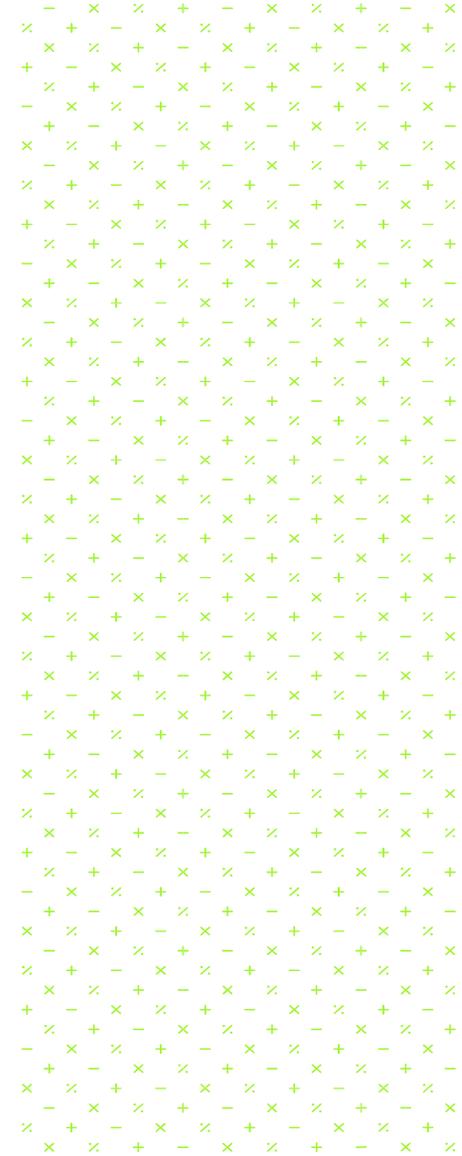
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- Our responsibility under U.S. GAAP and *Government Auditing Standards*
- Planned scope and timing of the audit
- Significant audit findings
- Qualitative aspects of accounting practices
- Significant accounting estimates
- Financial statement disclosures
- Difficulties encountered in performing the audit
- Corrected and uncorrected misstatements
- Disagreements with management
- Management representations
- Management consultations with other independent accountants
- Independence
- Other audit findings or issues



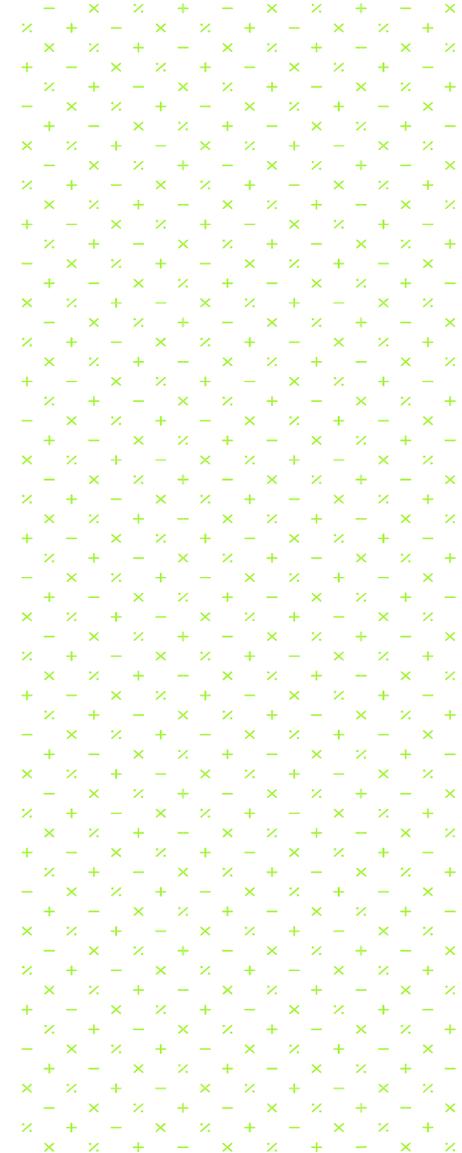


# Financial Ratios and Metrics





# Statement of Financial Position



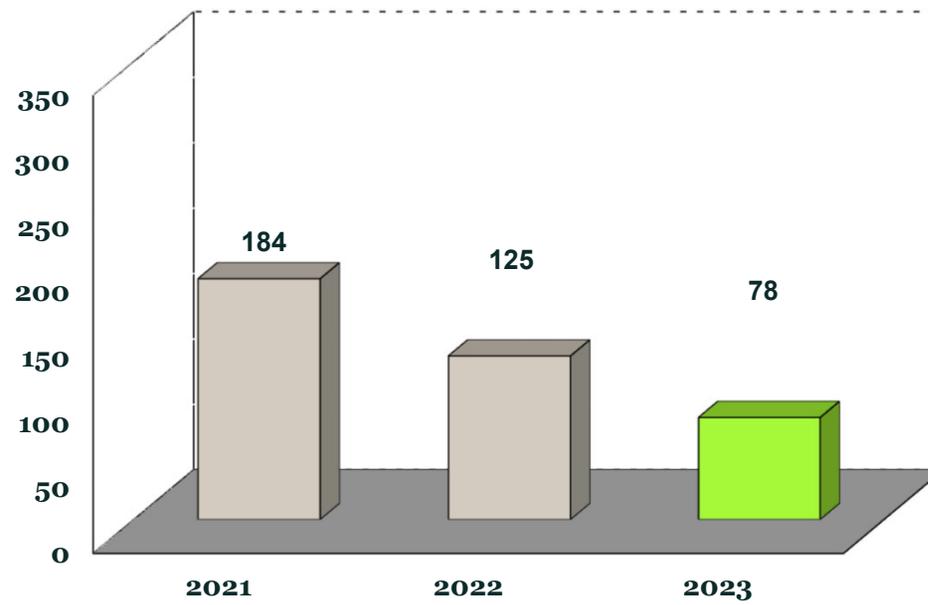
## Cash on Hand (days)

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- 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)



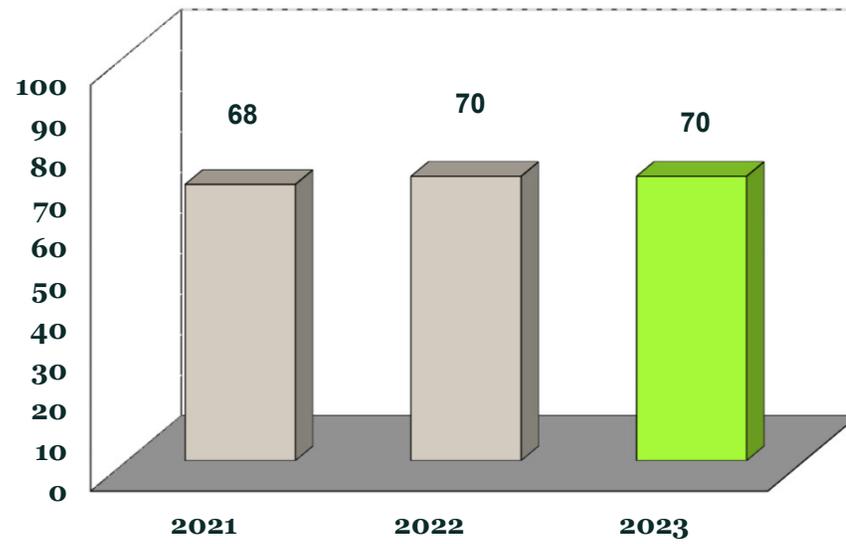
## Days in Accounts Receivable

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- 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



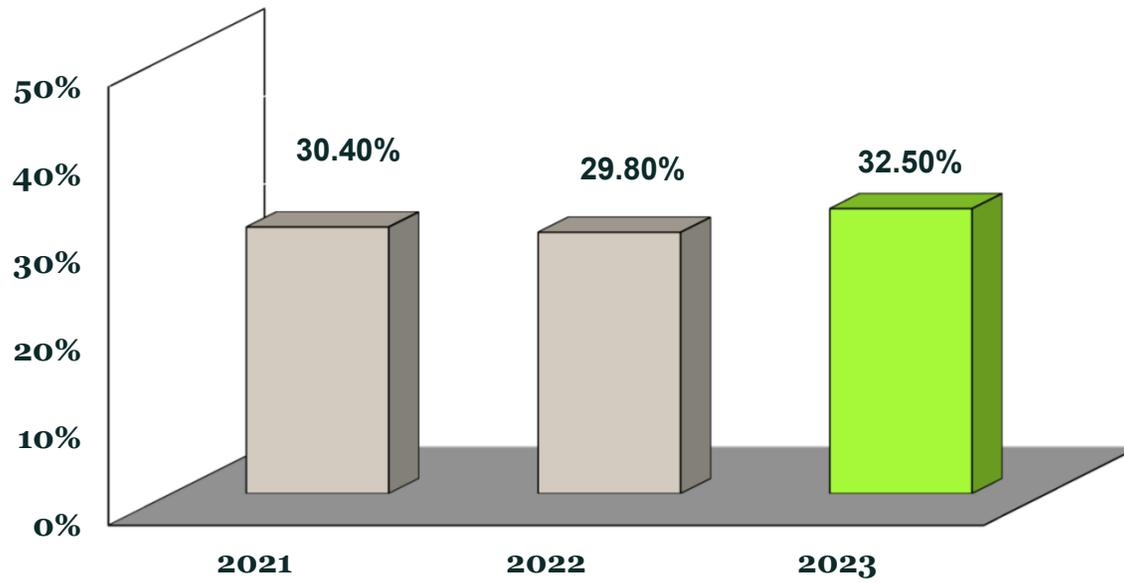
## Debt to Capitalization

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- 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”
- $(\text{Long-term and current portion of debt}) / (\text{long-term and current portion of debt plus net assets})$



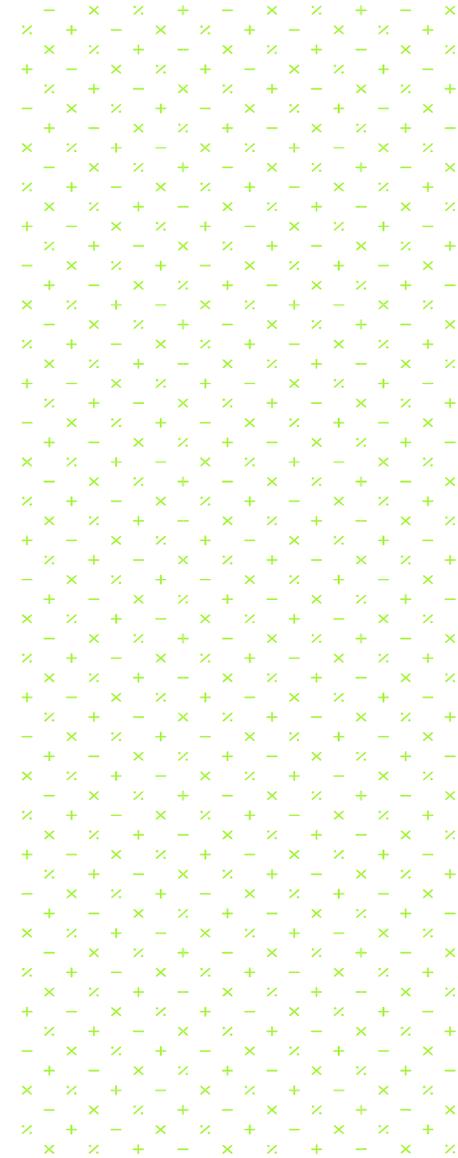
# Debt to Capitalization



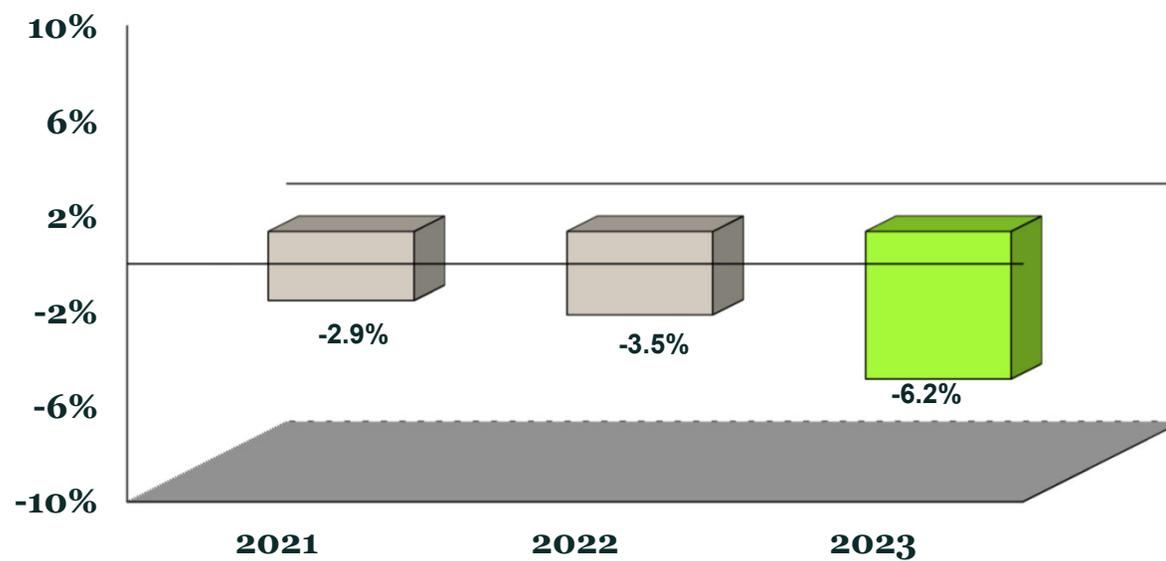


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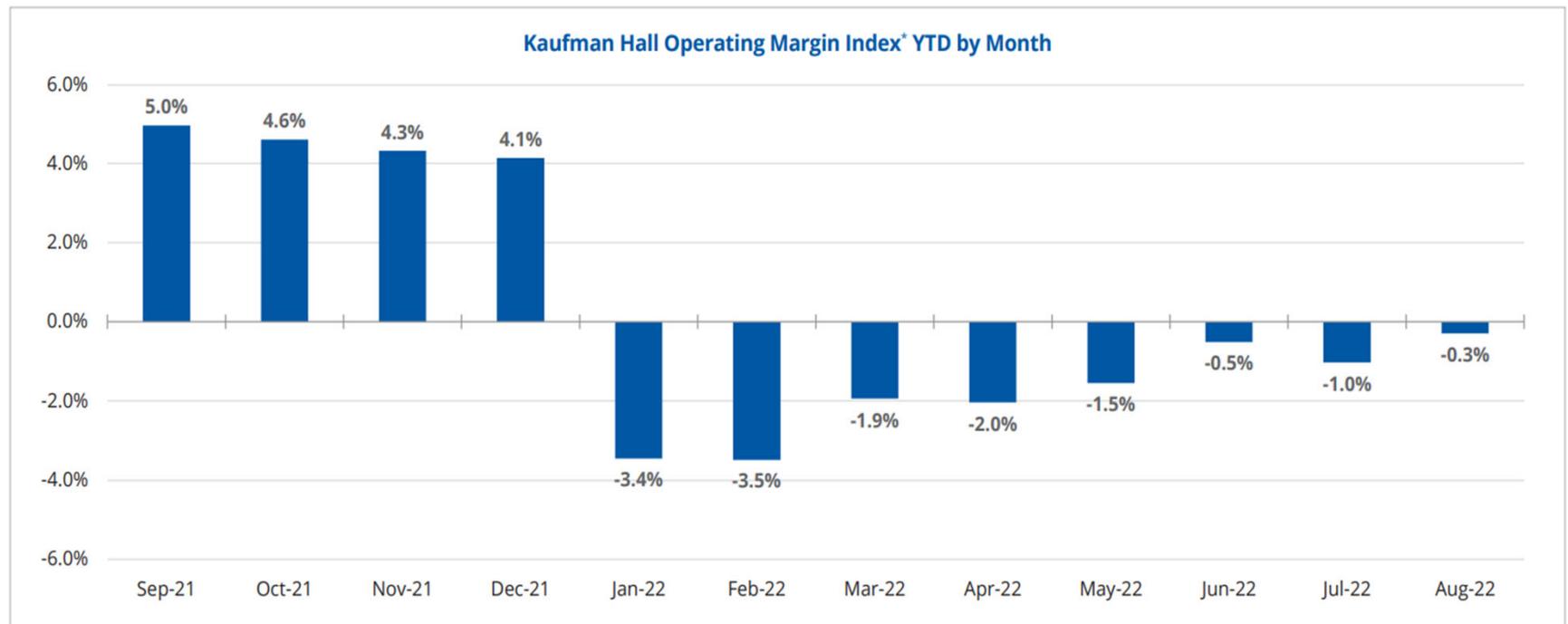
# Operations



## Operating Margin (Operating Loss/Total Revenue)



# Operating Margin Index



Source: National Hospital Flash Report, September 2022, KaufmanHall



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**THANK  
YOU**

**DRAFT**  
Not to be reproduced or relied  
upon for any purpose

Report of Independent Auditors and  
Consolidated Financial Statements with  
Supplementary Information

**Kaweah Delta Health Care District**

June 30, 2023 and 2022

## Table of Contents

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|  | <b>Page</b> |
|--|-------------|
| <b>Management's Discussion and Analysis</b>  |             |
| Management's Discussion and Analysis   | 1           |
| <b>Report of Independent Auditors</b>  | 15          |
| <b>Consolidated Financial Statements</b>   |             |
| Consolidated Statements of Net Position  | 19          |
| Consolidated Statements Revenues, Expenses, and Changes in Net Position  | 21          |
| Consolidated Statements of Cash Flows  | 22          |
| Statements of Fiduciary Net Position   | 24          |
| Statements of Changes in Fiduciary Net Position  | 25          |
| Notes to Consolidated Financial Statements   | 26          |
| <b>Supplementary Information</b>   |             |
| Supplemental Pension Information   | 60          |
| <b>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 <i>Government Auditing Standards</i></b> | 62          |

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## Management's Discussion and Analysis

# Kaweah Delta Health District Management's Discussion and Analysis June 30, 2023 and 2022

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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, 2023. Please read it in conjunction with the consolidated financial statements in this report.

## Financial Highlights

- The District's net position decreased by \$45.6 million, or 9.8%, primarily attributable to the year's net loss (loss before contributions). Total assets decreased by \$90.5 million, or 9.9%. Cash and investments decreased by \$89.4 million, or 29.5%, mainly due to the \$26.5 million decrease in the Medicare advance payment liability and the cash used for operations. Capital assets decreased \$12.0 million to \$312.2 million. Net additions to buildings, equipment, and construction-in-progress of \$14.8 million was outpaced by a \$26.8 million net increase in accumulated depreciation.
- The District's total operating revenues decreased to \$850.2 million, a 0.8% decrease from the prior year, while total operating expenses increased to \$903.0 million, an increase of 1.8%. The current year decrease in total operating revenues is primarily due to a \$17.6 million decrease in net patient services revenue offset by a \$9.6 million increase in premium revenue. The decrease in net patient services revenue is driven by a decrease in patient volumes. The increase in premium revenue is due to an increase in the number of covered lives as well as an increase in the per member payment amount.
- Capital contributions to Kaweah Delta Hospital Foundation (the "Foundation") were \$1.6 million in fiscal year 2023, a decrease of \$3.5 million compared to fiscal year 2022.
- During the fiscal year, the District made the following significant capital expenditures:
  - Construction costs and related equipment for many facility improvement projects
  - TrueBeam, Brainlab and Vision RT radiation therapy equipment
  - Medical surgical bed replacements, Panda infant warmers, and telesitter solution equipment
  - Implementation costs related to Workday enterprise resource planning (ERP) software

The source of funding for these projects was derived from operations, capital contributions, bond project funds, and funds reserved for capital acquisition.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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**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.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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**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,<br>2023  | June 30,<br>2022<br>(as restated) | Dollar<br>Change    | Total %<br>Change |
|--|-------------------|-----------------------------------|---------------------|-------------------|
| Current and other assets                                 | \$ 514,634        | \$ 593,127                        | \$ (78,493)         | -13.2%            |
| Capital assets   | 312,186           | 324,169                           | (11,983)            | -3.7%             |
| Total assets   | 826,820           | 917,296                           | (90,476)            | -9.9%             |
| Deferred outflows  | 24,083            | 34,410                            | (10,327)            | -30.0%            |
| Total assets and deferred outflows                       | <u>\$ 850,903</u> | <u>\$ 951,706</u>                 | <u>\$ (100,803)</u> | -10.6%            |
| Current and other liabilities                            | \$ 193,628        | \$ 238,530                        | \$ (44,902)         | -18.8%            |
| Long-term debt outstanding                               | 237,228           | 247,513                           | (10,285)            | -4.2%             |
| Total liabilities  | 430,856           | 486,043                           | (55,187)            | -11.4%            |
| Deferred inflows   | -                 | -                                 | -                   |                   |
| Net investment in capital assets                         | 72,763            | 68,426                            | 4,337               | 6.3%              |
| Restricted   | 50,013            | 32,019                            | 17,994              | 56.2%             |
| Unrestricted   | 297,271           | 365,218                           | (67,947)            | -18.6%            |
| Total net position                                       | 420,047           | 465,663                           | (45,616)            | -9.8%             |
| Total liabilities, deferred inflows,<br>and net position | <u>\$ 850,903</u> | <u>\$ 951,706</u>                 | <u>\$ (100,803)</u> | -10.6%            |

As reflected in Table 1, net position decreased \$45.6 million to \$420.0 million for the year ended June 30, 2023, primarily attributable to the District's \$47.2 million loss before contributions.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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**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,<br>2022<br>(as restated) | June 30,<br>2021    | Dollar<br>Change   | Total %<br>Change |
|--|-----------------------------------|---------------------|--------------------|-------------------|
| Current and other assets                                 | \$ 593,127                        | \$ 674,603          | \$ (81,476)        | -12.1%            |
| Capital assets   | <u>324,169</u>                    | <u>344,521</u>      | <u>(20,352)</u>    | -5.9%             |
| Total assets   | 917,296                           | 1,019,124           | (101,828)          | -10.0%            |
| Deferred outflows  | <u>34,410</u>                     | <u>3,490</u>        | <u>30,920</u>      | 886.0%            |
| Total assets and deferred outflows                       | <u>\$ 951,706</u>                 | <u>\$ 1,022,614</u> | <u>\$ (70,908)</u> | -6.9%             |
| Current and other liabilities                            | \$ 238,530                        | \$ 246,452          | \$ (7,922)         | -3.2%             |
| Long-term debt outstanding                               | <u>247,513</u>                    | <u>250,675</u>      | <u>(3,162)</u>     | -1.3%             |
| Total liabilities  | <u>486,043</u>                    | <u>497,127</u>      | <u>(11,084)</u>    | -2.2%             |
| Deferred inflows   | <u>-</u>                          | <u>39,321</u>       | <u>(39,321)</u>    |                   |
| Net investment in capital assets                         | 68,426                            | 107,949             | (39,523)           | -36.6%            |
| Restricted   | 32,019                            | 31,712              | 307                | 1.0%              |
| Unrestricted   | <u>365,218</u>                    | <u>346,505</u>      | <u>18,713</u>      | 5.4%              |
| Total net position                                       | <u>465,663</u>                    | <u>486,166</u>      | <u>(20,503)</u>    | -4.2%             |
| Total liabilities, deferred inflows,<br>and net position | <u>\$ 951,706</u>                 | <u>\$ 1,022,614</u> | <u>\$ (70,908)</u> | -6.9%             |

As reflected in Table 2, net position decreased \$20.5 million to \$465.7 million for the year ended June 30, 2022, primarily attributable to the District's \$20.5 million net loss before contributions.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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**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<br>Change   | Total %<br>Change |
|--|-------------------|-----------------------------------|--------------------|-------------------|
|  | June 30,<br>2023  | June 30,<br>2022<br>(as restated) |                    |                   |
| Net patient services revenue                           | \$ 693,157        | \$ 710,723                        | \$ (17,566)        | -2.5%             |
| Premium revenue  | 79,052            | 69,495                            | 9,557              | 13.8%             |
| Management services revenue                            | 38,652            | 36,060                            | 2,592              | 7.2%              |
| Other operating revenue                                | 39,318            | 41,036                            | (1,718)            | -4.2%             |
| Total operating revenues                               | <u>850,179</u>    | <u>857,314</u>                    | <u>(7,135)</u>     | -0.8%             |
| Salaries and benefits                                  | 415,345           | 417,003                           | (1,658)            | -0.4%             |
| Medical and other supplies                             | 166,010           | 162,631                           | 3,379              | 2.1%              |
| Medical and other fees<br>and services                 | 221,433           | 214,426                           | 7,007              | 3.3%              |
| Maintenance, utilities, and rent                       | 37,929            | 37,901                            | 28                 | 0.1%              |
| Depreciation and amortization                          | 40,031            | 38,905                            | 1,126              | 2.9%              |
| Other  | 22,210            | 16,486                            | 5,724              | 34.7%             |
| Total operating expenses                               | <u>902,958</u>    | <u>887,352</u>                    | <u>15,606</u>      | 1.8%              |
| Operating loss   | (52,779)          | (30,038)                          | (22,741)           | 75.7%             |
| Nonoperating revenues,<br>net of nonoperating expenses | <u>5,561</u>      | <u>4,424</u>                      | <u>1,137</u>       | 25.7%             |
| Loss before capital contributions                      | (47,218)          | (25,614)                          | (21,604)           | 84.3%             |
| Capital contributions                                  | <u>1,602</u>      | <u>5,111</u>                      | <u>(3,509)</u>     | -68.7%            |
| Changes in net position                                | (45,616)          | (20,503)                          | (25,113)           | 122.5%            |
| Net position, beginning of year                        | <u>465,663</u>    | <u>486,166</u>                    | <u>(20,503)</u>    | -4.2%             |
| Net position, end of year                              | <u>\$ 420,047</u> | <u>\$ 465,663</u>                 | <u>\$ (45,616)</u> | -9.8%             |

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

**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<br>Change          | Total %<br>Change |
|--|-----------------------------------|--------------------------|---------------------------|-------------------|
|  | June 30,<br>2022<br>(as restated) | June 30,<br>2021         |                           |                   |
| Net patient services revenue                           | \$ 710,723                        | \$ 652,256               | \$ 58,467                 | 9.0%              |
| Premium revenue  | 69,495                            | 58,107                   | 11,388                    | 19.6%             |
| Management services revenue                            | 36,060                            | 34,167                   | 1,893                     | 5.5%              |
| Other operating revenue                                | 41,036                            | 31,788                   | 9,248                     | 29.1%             |
| Total operating revenues                               | <u>857,314</u>                    | <u>776,318</u>           | <u>80,996</u>             | 10.4%             |
| Salaries and benefits                                  | 417,003                           | 382,418                  | 34,585                    | 9.0%              |
| Medical and other supplies                             | 162,631                           | 162,660                  | (29)                      | 0.0%              |
| Medical and other fees<br>and services                 | 214,426                           | 167,751                  | 46,675                    | 27.8%             |
| Maintenance, utilities, and rent                       | 37,901                            | 35,610                   | 2,291                     | 6.4%              |
| Depreciation and amortization                          | 38,905                            | 36,009                   | 2,896                     | 8.0%              |
| Other  | 16,486                            | 14,292                   | 2,194                     | 15.4%             |
| Total operating expenses                               | <u>887,352</u>                    | <u>798,740</u>           | <u>88,612</u>             | 11.1%             |
| Operating loss   | (30,038)                          | (22,422)                 | (7,616)                   | 34.0%             |
| Nonoperating revenues,<br>net of nonoperating expenses | 4,424                             | 34,634                   | (30,210)                  | 87.2%             |
| (Loss) income before capital contributions             | (25,614)                          | 12,212                   | (37,826)                  | -309.7%           |
| Capital contributions                                  | 5,111                             | 1,515                    | 3,596                     | 237.4%            |
| Changes in net position                                | (20,503)                          | 13,727                   | (34,230)                  | -249.4%           |
| Net position, beginning of year                        | <u>486,166</u>                    | <u>472,439</u>           | <u>13,727</u>             | 2.9%              |
| Net position, end of year                              | <u><u>\$ 465,663</u></u>          | <u><u>\$ 486,166</u></u> | <u><u>\$ (20,503)</u></u> | -4.2%             |

# Kaweah Delta Health Care District Management's Discussion and Analysis June 30, 2023 and 2022

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## Sources of Revenue

*Operating revenues* – For fiscal year 2023, the District derived 98.3% 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 forty-five percent (45%) ownership in SRCC-Medical Oncology, LLC, 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; cafeteria sales; 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 2023, the District derived 1.7% 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 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 2023 and 2022:

Acute admissions decreased by 1,000, or 4.2%, to 22,693 and acute patient days decreased by 13,005, or 9.5%, to 129,703. Skilled nursing and long-term subacute patient days decreased by 7.8% to 17,791 days in 2023. Outpatient equivalent patient days, a measure of overall outpatient activity, increased by 5.4% from 2022 levels. The overall increase in outpatient activity was mainly driven by increases in emergency department visits and lab and radiology procedures.

Net patient services revenue decreased \$17.6 million, or 2.5%, in 2023. The decrease in net patient services revenue can mainly be attributed to the decrease in patient volume 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 2023, net patient services revenue includes \$18.5 million related to the QAF Managed Care Medi-Cal program, \$5.4 million related to the AB113 IGT FFS Medi-Cal Inpatient program, and \$19.0 million related to the Rate Range IGT Managed Medi-Cal program.

Premium revenue associated with a capitated Medicare Advantage contract increased by \$9.6 million, or 13.8%, from 2022, due to an increase in the number of covered lives as well as an increase in the per member payment amount.

Management services revenue increased \$2.6 million, or 7.2%, from 2022. The increase in revenue is primarily associated with the increase in revenue generated by the SRCC-Medical Oncology joint venture.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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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, contributions, and health and fitness center membership sales and dues. Other operating revenue decreased by \$1.7 million, or 4.2%. This decrease is primarily related to a decrease in QIP revenue recognized.

Salaries and benefits expense decreased \$1.7 million, or 0.4%. Salaries and wages decreased \$13.1 million, or 3.7%, and employee benefits expense increased \$11.4 million, or 17.6%, from 2022. The decrease in salaries and wages was mainly attributable to the decrease in inpatient volumes, the closure of the medical foundation clinic, and the reduction of workforce in response to losses incurred during the first quarter of the fiscal year. An increase in workers' compensation expense and defined benefit pension plan cost were the main drivers of the increase in benefits expense.

Medical and other supplies expense increased by \$3.4 million, or 2.1%, from 2022. The impact of the decrease in patient volume was offset by the overall price increases experienced in medical surgical supplies.

Medical and other fees and services increased \$7.0 million, or 3.3%, due to a \$7.5 million increase in nursing contract labor, a \$4.7 million increase in third-party purchased service cost related to the Medicare Advantage contract for which the District receives revenue on a capitation basis, offset by a \$5.6 million decrease in physician fees related to the closure of the medical foundation during the last quarter of the fiscal year.

Maintenance, utilities, and rent was consistent with 2022.

Depreciation and amortization expense increased \$1.1 million, or 2.9%. The increase was due to the implementation of Governmental Accounting Standards Board Statement No. 96 *Subscription-Based Information Technology Arrangements*, in 2023.

Other expenses increased \$5.7 million, or 34.7%, resulting mainly from the increase in professional liability expense and insurance cost.

Total operating expenses increased by \$15.6 million, or 1.8%.

Nonoperating revenues of \$14.5 million for fiscal year 2023 are comprised of \$681,000 of stimulus funds, \$5.2 million of tax revenue received from the County of Tulare, the \$4.6 million gain on the sale of assets and \$4.1 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 2022 at \$9.0.

For fiscal year 2023, capital contributions of \$1.6 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  
June 30, 2023 and 2022**

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The following summarizes the District's consolidated statements of revenues, expenses, and changes in net position between 2022 and 2021:

Acute admissions increased by 347, or 1.5%, to 23,693 and acute patient days increased by 11,477, or 8.7%, to 147,752. Skilled nursing and long-term subacute patient days decreased by 3.2% to 19,294 days in 2022. Outpatient equivalent patient days, a measure of overall outpatient activity, increased by 10.0% from 2021 levels. The overall increase in outpatient activity was mainly driven by increases in emergency department and urgent care visits and lab and radiology procedures.

Net patient services revenue increased \$58.5 million, or 9.0%, in 2022. The increase in net patient services revenue can mainly be attributed to the increase in patient volume 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 2022, net patient services revenue includes \$16.1 million related to the QAF Managed Care Medi-Cal program, \$7.4 million related to the AB113 IGT FFS Medi-Cal Inpatient program, and \$24.4 million related to the Rate Range IGT Managed Medi-Cal program.

Premium revenue associated with a capitated Medicare Advantage contract increased by \$11.4 million, or 19.6%, from 2021, due to an increase in the number of covered lives as well as an increase in the per member payment amount.

Management services revenue increased \$1.9 million, or 5.5%, from 2021. The increase in revenue is primarily associated with the increase 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, contributions, and health and fitness center membership sales and dues. Other operating revenue increased by \$9.2 million, or 29.1%. This increase is primarily related to an increase in QIP revenue recognized and to an increase in health and fitness center membership revenue.

Salaries and benefits expense increased \$34.6 million, or 9.0%. Salaries and wages increased \$26.0 million, or 8.0%, and employee benefits expense increased \$8.5 million, or 15.2%, from 2021. The increase in salaries and wages was mainly attributable to an increase in patient volumes, shift incentives, and novel coronavirus ("COVID-19") supplemental sick pay. The decrease in investment earnings related to the defined benefit pension plan assets was the main driver of the increase in benefits expense.

Medical and other supplies expense remained consistent with 2021. The impact of the increase in patient volume was offset by a \$5.7 million decrease in COVID-19 related supply purchases.

Medical and other fees and services increased \$46.7 million, or 27.8%, due to a \$30.2 million increase in nursing contract labor, an \$11.5 million increase in third-party purchased service cost related to the Medicare Advantage contract for which the District receives revenue on a capitation basis, and the remainder related to an increase in physician fees.

Maintenance, utilities, and rent increased by \$2.3 million, or 6.4%, during 2022, primarily due to an increase in information systems contracts and an increase in utilities.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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Depreciation and amortization expense increased \$2.9 million, or 8.0%.

Other expenses increased \$2.2 million, or 15.4%, resulting mainly from the increase in professional liability expense.

Total operating expenses increased by \$88.6 million, or 11.1%.

Nonoperating revenues of \$13.7 million for fiscal year 2022 are comprised of \$18.5 million of stimulus funds, including provider relief funding, \$5.3 million of tax revenue received from the County of Tulare and a \$10.2 million loss on investments due to unrealized losses on District and Foundation investments. 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 \$9.0 million increased by \$476,000, from 2021. Both bond issuance and interest expenses increased in 2022.

For fiscal year 2022, capital contributions of \$5.1 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  
June 30, 2023 and 2022**

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**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 2023 budget comparison and analysis is presented below.

**TABLE 5**

**Actual vs. Budget**

**(in Thousands)**

|  | Years Ended June 30, |                   | Dollar<br>Variance | Total %<br>Variance |
|--|----------------------|-------------------|--------------------|---------------------|
|  | 2023<br>Actual       | 2023<br>Budget    |                    |                     |
| Net patient services revenue                           | \$ 693,157           | \$ 733,555        | \$ (40,398)        | -5.5%               |
| Management services revenue                            | 38,652               | 40,949            | (2,297)            | -5.6%               |
| Premium revenue  | 79,052               | 79,636            | (584)              | -0.7%               |
| Other operating revenue                                | 39,318               | 36,137            | 3,181              | 8.8%                |
| Total operating revenues                               | <u>850,179</u>       | <u>890,277</u>    | <u>(40,098)</u>    | -4.5%               |
| Salaries and benefits                                  | 415,345              | 429,948           | (14,603)           | -3.4%               |
| Medical and other supplies                             | 166,010              | 163,724           | 2,286              | 1.4%                |
| Medical and other fees<br>and services                 | 221,433              | 204,417           | 17,016             | 8.3%                |
| Maintenance, utilities, and rent                       | 37,929               | 39,275            | (1,346)            | -3.4%               |
| Depreciation and amortization                          | 40,031               | 41,385            | (1,354)            | -3.3%               |
| Other  | 22,210               | 20,267            | 1,943              | 9.6%                |
| Total operating expenses                               | <u>902,958</u>       | <u>899,016</u>    | <u>3,942</u>       | 0.4%                |
| Operating (loss) income                                | (52,779)             | (8,739)           | (44,040)           | 503.9%              |
| Nonoperating revenues,<br>net of nonoperating expenses | <u>5,561</u>         | <u>1,898</u>      | <u>3,663</u>       | 193.0%              |
| (Loss) income before contributions                     | <u>\$ (47,218)</u>   | <u>\$ (6,841)</u> | <u>\$ (40,377)</u> | 590.2%              |

In comparing actual versus budgeted 2023 results, the following is noted:

The District completed its fiscal year 2023 \$40.4 million below the budgeted loss before contributions of \$6.8 million. Operating income fell short of budget expectations, but nonoperating income exceeded budget by \$3.7 million due to the gain on sale of assets of \$4.6 million recorded in 2023.

The District's operating loss fell short of budget expectations by \$44.0 million, mainly due to net patient services revenue which fell short of budget by \$40.4 million, or 5.5%, due to lower-than-expected inpatient volumes. The District realized an unfavorable variance in total operating expenses of \$3.9 million, or 0.4%, in fiscal year 2023. This unfavorable expense variance was due to the utilization of contract labor and the related increase in the per hour amount paid for these patient care staff members.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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**Capital Assets**

At June 30, 2023, the District had \$312.2 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 \$12.0 million from the end of the prior year.

|                                | June 30,<br>2023  | June 30,<br>2022<br>(as restated) | Dollar<br>Change   | Total %<br>Change |
|--------------------------------|-------------------|-----------------------------------|--------------------|-------------------|
| Land                           | \$ 17,542         | \$ 17,542                         | \$ -               | 0.0%              |
| Buildings and improvements     | 427,105           | 425,542                           | 1,563              | 0.4%              |
| Equipment                      | 328,663           | 325,209                           | 3,454              | 1.1%              |
| Construction in progress       | 25,413            | 15,620                            | 9,793              | 62.7%             |
|                                | 798,723           | 783,913                           | 14,810             | 1.9%              |
| Less: accumulated depreciation | (486,537)         | (459,744)                         | (26,793)           | 5.8%              |
| Capital assets, net            | <u>\$ 312,186</u> | <u>\$ 324,169</u>                 | <u>\$ (11,983)</u> | -3.7%             |

**Long-Term Debt**

At June 30, 2023, the District had approximately \$239.5 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.

**2022 Bonds** – 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.

# Kaweah Delta Health Care District Management's Discussion and Analysis June 30, 2023 and 2022

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## Economic Outlook

The District's Board of Directors and management considered many factors when setting the fiscal year 2024 budget. Of primary importance in setting the 2024 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 2024 budget include:

- Inpatient utilization is projected to increase by 1.1% from 2023 levels reflecting an average daily patient census of 425. Outpatient activity expressed in equivalent inpatient days is projected to decrease 3.1% from 2023.
- A 2.4% decrease in gross patient services revenue due to changes in patient care volume and mix of services, with no retail price increase was budgeted.
- A Medicare general acute care rate increase of approximately 2.8%, an increase of 3.8% for outpatient services, an increase of 3.7% for skilled nursing and for subacute services, an increase of 1.1% for home health services, an increase of 3.8% for rural health clinic services, an increase of 3.7% for acute rehabilitation, and a 1.9% increase for acute psychiatric services.
- 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 \$9.6 million in disproportionate share payments, \$5.0 million in anticipated fee-for-service intergovernmental transfer revenues and \$19.8 million in provider fee intergovernmental transfer and grant revenue.
- Medi-Cal managed care reimbursement rate increases of approximately 1.3% based on scheduled rate increases included in multi-year contracts. Includes \$20.8 million of Medi-Cal managed care rate range program and \$21.3 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 2.2%.
- The successful improvement of health care delivery system improvement initiatives under various care transformation programs resulting in the recognition of \$9.9 million in related revenue.
- Overall expense per adjusted patient day is projected to decrease by 4.9% from the prior year.

## 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.

**Kaweah Delta Health Care District  
Management's Discussion and Analysis  
June 30, 2023 and 2022**

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**TABLE 6**

**Fiduciary Activities**

(in Thousands)

|  | RETIREMENT PLAN          |                           |                          |
|--|--------------------------|---------------------------|--------------------------|
|  | 2023                     | 2022                      | 2021                     |
| <b>ASSETS</b>  |                          |                           |                          |
| Receivables  | \$ 362                   | \$ 335                    | \$ 365                   |
| Investments, at fair value   | <u>271,992</u>           | <u>264,805</u>            | <u>319,682</u>           |
| <b>NET POSITION RESTRICTED FOR PENSIONS</b>                        | <u><u>\$ 272,354</u></u> | <u><u>\$ 265,140</u></u>  | <u><u>\$ 320,047</u></u> |
| <b>ADDITIONS</b>   |                          |                           |                          |
| Employer contributions   | \$ -                     | \$ 11,400                 | \$ 11,400                |
| Net (loss) income from investments                                 | <u>25,513</u>            | <u>(49,170)</u>           | <u>73,603</u>            |
| Total additions  | <u>25,513</u>            | <u>(37,770)</u>           | <u>85,003</u>            |
| <b>DEDUCTIONS</b>  |                          |                           |                          |
| Deductions   | <u>18,299</u>            | <u>17,137</u>             | <u>15,814</u>            |
| <b>(DECREASE) INCREASE IN NET POSITION RESTRICTED FOR PENSIONS</b> | <u><u>\$ 7,214</u></u>   | <u><u>\$ (54,907)</u></u> | <u><u>\$ 69,189</u></u>  |

# Report of Independent Auditors

The Board of Directors  
Kaweah Delta Health Care District

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the consolidated financial statements of the business-type activities and the aggregate remaining fund information of Kaweah Delta Health Care District (the "District") as of June 30, 2023 and 2022, and the related notes to the consolidated financial statements, which collectively comprise the District's basic consolidated financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the respective consolidated net position of the business-type and the aggregate remaining fund information of Kaweah Delta Health Care District as of June 30, 2023 and 2022, and the respective changes in consolidated net position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Purpose Districts. We also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards* ("*Government Auditing Standards*"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Purpose Districts and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, the California Code of Regulations, Title 2, Section 1131.2, State Controller's *Minimum Audit Requirements* for California Special Purpose Districts and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Emphasis of Matter – New Accounting Standard**

As discussed in Note 1 to the consolidated financial statements, the District adopted Government Accounting Standards Board (“GASB”) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2021. Our opinion is not modified with respect to this matter.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis on pages 1 through 14 and the supplemental pension information on pages 60 and 61, be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated [REDACTED], 2023, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Stockton, California  
[REDACTED], 2023

**DRAFT**  
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upon for any purpose

## **Consolidated Financial Statements**

**Kaweah Delta Health District**  
**Consolidated Statements of Net Position**  
(in Thousands)  
**June 30, 2023 and 2022**

|  | 2023       | 2022<br>(as restated) |
|--|------------|-----------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>     |            |                       |
| <b>CURRENT ASSETS</b>                                |            |                       |
| Cash and cash equivalents                            | \$ 4,127   | \$ 21,693             |
| Board-designated and trustee assets, current portion | 14,978     | 14,121                |
| Accounts receivable:                                 |            |                       |
| Patient accounts receivable                          | 132,621    | 135,946               |
| Other  | 27,475     | 27,575                |
| Total accounts receivable                            | 160,096    | 163,521               |
| Inventories  | 13,117     | 14,025                |
| Medicare and Medi-Cal settlements                    | 81,412     | 58,593                |
| Prepaid expenses                                     | 9,037      | 11,929                |
| Total current assets                                 | 282,767    | 283,882               |
| <b>NONCURRENT CASH AND INVESTMENTS,</b>              |            |                       |
| net of current portion                               |            |                       |
| Board-designated assets                              | 174,916    | 266,148               |
| Bond assets held by trustee                          | 18,605     | 8                     |
| Assets in self-insurance trust fund                  | 956        | 1,040                 |
| Total noncurrent cash and investments                | 194,477    | 267,196               |
| <b>INTANGIBLE RIGHT-TO-USE ASSETS,</b>               |            |                       |
| net of accumulated amortization                      | 11,249     | 14,376                |
| <b>INTANGIBLE RIGHT-TO-USE SBITA ASSETS,</b>         |            |                       |
| net of accumulated amortization                      | 8,417      | 8,958                 |
| <b>CAPITAL ASSETS</b>                                |            |                       |
| Land   | 17,542     | 17,542                |
| Buildings and improvements                           | 427,105    | 425,542               |
| Equipment  | 328,663    | 325,209               |
| Construction in progress                             | 25,413     | 15,620                |
|  | 798,723    | 783,913               |
| Less: accumulated depreciation                       | (486,537)  | (459,744)             |
| Total capital assets, net                            | 312,186    | 324,169               |
| <b>OTHER ASSETS</b>                                  |            |                       |
| Property not used in operations                      | 1,533      | 1,584                 |
| Health-related investments                           | 2,841      | 4,620                 |
| Other  | 13,350     | 12,511                |
| Total other assets                                   | 17,724     | 18,715                |
| Total assets   | 826,820    | 917,296               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |            |                       |
| Unamortized loss on defeasance of debt               | 3,127      | 3,521                 |
| Unamortized goodwill                                 | -          | 181                   |
| Deferred outflows - actuarial                        | 20,956     | 30,708                |
| Total deferred outflows of resources                 | 24,083     | 34,410                |
| Total assets and deferred outflows of resources      | \$ 850,903 | \$ 951,706            |

See accompanying notes.

**Kaweah Delta Health District**  
**Consolidated Statements of Net Position (Continued)**  
(in Thousands)  
**June 30, 2023 and 2022**

|   | 2023       | 2022<br>(as restated) |
|---|------------|-----------------------|
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>   |            |                       |
| <b>CURRENT LIABILITIES</b>  |            |                       |
| Accounts payable and accrued expenses                                 | \$ 30,636  | \$ 36,574             |
| Accrued payroll and related liabilities                               | 50,478     | 70,419                |
| Medicare accelerated payments payable                                 | -          | 26,496                |
| SBITA liability, current portion                                      | 2,734      | 2,583                 |
| Lease liability, current portion                                      | 2,614      | 4,542                 |
| Bonds payable, current portion  | 12,159     | 11,759                |
| Notes payable, current portion  | 7,895      | -                     |
| Total current liabilities   | 106,516    | 152,373               |
| LEASE LIABILITY, net of current portion                               | 8,741      | 10,135                |
| SBITA LIABILITY, net of current portion                               | 4,426      | 5,265                 |
| <b>LONG-TERM DEBT, net of current portion</b>                         |            |                       |
| Bonds payable   | 227,378    | 239,618               |
| Notes payable   | 9,850      | 7,895                 |
| Total long-term debt  | 237,228    | 247,513               |
| <b>NET PENSION LIABILITY</b>  | 42,961     | 39,789                |
| <b>OTHER LONG-TERM LIABILITIES</b>                                    | 30,984     | 30,968                |
| Total liabilities   | 430,856    | 486,043               |
| <b>NET POSITION</b>   |            |                       |
| Invested in capital assets, net of related debt                       | 72,763     | 68,426                |
| Restricted:   |            |                       |
| Expendable  | 34,377     | 18,597                |
| Nonexpendable - minority interest                                     | 3,029      | 2,613                 |
| Nonexpendable - permanent endowments                                  | 12,607     | 10,809                |
| Unrestricted  | 297,271    | 365,218               |
| Total net position  | 420,047    | 465,663               |
| Total liabilities, deferred inflows of resources,<br>and net position | \$ 850,903 | \$ 951,706            |

See accompanying notes.

**Kaweah Delta Health District**  
**Consolidated Statements Revenues, Expenses, and Changes in Net Position**  
(in Thousands)  
**Years Ended June 30, 2023 and 2022**

|  | 2023       | 2022<br>(as restated) |
|--|------------|-----------------------|
| <b>OPERATING REVENUES</b>                |            |                       |
| Net patient services revenue             | \$ 693,157 | \$ 710,723            |
| Premium revenue                          | 79,052     | 69,495                |
| Other revenues:                          |            |                       |
| Management services revenue              | 38,652     | 36,060                |
| Other                                    | 39,318     | 41,036                |
| Total other revenues                     | 77,970     | 77,096                |
| Total operating revenues                 | 850,179    | 857,314               |
| <b>OPERATING EXPENSES</b>                |            |                       |
| Salaries and wages                       | 338,996    | 352,108               |
| Employee benefits                        | 76,349     | 64,895                |
| Total employment expenses                | 415,345    | 417,003               |
| Medical and other supplies               | 166,010    | 162,631               |
| Medical and other fees                   | 159,077    | 156,218               |
| Purchased services                       | 62,356     | 58,208                |
| Repairs and maintenance                  | 25,824     | 26,936                |
| Utilities                                | 10,287     | 9,277                 |
| Rents and leases                         | 1,818      | 1,688                 |
| Depreciation and amortization            | 40,031     | 38,905                |
| Other                                    | 22,210     | 16,486                |
| Total operating expenses                 | 902,958    | 887,352               |
| Operating loss                           | (52,779)   | (30,038)              |
| <b>NONOPERATING REVENUES (EXPENSES)</b>  |            |                       |
| Property tax revenue                     | 5,232      | 5,319                 |
| Stimulus funds                           | 681        | 18,548                |
| Investment returns, net                  | 4,054      | (10,168)              |
| Bond issuance expense                    | -          | (269)                 |
| Interest expense                         | (8,988)    | (9,008)               |
| Gain on disposal of capital assets       | 4,582      | 2                     |
| Total nonoperating revenues              | 5,561      | 4,424                 |
| <b>LOSS BEFORE CAPITAL CONTRIBUTIONS</b> | (47,218)   | (25,614)              |
| <b>CAPITAL CONTRIBUTIONS</b>             | 1,602      | 5,111                 |
| <b>CHANGES IN NET POSITION</b>           | (45,616)   | (20,503)              |
| <b>NET POSITION, beginning of year</b>   | 465,663    | 486,166               |
| <b>NET POSITION, end of year</b>         | \$ 420,047 | \$ 465,663            |

See accompanying notes.

**Kaweah Delta Health District**  
**Consolidated Statements of Cash Flows**  
(in Thousands)  
**Years Ended June 30, 2023 and 2022**

|   | 2023             | 2022<br>(as restated) |
|---|------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                  |                       |
| Cash received from net patient services revenue                     | \$ 673,488       | \$ 675,252            |
| Cash received from management services and other operating revenues | 156,572          | 135,357               |
| Cash received from Medicare accelerated payments                    | (26,496)         | (50,350)              |
| Cash payments for salaries, wages, and related benefits             | (435,286)        | (418,121)             |
| Cash payments for other operating expenses                          | (436,015)        | (445,396)             |
| Net cash from operating activities                                  | <u>(67,737)</u>  | <u>(103,258)</u>      |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>              |                  |                       |
| Property tax revenue  | 1,717            | 1,617                 |
| Federal stimulus funds  | 681              | 18,548                |
| Net cash from noncapital financing activities                       | <u>2,398</u>     | <u>20,165</u>         |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>     |                  |                       |
| Bond issuance costs on bonds payable                                | -                | (269)                 |
| Interest payments on bonds payable                                  | (8,584)          | (9,215)               |
| Principal payments on bonds payable                                 | (11,759)         | (41,726)              |
| Interest payments on lease and SBITA liabilities                    | (83)             | (127)                 |
| Principal payments on lease and SBITA liabilities                   | (7,822)          | (7,053)               |
| Proceeds from revenue bonds   | -                | 32,035                |
| Proceeds from notes payable   | 9,850            | 7,895                 |
| Contributions received for capital expenditures                     | 1,602            | 5,111                 |
| Tax revenue related to general obligation bonds                     | 3,514            | 3,703                 |
| Purchase of capital assets  | (23,161)         | (12,624)              |
| Proceeds from disposal of capital assets                            | 6,348            | -                     |
| Net cash from capital and related financing activities              | <u>(30,095)</u>  | <u>(22,270)</u>       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                  |                       |
| Interest income on investments                                      | 4,956            | 2,639                 |
| Purchase of investments   | (32,962)         | (73,599)              |
| Net health-related investment contributions                         | 1,951            | 490                   |
| Proceeds from sales and maturities of investments                   | 76,696           | 72,336                |
| Net cash from investing activities                                  | <u>50,641</u>    | <u>1,866</u>          |
| <b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>                     | <b>(44,793)</b>  | <b>(103,497)</b>      |
| CASH AND CASH EQUIVALENTS, beginning of year                        | <u>116,053</u>   | <u>219,550</u>        |
| CASH AND CASH EQUIVALENTS, end of year                              | <u>\$ 71,260</u> | <u>\$ 116,053</u>     |

See accompanying notes.

**Kaweah Delta Health District**  
**Consolidated Statements of Cash Flows (Continued)**  
(in Thousands)  
**Years Ended June 30, 2023 and 2022**

|   | 2023               | 2022                |
|---|--------------------|---------------------|
|   |                    | (as restated)       |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION   |                    |                     |
| Cash and cash equivalents in current assets   | \$ 4,127           | \$ 21,693           |
| Cash and cash equivalents in noncurrent cash and investments:   |                    |                     |
| Board-designated cash and investments   | 61,056             | 89,305              |
| Bond assets held by trustee   | 6,024              | 5,050               |
| Assets in self-insurance trust fund   | 53                 | 5                   |
|   | <u>\$ 71,260</u>   | <u>\$ 116,053</u>   |
| RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES  |                    |                     |
| Operating loss  | \$ (52,779)        | \$ (30,038)         |
| Adjustments to reconcile operating loss to net cash from operating activities:  |                    |                     |
| Depreciation and amortization   | 40,031             | 38,905              |
| Provision for bad debts   | 10,209             | 25,035              |
| Changes in operating assets and liabilities:  |                    |                     |
| Accounts receivable   | (6,783)            | (50,955)            |
| Inventories, prepaid expenses, and other assets   | (19,572)           | (27,243)            |
| Accounts payable and accrued expenses, accrued payroll related liabilities, lease liabilities, Medicare accelerated payments payable, and other long-term liabilities | (38,843)           | (58,962)            |
| Net cash from operating activities  | <u>\$ (67,737)</u> | <u>\$ (103,258)</u> |

See accompanying notes.

**Kaweah Delta Health District**  
**Statements of Fiduciary Net Position**  
(in Thousands)  
**Years Ended June 30, 2023 and 2022**

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|   | KAWEAH DELTA<br>HEALTH CARE DISTRICT<br>EMPLOYEES' RETIREMENT PLAN |            |
|---|--|------------|
|   | 2023   | 2022       |
| ASSETS  |  |            |
| Receivables:  |  |            |
| Accrued interest and dividends receivable             | \$ 362   | \$ 335     |
| Total receivables                                     | 362  | 335        |
| Investments, at fair value:                           |  |            |
| Cash and cash equivalents                             | 4,628  | 19,587     |
| Fixed income investments                              | 62,144   | 61,821     |
| Equities  | 205,220  | 183,397    |
| Total investments                                     | 271,992  | 264,805    |
| Total assets and net position restricted for pensions | \$ 272,354   | \$ 265,140 |

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See accompanying notes.

**Kaweah Delta Health District**  
**Statements of Changes in Fiduciary Net Position**  
(in Thousands)  
**Years Ended June 30, 2023 and 2022**

|  | KAWEAH DELTA<br>HEALTH CARE DISTRICT<br>EMPLOYEES' RETIREMENT PLAN |            |
|--|--|------------|
|  | 2023   | 2022       |
| <b>ADDITIONS</b>                                     |  |            |
| Contributions:                                       |  |            |
| Employer contributions                               | \$ -   | \$ 11,400  |
| Investments income:                                  |  |            |
| Net increase (decrease) in fair value of investments | 17,677   | (56,266)   |
| Interest and dividend income                         | 8,888  | 8,650      |
| Investment expense                                   | (1,052)  | (1,554)    |
| Net income (loss) from investing                     | 25,513   | (49,170)   |
| Total additions, net                                 | 25,513   | (37,770)   |
| <b>DEDUCTIONS</b>                                    |  |            |
| Benefit payments                                     | 17,730   | 16,832     |
| Administrative expenses                              | 569  | 305        |
| Total deductions                                     | 18,299   | 17,137     |
| <b>INCREASE (DECREASE) IN NET POSITION</b>           | 7,214  | (54,907)   |
| <b>NET POSITION RESTRICTED FOR PENSIONS</b>          |  |            |
| Beginning of year                                    | 265,140  | 320,047    |
| End of year  | \$ 272,354   | \$ 265,140 |

See accompanying notes.

# Kaweah Delta Health District

## Notes to Consolidated Financial Statements

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### 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”), Kaweah Health Medical Group (“KHMG”), Sequoia Regional Cancer Center, LLC (“SRCC”), Sequoia Regional Cancer Center – Medical Oncology, LLC (“SRCC-MO”), and TKC Development, LLC (“TKC”). KHMG, 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 a 45% interest in SRCC-MO, management services organizations providing staff, facilities, and administration services to the radiation oncology department of the District and a medical oncology physician group, respectively. 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.

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.

Effective November 1, 2015, the District and its subsidiary, Kaweah Delta Health Care, Inc., a California nonprofit 501(c)(3) public benefit corporation, doing business as KHMG, entered into an affiliation with Visalia Medical Clinic (“VMC”), a California professional medical corporation. KHMG provided primary and specialty care health services to patients. The District is the sole corporate member of KHMG, with the nonprofit entity operating as a California medical foundation pursuant to Section 1206(l) of the California Health and Safety Code. VMC had entered into a professional services agreement with KHMG and provided medical services to patients of KHMG. In April 2023, the professional services agreement between VMC and KHMG terminated and KHMG no longer provides patient care.

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

## Kaweah Delta Health District Notes to Consolidated Financial Statements

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**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.

**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 ("U.S. 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.

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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**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, 2023 and 2022, include Medicare, 29.63% and 34.51%, respectively, and Medi-Cal, 27.73% and 25.64%, 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, 2023 and 2022, the District provided allowances for losses on amounts receivable directly from patients totaling \$48.5 million and \$54.4 million, respectively. Amounts written off to bad debt expense included in net patient services revenue totaled approximately \$10.2 million and \$25.0 million for 2023 and 2022, respectively.

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 and Medi-Cal cost reports for 2019 and 2022, are subject to audit and possible adjustment. Net Medicare and Medi-Cal program patient services revenue amounted to approximately \$393.5 million and \$372.5 million in 2023 and 2022, respectively. The District recognized in the consolidated statements of revenues, expenses, and changes in net position increases of approximately \$702,000 and \$2.9 million in 2023 and 2022, 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 2023 and 2022, measured on the basis of uncompensated cost, was \$4.5 million and \$5.8 million, respectively.

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

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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**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.

**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. The District capitalizes interest cost net of any interest earned on temporary investments of the proceeds for construction projects funded by tax-exempt borrowings. Interest expense is also capitalized for projects financed with operating funds.

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.

## **Kaweah Delta Health District**

### **Notes to Consolidated Financial Statements**

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**Intangible right-to-use 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 intangible right-to-use 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 intangible right-to-use 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.

**Intangible right-to-use subscription-based information technology arrangements (“SBITA”) assets and SBITA liabilities** – The District has recorded intangible right-to-use SBITA assets as a result of implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (“GASB No. 96”). The intangible right-to-use SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA. The intangible right-to-use SBITA 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.

**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.

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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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 3.7% rate.

**Medical benefits self-insurance** – The District maintains a policy of self-insuring medical costs up to \$1 million 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.

**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 in both 2023 and 2022. 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.

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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**Medicare accelerated payments and Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) grants** – The District, along with most other healthcare providers across the United States, has experienced operational challenges related to the COVID-19 pandemic. COVID-19 was declared a global pandemic by the World Health Organization on March 11, 2020, and on March 13, 2020, the President of the United States declared a national emergency as a result of the pandemic. On March 27, 2020, the CARES Act was signed into law, which aimed to direct economic assistance for American workers, families, and small businesses, and preserve jobs for American industries. The District recognizes these federal stimulus funds in nonoperating revenues (expense) in the consolidated statements of revenues, expenses, and changes in net position, and will have to submit required reports documenting lost revenue and expenses incurred to support the grant funds, among other terms and conditions. On September 19, 2020 and July 1, 2021, the Department of Health and Human Services (“HHS”) released updated information for health care providers that received Provider Relief Fund (“PRF”) payments, which may impact the recognition of the payments and the available uses for the funds. Management believes that these changes will not have a material impact to the consolidated financial statements as of and for the year ended June 30, 2023 (see Note 14).

Separately, Centers for Medicare and Medicaid Services (“CMS”) initiated a Medicare Accelerated Payment Program (“MAPP”) to hospitals. The accelerated payments represent advance payments for services to be provided and were based on a hospital’s historical Medicare volume. One year after receipt of MAPP funds, CMS has begun recouping the accelerated payments from billing for services rendered and will do so until they are fully repaid. All MAPP funds received by the District were repaid as of June 30, 2023.

**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.

## Kaweah Delta Health District Notes to Consolidated Financial Statements

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*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.”

**New accounting pronouncements** – The GASB also issued GASB Statement No. 91, *Conduit Debt Obligation* (“GASB No. 91”). GASB No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, extended the effective date for GASB No. 91 to reporting periods beginning July 1, 2022. Adoption of this standard did not have a material impact on the District’s consolidated financial statements.

The GASB also issued GASB Statement No. 96,. GASB No. 96 establishes a uniform accounting and financial reporting requirement for SBITAs in order to improve the comparability of financial statements among governments that have entered into SBITAs and enhance the understandability, reliability, and consistency of information about SBITAs. GASB No. 96 is effective for reporting periods beginning after June 15, 2022. The District adopted GASB No. 96 as of July 1, 2021. The subscription contracts met the definition of a SBITA and the District calculated and recognized intangible right-to-use SBITA assets, net, of \$2,335,000 and SBITA lease liabilities of \$2,335,000 as of June 30, 2021. The impact to beginning net position was not significant. See Note 8 for disclosure of intangible right-to-use SBITA assets and SBITA liabilities and Note 15 for restatement.

The GASB also 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 is currently assessing the impact of this standard on the District’s consolidated financial statements.

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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**Note 2 – Noncurrent Cash and Investments**

Noncurrent 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):

|                                      | 2023       | 2022       |
|--------------------------------------|------------|------------|
| Board-designated assets:             |            |            |
| Cash and cash equivalents            | \$ 61,056  | \$ 89,305  |
| U.S. Treasury obligations            | 37,236     | 69,539     |
| Federal agency obligations           | 10,828     | 16,070     |
| Municipal obligations                | 15,481     | 21,439     |
| Corporate obligations                | 37,192     | 47,923     |
| Equity securities                    | 10,946     | 9,097      |
| Mutual funds                         | 1,232      | 1,255      |
| Asset and mortgage-backed securities | 7,472      | 13,630     |
| Supranational Agency                 | -          | 3,957      |
| Alternative investments              | 834        | 932        |
| Interest receivable                  | 399        | 761        |
| Current portion                      | (7,760)    | (7,760)    |
|                                      | \$ 174,916 | \$ 266,148 |
|                                      | 2023       | 2022       |
| Bond assets held in trust:           |            |            |
| Cash and cash equivalents            | \$ 6,024   | \$ 5,050   |
| Federal agency obligations           | 2,127      | -          |
| U.S. Treasury obligations            | 16,360     | -          |
| Interest receivable                  | -          | 7          |
| Current portion                      | (5,905)    | (5,049)    |
|                                      | \$ 18,606  | \$ 8       |
|                                      | 2023       | 2022       |
| Assets in self-insurance trust fund: |            |            |
| Cash and cash equivalents            | \$ 53      | \$ 5       |
| U.S. Treasury obligations            | 2,089      | 2,029      |
| Corporate obligations                | 114        | 308        |
| Interest receivable                  | 12         | 10         |
| Current portion                      | (1,312)    | (1,312)    |
|                                      | \$ 956     | \$ 1,040   |

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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#### 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.

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):

| Description                          | June 30, 2023     |                  |             | Investments Held<br>at Net Asset<br>Value | Balance           |
|--------------------------------------|-------------------|------------------|-------------|---|-------------------|
|                                      | Level 1           | Level 2          | Level 3     |   |                   |
| Cash and cash equivalents            | \$ 60,130         | \$ -             | \$ -        | \$ -                                      | \$ 60,130         |
| U.S. Treasury obligations            | 55,685            | -                | -           | -   | 55,685            |
| Federal agency obligations           | -                 | 12,955           | -           | -   | 12,955            |
| Municipal obligations                | -                 | 15,481           | -           | -   | 15,481            |
| Corporate obligations                | -                 | 37,306           | -           | -   | 37,306            |
| Asset and mortgage-backed securities | -                 | 7,472            | -           | -   | 7,472             |
| Other Foundation assets              | 12,178            | -                | -           | 834                                       | 13,012            |
|                                      | <u>\$ 127,993</u> | <u>\$ 73,214</u> | <u>\$ -</u> | <u>\$ 834</u>                             | <u>\$ 202,041</u> |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

June 30, 2022

| Description                          | Level 1           | Level 2           | Level 3     | Investments Held<br>at Net Asset<br>Value | Balance           |
|--------------------------------------|-------------------|-------------------|-------------|---|-------------------|
| Cash and cash equivalents            | \$ 84,691         | \$ -              | \$ -        | \$ -                                      | \$ 84,691         |
| U.S. Treasury obligations            | 71,568            | -                 | -           | -   | 71,568            |
| Federal agency obligations           | -                 | 16,070            | -           | -   | 16,070            |
| Municipal obligations                | -                 | 21,439            | -           | -   | 21,439            |
| Corporate obligations                | -                 | 48,231            | -           | -   | 48,231            |
| Asset and mortgage-backed securities | -                 | 13,630            | -           | -   | 13,630            |
| Supranational Agency                 | -                 | 3,957             | -           | -   | 3,957             |
| Other Foundation assets              | 10,352            | -                 | -           | 932                                       | 11,284            |
|                                      | <u>\$ 166,611</u> | <u>\$ 103,327</u> | <u>\$ -</u> | <u>\$ 932</u>                             | <u>\$ 270,870</u> |

**Note 4 – Bank Deposits**

At June 30, 2023 and 2022, the District had bank balances totaling \$11.1 million and \$31.3 million, respectively, which approximate book balances. Of these balances, \$4.2 million and \$8.0 million were insured by the Federal Deposit Insurance Corporation at June 30, 2023 and 2022, 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.

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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**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, 2023 is as follows (in thousands):

|                                      | Fair Value        | Investment Maturities (in Years) |            |             |
|--------------------------------------|-------------------|----------------------------------|------------|-------------|
|                                      |                   | Less than 1                      | 1–5        | More than 5 |
| U.S. Treasury obligations            | \$ 55,685         | \$ 2,608                         | \$ 52,801  | \$ 276      |
| Federal agency obligations           | 12,955            | -                                | 12,894     | 61          |
| Corporate obligations                | 37,306            | 8,279                            | 28,931     | 96          |
| Municipal obligations                | 15,481            | 10,856                           | 4,625      | -           |
| Asset and mortgage-backed securities | 7,472             | 545                              | 6,461      | 466         |
| LAIF                                 | 4,514             | 4,514                            | -          | -           |
| CAMP                                 | 50,807            | 50,807                           | -          | -           |
| Money market funds                   | 4,810             | 4,810                            | -          | -           |
|                                      | 189,030           | \$ 82,419                        | \$ 105,712 | \$ 899      |
| Equity securities                    | 10,946            |                                  |            |             |
| Alternative investments              | 834               |                                  |            |             |
| Mutual funds                         | 1,232             |                                  |            |             |
|                                      | <u>\$ 202,042</u> |                                  |            |             |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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A summary of scheduled maturities by investment type at June 30, 2022 is as follows (in thousands):

|                                      | Investment Maturities (in Years) |                  |                   |               |
|--------------------------------------|----------------------------------|------------------|-------------------|---------------|
|                                      | Fair Value                       | Less than 1      | 1-5               | More than 5   |
| U.S. Treasury obligations            | \$ 71,568                        | \$ 1,745         | \$ 69,596         | \$ 227        |
| Federal agency obligations           | 16,070                           | -                | 16,044            | 26            |
| Corporate obligations                | 48,231                           | 910              | 47,247            | 74            |
| Municipal obligations                | 21,438                           | 1,278            | 20,160            | -             |
| Asset and mortgage-backed securities | 13,630                           | 525              | 12,644            | 461           |
| Supranational Agency                 | 3,957                            | 1,502            | 2,455             | -             |
| LAIF                                 | 41,000                           | 41,000           | -                 | -             |
| CAMP                                 | 40,529                           | 40,529           | -                 | -             |
| Money market funds                   | 3,163                            | 3,163            | -                 | -             |
|                                      | <u>259,586</u>                   | <u>\$ 90,652</u> | <u>\$ 168,146</u> | <u>\$ 788</u> |
| Equity securities                    | 9,097                            |                  |                   |               |
| Alternative investments              | 932                              |                  |                   |               |
| Mutual funds                         | 1,255                            |                  |                   |               |
|                                      | <u>\$ 270,870</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 District

### Notes to Consolidated Financial Statements

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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, 2023. 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 two JPA programs, including the Investment Trust of California, commonly known as “CalTRUST”, and the California Asset Management Program, commonly known as “CAMP”, for the purpose of pooling local agency assets for investing. Participation in the JPA programs is open to any public agency in California. Both JPA programs are 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. CalTRUST is measured at net asset value (“NAV”), which is calculated daily. 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 2.2% and 15.1% of the District’s total investment market value at June 30, 2023 and 2022, respectively. The market value of CAMP investments represented 25.1% and 15.0% at June 30, 2023 and 2022, respectively.

#### Note 6 – Capital Assets

A summary of changes in capital assets during 2023 is as follows (in thousands):

|  | Beginning<br>Balance<br>2022<br>(as restated) | Additions          | Deletions         | Transfers   | Ending<br>Balance<br>2023 |
|--|---|--------------------|-------------------|-------------|---------------------------|
| Land   | \$ 17,542                                     | \$ -               | \$ -              | \$ -        | \$ 17,542                 |
| Buildings and improvements                         | 425,542                                       | 787                | (783)             | 1,559       | 427,105                   |
| Equipment  | 325,209                                       | 11,255             | (7,801)           | -           | 328,663                   |
| Construction in progress                           | 15,620  | 11,352             | -                 | (1,559)     | 25,413                    |
|  | 783,913                                       | 23,394             | (8,584)           | -           | 798,723                   |
| Less: accumulated depreciation<br>and amortization | 459,744                                       | 33,611             | (6,818)           | -           | 486,537                   |
|  | <u>\$ 324,169</u>                             | <u>\$ (10,217)</u> | <u>\$ (1,766)</u> | <u>\$ -</u> | <u>\$ 312,186</u>         |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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A summary of changes in capital assets during 2022 is as follows (in thousands):

|  | Beginning<br>Balance<br>2021 | Additions          | Deletions    | Transfers   | Ending<br>Balance<br>2022<br>(as restated) |
|--|------------------------------|--------------------|--------------|-------------|--|
| Land   | \$ 17,542                    | \$ -               | \$ -         | \$ -        | \$ 17,542                                  |
| Buildings and improvements                         | 384,399                      | 1,254              | -            | 39,889      | 425,542                                    |
| Equipment  | 316,636                      | 7,077              | (60)         | 1,556       | 325,209                                    |
| Construction in progress                           | 53,113                       | 3,952              | -            | (41,445)    | 15,620                                     |
|  | 771,690                      | 12,283             | (60)         | -           | 783,913                                    |
| Less: accumulated depreciation<br>and amortization | 427,169                      | 32,670             | (95)         | -           | 459,744                                    |
|  | <u>\$ 344,521</u>            | <u>\$ (20,387)</u> | <u>\$ 35</u> | <u>\$ -</u> | <u>\$ 324,169</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):

|                                       | 2023            | 2022            |
|---------------------------------------|-----------------|-----------------|
| Cypress Company, LLC                  | \$ 653          | \$ 648          |
| Sequoia Surgery Center, LLC           | 1,047           | 967             |
| Northwest Visalia Senior Housing, LLC | 66              | 941             |
| Sequoia Integrated Health Plan, LLC   | 888             | 1,025           |
| 202 West Willow, LLC                  | -               | 955             |
| Visalia Kidney Center                 | 187             | 84              |
|                                       | <u>\$ 2,841</u> | <u>\$ 4,620</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 District**

### **Notes to Consolidated Financial Statements**

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**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 BTW Senior Housing, LLC, and 13.34% by Millennium Advisors, Inc. The District has recorded its interest in the joint venture based upon its initial capital contributions.

**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.

**Investment in 202 West Willow, LLC** – The District received a donation of 3,000 shares in a California limited liability company that owns and rents a 32,293 square foot medical building. The District recorded the investment based upon its allocated capital account balance at the time of the contribution. The District has 30% ownership interest in 202 West Willow, LLC. The 202 West Willow Medical Building sold in June 2023 and the related investment interest was eliminated.

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 District**  
**Notes to Consolidated Financial Statements**

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**Note 8 – Intangible Right-to-Use Assets and Lease Liabilities and Intangible Right-to-Use SBITA Assets and SBITA Liabilities**

**Intangible Right-to-Use Assets and Lease Liabilities** – The District is a lessee for noncancelable leases of buildings with lease terms through 2026. 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, 2023 and 2022. 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, 2023 and 2022. No termination penalties were incurred during the fiscal year.

The following table summarizes the District’s intangible right-to-use assets at June 30, 2023 and 2022 (in thousands):

|                                | <u>Balance as of<br/>June 30, 2022</u> | <u>Increases</u>  | <u>Decreases</u>  | <u>Balance as of<br/>June 30, 2023</u> |
|--------------------------------|--|-------------------|-------------------|--|
| Right-to-use assets            | \$ 23,462                              | \$ 6,771          | \$ (12,689)       | \$ 17,544                              |
| Less: accumulated amortization | <u>(9,086)</u>                         | <u>(4,434)</u>    | <u>7,225</u>      | <u>(6,295)</u>                         |
| Right-to-use assets, net       | <u>\$ 14,376</u>                       | <u>\$ 2,337</u>   | <u>\$ (5,464)</u> | <u>\$ 11,249</u>                       |
|                                | <u>Balance as of<br/>July 1, 2021</u>  | <u>Increases</u>  | <u>Decreases</u>  | <u>Balance as of<br/>June 30, 2022</u> |
| Right-to-use assets            | \$ 22,372                              | \$ 1,090          | \$ -              | \$ 23,462                              |
| Less: accumulated amortization | <u>(4,465)</u>                         | <u>(4,621)</u>    | <u>-</u>          | <u>(9,086)</u>                         |
| Right-to-use assets, net       | <u>\$ 17,907</u>                       | <u>\$ (3,531)</u> | <u>\$ -</u>       | <u>\$ 14,376</u>                       |

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

|                   | <u>Balance as of<br/>June 30, 2022</u> | <u>Increases</u> | <u>Decreases</u>   | <u>Balance as of<br/>June 30, 2023</u> |
|-------------------|--|------------------|--------------------|--|
| Lease liabilities | <u>\$ 14,677</u>                       | <u>\$ 6,771</u>  | <u>\$ (10,093)</u> | <u>\$ 11,355</u>                       |
|                   | <u>Balance as of<br/>July 1, 2021</u>  | <u>Increases</u> | <u>Decreases</u>   | <u>Balance as of<br/>June 30, 2022</u> |
| Lease liabilities | <u>\$ 18,095</u>                       | <u>\$ 1,090</u>  | <u>\$ (4,508)</u>  | <u>\$ 14,677</u>                       |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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The future lease liability principal and interest lease payments as of June 30, 2023 were as follows (in thousands):

| <u>Years Ending June 30,</u> | <u>Principal<br/>Payments</u> | <u>Interest<br/>Payments</u> | <u>Total</u>     |
|------------------------------|-------------------------------|------------------------------|------------------|
| 2024                         | \$ 2,614                      | \$ 200                       | \$ 2,814         |
| 2025                         | 2,023                         | 171                          | 2,194            |
| 2026                         | 1,564                         | 145                          | 1,709            |
| 2027                         | 1,217                         | 121                          | 1,338            |
| 2028                         | 951                           | 100                          | 1,051            |
| 2029–2033                    | 2,986                         | 236                          | 3,222            |
|                              | <u>\$ 11,355</u>              | <u>\$ 973</u>                | <u>\$ 12,328</u> |

The District evaluated the intangible right-to-use assets for impairment and determined there was no impairment for the years ended June 30, 2023 and 2022.

**Intangible Right-To-Use SBITA Assets and SBITA Liabilities** – The District entered into various agreements for information technology subscriptions. These agreements range in terms through 2027. Total subscription payments were \$3,365,000 and \$2,636,000 for the years ended June 30, 2023 and 2022, respectively. Variable payments based upon the use of the underlying SBITA asset are not included in the subscription liability because they are not fixed in substance — therefore, these payments are not included in SBITA assets or SBITA liabilities. There were no variable subscription expenses or payments in the fiscal years ended June 30, 2023 and 2022.

The following tables summarize the District’s intangible right-to-use SBITA assets at June 30, 2023 and 2022 (in thousands):

|                                | <u>Balance as of<br/>June 30, 2022<br/>(as restated)</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance as of<br/>June 30, 2023</u> |
|--------------------------------|--|------------------|------------------|--|
| Right-to-use assets            | \$ 10,430  | \$ 2,604         | \$ -             | \$ 13,034                              |
| Less: accumulated amortization | <u>(1,472)</u>   | <u>(3,145)</u>   | <u>-</u>         | <u>(4,617)</u>                         |
| Right-to-use assets, net       | <u>\$ 8,958</u>  | <u>\$ (541)</u>  | <u>\$ -</u>      | <u>\$ 8,417</u>                        |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

|                                | Balance as of<br>July 1, 2021<br>(as restated) | Increases       | Decreases   | Balance as of<br>June 30, 2022<br>(as restated) |
|--------------------------------|--|-----------------|-------------|---|
| Right-to-use assets            | \$ 2,335                                       | \$ 8,095        | \$ -        | \$ 10,430                                       |
| Less: accumulated amortization | -  | (1,472)         | -           | (1,472)   |
| Right-to-use assets, net       | <u>\$ 2,335</u>                                | <u>\$ 6,623</u> | <u>\$ -</u> | <u>\$ 8,958</u>                                 |

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

|                   | Balance as of<br>June 30, 2022<br>(as restated) | Increases       | Decreases         | Balance as of<br>June 30, 2023 |
|-------------------|---|-----------------|-------------------|--------------------------------|
| SBITA liabilities | <u>\$ 7,848</u>                                 | <u>\$ 2,579</u> | <u>\$ (3,267)</u> | <u>\$ 7,160</u>                |

|                   | Balance as of<br>July 1, 2021<br>(as restated) | Increases       | Decreases         | Balance as of<br>June 30, 2022<br>(as restated) |
|-------------------|--|-----------------|-------------------|---|
| SBITA liabilities | <u>\$ 2,335</u>                                | <u>\$ 8,095</u> | <u>\$ (2,582)</u> | <u>\$ 7,848</u>                                 |

The future SBITA liability principal and interest lease payments as of June 30, 2023 were as follows (in thousands):

| Years Ending June 30, | Principal<br>Payments | Interest<br>Payments | Total           |
|-----------------------|-----------------------|----------------------|-----------------|
| 2024                  | \$ 2,734              | \$ 118               | \$ 2,852        |
| 2025                  | 2,555                 | 69                   | 2,624           |
| 2026                  | 1,421                 | 28                   | 1,449           |
| 2027                  | 355                   | 6                    | 361             |
| 2028                  | 95                    | 1                    | 96              |
|                       | <u>\$ 7,160</u>       | <u>\$ 222</u>        | <u>\$ 7,382</u> |

The District evaluated the intangible right-to-use SBITA assets for impairment and determined there was no impairment for the years ended June 30, 2023 and 2022.

The District entered into additional subscription agreements with total undiscounted subscription payments of \$6.1 million that have yet to commence as of June 30, 2023 .

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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#### 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.

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.

## **Kaweah Delta Health District**

### **Notes to Consolidated Financial Statements**

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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.

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.

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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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, 2023, are as follows (in thousands):

| Years Ending June 30, | Principal  | Interest  |
|-----------------------|------------|-----------|
| 2024                  | \$ 12,159  | \$ 8,094  |
| 2025                  | 12,585     | 7,748     |
| 2026                  | 13,014     | 7,400     |
| 2027                  | 13,454     | 7,035     |
| 2028                  | 13,919     | 6,649     |
| 2029–2033             | 66,106     | 27,195    |
| 2034–2038             | 39,045     | 19,099    |
| 2039–2043             | 44,630     | 10,434    |
| 2044–2047             | 22,860     | 1,381     |
|                       | 237,772    | \$ 95,035 |
| Unamortized premium   | 1,765      |           |
|                       | 239,537    |           |
| Less: current portion | 12,159     |           |
|                       | \$ 227,378 |           |

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. Because the District's debt service coverage ratio fell below a certain level for 2023, in accordance with the Revenue Bond's Continuing Disclosure Agreement the District has hired an independent consultant to make recommendations to the District. By retaining the independent consultant and complying in all material respects with recommendations, the District expects that it will be deemed to have complied with these covenants.

The District paid approximately \$8.7 million and \$9.3 million in interest in 2023 and 2022, respectively, on all debt, including revenue and general obligation bonds, and notes payable. The District capitalized no interest expense in fiscal years 2023 and 2022.

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

|      | Beginning<br>Balance | Additions | Payments  | Ending<br>Balance |
|------|----------------------|-----------|-----------|-------------------|
| 2023 | \$ 249,531           | \$ -      | \$ 11,759 | \$ 237,772        |
| 2022 | \$ 259,222           | \$ 32,035 | \$ 41,726 | \$ 249,531        |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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**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.

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

|      | Beginning<br>Balance | Additions | Payments | Ending<br>Balance |
|------|----------------------|-----------|----------|-------------------|
| 2023 | \$ 7,895             | \$ 9,850  | \$ -     | \$ 17,745         |
| 2022 | \$ -                 | \$ 7,895  | \$ -     | \$ 7,895          |

**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 3.7% 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<br>Balance | Additions | Payments  | Ending<br>Balance | Current<br>Portion |
|------|----------------------|-----------|-----------|-------------------|--------------------|
| 2023 | \$ 30,210            | \$ 37,896 | \$ 40,515 | \$ 27,591         | \$ 9,856           |
| 2022 | \$ 31,465            | \$ 33,735 | \$ 34,990 | \$ 30,210         | \$ 11,465          |

**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.

## **Kaweah Delta Health District**

### **Notes to Consolidated Financial Statements**

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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.

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 no contributions to the plan in 2023 but contributed \$11.4 million to the plan in 2022.

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, 2023, 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 District**  
**Notes to Consolidated Financial Statements**

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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, 2023 |            |           |         |            |
|--|------------|-----------|---------|------------|
|  | Level 1    | Level 2   | Level 3 | Total      |
| Cash and cash equivalents                | \$ 4,628   | \$ -      | \$ -    | \$ 4,628   |
| Fixed income investments                 | 49,619     | 12,525    | -       | 62,144     |
| Equity securities                        | 205,220    | -         | -       | 205,220    |
| Total assets in the fair value hierarchy | \$ 259,468 | \$ 12,525 | \$ -    | \$ 271,992 |

| Fair Value Measurements at June 30, 2022 |            |           |         |            |
|--|------------|-----------|---------|------------|
|  | Level 1    | Level 2   | Level 3 | Total      |
| Cash and cash equivalents                | \$ 19,587  | \$ -      | \$ -    | \$ 19,587  |
| Fixed income investments                 | 38,771     | 23,050    | -       | 61,821     |
| Equity securities                        | 183,397    | -         | -       | 183,397    |
| Total assets in the fair value hierarchy | \$ 241,755 | \$ 23,050 | \$ -    | \$ 264,805 |

The District uses a measurement date of June 30 for each year presented. The actuarial valuation for fiscal years 2023 and 2022 is based on participant data as of June 30, 2022 and 2021, respectively. Update procedures were used to roll forward the total pension liability to the measurement date.

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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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):

|   | 2023             | 2022             |
|---|------------------|------------------|
| <b>PENSION COST</b>                                   |                  |                  |
| Administrative expense                                | 569              | 305              |
| Interest  | 22,205           | 21,703           |
| Expected return on assets, net of investment expenses | (19,199)         | (23,616)         |
| Recognition of deferred outflows                      | 6,500            | (10,479)         |
| Recognition of deferred inflows                       | 2,849            | 15,929           |
|   | <u>\$ 12,924</u> | <u>\$ 3,842</u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                  |                  |
| Established July 1:                                   |                  |                  |
| Difference between expected and actual experience     | \$ 6,487         | \$ 2,798         |
| Net difference in expected and actual earnings        | 23,513           | 33,504           |
| Changes in assumptions                                | 306              | (143)            |
|   | <u>30,306</u>    | <u>36,159</u>    |
| Deferred outflows of resources, beginning of year     | <u>30,306</u>    | <u>36,159</u>    |
| <b>AMOUNT RECOGNIZED IN CURRENT YEAR PENSION COST</b> |                  |                  |
| Established July 1:                                   |                  |                  |
| Difference between expected and actual experience     | 4,687            | 2,222            |
| Net difference in expected and actual earnings        | 4,356            | 3,677            |
| Changes in assumptions                                | 307              | (448)            |
|   | <u>9,350</u>     | <u>5,451</u>     |
| Amount recognized in current year                     | <u>9,350</u>     | <u>5,451</u>     |
| Deferred outflows of resources, end of year           | <u>\$ 20,956</u> | <u>\$ 30,708</u> |

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

Years Ending June 30,

|      |                  |
|------|------------------|
| 2024 | \$ 6,624         |
| 2025 | 2,294            |
| 2025 | 13,302           |
| 2026 | (1,263)          |
|      | <u>\$ 20,957</u> |

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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

|                             | <u>2023</u>         | <u>2022</u>         |
|-----------------------------|---------------------|---------------------|
| Active employees            | 546                 | 598                 |
| Terminated vested           | 1,002               | 1,010               |
| Retirees receiving benefits | <u>904</u>          | <u>851</u>          |
| Total participants          | <u><u>2,452</u></u> | <u><u>2,459</u></u> |

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

|  | <u>2023</u>             | <u>2022</u>             |
|--|-------------------------|-------------------------|
| <b>TOTAL PENSION LIABILITY</b>                                       |                         |                         |
| Service cost   | \$ -                    | \$ -                    |
| Interest   | 22,205                  | 21,703                  |
| Differences between expected and actual experience                   | 5,911                   | 1,506                   |
| Changes in assumptions   | -                       | 778                     |
| Benefit payments   | <u>(17,730)</u>         | <u>(16,832)</u>         |
| <b>NET CHANGES IN TOTAL PENSION LIABILITY</b>                        | 10,386                  | 7,155                   |
| <b>TOTAL PENSION LIABILITY, beginning of year</b>                    | <u>304,929</u>          | <u>297,774</u>          |
| <b>TOTAL PENSION LIABILITY, end of year</b>                          | <u><u>315,315</u></u>   | <u><u>304,929</u></u>   |
| <b>PLAN FIDUCIARY NET POSITION</b>                                   |                         |                         |
| Employer contributions   | -                       | 11,400                  |
| Net investment gain (loss)   | 25,513                  | (49,170)                |
| Benefit payments   | (17,730)                | (16,832)                |
| Administrative expenses  | <u>(569)</u>            | <u>(305)</u>            |
| <b>NET CHANGES IN PLAN FIDUCIARY NET POSITION</b>                    | 7,214                   | (54,907)                |
| <b>PLAN FIDUCIARY NET POSITION, beginning of year</b>                | <u>265,140</u>          | <u>320,047</u>          |
| <b>PLAN FIDUCIARY NET POSITION, end of year</b>                      | <u><u>272,354</u></u>   | <u><u>265,140</u></u>   |
| <b>NET PENSION LIABILITY, end of year</b>                            | <u><u>\$ 42,961</u></u> | <u><u>\$ 39,789</u></u> |
| Plan fiduciary net position as percentage of total pension liability | <u><u>86.38%</u></u>    | <u><u>86.95%</u></u>    |
| Covered employee payroll   | N/A                     | N/A                     |
| Net pension liability as percent of covered payroll                  | N/A                     | N/A                     |

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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The following table summarizes the actuarial assumptions used to determine net pension liability and plan fiduciary net position as of June 30, 2023:

|   |  |
|---|--|
| Valuation date                                  | June 30, 2022                          |
| Actuarial cost method                           | Entry Age Normal                       |
| Amortization method                             | Level Dollar                           |
| Asset valuation method                          | Fair Value                             |
| Actuarial assumptions (including 2% inflation): |  |
| Discount Rate                                   | 7.50%                                  |
| 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, 2023, to changes in the Discount Rate (in thousands):

|                               |          |
|-------------------------------|----------|
| 1% Decrease (6.50%)           | \$74,411 |
| Current Discount Rate (7.50%) | \$42,961 |
| 1% Increase (8.5%)            | \$16,286 |

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 \$4.2 million and \$0 in 2023 and 2022, respectively. The District recognized pension expense of \$2.5 million and \$1.4 million related to the Salary Plan in 2023 and 2022, respectively. The liability related to the Salary Plan was \$2.5 million and \$3.8 million at June 30, 2023 and 2022, 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, 2023 and 2022, forfeitures reduced the District's pension expense by \$0 and \$412,000, 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 District**

### **Notes to Consolidated Financial Statements**

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#### **Note 12 – Commitments**

At June 30, 2023, the District has projects in progress to construct, improve, and equip various routine, ancillary, and support services. Major projects in progress include the implementation of a new ERP software system, the construction of a third CT suite, the purchase and remodel of a pediatric crisis stabilization facility, and various improvement projects to existing facilities. Total costs expended as of June 30, 2023, related to these projects and others are approximately \$26.3 million. The total estimated cost of these projects at completion is approximately \$37.8 million, of which approximately \$33.1 million has been expended or contractually obligated. Funding for the projects is expected to include a combination of revenue bond 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, 2023, 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 year ended June 30, 2023 and 2022.

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 District Notes to Consolidated Financial Statements

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### **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 2023 and 2022, the District recognized QAF program related net patient services revenue of \$18.5 million and \$16.1 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 \$5.4 million increase and a \$7.4 million increase related to this program for the years ended June 30, 2023 and 2022, 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 \$19.0 million and \$24.4 million related to this program in fiscal years 2023 and 2022, respectively.

## **Kaweah Delta Health District**

### **Notes to Consolidated Financial Statements**

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*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 \$8.7 million and \$15.8 million related to the PRIME and QIP programs in fiscal years 2023 and 2022, respectively.

*Provider relief funds* – The District received approximately \$15.1 million in related grants in fiscal year 2022 but none in 2023. The District was required to and did timely sign attestations agreeing to the terms and conditions of payment. Those terms and conditions include measures to prevent fraud and misuse. Documentation is required to ensure that these funds are used for health care related expenses or lost revenue attributable to the coronavirus, limitations of out-of-pocket payments from certain patients, and the acceptance of several other reporting and compliance requirements. It is noted that anti-fraud monitoring and auditing will be performed by HHS and the Office of the Inspector General. For the years ended June 30, 2023 and 2022, the District has determined it met the terms and conditions of the CARES Act, and has recorded stimulus fund revenue \$0 million and \$15.1 million, respectively, of the PRF in nonoperating revenues in the consolidated statements of revenues, expenses, and changes in net position. Refunding of amounts received may be required by the CARES Act if a receiving entity is unable to quantify the financial losses intended to be covered by funding. The District continues to reconcile and analyze its health care related expenses and lost revenue based on known reporting guidance.

*Other stimulus funds* – The District received approximately \$681,000 million and \$3.1 million in related grants in fiscal year 2023 and fiscal year 2022, respectively. The District entered into contracts agreeing to the terms and conditions of payment. Those terms and conditions include measures to prevent fraud and misuse. Documentation is required to ensure that these funds are used for health care related expenses attributable to the coronavirus, limitations of out-of-pocket payments from certain patients, and the acceptance of several other reporting and compliance requirements. For the years ended June 30, 2023 and 2022, the District has determined it met the terms and conditions of these stimulus funds and has recorded stimulus fund revenue \$681,000 and \$3.1 million, respectively, in nonoperating revenues in the consolidated statements of revenues, expenses, and changes in net position.

**Kaweah Delta Health District**  
**Notes to Consolidated Financial Statements**

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**Note 15 – Restatement**

The adoption of GASB No. 96 resulted in adjustments to the prior period financial statements as follows at June 30, 2022:

|   | As Previously<br>Presented | Adjustment | As Restated  |
|---|----------------------------|------------|--------------|
| Statements of net position  |                            |            |              |
| Assets and deferred outflows:   |                            |            |              |
| Prepaid expenses  | \$ 13,050                  | \$ (1,121) | \$ 11,929    |
| Intangible right-of-use SBITA assets  | \$ -                       | \$ 8,958   | \$ 8,958     |
| Liabilities, deferred inflows of resources, and net position:   |                            |            |              |
| Accounts payable and accrued expenses   | \$ 36,358                  | \$ 216     | \$ 36,574    |
| SBITA liability, current portion  | \$ -                       | \$ 2,583   | \$ 2,583     |
| SBITA liability, net of current portion   | \$ -                       | \$ 5,265   | \$ 5,265     |
| Total net position, end of year   | \$ 465,710                 | \$ (47)    | \$ 465,663   |
| Statements of revenues, expenses, and changes in net position   |                            |            |              |
| Repairs and maintenance   | \$ 28,415                  | \$ (1,479) | \$ 26,936    |
| Depreciation and amortization   | \$ 37,433                  | \$ 1,472   | \$ 38,905    |
| Interest expense  | \$ (8,954)                 | \$ (54)    | \$ (9,008)   |
| Operating loss  | \$ (30,045)                | \$ 7       | \$ (30,038)  |
| Loss before capital contributions   | \$ (25,567)                | \$ (47)    | \$ (25,614)  |
| Changes in net position   | \$ (20,456)                | \$ (47)    | \$ (20,503)  |
| Statements of cash flows  |                            |            |              |
| Cash flows from operating activities:   |                            |            |              |
| Cash payments for other operating expenses  | \$ (447,996)               | \$ 2,600   | \$ (445,396) |
| Net cash from operating activities  | \$ (105,858)               | \$ 2,600   | \$ (103,258) |
| Cash flows from capital and related financing activities:   |                            |            |              |
| Interest payments on lease and SBITA liabilities  | \$ (73)                    | \$ (54)    | \$ (127)     |
| Principal payments on lease and SBITA liabilities   | \$ (4,507)                 | \$ (2,546) | \$ (7,053)   |
| Net cash from capital and related financing activities  | \$ (19,670)                | \$ (2,600) | \$ (22,270)  |
| Reconciliation of operating loss to net cash provided by operating activities:  |                            |            |              |
| Depreciation and amortization   | \$ 37,433                  | \$ 1,472   | 38,905       |
| Accounts payable and accrued expenses, accrued payroll related liabilities, lease liabilities, Medicare accelerated payments payable, and other long-term liabilities | \$ (60,083)                | \$ 1,121   | \$ (58,962)  |
| Net cash from operating activities  | \$ (105,858)               | \$ 2,600   | \$ (103,258) |

## Kaweah Delta Health District

### Notes to Consolidated Financial Statements

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#### **Note 16 – 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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## Supplemental Information

**Kaweah Delta Health District  
Supplemental Pension Information  
June 30, 2023 and 2022**

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

|                             | <u>2023</u>         | <u>2022</u>         |
|-----------------------------|---------------------|---------------------|
| Active employees            | 546                 | 598                 |
| Terminated vested           | 1,002               | 1,010               |
| Retirees receiving benefits | <u>904</u>          | <u>851</u>          |
| Total participants          | <u><u>2,452</u></u> | <u><u>2,459</u></u> |

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

|  | <u>2023</u>             | <u>2022</u>             |
|--|-------------------------|-------------------------|
| <b>TOTAL PENSION LIABILITY</b>                                       |                         |                         |
| Service cost   | \$ -                    | \$ -                    |
| Interest   | 22,205                  | 21,703                  |
| Differences between expected and actual experience                   | 5,911                   | 1,506                   |
| Changes in assumptions   | -                       | 778                     |
| Benefit payments   | <u>(17,730)</u>         | <u>(16,832)</u>         |
| <b>NET CHANGES IN TOTAL PENSION LIABILITY</b>                        | 10,386                  | 7,155                   |
| <b>TOTAL PENSION LIABILITY, beginning of year</b>                    | <u>304,929</u>          | <u>297,774</u>          |
| <b>TOTAL PENSION LIABILITY, end of year</b>                          | <u><u>315,315</u></u>   | <u><u>304,929</u></u>   |
| <b>PLAN FIDUCIARY NET POSITION</b>                                   |                         |                         |
| Employer contributions   | -                       | 11,400                  |
| Net investment gain (loss)   | 25,513                  | (49,170)                |
| Benefit payments   | (17,730)                | (16,832)                |
| Administrative expenses  | <u>(569)</u>            | <u>(305)</u>            |
| <b>NET CHANGES IN PLAN FIDUCIARY NET POSITION</b>                    | 7,214                   | (54,907)                |
| <b>PLAN FIDUCIARY NET POSITION, beginning of year</b>                | <u>265,140</u>          | <u>320,047</u>          |
| <b>PLAN FIDUCIARY NET POSITION, end of year</b>                      | <u><u>272,354</u></u>   | <u><u>265,140</u></u>   |
| <b>NET PENSION LIABILITY, end of year</b>                            | <u><u>\$ 42,961</u></u> | <u><u>\$ 39,789</u></u> |
| Plan fiduciary net position as percentage of total pension liability | <u><u>86.38%</u></u>    | <u><u>86.95%</u></u>    |
| Covered employee payroll   | N/A                     | N/A                     |
| Net pension liability as percent of covered payroll                  | N/A                     | N/A                     |

**Kaweah Delta Health District  
Supplemental Pension Information (Continued)  
Years Ended June 30, 2023 and 2022**

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The District's actuarially determined contribution and actual contributions, since 2013, are presented in the following table (in thousands):

| Fiscal Year Ended | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Excess | Covered<br>Payroll | Actual<br>Contribution<br>as a Percentage<br>of Covered<br>Payroll |
|-------------------|---|------------------------|------------------------|--------------------|--|
| 2014              | \$ 3,972                                  | \$ 4,058               | \$ 86                  | N/A                | N/A  |
| 2015              | 2,673                                     | 3,720                  | 1,047                  | N/A                | N/A  |
| 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  |
|                   | <u>\$ 39,329</u>                          | <u>\$ 78,778</u>       | <u>\$ 39,449</u>       |                    |  |

# **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***

The Board of Directors  
Kaweah Delta Health Care District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Kaweah Delta Health Care District (the "District"), which comprise the consolidated statement of net position as of June 30, 2023, and the related consolidated statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated [REDACTED], 2023.

## **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stockton, California

                    , 2023

**Physician Recruitment and Relations**

*Medical Staff Recruitment Report - October 2023*

Prepared by: JC Palermo, Director Physician Recruitment - jpalermo@kaweahhealth.org - (559) 624-5456

Date prepared: 10/18/2023

| Central Valley Critical Care Medicine |   |
|---------------------------------------|---|
| Intensivist                           | 1 |
| Step-Down Hospitalist                 | 2 |

| Delta Doctors Inc. |   |
|--------------------|---|
| Family Medicine    | 2 |
| OB/GYN             | 1 |
| Adult Psychiatry   | 1 |

| Key Medical Associates            |   |
|-----------------------------------|---|
| Endocrinology                     | 1 |
| Family Medicine/Internal Medicine | 4 |
| Gastroenterology                  | 1 |
| Pediatrics                        | 1 |
| Pulmonology                       | 1 |
| Rheumatology                      | 1 |

| Sequoia Oncology Medical Associates Inc. |   |
|--|---|
| Hematology/Oncology                      | 1 |

| Orthopaedic Associates Medical Clinic, Inc. |   |
|---|---|
| Orthopedic Surgery (General)                | 1 |
| Orthopedic Surgery (Hand)                   | 1 |
| Orthopedic Surgery (Trauma)                 | 1 |

| Stanford Health Care   |   |
|------------------------|---|
| Cardiothoracic Surgery | 2 |

| Sequoia Cardiology Medical Group |   |
|----------------------------------|---|
| EP Cardiology                    | 1 |

| Oak Creek Anesthesia                  |   |
|---------------------------------------|---|
| Anesthesia - General/Medical Director | 1 |
| Anesthesia - Obstetrics               | 1 |
| Anesthesia - Regional Pain            | 1 |

| USC Urology |   |
|-------------|---|
| Urology     | 3 |

| Valley Hospitalist Medical Group |   |
|----------------------------------|---|
| GI Hospitalist                   | 1 |

| Other Recruitment/Group TBD   |   |
|-------------------------------|---|
| Dermatology                   | 2 |
| Family Medicine               | 3 |
| Gastroenterology              | 2 |
| Hospice & Palliative Medicine | 1 |
| Neurology - Outpatient        | 1 |
| Otolaryngology                | 2 |
| Pediatrics                    | 1 |
| Pulmonology - Outpatient      | 1 |
| Interventional Cardiology     | 1 |
| General Cardiologist          | 1 |

| Valley ENT     |   |
|----------------|---|
| Audiology      | 1 |
| Otolaryngology | 1 |

| Valley Children's Health Care |   |
|-------------------------------|---|
| Maternal Fetal Medicine       | 2 |
| Neonatology                   | 1 |
| Pediatric Cardiology          | 1 |
| Pediatric Hospitalist         | 1 |

|                | # | Specialty                 | Group            | Offer Sent |
|----------------|---|---------------------------|------------------|------------|
| Offer Extended | 1 | Interventional Cardiology | TBD              | 9/25/2023  |
|                | 2 | Cardiothoracic Surgery    | Stanford         | 9/25/2023  |
|                | 3 | Endocrinology             | Delta Doctors    | 9/20/2023  |
|                | 4 | Family Medicine           | Direct/1099      | 9/14/2023  |
|                | 5 | Medical Oncology          | Sequoia Oncology | 9/1/2023   |
|                |   |                           |                  |            |
|                |   |                           |                  |            |
|                |   |                           |                  |            |
|                |   |                           |                  |            |
|                |   |                           |                  |            |

|                | #    | Specialty             | Group                                 | Expected Start Date |
|----------------|------|-----------------------|---------------------------------------|---------------------|
| Offer Accepted | 1    | CRNA                  | Oak Creek Anesthesia                  | Oct 2023            |
|                |      |                       | Kaweah Health Faculty Group           | Nov 2023            |
|                | 2    | Family Medicine       | Valley Children's                     | Fall 2023           |
|                | 3    | Pediatric Hospitalist | Oak Creek Anesthesia                  | Spring 2024         |
|                | 4    | Anesthesia - General  | Oak Creek Anesthesia                  | Spring 2024         |
|                | 5    | CRNA                  | Oak Creek Anesthesia                  | Spring 2024         |
|                | 6    | CRNA                  | Oak Creek Anesthesia                  | Spring 2024         |
|                | 7    | CRNA                  | Oak Creek Anesthesia                  | Spring 2024         |
|                |      |                       | Kaweah Health Neurology Group         | Summer 2023         |
|                | 8    | Neurology             | Orthopaedic Associates Medical Clinic | Summer 2024         |
|                | 9    | Orthopedic Trauma     | Oak Creek Anesthesia                  | Winter 2023         |
|                | 10   | Anesthesia - General  | Oak Creek Anesthesia                  | Winter 2023         |
|                | 11   | CRNA                  | Oak Creek Anesthesia                  | Winter 2023         |
|                | 12   | CRNA                  | Oak Creek Anesthesia                  | Winter 2023         |
|                | 13   | CRNA                  | Oak Creek Anesthesia                  | Winter 2023         |
| 15             | CRNA | Oak Creek Anesthesia  |                                       |                     |

**Physician Recruitment and Relations**

*Medical Staff Recruitment Report - October 2023*

Prepared by: JC Palermo, Director Physician Recruitment - jpalermo@kawahhealth.org - (559) 624-5456

Date prepared: 10/18/2023

| Central Valley Critical Care Medicine |   |
|---------------------------------------|---|
| Intensivist                           | 1 |
| Step-Down Hospitalist                 | 2 |

| Delta Doctors Inc. |   |
|--------------------|---|
| Family Medicine    | 2 |
| OB/GYN             | 1 |
| Adult Psychiatry   | 1 |

| Key Medical Associates            |   |
|-----------------------------------|---|
| Endocrinology                     | 1 |
| Family Medicine/Internal Medicine | 4 |
| Gastroenterology                  | 1 |
| Pediatrics                        | 1 |
| Pulmonology                       | 1 |
| Rheumatology                      | 1 |

| Sequoia Oncology Medical Associates Inc. |   |
|--|---|
| Hematology/Oncology                      | 1 |

| Orthopaedic Associates Medical Clinic, Inc. |   |
|---|---|
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|------------------------|---|
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|----------------------------------|---|
| EP Cardiology                    | 1 |

| Oak Creek Anesthesia                  |   |
|---------------------------------------|---|
| Anesthesia - General/Medical Director | 1 |
| Anesthesia - Obstetrics               | 1 |
| Anesthesia - Regional Pain            | 1 |

| USC Urology |   |
|-------------|---|
| Urology     | 3 |

| Valley Hospitalist Medical Group |   |
|----------------------------------|---|
| GI Hospitalist                   | 1 |

| Other Recruitment/Group TBD   |   |
|-------------------------------|---|
| Dermatology                   | 2 |
| Family Medicine               | 3 |
| Gastroenterology              | 2 |
| Hospice & Palliative Medicine | 1 |
| Neurology - Outpatient        | 1 |
| Otolaryngology                | 2 |
| Pediatrics                    | 1 |
| Pulmonology - Outpatient      | 1 |
| Interventional Cardiology     | 1 |
| General Cardiologist          | 1 |

| Valley ENT     |   |
|----------------|---|
| Audiology      | 1 |
| Otolaryngology | 1 |

| Valley Children's Health Care |   |
|-------------------------------|---|
| Maternal Fetal Medicine       | 2 |
| Neonatology                   | 1 |
| Pediatric Cardiology          | 1 |
| Pediatric Hospitalist         | 1 |

| Candidate Activity | #   | Specialty                 | Group                                      | Date Added             | Current Status                               |
|--------------------|-----|---------------------------|--|------------------------|--|
|                    | 1   | Cariothoracic Surgery     | Stanford                                   | 10/18/2023             | Site Visit:<br>Pending                       |
|                    | 2   | ENT                       | TBD  | 10/15/2023             | Site Visit:<br>Pending                       |
|                    | 3   | Pulmonology               | TBD  | 10/15/2023             | Currently under review                       |
|                    | 4   | Radiation Oncology        | TBD  | 10/12/2023             | Currently under review                       |
|                    | 5   | Radiation Oncology        | TBD  | 10/12/2023             | Currently under review                       |
|                    | 6   | Orthopedic Sports/General | Orthopaedic Associates Medical Clinic, inc | 10/9/2023              | Currently under review                       |
|                    | 7   | Family Medicine           | TBD  | 9/26/2023              | Currently under review                       |
|                    | 8   | Family Medicine           | Direct/1099                                | 9/25/2023              | Preparing Offer                              |
|                    | 9   | Gastroenterology          | TBD  | 9/25/2023              | Currently under review - Not available until |
|                    | 10  | Family Medicine           | TBD  | 9/22/2023              | Site Visit<br>10/23/23                       |
|                    | 11  | EP                        | TBD  | 9/11/2023              | Currently under review                       |
|                    | 12  | Family Medicine           | TBD  | 9/8/2023               | Preparing Offer                              |
| 13                 | ENT | TBD                       | 9/8/2023                                   | Site Visit:<br>Pending |  |

| Candidate Activity | #  | Specialty             | Group                                      | Date Added | Current Status         |
|--------------------|----|-----------------------|--|------------|------------------------|
|                    | 14 | EP                    | TBD  | 9/8/2023   | Site Visit<br>10/23/23 |
|                    | 15 | Neurology             | Kawah Delta Neurology                      | 8/11/2023  | Currently under review |
|                    | 16 | Pediatric Hospitalist | Valley                                     | 8/1/2023   | Preparing              |
|                    | 17 | Intensivist           | Central Valley Critical Care               | 7/17/2023  | Site Visit:<br>Pending |
|                    | 18 | Hospitalist           | Central Valley Critical Care               | 7/17/2023  | Currently under review |
|                    | 19 | Hospitalist           | Central Valley Critical Care Medicine      | 7/11/2023  | Preparing Offer        |
|                    | 20 | Family Medicine       | TBD  | 6/21/2023  | Site Visit:<br>10/2023 |
|                    | 21 | Gastroenterology      | TBD  | 6/21/2023  | Currently under review |
|                    | 22 | Adult Psychiatry      | Key Medical                                | 6/21/2023  | Currently under review |
|                    | 23 | Family Medicine       | TBD  | 6/21/2023  | Offer Ready            |
|                    | 24 | Family Medicine       | TBD  | 6/21/2023  | Currently under review |
|                    | 25 | Orthopedic Trauma     | Orthopaedic Associates Medical Clinic, inc | 8/18/2022  | Site Visit:<br>9/19/23 |



# FY 2024 Strategic Plan

Monthly Performance Report

October 25, 2023



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

## Kaweah Health Strategic Plan: Fiscal Year 2024

### 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

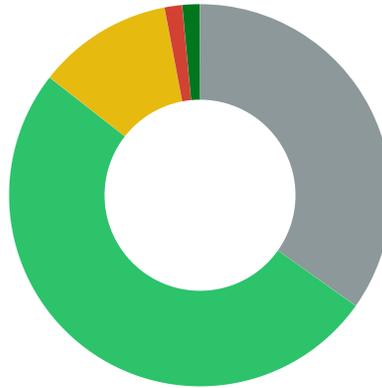
Achieve outstanding community health.  
 Deliver excellent service.  
 Provide an ideal work environment.  
 Empower through education.  
 Maintain financial strength.

### Our Six Initiatives

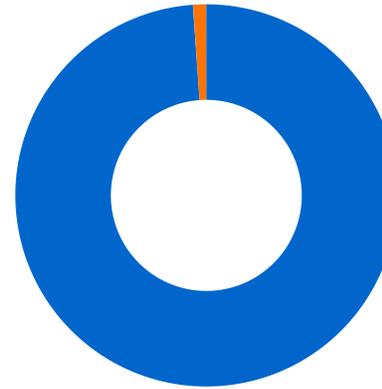
Empower Through Education  
 Ideal Work Environment  
 Strategic Growth and Innovation  
 Organizational Efficiency and Effectiveness  
 Outstanding Health Outcomes  
 Patient Experience and Community Engagement

### Kaweah Health Strategic Plan FY2024 Overview

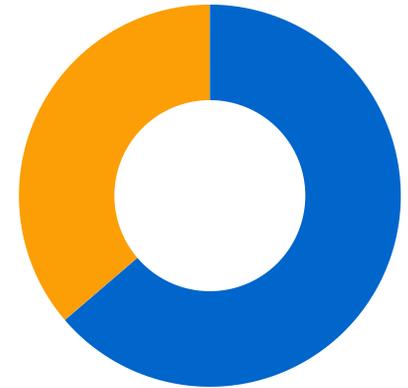
Statuses



Due Dates



Progress Updates



|               |           |
|---------------|-----------|
| ● Not Started | 70 (35%)  |
| ● On Track    | 102 (51%) |
| ● Off Track   | 23 (11%)  |
| ● At Risk     | 3 (1%)    |
| ● Achieved    | 3 (1%)    |

|                |           |
|----------------|-----------|
| ● Not Past Due | 178 (99%) |
| ● Past Due     | 2 (1%)    |

|              |           |
|--------------|-----------|
| ● Up-to-Date | 123 (64%) |
| ● Late       | 70 (36%)  |
| ● Pending    | 0 (0%)    |

### Empower Through Education

Champions: Dr. Lori Winston and Hannah Mitchell

Objective: Implement initiatives to **develop the healthcare team and attract and retain the very best talent in support of our mission.**

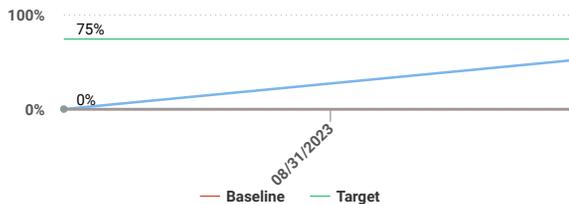
#### FY2024 Strategic Plan - Empower Through Education Strategies

| #   | Name  | Description  | Status   | Assigned To     | Last Comment   |
|-----|---|--|----------|-----------------|--|
| 1.1 | Expand Online Learning Opportunities and Participation      | Increase and optimize existing and new educational opportunities and platforms to support on line and computer based learning.             | On Track | Hannah Mitchell | While work is underway, the metrics related to this initiative are reporting on a quarterly basis. |
| 1.2 | Increase the Use of and Exposure to Simulation in Education | Develop and implement strategies to expand exposure to the SIM Lab and simulation concepts in training and education.                      | On Track | Kimberly Sokol  | While work is underway, the metrics related to this initiative are reporting on a quarterly basis. |
| 1.3 | Expand Educational Opportunities for External Learners      | Include external learners in existing and new training and educational opportunities.  | On Track | Kimberly Sokol  | While work is underway, the metrics related to this initiative are reporting on a quarterly basis. |
| 1.4 | Improve Leadership Development and Education                | Develop new and enhance existing educational and training opportunities for existing and emerging Kaweah Health and Medical Staff leaders. | On Track | Hannah Mitchell | While work is underway, the metrics related to this initiative are reporting on a quarterly basis. |

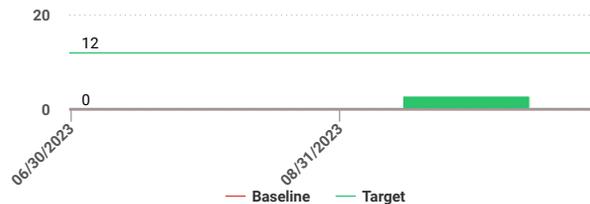
#### Objectives and Outcomes



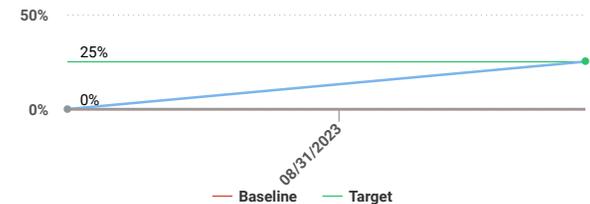
#### Automate the Week One Onboarding and Orientation Competencies for Patient Care Staff



#### Conduct Monthly in situ Simulations (Twelve in the Fiscal Year)



#### Host an Advanced Trauma Life Support Course with 25% Paying Participants



### Ideal Work Environment

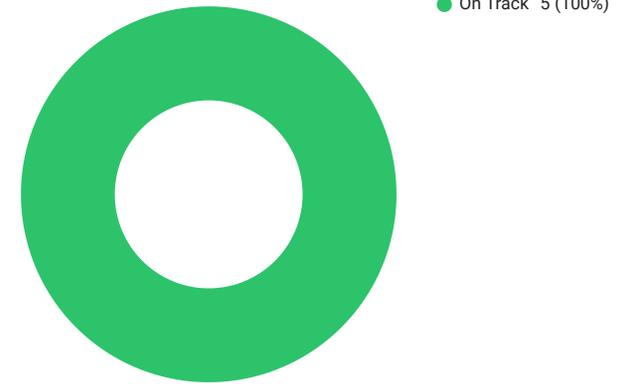
Champions: Dianne Cox and Raleen Larez

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

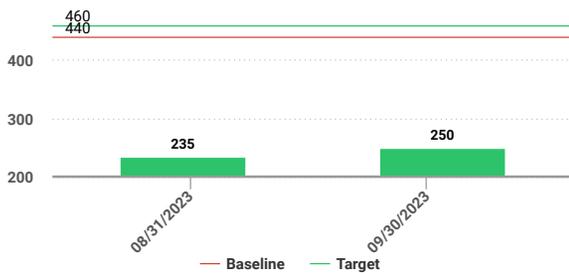
#### FY2024 Strategic Plan - Ideal Work Environment Strategies

| #   | Name                                  | Description   | Status   | Assigned To  | Last Comment  |
|-----|---------------------------------------|---|----------|--------------|---|
| 2.2 | Ideal Practice Environment            | Ensure a practice environment that is friendly and engaging for providers, free of practice barriers.   | On Track | Lori Winston |   |
| 2.5 | Growth in Nursing School Partnerships | Increase the pool of local RN candidates with the local schools to increase RN cohort seats.  | On Track | Dianne Cox   |   |
| 2.1 | Employee Retention and Resiliency     | Kaweah Health is facing the same challenges as many employers in the labor market and must make retention a top priority.   | On Track | Dianne Cox   | No performance data for July. Will update in September. |
| 2.3 | Kaweah Care Culture                   | Recreate Kaweah Care culture into the various aspects of the organization.  | On Track | Dianne Cox   |   |
| 2.4 | Expand Volunteer Programs             | Volunteer engagement has declined with the pandemic. Kaweah Health relies on a strong volunteer program to continue to spark career path engagement and to provide world class service. | On Track | Dianne Cox   | No performance data for July. Will update in September. |

#### Objectives and Outcomes



#### Increase to 460 Volunteers (by 6/30/24)



#### Decrease Overall KH Turnover Rate (< 15%)



#### Decrease Nursing Turnover Rate (< 17%)



Strategic Growth and Innovation

Champions: Ryan Gates and JC Palermo

**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.*

FY2024 Strategic Plan - Strategic Growth and Innovation Strategies

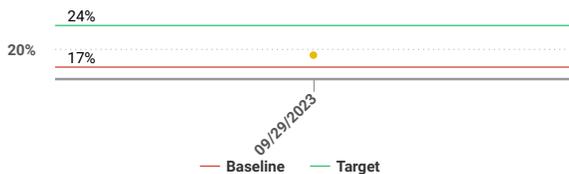
| #   | Name  | Description  | Status   | Assigned To         | Last Comment   |
|-----|---|--|----------|---------------------|--|
| 3.1 | Recruit and Retain Providers                | Develop a recruitment strategy around top physician needs to recruit and retain physicians and providers to address unmet community needs and to support Kaweah Health's growth.                                 | On Track | JC Palermo          | While work is underway, the metrics related to this initiative are reporting on a quarterly basis.   |
| 3.2 | Grow Targeted Inpatient and Surgery Volumes | Grow our inpatient volumes, particularly the surgical cases, with an emphasis on key service lines such as Cardiac and Urology.  | On Track | Kevin Bartel        | While work is underway, the metrics related to this initiative are reporting on a quarterly basis.   |
| 3.3 | Grow Targeted Outpatient Volumes            | Increase access to outpatient care in locations that are convenient to our community.  | On Track | Ivan Jara           | The 202 Willow Clinic and Industrial Park Clinics are scheduled to open as planned. Work continues on the other metrics which are reported on a quarterly basis. |
| 3.4 | Innovation                                  | Implement and optimize new tools and applications to improve the patient experience, patient communication and patient outcomes.   | On Track | Jacob Kennedy       | We are moving in the right direction on key metrics related to this initiative.  |
| 3.5 | Expand Health Plan & Community Partnerships | Improve and strengthen relationships with health plans, community partners, and participate in local/state/federal programs and funding opportunities to improve access, quality, and outcomes for the community | On Track | Sonia Duran-Aguilar | While work is underway, the metrics related to this initiative are reporting on a quarterly basis.   |

Objectives and Outcomes



● On Track 5 (100%)

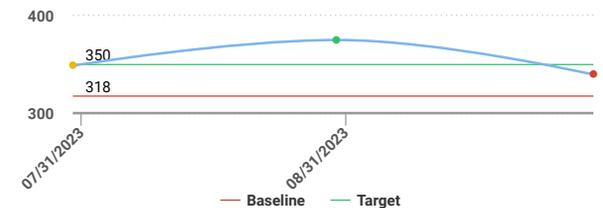
Increase the Percentage of Coronary Artery Bypass Graph Surgery Cases that are Elective



Increase Number of Urology Surgery Cases



Increase Monthly Endoscopy Case Volume



Organizational Efficiency and Effectiveness

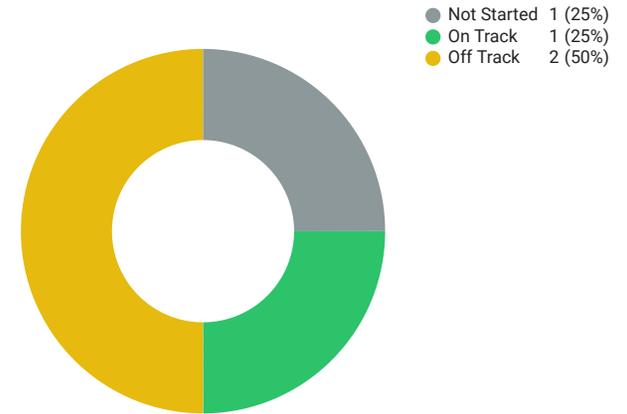
Champions: Jag Batth and Rebekah Foster

Objective: Increase the efficiency and effectiveness of the Organization to reduce costs, lower length of stay and improve processes.

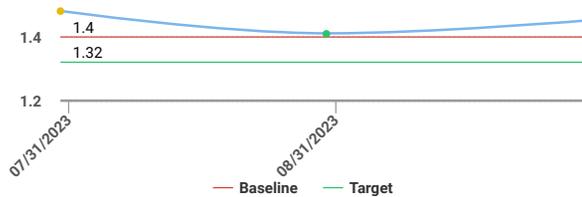
FY2024 Strategic Plan - Organization Efficiency and Effectiveness Strategies

| #   | Name   | Description   | Status      | Assigned To     | Last Comment   |
|-----|--|---|-------------|-----------------|--|
| 4.1 | Patient Throughput and Length of Stay                        | Implement patient flow processes that are effective and efficient to improve patient throughput and lower the overall Length of Stay. | Off Track   |                 | Work continues in this important initiative and both Observation and Emergency Department length of stay are trending downward. There was a slight uptick in the length of stay measure for inpatients, but a number of long stay patients were discharged in the month. |
| 4.2 | Increase Main and Cardiac Operating Room Efficiency/Capacity | Improve Operating Room Efficiency, Capacity and Utilization to meet surgery volume needs.   | Off Track   | Lori Mulliniks  | We continue to work on solutions to move these metrics toward the established goals.   |
| 4.3 | Create a Process to Monitor Use of Tests and Treatments      | Create and initiate a workgroup to identify areas of focus and establish benchmarks related to the use of tests and treatments.       | On Track    | Jag Batth       | Initial workgroup meetings have commenced and the team is working to develop baselines and metrics for review.   |
| 4.4 | Optimize Revenue Cycle Efforts                               | Focus efforts on key revenue cycle metrics to increase collections and reduce denials.  | Not Started | Frances Carrera | We are working to finalize the data reporting for this metric and appropriate sources of data.   |

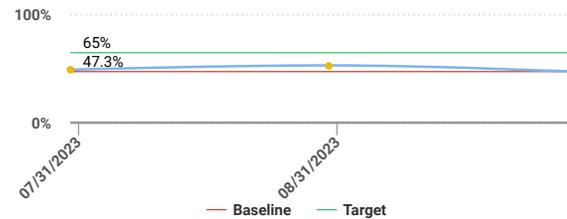
Objectives and Outcomes



Decrease Inpatient Observed to Expected Length ...



Improve Elective Case Main Operating Room Utili...



Increase Front End Collections

**i**  
This plan item was deleted.

Outstanding Health Outcomes

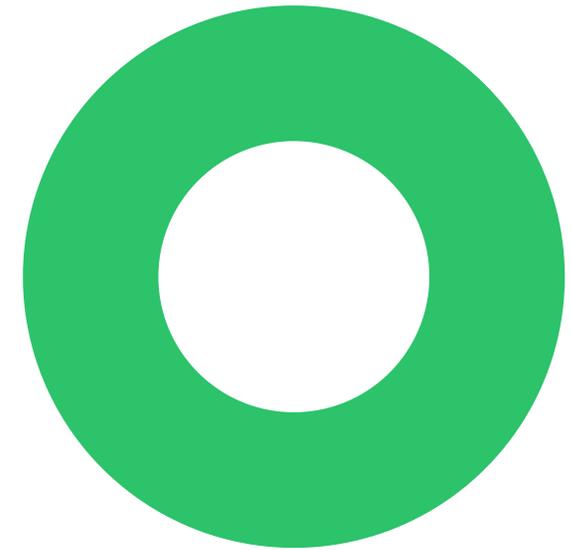
Champions: Dr. LaMar Mack and Sonia Duran-Aguilar

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

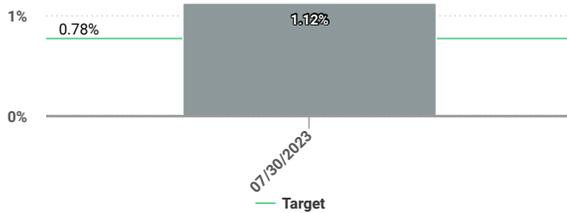
FY2024 Strategic Plan - Outstanding Health Outcomes Strategies

| #   | Name  | Description  | Status   | Assigned To         | Last Comment  |
|-----|---|--|----------|---------------------|---|
| 5.1 | Standardized Infection Ratio (SIR)          | Reduce the Hospital Acquired Infections (HAIs) to the national 70th percentile in FYTD24 as reported by the Centers for Medicare and Medicaid Services | On Track | Sandy Volchko       |   |
| 5.2 | Sepsis Bundle Compliance (SEP-1)            | Increase SEP-1 bundle compliance to overall 85% compliance rate for FY24 through innovative improvement strategies based on root causes.               | On Track | Sandy Volchko       | SEPSIS O/E Metric data is for June. July data is pending.   |
| 5.3 | Mortality and Readmissions                  | Reduce observed/expected mortality through the application of standardized best practices.   | On Track | Sandy Volchko       |   |
| 5.4 | Quality Improvement Program (QIP) Reporting | Achieve performance on the Quality Incentive Pool measures to demonstrate high quality care delivery in the primary care space.                        | At Risk  | Sonia Duran-Aguilar | Prox Performance out of Cozeva Population Health Tool shows Kaweah Health is meeting 3 Quality Measures out of 10; performance at 30%. A lot of QI efforts in the RHCs in the coming 2 months, to close gaps and improve performance across QIP measures. |
| 5.6 | Inpatient Diabetes Management               | Optimize inpatient glycemic management using evidence-based practices to improve patient's glycemic control and reduce hypoglycemic events.            | On Track | Sonia Duran-Aguilar | SHM performance data reports twice a year. Current performance data is from 5/2023. Next report will be in Fall 2023.   |

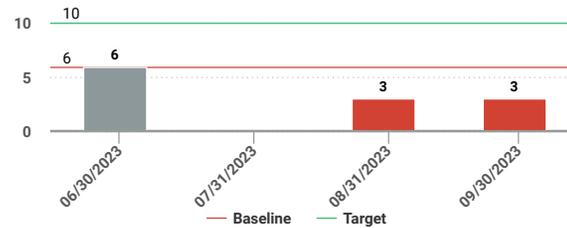
Objectives and Outcomes



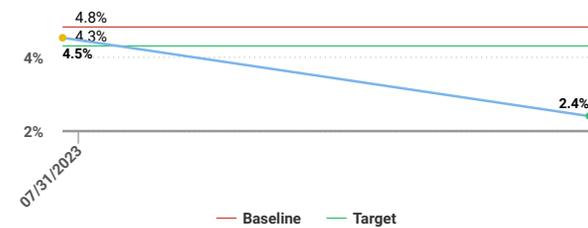
SEPSIS Mortality O/E



Meet 10 QIP Performance Measures



Hypoglycemia in Critical Care Patients (< 4.3%)



Patient and Community Experience

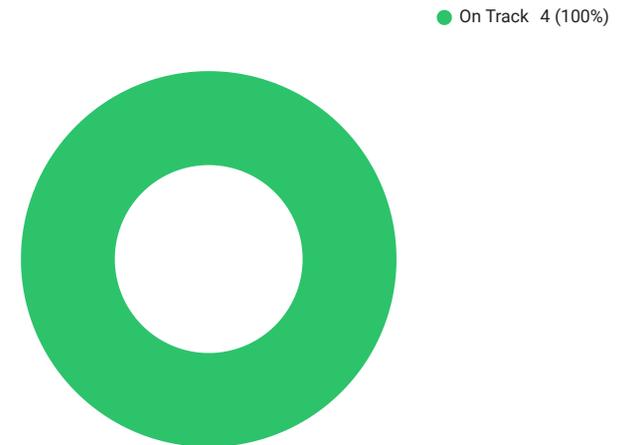
Champions: Keri Noeske and Deborah Volosin

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

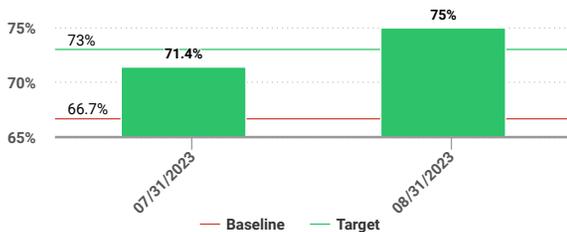
FY2024 Strategic Plan - Patient and Community Experience Strategies

| #   | Name   | Description  | Status   | Assigned To     | Last Comment  |
|-----|--|--|----------|-----------------|---|
| 6.1 | Highlight World-Class Service/Outcomes (Hospitality Focus) | Develop strategies that provide our health care team the tools they need to deliver a world-class health care experience.                                      | On Track | Keri Noeske     | HCAHPS Data: For FY24 will be 30 days behind d/t HCAHPS surveying timelines. Data for July 2023 will be updated in September 2023.<br><br>ED Score: Value below baseline. ED Operations team to assess feedback and recommend an action plan to Patient Experience Committee to address decrease. |
| 6.2 | Increase Compassionate Communication                       | To reach the 50th percentile in physician and nursing communication and responsiveness of staff on the HCAHPS survey.  | On Track | Keri Noeske     |   |
| 6.3 | Enhancement of Systems and Environment                     | To create a secure, warm and welcoming environment for patients and the community.   | On Track | Keri Noeske     | Two of seven lost belongings were located and returned to owners in July 2023. Investigations still pending on two items. Monitor departments for lost belongings trends and mandate action plans reported into patient care committee as needed.   |
| 6.4 | Community Engagement                                       | To provide an environment where community members and patients are able to assist staff in co-designing safe, high quality, and world-class care and services. | On Track | Deborah Volosin |   |

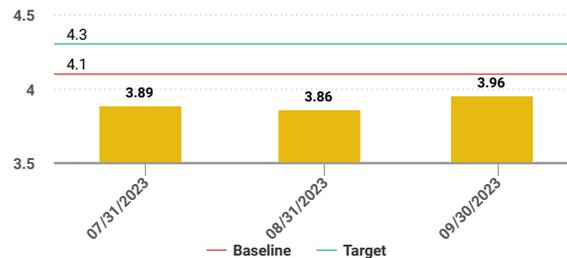
Objectives and Outcomes



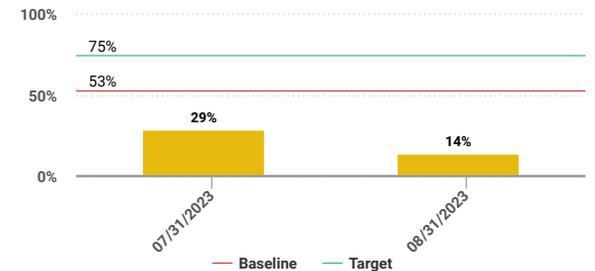
Achieve the 60th Percentile in Overall Rating Goal on HCAHPS Survey



Achieve 4.3 Patient Feedback Score Goal on ED Survey



Reunite 75% of Lost Belongings with Owners



# Throughput Steering Committee



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

# Performance Scorecard

## Leading Performance Metrics – Inpatient & Observation

| Metric   | Patient Type | Definition  | Goal | Baseline** | Discharge Date        |          |          |          |          |
|--|--------------|---|------|------------|-----------------------|----------|----------|----------|----------|
|  |              |   |      |            | 5/1/2023 to 9/30/2023 | May 2023 | Jun 2023 | Jul 2023 | Aug 2023 |
| <b>Observation Average Length of Stay (Obs ALOS)</b><br><i>(Lower is better)*</i>  | Overall      | Average length of stay (hours) for observation patients               | 36   | 46.03      | May 2023              | Jun 2023 | Jul 2023 | Aug 2023 | Sep 2023 |
|  |              |   |      |            | 62.34                 | 39.89    | 41.31    | 41.43    | 48.79    |
| <b>Inpatient Average Length of Stay (IP ALOS)</b><br><i>(Lower is better)*</i>     | Overall      | Average length of stay (days) for inpatient discharges                | 5.64 | 5.43       | May 2023              | Jun 2023 | Jul 2023 | Aug 2023 | Sep 2023 |
|  |              |   |      |            | 5.28                  | 5.47     | 5.53     | 5.33     | 5.51     |
| <b>Inpatient Observed-to-Expected Length of Stay</b><br><i>(Lower is better)**</i> | Overall      | Observed LOS / geometric mean length of stay for inpatient discharges | 1.32 | 1.42       | May 2023              | Jun 2023 | Jul 2023 | Aug 2023 | Sep 2023 |
|  |              |   |      |            | 1.39                  | 1.41     | 1.48     | 1.41     | 1.45     |
| <b>Discharges*</b>   | Inpatient    | Count of inpatient discharges   | N/A  | 1,245      | May 2023              | Jun 2023 | Jul 2023 | Aug 2023 | Sep 2023 |
|  | Observation  | Count of observation discharges                                       | N/A  | 443        | 1,263                 | 1,279    | 1,262    | 1,283    | 1,196    |
|  | Overall      | Count of inpatient and observation discharges                         | N/A  | 1,689      | 467                   | 450      | 452      | 467      | 431      |
|  |              |   |      |            | 1,730                 | 1,729    | 1,714    | 1,750    | 1,627    |

\*All metrics above exclude Mother/Baby, Behavioral Health, and Pediatrics encounter data

\*O/E LOS to be updated to include cases with missing DRG when available

\*\*Baseline calculation: Previous 6-month rolling median or average based on the metric's calculation

# Performance Scorecard

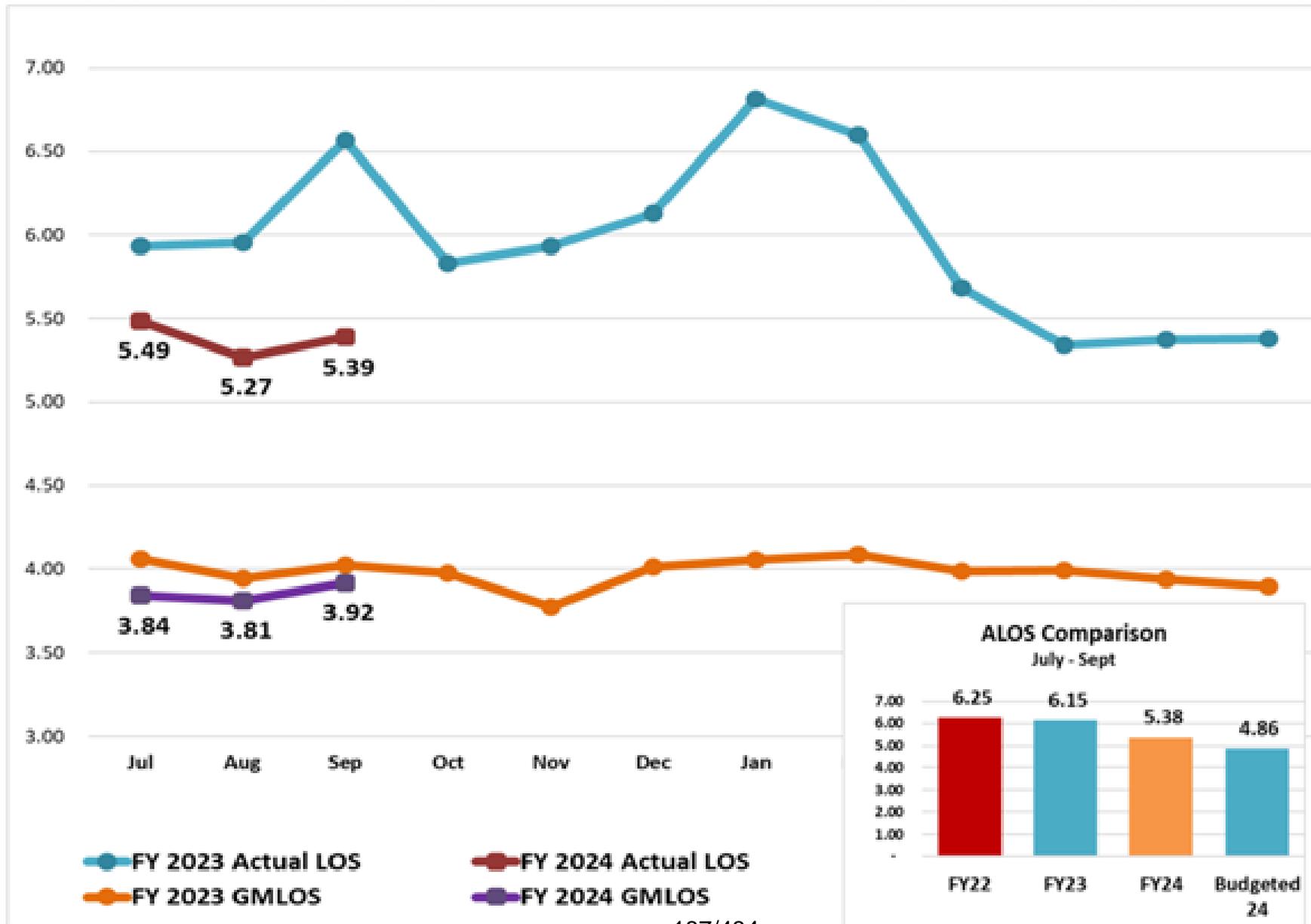
## Leading Performance Metrics – Emergency Department

| Metric   | Patient Type               | Definition  | Goal       | Baseline**   | Check In Date and Time<br>5/1/2023 12:00:00 AM to 9/30/2023 11:59:59 PM |              |              |              |              |
|--|----------------------------|---|------------|--------------|---|--------------|--------------|--------------|--------------|
|  |                            |   |            |              | May 2023  | Jun 2023     | Jul 2023     | Aug 2023     | Sep 2023     |
| <b>ED Boarding Time</b><br><i>(Lower is better)*</i>           | Inpatient                  | Median time (minutes) for admission order written to check out for admitted patients                  | <b>259</b> | <b>141</b>   |   |              |              |              |              |
|  | Observation                | Median time (minutes) for admission order written to check out for observation patients               | <b>287</b> | <b>136</b>   | <b>138</b>  | <b>125</b>   | <b>141</b>   | <b>158</b>   | <b>185</b>   |
|  | <b>Overall</b>             | Median time (minutes) for admission order written to check out for inpatient and observation patients | <b>286</b> | <b>140</b>   | <b>138</b>  | <b>124</b>   | <b>141</b>   | <b>158</b>   | <b>185</b>   |
| <b>ED Admit Hold Volume</b><br><i>(Lower is better)*</i>       | <b>Overall &gt;4 Hours</b> | Count of patients (volume) with ED boarding time $\geq$ 4 hours                                       | <b>N/A</b> | <b>237</b>   |   |              |              |              |              |
|  |                            |   |            |              | <b>234</b>  | <b>160</b>   | <b>236</b>   | <b>301</b>   | <b>354</b>   |
| <b>ED Length of Stay (ED LOS)</b><br><i>(Lower is better)*</i> | Discharged                 | Median ED length of stay (minutes) for discharged patients  | <b>214</b> | <b>288</b>   |   |              |              |              |              |
|  | Inpatient                  | Median ED length of stay (minutes) for admitted patients  | <b>612</b> | <b>521</b>   | <b>281</b>  | <b>287</b>   | <b>294</b>   | <b>297</b>   | <b>298</b>   |
|  | Observation                | Median ED length of stay (minutes) for observation patients   | <b>577</b> | <b>515</b>   | <b>491</b>  | <b>499</b>   | <b>506</b>   | <b>556</b>   | <b>590</b>   |
|  | <b>Overall</b>             | Median ED length of stay (minutes) for admitted and discharged patients                               | <b>N/A</b> | <b>335</b>   | <b>479</b>  | <b>477</b>   | <b>527</b>   | <b>552</b>   | <b>569</b>   |
| <b>ED Visits*</b>  | Discharged                 | Count of ED visits for discharged patients  | <b>N/A</b> | <b>5,086</b> |   |              |              |              |              |
|  | Inpatient                  | Count of ED Visits for admitted patients  | <b>N/A</b> | <b>1,113</b> | <b>5,075</b>  | <b>4,880</b> | <b>5,142</b> | <b>5,444</b> | <b>5,033</b> |
|  | Observation                | Count of ED Visits for observation patients   | <b>N/A</b> | <b>450</b>   | <b>1,126</b>  | <b>1,122</b> | <b>1,139</b> | <b>1,156</b> | <b>1,078</b> |
|  | <b>Overall</b>             | Count of ED visits  | <b>N/A</b> | <b>6,648</b> | <b>448</b>  | <b>472</b>   | <b>444</b>   | <b>463</b>   | <b>450</b>   |
|  |                            |   |            |              | <b>6,649</b>  | <b>6,474</b> | <b>6,725</b> | <b>7,063</b> | <b>6,561</b> |

\*All metrics above exclude Mother/Baby, Behavioral Health, and Pediatrics encounter data.

\*\*Baseline calculation: Previous 6-month rolling median or average based on the metric's calculation

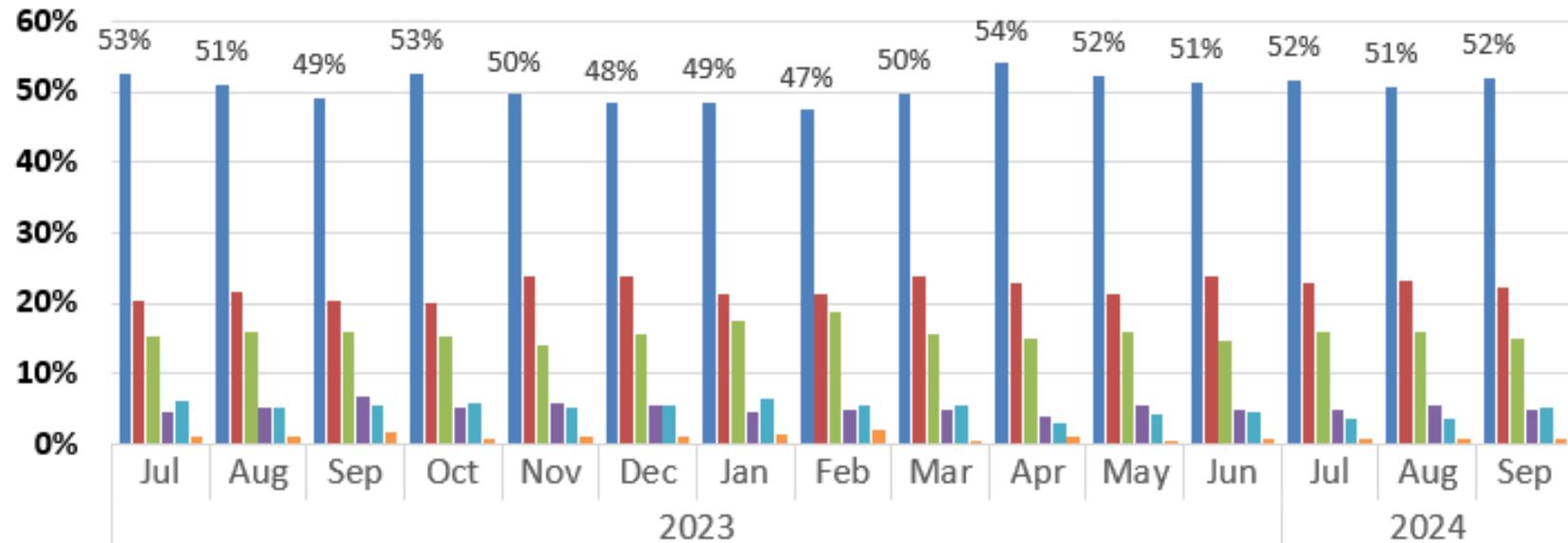
# Average Length of Stay versus National Average (GMLOS)



# Average Length of Stay Distribution

**Overall**

## FY24 Overall LOS Distribution

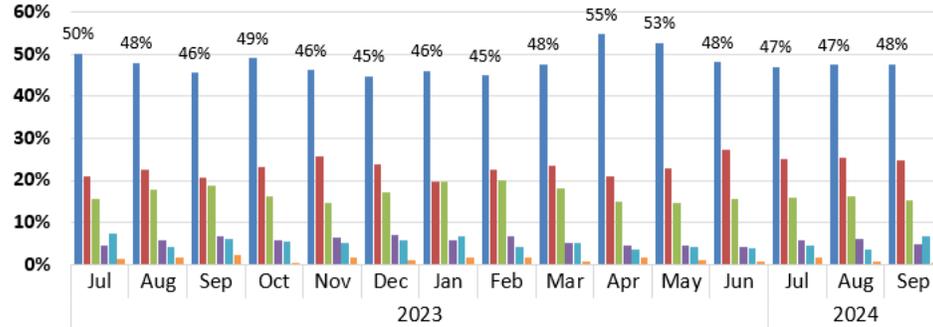


|                       |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| at GMLOS or Better    | 53%  | 51%  | 49%  | 53%  | 50%  | 48%  | 49%  | 47%  | 50%  | 54%  | 52%  | 51%  | 52%  | 51%  | 52%  |
| 1-2 days over GMLOS   | 20%  | 22%  | 20%  | 20%  | 24%  | 24%  | 21%  | 21%  | 24%  | 23%  | 21%  | 24%  | 23%  | 23%  | 22%  |
| 2-6 days over GMLOS   | 15%  | 16%  | 16%  | 15%  | 14%  | 16%  | 17%  | 19%  | 16%  | 15%  | 16%  | 15%  | 16%  | 16%  | 15%  |
| 6-10 days over GMLOS  | 5%   | 5%   | 7%   | 5%   | 6%   | 5%   | 5%   | 5%   | 5%   | 4%   | 6%   | 5%   | 5%   | 6%   | 5%   |
| 10-30 days over GMLOS | 6%   | 5%   | 6%   | 6%   | 5%   | 6%   | 7%   | 6%   | 5%   | 3%   | 4%   | 5%   | 4%   | 4%   | 5%   |
| 30+ days over GMLOS   | 1.2% | 1.2% | 1.7% | 1.0% | 1.2% | 1.1% | 1.6% | 2.0% | 0.5% | 1.2% | 0.5% | 0.8% | 0.9% | 0.7% | 0.7% |

# LOS Distribution

## Hospitalist

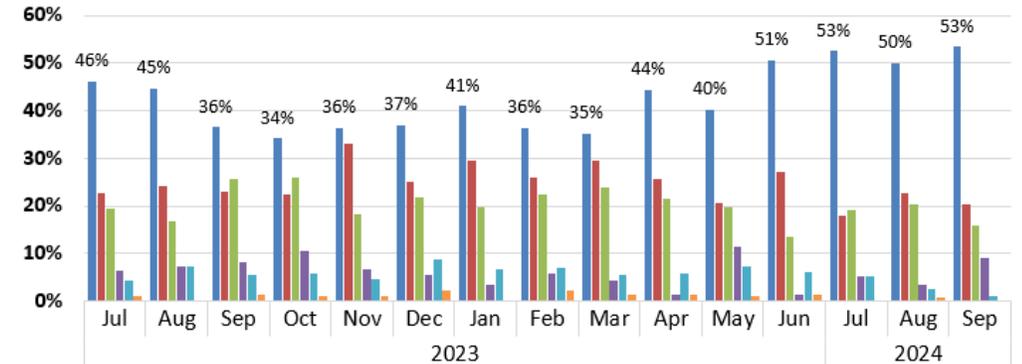
### FY24 Hospitalist LOS Distribution



|                       | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| at GMLOS or Better    | 50% | 48% | 46% | 49% | 46% | 45% | 46% | 45% | 48% | 55% | 53% | 48% | 47% | 47% | 48% |
| 1-2 days over GMLOS   | 21% | 23% | 21% | 23% | 26% | 24% | 20% | 23% | 23% | 21% | 23% | 27% | 25% | 26% | 25% |
| 2-6 days over GMLOS   | 16% | 18% | 19% | 16% | 15% | 17% | 20% | 20% | 18% | 15% | 15% | 16% | 16% | 16% | 15% |
| 6-10 days over GMLOS  | 5%  | 6%  | 7%  | 6%  | 7%  | 7%  | 6%  | 7%  | 5%  | 4%  | 5%  | 4%  | 6%  | 6%  | 5%  |
| 10-30 days over GMLOS | 7%  | 4%  | 6%  | 5%  | 5%  | 6%  | 7%  | 4%  | 5%  | 3%  | 4%  | 4%  | 4%  | 4%  | 7%  |
| 30+ days over GMLOS   | 1%  | 2%  | 2%  | 0%  | 2%  | 1%  | 2%  | 2%  | 1%  | 2%  | 1%  | 1%  | 2%  | 1%  | 1%  |

## FHCN

### FY24 FHCN LOS Distribution



|                       | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|-----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| at GMLOS or Better    | 46% | 45% | 36% | 34% | 36% | 37% | 41% | 36% | 35% | 44% | 40% | 51% | 53% | 50% | 53% |
| 1-2 days over GMLOS   | 23% | 24% | 23% | 22% | 33% | 25% | 30% | 26% | 30% | 26% | 21% | 27% | 18% | 23% | 20% |
| 2-6 days over GMLOS   | 19% | 17% | 26% | 26% | 18% | 22% | 20% | 22% | 24% | 21% | 20% | 14% | 19% | 20% | 16% |
| 6-10 days over GMLOS  | 6%  | 7%  | 8%  | 11% | 7%  | 5%  | 3%  | 6%  | 4%  | 1%  | 11% | 1%  | 5%  | 4%  | 9%  |
| 10-30 days over GMLOS | 4%  | 7%  | 5%  | 6%  | 5%  | 9%  | 7%  | 7%  | 6%  | 6%  | 7%  | 6%  | 5%  | 3%  | 1%  |
| 30+ days over GMLOS   | 1%  | 0%  | 1%  | 1%  | 1%  | 2%  | 0%  | 2%  | 1%  | 1%  | 1%  | 1%  | 0%  | 1%  | 0%  |

## Patient Throughput Updates – October 2023

| Update   | Next Steps   |
|--|--|
| <p><b>Patient Progression:</b><br/>                     Discharge lounge opened on 10/16/2023 with LVN discharge nurse and case management assistant<br/>                     Stable Case management staff, training new case management staff in coming weeks<br/>                     Established routine meetings and collaborations with community SNFs to improve discharge availability.<br/>                     Success measures for discharge lounge – discharge by noon and shorter ED boarding times.</p> | <p><b>Patient Progression:</b><br/>                     Need to hire one more case manager assistant to complete the staffing for the discharge lounge<br/>                     Develop preferred provider network for skilled nursing facilities.<br/>                     Working on staffing with 6 case managers on the weekends</p>   |
| <p><b>ED to Inpatient Admission Process:</b><br/>                     HealthAnalytics data availability – Cerner developed access to the data, dashboard complete, validating data and creating access for leaders.<br/>                     ED and Throughput leaders will analyse and monitor data for gaps in the process from admit order to physical placement in inpatient bed.</p>  | <p><b>ED to Inpatient Admission Process:</b><br/>                     Michelle/Rebekah to create subgroup to determine order sets and track the long term patients that are “holding “ in the ED for mental health or SNF placement or social admits<br/>                     Identify and action plan opportunities when data available- due October/November 2023 based on data analysis and committee decisions for project plans.</p>  |
| <p><b>Transfer Center Operations:</b><br/>                     Repatriation of patients underway.<br/>                     Developed routine script and delivered education to eliminate variability in transfer decision making.<br/>                     Completed negotiation transport rate with ambulance company for returns from Bay area health center partners.</p>   | <p><b>Transfer Center Operations:</b><br/>                     Data access – reconfiguration of the transfer center software underway, available in September.<br/>                     Use data to assess opportunities in transfers and develop action plans – due October 2023.</p>   |
| <p><b>Long Stay Committee:</b><br/>                     Committee is monitoring, tracking, and trending major barriers<br/>                     is stable, making good progress and keeping volume of patients over 30 days down consistently. Throughput steering committee continuing to monitor patient volumes and movement.<br/>                     Current 15 patients over 30 days (all time high was 70 patients), 5 patients with 100+ days</p>  | <p><b>Long Stay Committee:</b><br/>                     Develop action plans to address barriers based on the data collected in the last 6 months.<br/>                     IR continues to area with delay. Meeting scheduled with IR leadership to determine next steps to improve responsiveness.<br/>                     initiate new project based on barrier analysis from long stay committee data.<br/>                     October – review recommendations from Long Stay Committee on new project to remove major/complex barriers from long stay patient discharges.</p>  |
| <p><b>Observation Program:</b><br/>                     Dashboard for observation patients in HealthAnalytics completed<br/>                     New Manager started on unit to actively participate in rounds and set staff expectations<br/>                     Observation patients are primarily placed in 2S.<br/>                     Slight increase LOS from prior months, one pt with a 78 day stay impacted the overall numbers</p>   | <p><b>Observation Program:</b><br/>                     Going Live with Power plans with diagnosis specific pathways on 11/28<br/>                     Working on cohorting observations patients on 2S, dashboard will track patient location by unit<br/>                     Nuclear Med studies scheduling process completed, Completing outpatient EEG and stress testing process.<br/>                     Managed Care team (Kim) working on blanked pre-authorization process for Humana and other plans managed by Key Medical for obs pts<br/>                     Follow up with PT, recommendations for SNF vs HH due to patients not meeting criteria for SNF placement due to not having an inpatient 3 day stay</p> |

# BOD Risk Management Report – Open 3<sup>rd</sup> Quarter 2023

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



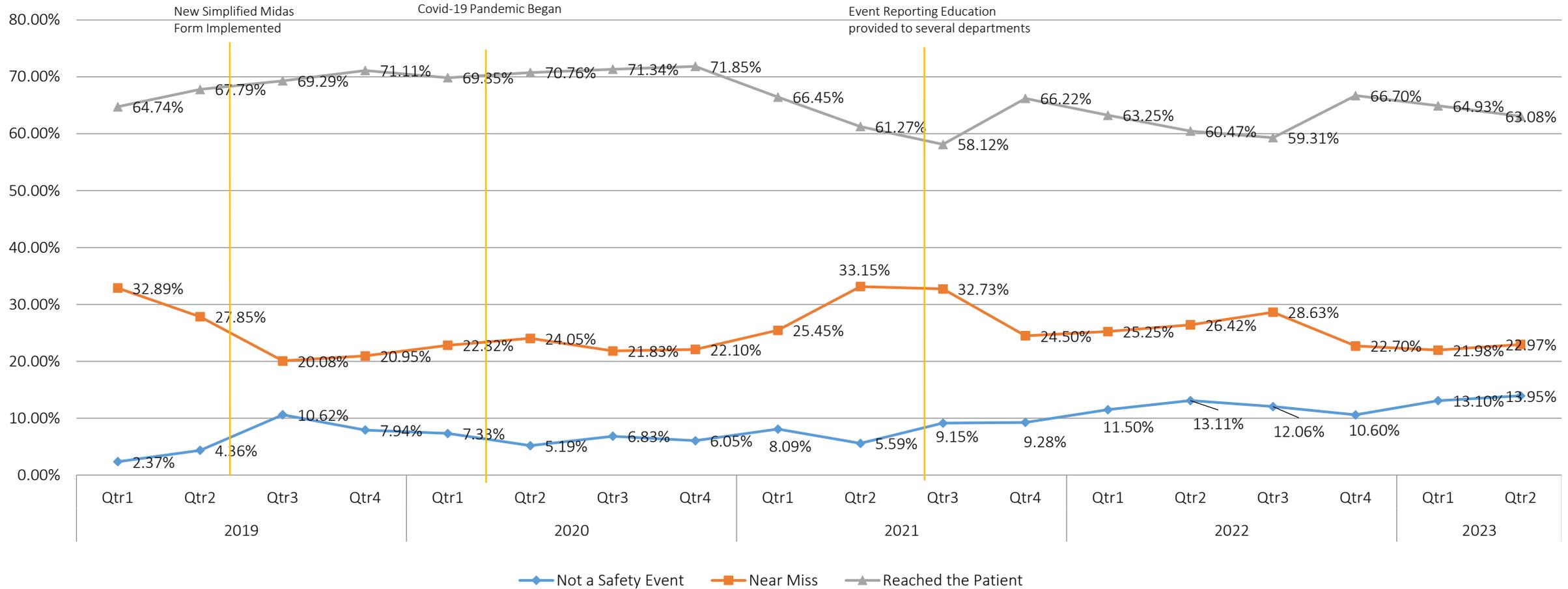
[kaweahhealth.org](https://kaweahhealth.org)



# 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.

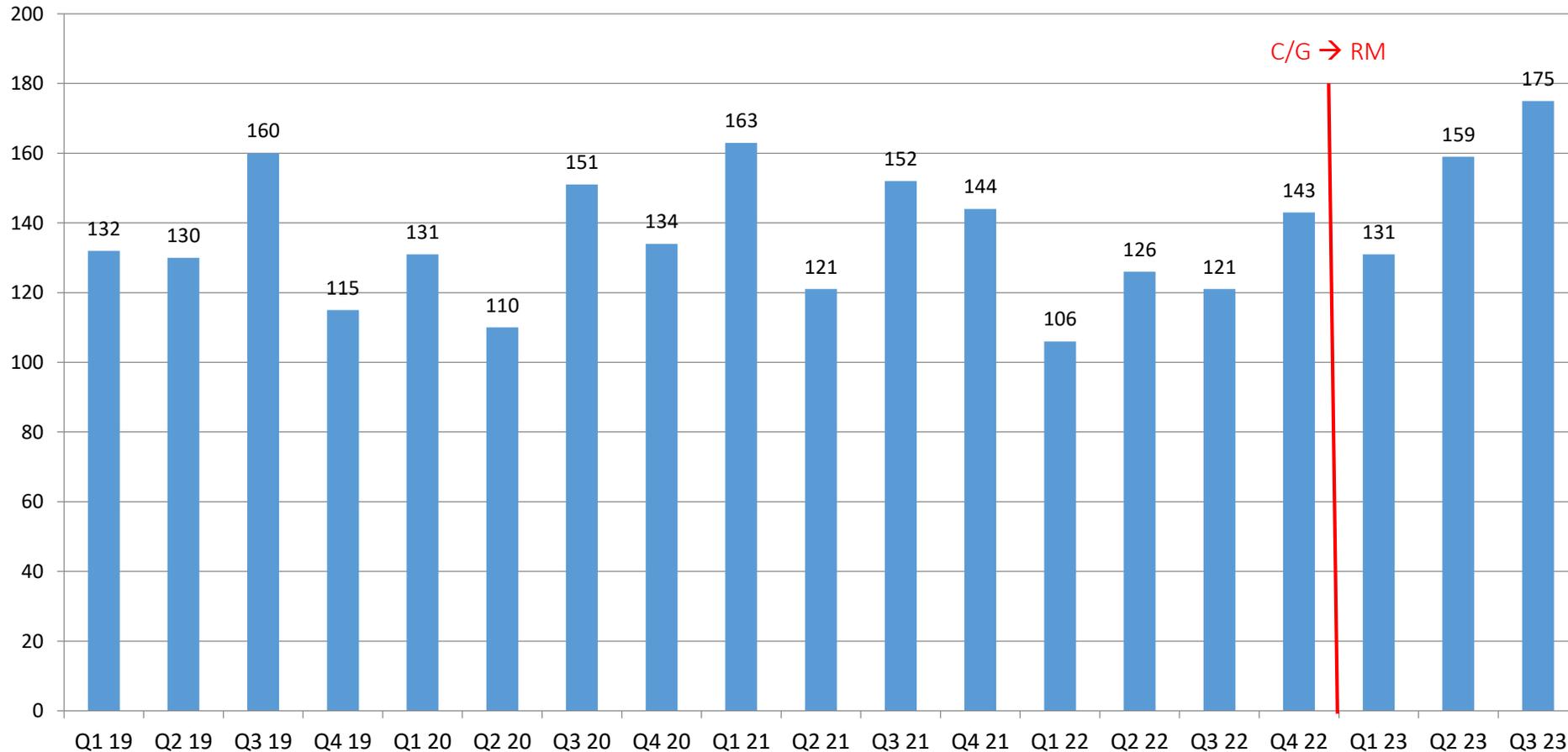
# Midas Risk Events - Rate by Significance



This graph represents the total number of Midas event reports submitted per quarter. They are also categorized by "Not a safety event," "Near miss," or "Reached the patient."

**Goal:** To increase the total number of event reports submitted by staff/providers while decreasing those events which reach the patient.

# Complaints & Grievances 2019-2023



## Trends:

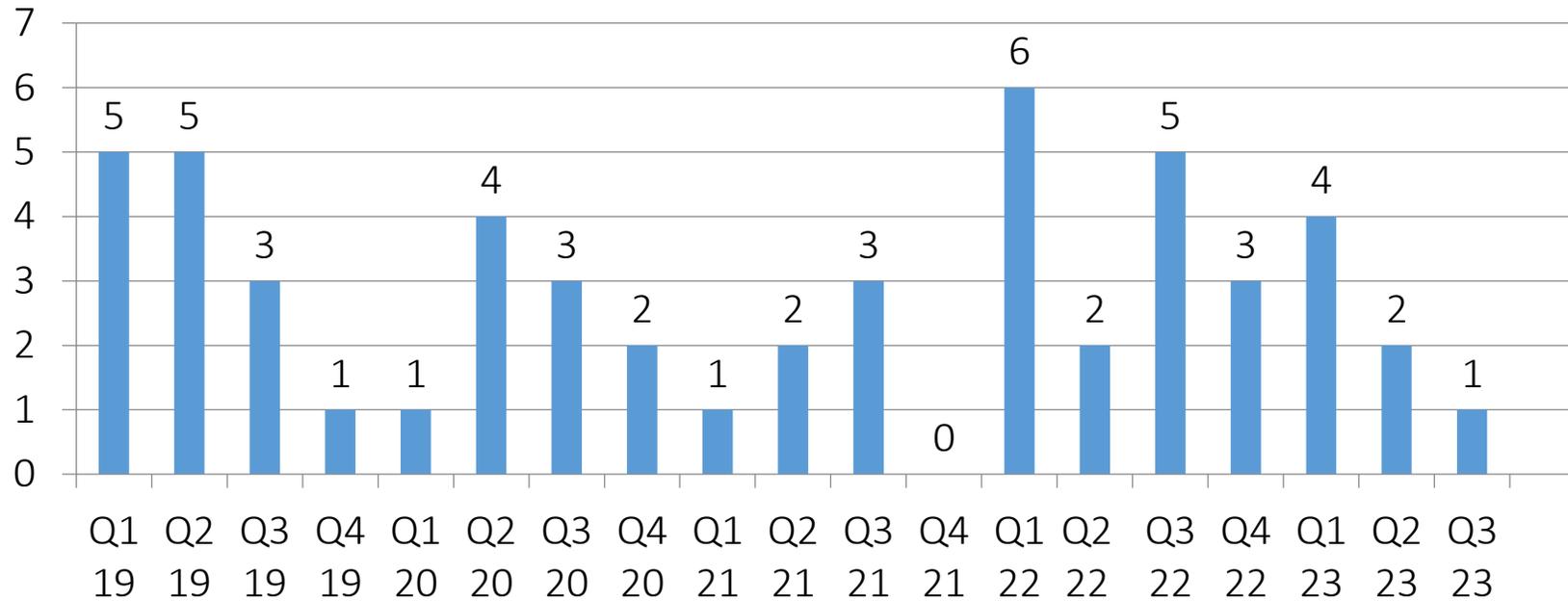
- Communication - Staff
- Professionalism- Staff
- Clinical Care - Staff

## Actions:

- Began tracking complaints originating from social media in Midas (6/1/2023).
- Revised Complaints & Grievances portion of Midas to improve data collection in coming quarters .
- Response letter template revised to improve satisfaction.

# Claims

## 2019 - 2023



***New Claims Received per Quarter***

Total cases closed during 3rd Quarter 2023 – (9) Nine

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

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

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

**DATE:** October 16, 2023

**SUBJECT: Semi-annual Investment Report**

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

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

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

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

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

The District’s current investment policy reflects strict compliance with the California Government Code (Code) sections 53600 through 53686 which govern the investment of surplus funds by governmental entities of the State of California, including political subdivisions thereof. **At June 30, 2023, the District’s investment portfolio complies with all reporting and investment provisions of this policy.**

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

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

### **Summary of Investment Funds**

This document depicts the carrying value, equal to cost, of investments held at June 30, 2023 in each of the various funds established by the District. As indicated in this report, the District’s total adjusted surplus funds at June 30, 2023 were \$186.8 million. The following table depicts the District’s adjusted surplus funds over the past four years; the number of days cash on hand, a measure of liquidity; and the District’s average daily operating expenses (excluding depreciation expense), the denominator used in the calculation of the liquidity measure; and the percent increase in each year over the prior year:

|  | <b>June 30,<br/>2023</b> | <b>December 31,<br/>2022</b> | <b>December 31,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|--|--------------------------|------------------------------|------------------------------|------------------------------|
| Adjusted Surplus Funds   | \$186,785,000            | \$201,873,000                | \$332,543,000                | \$368,679,000                |
| Days Cash on Hand  | 78.3                     | 83.4                         | 147.8                        | 177.7                        |
| Average Daily Operating Expenses<br>(excluding depreciation expense) | \$2,385,000              | \$2,420,000                  | \$2,250,000                  | \$2,075,000                  |
| Percent Increase in Daily Expenses                                   | -1.4%                    | 7.6%                         | 8.4%                         | 3.9%                         |
| Days Cash on Hand Benchmarks:  |                          |                              |                              |                              |
| Moody’s “A” Rated Hospitals  | 268.4 Days               |                              |                              |                              |
| Revenue Bond Covenants   | 90 Days                  |                              |                              |                              |

As illustrated in the above table, as of June 30, 2023 the District’s liquidity ratio (days cash on hand) fell short of the covenant amount required by the District’s revenue bond indentures, which is reported and measured for covenant compliance as of fiscal year end (June 30). Total surplus funds experienced a 49.3% decrease from December 31, 2020 to June 30, 2023, and the number of days cash on hand decreased 55.9% from 2020. The primary reasons for the decrease in total surplus funds and days cash on hand include the \$84.3 million in Medicare Advanced Payments received in calendar year 2020 that were subsequently repaid, the funding of the \$18 million debt reserve fund in December 2022 due to the failure to meet the mandated maximum annual debt service threshold at that reporting period, the

operating losses sustained in fiscal years 2022 and 2023, and the decline in the market value of our fixed income portfolio.

Given the District's current average daily operating expense total of \$2.4 million, achievement of the Moody's "A"-rated hospitals' days cash on hand benchmark of 268.4 would require approximately \$453.5 million of additional cash resources.

The District's surplus funds investment portfolio is separated into two different categories including short-term funds and long-term funds. The District's short-term funds included investment in the Local Agency Investment Fund (LAIF) and California Asset Management Program (CAMP). The annual yields for LAIF and CAMP were 2.23 % and 3.95%, respectively, for the year ended June 30, 2023. The District's long-term portfolio is managed by PFM Asset Management (PFM) and Allspring (formerly Wells Capital Management). The twelve-month total return of the portfolio managed by PFM was 0.54% , net of fees, while the twelve-month total return of the portfolio managed by Wells Cap was 0.02%, net of fees. The PFM portfolio performed better than the benchmark of 0.06% for the period, but Allspring fell short. The benchmark for the managed portfolios is a custom index including 70% of the Merrill Lynch 1-5 year US Treasury Index and 30% of the Merrill Lynch 1-5 year A-AAA Corporate Index. The benchmark does include security types that the District is not allowed to purchase and that because of their nature tend to carry higher yields. These include foreign issuers and private placement securities. As of June 30, 2023, the District's investment portfolio had a weighted average prospective yield of 2.54%. The District's targeted rate of return of .92% was used to project interest income in the District's Annual Budget for the fiscal year. The prospective yield excludes market value fluctuations that are included in the total return figures noted above.

### **Investment Summary by Institution**

This document depicts the amount of District investments held by various financial institutions as of June 30, 2023. In each case, the financial institution may be the issuer of an investment security, the custodian of securities, or the investment advisor managing the securities.

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

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

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

This document depicts the amount of District funds maturing each year over the five-year investment time horizon permitted by the District's investment policy. The measurement period for each year commences on July 1 and runs to June 30. The purpose of this schedule is to assess the overall liquidity of the District's portfolio, which has a weighted average maturity of 2.02 years at June 30, 2023.

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

All investment summaries referenced above include the cost of investments and do not reflect current market values. This document depicts the status of securities with respect to unrealized gains and losses at June 30, 2023. The District measures and records an adjustment to reflect the current fair market value of its total investment portfolio each quarter. The unrealized loss on the District's surplus fund portfolio at June 30, 2023 was \$7.3 million.

Kaweah Delta Health Care District  
General Deposit and Investment Policy

**Scope**

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

**Goals and Objectives**

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

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

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

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

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

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

### **Safekeeping**

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

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

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

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

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

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

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

### **Delegation of Authority**

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

### **Reporting**

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

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

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

### **Deposits**

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

### **Permitted Investments**

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

Authorized investments are limited to the following:

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

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

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

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

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

### **Policy Considerations**

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

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

**Operating Accounts:**

General operating funds to meet current and future operating obligations.

**Self-Insurance Trust Fund:**

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

**2015A Revenue Bond Fund:**

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

**2015B Revenue Bond Fund:**

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

**2017 C Revenue Bond Fund:**

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

**2020 Revenue Bond Fund:**

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

**2022 Revenue Bond Fund:**

The purpose of this fund is to hold and disburse the District's 2022 Revenue Bond proceeds for various projects and to hold principal and interest payments made by the District pending disbursement by the trustee bank.

**Master Debt Reserve Fund:**

The purpose of this fund is to hold funds equal or greater than the amount of the District's maximum annual debt service. This fund was created due to the District's failure to meet the required MADS debt service requirement at December 31, 2022.

**2014 General Obligation Bond Fund:**

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

**Plant Fund:**

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

**Cost Report Settlement Fund:**

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

**Development Fund:**

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

**Workers' Compensation Liability Fund:**

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

**General Obligation Bond Reserve Fund:**

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

Kaweah Delta Health Care District  
**SUMMARY OF INVESTMENT FUNDS**  
 June 30, 2023

|                                      | Investment Amount (Cost) |                      |
|--------------------------------------|--------------------------|----------------------|
|                                      | June 30, 2023            | December 31, 2022    |
| <b><u>Trust Accounts</u></b>         |                          |                      |
| Self-Insurance Trust Fund            | \$ 2,393,000             | \$ 2,404,000         |
| 2014 General Obligation Bond Fund    | 4,325,000                | 3,590,000            |
| 2015A Revenue Bond Fund              | 59,000                   | 179,000              |
| 2015B Revenue Bond Fund              | 377,000                  | 358,000              |
| 2017C Revenue Bond Fund              | 884,000                  | 4,797,000            |
| 2020 Revenue Bond Fund               | 114,000                  | 546,000              |
| 2022 Revenue Bond Fund               | 147,000                  | -                    |
| Master Debt Reserve Fund             | 18,605,000               | -                    |
| <b><u>Operating Accounts</u></b>     | 2,555,000                | 13,322,000           |
| <b><u>Board Designated Funds</u></b> |                          |                      |
| <b>Plant Fund</b>                    |                          |                      |
| Committed for Capital Expenditure    | \$12,710,000             |                      |
| Uncommitted                          | 131,422,000              |                      |
|                                      | <hr/>                    |                      |
| General Obligation Bond Reserve      | 1,993,000                | 1,993,000            |
| Cost Report Settlement Fund          | 3,448,000                | 3,448,000            |
| Development Fund                     | 104,000                  | 104,000              |
| Workers' Compensation Liability Fund | 20,903,000               | 20,903,000           |
|                                      | <hr/>                    | <hr/>                |
| <b>Total Board Designated Funds</b>  | 170,580,000              | 175,804,000          |
|                                      | <hr/>                    | <hr/>                |
| <b>Total Investments</b>             | <b>\$ 200,039,000</b>    | <b>\$201,000,000</b> |
|                                      | <hr/>                    | <hr/>                |
| Kaweah Health Medical Group Funds    | \$1,262,000              | \$2,011,000          |
|                                      | <hr/>                    | <hr/>                |
| Sequoia Regional Cancer Center Funds | \$26,000                 | \$2,000              |
|                                      | <hr/>                    | <hr/>                |
| Kaweah Health Hospital Foundation    | \$16,918,000             | \$20,188,000         |
|                                      | <hr/>                    | <hr/>                |

Kaweah Delta Health Care District  
**SUMMARY OF INVESTMENT FUNDS**  
 June 30, 2023

|   | June 30,<br>2023     | December 31,<br>2022 | December 31,<br>2021 | December 31,<br>2020 |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>Total Surplus Funds</b>  | <b>\$173,135,000</b> | \$189,125,000        | \$294,884,000        | \$339,370,000        |
| <b>Add:</b> Kaweah Health Medical Group                               | 1,262,000            | 2,011,000            | 9,351,000            | 2,692,000            |
| Sequoia Regional Cancer Ctr.  | 26,000               | 2,000                | 228,000              | 397,000              |
| KH Foundation   | 16,918,000           | 20,188,000           | 19,480,000           | 16,730,000           |
| Adjustment to record fair market value (FMV)                          | (4,925,000)          | (10,096,000)         | 7,938,000            | 8,400,000            |
| Accrued Investment Earnings   | 369,000              | 643,000              | 662,000              | 1,090,000            |
| <b>Adjusted Surplus Funds</b>   | <b>\$186,785,000</b> | <b>\$201,873,000</b> | <b>\$332,543,000</b> | <b>\$368,679,000</b> |
| <b>Daily Operating Expenses (excluding depreciation expense)</b>      | <b>\$2,385,000</b>   | \$2,420,000          | \$2,250,000          | \$2,075,000          |
| <b>Percent Increase</b>   | <b>-1.4%</b>         | 7.6%                 | 8.4%                 | 3.9%                 |
| <b>Days Cash on Hand (Actual - consolidated financial statements)</b> | <b>78.3</b>          | 83.4                 | 147.8                | 177.7                |
| <b>Benchmark:</b>   |                      |                      |                      |                      |
| Moody's "A" Rated Hospitals (2021)                                    | 268.4                |                      |                      |                      |
| Cash spread to "A" rating   | <b>\$453,484,000</b> |                      |                      |                      |
| <b>Surplus portfolio return (includes FMV adjustment) :</b>           |                      |                      |                      |                      |
| 12-Months Ended :   |                      |                      |                      |                      |
| LAIF  | 2.23%                | 1.06%                | 0.28%                | 1.17%                |
| CAMP  | 3.95%                | 1.80%                | 0.06%                | 0.72%                |
| <b>Total Return:</b>  |                      |                      |                      |                      |
| Long-Term (PFM - net of fees)   | 0.54%                | -4.99%               | -0.92%               | 4.66%                |
| Long-Term (Allspring - net of fees)                                   | 0.02%                | -5.13%               | -0.90%               | 4.44%                |
| Benchmark (70% ML 1-5 Treasury, 30% ML US Corp A-AAA)                 | 0.06%                | -5.37%               | -0.96%               | 4.63%                |
| <b>Prospective Yield of Portfolio (No FMV)</b>                        | <b>2.54%</b>         | 1.50%                | 0.85%                | 1.07%                |
| <b>Fiscal Year Budget (No FMV)</b>                                    | <b>0.92%</b>         | 0.92%                | 1.03%                | 1.65%                |

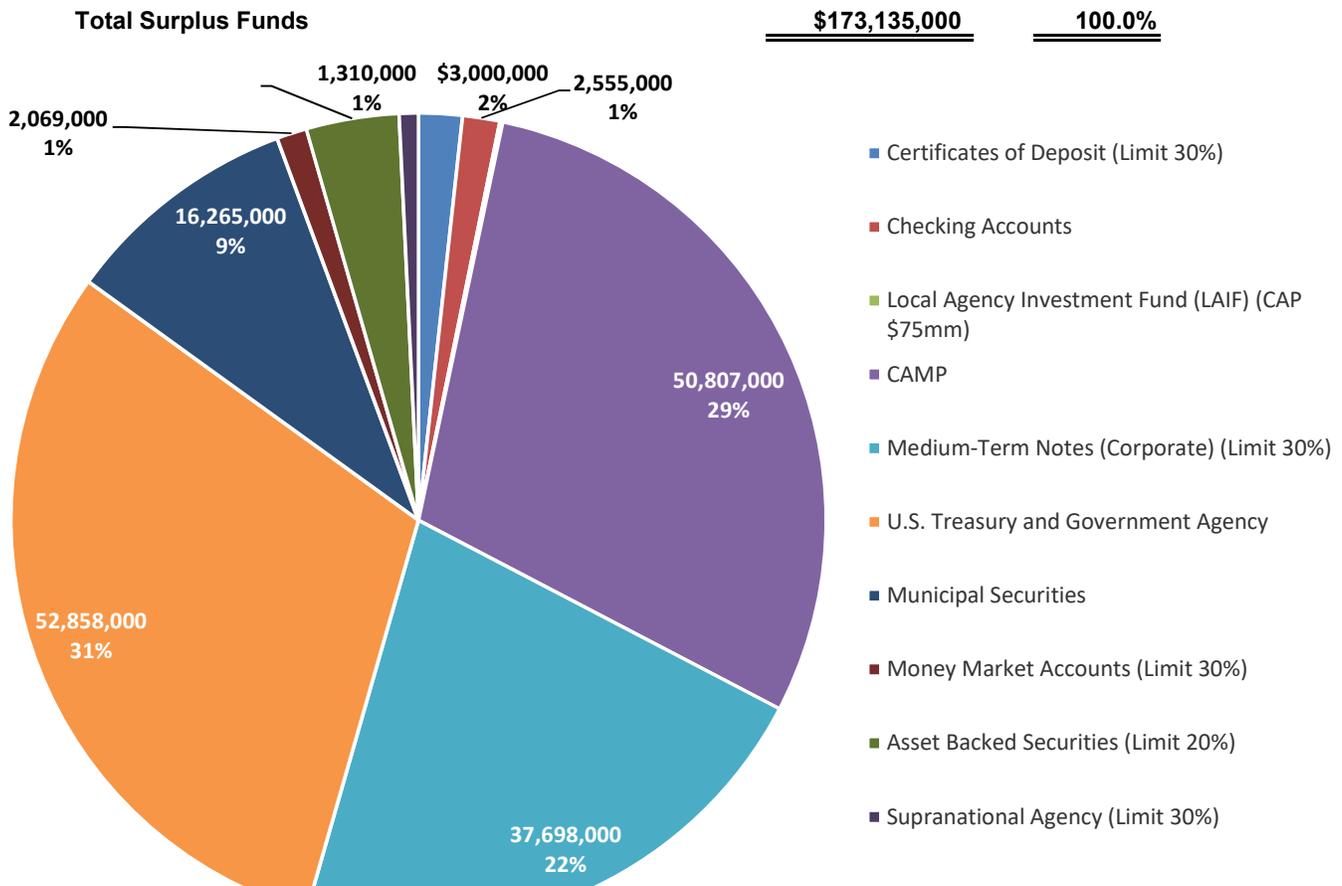
**Note: All investment balances included in the attached investment summaries are stated at the cost value and do not reflect current fair market values. Please refer to the Investment Summary of Unrealized Gains and Losses for current market values.**

Kaweah Delta Health Care District  
INVESTMENT SUMMARY BY INSTITUTION  
June 30, 2023

|  | Investment Amount (Cost) |                      |
|--|--------------------------|----------------------|
|  | June 30,<br>2023         | December 31,<br>2022 |
| US Bank (Bond Trustee)                             | \$ 20,186,000            | \$ 5,880,000         |
| Local Agency Investment Fund (LAIF)                | 4,514,000                | 3,774,000            |
| PFM Asset Management (Manager) - US Bank Custodian | 57,930,000               | 80,911,000           |
| Allspring (Manager) - US Bank Custodian            | 56,262,000               | 79,040,000           |
| Allspring (SITF)                                   | 2,393,000                | 2,404,000            |
| CAMP (Managed by PFM)                              | 50,807,000               | 10,202,000           |
| Bancorp (FSA)                                      | 135,000                  | 0                    |
| Torrey Pines CD (CD Placement GO Refinance)        | 3,000,000                | 3,063,000            |
| Wells Fargo Bank (Operating accounts)              | 4,811,000                | 15,726,000           |
| <b>Total Investments</b>                           | <b>200,038,000</b>       | 201,000,000          |
| Less Trust Accounts                                | (26,903,000)             | (11,875,000)         |
| <b>Total Surplus Funds</b>                         | <b>\$173,135,000</b>     | <b>\$189,125,000</b> |
| <b><u>Kaweah Health Medical Group</u></b>          |                          |                      |
| Wells Fargo Bank                                   | <b>\$1,262,000</b>       | <b>\$2,011,000</b>   |
| <b><u>Sequoia Regional Cancer Center</u></b>       |                          |                      |
| Wells Fargo Bank                                   | <b>\$26,000</b>          | <b>\$2,000</b>       |
| <b><u>Kaweah Health Hospital Foundation</u></b>    |                          |                      |
| Central Valley Community Bank                      | \$265,000                | \$497,000            |
| Various Short-Term and Long-Term Investments       | 16,653,000               | 19,691,000           |
|  | <b>\$16,918,000</b>      | <b>\$20,188,000</b>  |

**Kaweah Delta Health Care District**  
**INVESTMENT SUMMARY OF SURPLUS FUNDS BY TYPE**  
**June 30, 2023**

|                                     | <b>Investment Amount (Cost)</b> | <b>%</b>             | <b>\$ or % Limit</b> |
|-------------------------------------|---------------------------------|----------------------|----------------------|
| Certificates of Deposit             | \$3,000,000                     | 1.7%                 | 30.0%                |
| Checking Accounts                   | 2,555,000                       | 1.5%                 |                      |
| Local Agency Investment Fund (LAIF) | 189,000                         | 0.1%                 | \$75 mm              |
| CAMP                                | 50,807,000                      | 29.3%                |                      |
| Medium-Term Notes (Corporate)       | 37,698,000                      | 21.8%                | 30.0%                |
| U.S. Treasury and Government Agency | 52,858,000                      | 30.5%                |                      |
| Municipal Securities                | 16,265,000                      | 9.4%                 |                      |
| Money Market Accounts               | 2,069,000                       | 1.2%                 | 20.0%                |
| Commercial Paper                    | 0                               | 0.0%                 | 25.0%                |
| Asset Backed Securities             | 6,384,000                       | 3.7%                 | 20.0%                |
| Supranational Agency                | 1,310,000                       | 0.8%                 | 30.0%                |
|                                     | <b><u>\$173,135,000</u></b>     | <b><u>100.0%</u></b> |                      |

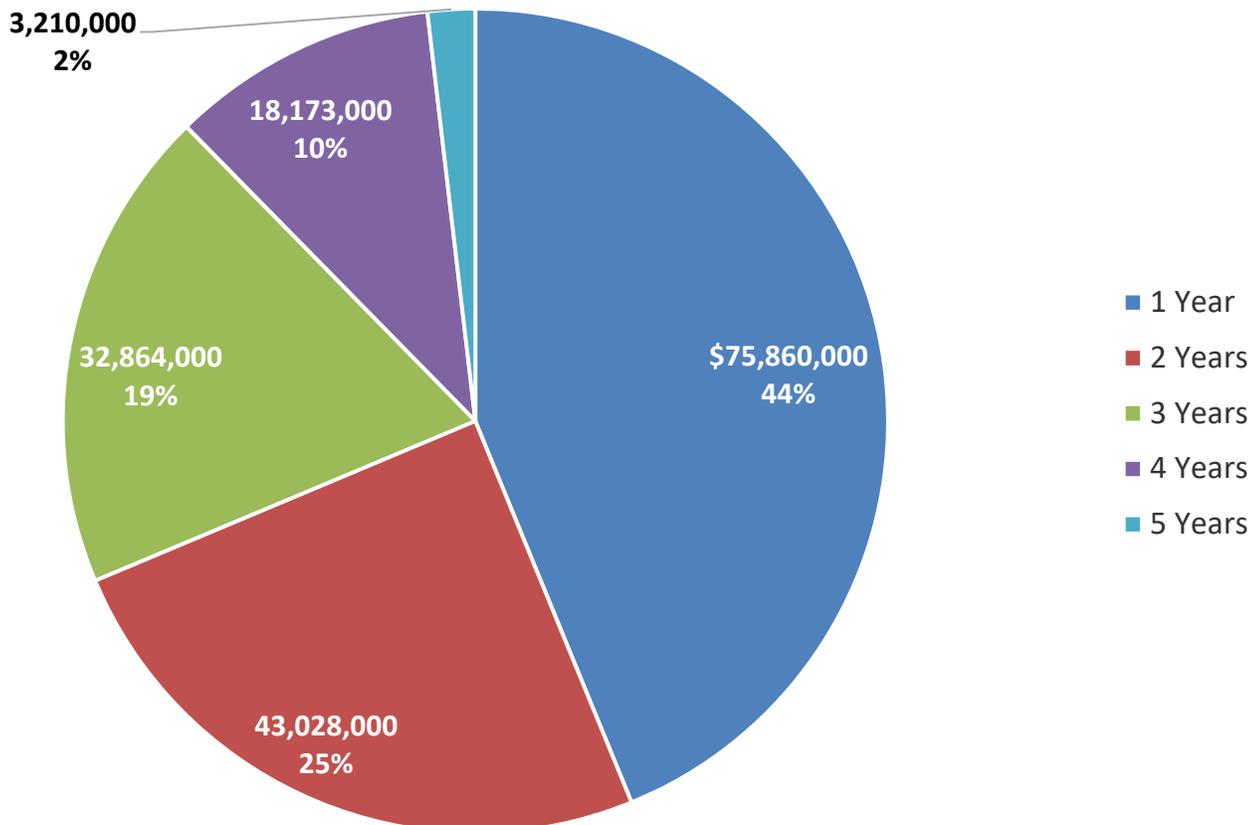


**Kaweah Delta Health Care District**  
**INVESTMENT SUMMARY OF SURPLUS FUNDS BY MATURITY**  
**June 30, 2023**

|                                       | <b>Investment<br/>Amount<br/>(Cost)</b> | <b>%</b>             |
|---------------------------------------|---|----------------------|
| <b>1 Year</b>                         | \$75,860,000                            | 43.8%                |
| <b>2 Years</b>                        | 43,028,000                              | 24.9%                |
| <b>3 Years</b>                        | 32,864,000                              | 18.9%                |
| <b>4 Years</b>                        | 18,173,000                              | 10.5%                |
| <b>5 Years</b>                        | <u>3,210,000</u>                        | <u>1.9%</u>          |
| <b>Total Surplus Fund Investments</b> | <b><u>\$ 173,135,000</u></b>            | <b><u>100.0%</u></b> |

**Weighted Average Maturity**

**2.02 Years**



**Kaweah Delta Health Care District**  
**INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES**  
**June 30, 2023**

| Description                           | Maturity   | Par Value | Amort Cost | Market Value | Unrealized Gain (Loss) |
|---------------------------------------|------------|-----------|------------|--------------|------------------------|
| <b>Medium-Term Notes (Corporate):</b> |            |           |            |              |                        |
| BRISTOL MYERS SQUIBB CO               | 11/13/2023 | 280,000   | 280,000    | 274,966      | (5,034)                |
| PACCAR FINANCIAL CORP                 | 02/02/2024 | 1,000,000 | 999,771    | 970,110      | (29,661)               |
| NATIONAL RURAL UTIL COOP              | 02/08/2024 | 1,400,000 | 1,398,459  | 1,357,188    | (41,271)               |
| UNILEVER CAPITAL CORP                 | 03/07/2024 | 200,000   | 202,912    | 196,888      | (6,024)                |
| SCHWAB CHARLES CORP                   | 03/18/2024 | 1,625,000 | 1,624,808  | 1,567,719    | (57,089)               |
| SCHWAB CHARLES CORP                   | 03/18/2024 | 90,000    | 89,989     | 86,828       | (3,162)                |
| VERIZON COMMUNICATIONS INC            | 03/22/2024 | 730,000   | 729,989    | 704,530      | (25,459)               |
| BANK OF NY MELLON CORP                | 04/26/2024 | 1,000,000 | 999,708    | 958,840      | (40,868)               |
| BANK OF NY MELLON CORP                | 04/26/2024 | 170,000   | 169,950    | 163,003      | (6,948)                |
| AMAZON COM INC                        | 05/12/2024 | 875,000   | 874,632    | 838,889      | (35,743)               |
| AMAZON COM INC                        | 05/12/2024 | 250,000   | 249,895    | 239,683      | (10,212)               |
| ASTRAZENECA FINANCE LLC L P           | 05/28/2024 | 300,000   | 299,994    | 287,445      | (12,549)               |
| JOHN DEERE CAPITAL CORP               | 06/07/2024 | 230,000   | 229,910    | 219,537      | (10,373)               |
| US BANCORP                            | 07/30/2024 | 415,000   | 414,930    | 400,288      | (14,641)               |
| AMERICAN HONDA FIN CORP               | 08/09/2024 | 190,000   | 189,952    | 180,302      | (9,650)                |
| BMW US CAP LLC EXTND IAM              | 08/12/2024 | 340,000   | 340,059    | 322,595      | (17,464)               |
| UNILEVER CAP CORP                     | 08/12/2024 | 100,000   | 100,000    | 94,704       | (5,296)                |
| HONEYWELL INTERNATIONAL               | 08/15/2024 | 330,000   | 334,572    | 318,948      | (15,623)               |
| PACCAR FINANCIAL CORP                 | 08/15/2024 | 210,000   | 211,926    | 202,146      | (9,780)                |
| EXXON MOBIL CORPORATION               | 08/16/2024 | 1,320,000 | 1,320,000  | 1,272,480    | (47,520)               |
| WALT DISNEY COMPANY THE               | 08/30/2024 | 780,000   | 779,266    | 747,529      | (31,738)               |
| DEERE JOHN CAPITAL CORP               | 09/10/2024 | 85,000    | 84,978     | 80,309       | (4,669)                |
| CATERPILLAR FINL SVCS                 | 09/13/2024 | 500,000   | 499,727    | 471,955      | (27,772)               |
| NESTLE HLDGS INC                      | 09/14/2024 | 640,000   | 640,000    | 605,606      | (34,394)               |
| BANK OF NY MELLON CORP                | 10/24/2024 | 150,000   | 150,183    | 143,360      | (6,824)                |
| BANK NEW YORK MELLON CORP             | 10/25/2024 | 390,000   | 389,889    | 366,027      | (23,862)               |
| CITIGROUP INC SR NT                   | 10/30/2024 | 445,000   | 445,000    | 437,141      | (7,859)                |
| CATERPILLAR FINL SERVICE              | 11/08/2024 | 600,000   | 599,847    | 574,944      | (24,903)               |
| CATERPILLAR FINL SERVICE              | 11/08/2024 | 850,000   | 850,531    | 814,504      | (36,027)               |
| JPMORGAN CHASE CO                     | 12/05/2024 | 1,050,000 | 1,077,669  | 1,040,928    | (36,741)               |
| BRANCH BANKING TRUST                  | 12/06/2024 | 1,300,000 | 1,299,373  | 1,225,744    | (73,629)               |
| JOHN DEERE CAPITAL CORP               | 01/09/2025 | 500,000   | 499,957    | 476,075      | (23,882)               |
| US BANK NA CINCINNATI                 | 01/21/2025 | 1,400,000 | 1,428,960  | 1,320,480    | (108,480)              |
| GOLDMAN SACHS GROUP INC               | 01/24/2025 | 725,000   | 725,000    | 705,896      | (19,104)               |
| NATIONAL RURAL UTIL COOP FIN          | 02/07/2025 | 125,000   | 124,998    | 118,013      | (6,986)                |
| TOYOTA MOTOR CREDIT CORP              | 02/13/2025 | 420,000   | 419,708    | 397,408      | (22,300)               |
| NOVARTIS CAPITAL CORP                 | 02/14/2025 | 425,000   | 432,655    | 402,930      | (29,725)               |
| DEERE JOHN CAPITAL CORP               | 03/07/2025 | 550,000   | 549,867    | 522,984      | (26,883)               |
| ROCHE HOLDINGS INC                    | 03/10/2025 | 730,000   | 730,000    | 693,515      | (36,485)               |
| GENERAL DYNAMICS CORP                 | 04/01/2025 | 395,000   | 411,576    | 381,882      | (29,694)               |
| HOME DEPOT INC                        | 04/15/2025 | 65,000    | 64,933     | 62,342       | (2,592)                |
| CITIGROUP INC                         | 05/01/2025 | 440,000   | 440,208    | 421,032      | (19,176)               |
| APPLE INC                             | 05/11/2025 | 655,000   | 656,031    | 610,257      | (45,774)               |
| EMERSON ELECTRIC CO                   | 06/01/2025 | 265,000   | 276,456    | 254,048      | (22,409)               |
| HONEYWELL INTERNATIONAL INC           | 06/01/2025 | 400,000   | 397,836    | 373,172      | (24,664)               |
| JPMORGAN CHASE CO                     | 06/01/2025 | 1,000,000 | 1,000,750  | 950,640      | (50,110)               |
| AMAZON COM INC SR NT                  | 06/03/2025 | 445,000   | 444,942    | 411,033      | (33,909)               |
| ABBOTT LABORATORIES                   | 09/15/2025 | 195,000   | 207,233    | 190,486      | (16,748)               |
| BK OF AMERICA CORP                    | 09/25/2025 | 1,300,000 | 1,300,000  | 1,221,376    | (78,624)               |
| PROCTER GAMBLE CO                     | 10/29/2025 | 1,300,000 | 1,299,018  | 1,177,969    | (121,049)              |
| LOCKHEED MARTIN CORP                  | 01/15/2026 | 203,000   | 215,202    | 196,878      | (18,324)               |
| STATE STR CORP                        | 02/06/2026 | 1,000,000 | 999,962    | 936,930      | (63,032)               |
| GOLDMAN SACHS GROUP INC               | 02/12/2026 | 205,000   | 205,253    | 188,897      | (16,356)               |
| STATE STREET CORP                     | 03/30/2026 | 420,000   | 421,720    | 400,529      | (21,191)               |
| BANK OF AMERICA CORP                  | 04/02/2026 | 250,000   | 250,000    | 239,628      | (10,373)               |
| BANK OF AMERICA CORP                  | 04/19/2026 | 295,000   | 305,726    | 282,979      | (22,747)               |
| WELLS FARGO CO                        | 04/25/2026 | 800,000   | 800,000    | 773,424      | (26,576)               |
| IBM CORP                              | 05/15/2026 | 410,000   | 435,237    | 390,792      | (44,446)               |
| ASTRAZENECA FINANCE LLC L P           | 05/28/2026 | 265,000   | 265,220    | 239,120      | (26,100)               |
| TOYOTA MTR CR CORP                    | 06/18/2026 | 1,400,000 | 1,398,064  | 1,251,768    | (146,296)              |
| WALMART INC                           | 07/08/2026 | 205,000   | 210,298    | 196,085      | (14,214)               |
| CATERPILLAR FINL SVCS                 | 09/14/2026 | 220,000   | 217,841    | 195,653      | (22,188)               |
| JP MORGAN CHASE CO                    | 10/01/2026 | 415,000   | 430,791    | 388,975      | (41,816)               |
| AMERICAN EXPRESS CO SR                | 11/04/2026 | 445,000   | 444,501    | 395,876      | (48,624)               |
| DEERE JOHN CAPITAL CORP               | 01/11/2027 | 220,000   | 215,545    | 198,821      | (16,724)               |
| TARGET CORP                           | 01/15/2027 | 900,000   | 898,910    | 823,878      | (75,032)               |
| TARGET CORP                           | 01/15/2027 | 330,000   | 329,970    | 302,089      | (27,881)               |
| HOME DEPOT INC SR NT                  | 04/15/2027 | 220,000   | 213,132    | 204,065      | (9,066)                |
| IBM CORP                              | 05/15/2027 | 230,000   | 214,635    | 203,925      | (10,710)               |

**Kaweah Delta Health Care District**  
**INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES**  
**June 30, 2023**

| Description                                 | Maturity   | Par Value            | Amort Cost           | Market Value         | Unrealized Gain (Loss) |
|---|------------|----------------------|----------------------|----------------------|------------------------|
| UNITEDHEALTH GROUP INC                      | 05/15/2027 | 85,000               | 84,964               | 81,939               | (3,025)                |
|   |            | <u>\$ 37,698,000</u> | <u>\$ 37,845,019</u> | <u>\$ 35,748,920</u> | <u>\$ (2,096,099)</u>  |
| <b>Municipal Securities:</b>                |            |                      |                      |                      |                        |
| NEW YORK ST THRUWAY AUTH REF SER M          | 01/01/2024 | 585,000              | 585,000              | 574,792              | (10,208)               |
| WISCONSIN ST REF TAXABLE GO                 | 05/01/2024 | 1,320,000            | 1,320,000            | 1,267,332            | (52,668)               |
| WISCONSIN ST GEN FD ANNUAL                  | 05/01/2024 | 500,000              | 500,000              | 479,780              | (20,220)               |
| UNIVERSITY CA REVS TAXABLE                  | 05/15/2024 | 1,000,000            | 1,000,000            | 956,970              | (43,030)               |
| ORANGE CA PENSION OBLIG TAXABLE             | 06/01/2024 | 500,000              | 500,000              | 476,370              | (23,630)               |
| TORRANCE CA JT PWRS FING AUTH LEASE         | 06/01/2024 | 1,450,000            | 1,450,000            | 1,383,358            | (66,642)               |
| LOUISIANA ST HWY IMPT REV                   | 06/15/2024 | 500,000              | 500,000              | 476,945              | (23,055)               |
| LOS ANGELES CALIF UNI SCH DIST              | 07/01/2024 | 1,500,000            | 1,555,221            | 1,529,685            | (25,536)               |
| EL SEGUNDO CALIF PENSION OBLIG              | 07/01/2024 | 510,000              | 510,000              | 483,710              | (26,291)               |
| ARIZONA ST TRANSPRTN BRD HIGHWAY            | 07/01/2024 | 675,000              | 675,000              | 651,503              | (23,497)               |
| CONNECTICUT ST TAXABLE GO BDS 2020 A        | 07/01/2024 | 150,000              | 150,000              | 144,933              | (5,067)                |
| WISCONSIN ST TRANSN REV TAXABLE REF         | 07/01/2024 | 470,000              | 470,000              | 447,478              | (22,522)               |
| MARYLAND ST TAXABLE GO LOC LN FACS          | 08/01/2024 | 355,000              | 354,973              | 337,030              | (17,943)               |
| SAN DIEGO CA CMNTY CLE DIST REF SER         | 08/01/2024 | 80,000               | 80,000               | 77,162               | (2,838)                |
| SAN JUAN CALIF UNI SCH DIST TAXABLE         | 08/01/2024 | 195,000              | 195,000              | 184,911              | (10,089)               |
| TAMALPAIS CA UNION HIGH SCH DIST            | 08/01/2024 | 305,000              | 305,000              | 294,163              | (10,837)               |
| MISSISSIPPI ST TAXABLE GO REF BDS           | 11/01/2024 | 300,000              | 300,000              | 281,652              | (18,348)               |
| BAY AREA TOLL AUTH CA TOLL BRDG REV         | 04/01/2025 | 250,000              | 250,000              | 231,250              | (18,750)               |
| SAN DIEGO CNTY CA WTR AUTH TAXABLE          | 05/01/2025 | 300,000              | 300,000              | 276,654              | (23,346)               |
| UNIVERSITY CALIF REVS TAXABLE GEN           | 05/15/2025 | 185,000              | 185,000              | 170,663              | (14,338)               |
| CONNECTICUT ST TAXABLE GO BDS 2021 A        | 06/01/2025 | 400,000              | 400,000              | 368,828              | (31,172)               |
| FLORIDA ST BRD ADMIN FIN CORP REV           | 07/01/2025 | 600,000              | 600,295              | 553,956              | (46,339)               |
| WISCONSIN ST TRANSN REV TAXABLE REF         | 07/01/2025 | 440,000              | 440,000              | 402,653              | (37,347)               |
| SANTA CRUZ CALIF MET TRAN DISTSALES         | 08/01/2025 | 400,000              | 400,000              | 375,740              | (24,260)               |
| LOS ANGELES CALIF CMNTY COLLEGE DIST        | 08/01/2025 | 335,000              | 335,000              | 304,441              | (30,559)               |
| SAN JUAN CA UNI SCH DIST REF                | 08/01/2025 | 190,000              | 190,000              | 173,652              | (16,348)               |
| ANAHEIM CA PUB FING AUTH LEASE              | 07/01/2026 | 1,000,000            | 998,824              | 900,800              | (98,024)               |
| LOS ANGELES CA UNI SCH DIST GO              | 07/01/2026 | 270,000              | 270,000              | 241,650              | (28,350)               |
| MASSACHUSETTS ST SPL OBLIG REV              | 07/15/2027 | 1,000,000            | 1,000,000            | 954,960              | (45,040)               |
| ALAMEDA CNTY CA TAXABLE GO BDS 2022         | 08/01/2027 | 500,000              | 500,000              | 478,300              | (21,700)               |
|   |            | <u>\$ 16,265,000</u> | <u>\$ 16,319,313</u> | <u>\$ 15,481,320</u> | <u>\$ (837,993)</u>    |
| <b>U.S. Treasury and Government Agency:</b> |            |                      |                      |                      |                        |
| F H L M C MULTICLASS MTG PARTN              | 11/25/2023 | 342,000              | 345,399              | 338,992              | (6,406)                |
| F N M A GTD R E M I C PASS THRU             | 03/25/2024 | 126,000              | 127,071              | 123,667              | (3,404)                |
| U S TREASURY NOTE                           | 05/15/2024 | 1,375,000            | 1,382,876            | 1,340,515            | (42,361)               |
| U S TREASURY NOTE                           | 06/15/2024 | 865,000              | 863,712              | 823,610              | (40,102)               |
| U S TREASURY NOTE                           | 09/30/2024 | 425,000              | 430,381              | 405,510              | (24,872)               |
| U S TREASURY NOTE                           | 10/31/2024 | 650,000              | 648,050              | 618,462              | (29,588)               |
| U S TREASURY NOTE                           | 10/31/2024 | 1,500,000            | 1,497,893            | 1,427,220            | (70,673)               |
| U S TREASURY NOTE                           | 11/30/2024 | 1,000,000            | 996,369              | 949,450              | (46,919)               |
| U S TREASURY NOTE                           | 12/15/2024 | 550,000              | 550,212              | 517,622              | (32,590)               |
| U S TREASURY NOTE                           | 12/31/2024 | 1,000,000            | 1,000,905            | 950,700              | (50,205)               |
| F N M A                                     | 01/07/2025 | 1,510,000            | 1,508,532            | 1,431,737            | (76,795)               |
| U S TREASURY NOTE                           | 01/15/2025 | 3,300,000            | 3,292,354            | 3,103,287            | (189,067)              |
| F H L M C                                   | 02/12/2025 | 1,000,000            | 1,008,424            | 943,970              | (64,454)               |
| FEDERAL HOME LOAN BKS                       | 04/14/2025 | 1,340,000            | 1,337,621            | 1,239,768            | (97,853)               |
| F N M A DEB                                 | 04/22/2025 | 1,530,000            | 1,528,858            | 1,414,975            | (113,883)              |
| U S TREASURY NOTE                           | 05/15/2025 | 980,000              | 981,617              | 941,300              | (40,317)               |
| F H L M C MULTICLASS MTG PARTN              | 05/25/2025 | 855,000              | 858,465              | 823,810              | (34,656)               |
| F N M A                                     | 06/17/2025 | 2,000,000            | 1,998,373            | 1,836,160            | (162,213)              |
| U S TREASURY NOTE                           | 06/30/2025 | 350,000              | 349,768              | 319,648              | (30,120)               |
| F H L M C M T N                             | 07/21/2025 | 1,500,000            | 1,496,924            | 1,368,585            | (128,339)              |
| U S TREASURY NOTE                           | 07/31/2025 | 185,000              | 183,524              | 168,343              | (15,181)               |
| F N M A                                     | 08/25/2025 | 1,500,000            | 1,496,975            | 1,364,925            | (132,050)              |
| FEDERAL HOME LOAN BKS                       | 09/04/2025 | 525,000              | 524,311              | 478,254              | (46,057)               |
| F H L M C M T N                             | 09/23/2025 | 750,000              | 748,991              | 680,528              | (68,464)               |
| U S TREASURY NOTE                           | 10/31/2025 | 770,000              | 767,458              | 694,925              | (72,533)               |
| U S TREASURY NOTE                           | 11/30/2025 | 2,550,000            | 2,550,317            | 2,301,783            | (248,534)              |
| U S TREASURY NOTE                           | 11/30/2025 | 500,000              | 494,982              | 451,330              | (43,652)               |
| U S TREASURY NOTE                           | 12/31/2025 | 1,395,000            | 1,381,428            | 1,257,411            | (124,017)              |
| U S TREASURY NOTE                           | 01/31/2026 | 1,000,000            | 991,087              | 897,810              | (93,277)               |
| U S TREASURY NOTE                           | 02/15/2026 | 1,000,000            | 1,021,258            | 926,720              | (94,538)               |
| U S TREASURY NOTE                           | 02/28/2026 | 1,500,000            | 1,496,038            | 1,347,420            | (148,618)              |
| U S TREASURY NOTE                           | 03/31/2026 | 675,000              | 673,307              | 610,085              | (63,222)               |

Kaweah Delta Health Care District  
**INVESTMENT SUMMARY OF SURPLUS FUND'S UNREALIZED GAINS AND LOSSES**  
June 30, 2023

| Description                     | Maturity   | Par Value            | Amort Cost           | Market Value         | Unrealized Gain (Loss) |
|---------------------------------|------------|----------------------|----------------------|----------------------|------------------------|
| U S TREASURY NOTE               | 03/31/2026 | 1,000,000            | 998,946              | 903,830              | (95,116)               |
| U S TREASURY NOTE               | 04/30/2026 | 1,435,000            | 1,403,572            | 1,292,174            | (111,397)              |
| U S TREASURY NOTE               | 05/31/2026 | 1,200,000            | 1,247,420            | 1,122,324            | (125,096)              |
| U S TREASURY NOTE               | 05/31/2026 | 1,000,000            | 998,607              | 898,240              | (100,367)              |
| U S TREASURY NOTE               | 06/30/2026 | 1,850,000            | 1,858,807            | 1,666,887            | (191,920)              |
| U S TREASURY NOTE               | 06/30/2026 | 990,000              | 969,296              | 892,010              | (77,286)               |
| U S TREASURY NOTE               | 07/31/2026 | 880,000              | 867,101              | 783,992              | (83,109)               |
| U S TREASURY NOTE               | 08/31/2026 | 1,000,000            | 981,938              | 891,880              | (90,058)               |
| U S TREASURY NOTE               | 09/30/2026 | 2,210,000            | 2,194,056            | 1,977,265            | (216,791)              |
| U S TREASURY NOTE               | 09/30/2026 | 1,000,000            | 992,099              | 894,690              | (97,409)               |
| U S TREASURY NOTE               | 10/31/2026 | 800,000              | 796,833              | 719,376              | (77,457)               |
| U S TREASURY NOTE               | 11/30/2026 | 2,000,000            | 1,998,222            | 1,801,960            | (196,262)              |
| U S TREASURY NOTE               | 04/30/2027 | 970,000              | 970,471              | 916,311              | (54,160)               |
| U S TREASURY NOTE               | 04/30/2027 | 250,000              | 228,412              | 216,680              | (11,732)               |
| U S TREASURY NOTE               | 04/30/2027 | 800,000              | 794,049              | 755,720              | (38,329)               |
| U S TREASURY NOTE               | 05/15/2027 | 925,000              | 907,230              | 861,332              | (45,898)               |
|                                 |            | <u>\$ 52,858,000</u> | <u>\$ 52,740,537</u> | <u>\$ 48,693,190</u> | <u>\$ (4,047,347)</u>  |
| <b>Asset-backed Securities:</b> |            |                      |                      |                      |                        |
| TOYOTA LEASE OWNER TR           | 04/22/2024 | 30,606               | 30,605               | 30,499               | (106)                  |
| GM FIN AUTO LEAS TR             | 05/20/2024 | 51,901               | 51,899               | 51,748               | (151)                  |
| NISSAN AUTO REC TR              | 07/15/2024 | 1,103                | 1,103                | 1,101                | (2)                    |
| TOYOTA AUTO RECV TR             | 10/15/2024 | 38,601               | 38,600               | 38,336               | (264)                  |
| HONDA AUTO RECEIVABLES OWNER    | 10/18/2024 | 86,677               | 86,676               | 85,476               | (1,200)                |
| BMW VEH OWNER TR 2020 A         | 10/25/2024 | 9,478                | 9,478                | 9,429                | (49)                   |
| HYUNDAI AUTO RECV TR            | 12/15/2024 | 22,194               | 22,193               | 22,091               | (102)                  |
| VERIZON OWNER TRUST             | 02/20/2025 | 62,684               | 62,679               | 62,247               | (433)                  |
| CARMAX AUTO OWNER TRUST         | 03/15/2025 | 41,864               | 41,863               | 41,515               | (348)                  |
| GM FINANCIAL AUTOMOBILE LEASING | 07/21/2025 | 100,000              | 99,998               | 96,972               | (3,026)                |
| CARMAX AUTO OWNER TRUST         | 08/15/2025 | 87,532               | 87,528               | 85,542               | (1,986)                |
| KUBOTA CREDIT OWNER TRUST       | 08/15/2025 | 164,192              | 164,183              | 158,606              | (5,577)                |
| JOHN DEERE OWNER TRUST          | 09/15/2025 | 387,100              | 387,083              | 375,769              | (11,314)               |
| HYUNDAI AUTO REC TR             | 09/15/2025 | 112,459              | 112,456              | 109,511              | (2,945)                |
| KUBOTA CR OWN TR                | 11/17/2025 | 163,263              | 163,261              | 156,176              | (7,085)                |
| CARMAX AUTO OWNER TR            | 12/15/2025 | 68,882               | 68,878               | 66,887               | (1,992)                |
| CARMAX AUTO OWN                 | 02/17/2026 | 188,487              | 188,474              | 182,160              | (6,314)                |
| CARMAX AUTO OWNER TRUST         | 06/15/2026 | 461,944              | 461,913              | 442,704              | (19,209)               |
| HONDA AUTO REC OWN TR           | 07/20/2026 | 130,000              | 129,995              | 126,584              | (3,411)                |
| DISCOVER CARD EXE NT            | 09/15/2026 | 495,000              | 494,926              | 465,904              | (29,023)               |
| CAPITAL ONE MULTI TR            | 11/16/2026 | 640,000              | 639,999              | 602,227              | (37,771)               |
| CARMAX AUTO OWNER TRUST         | 04/15/2027 | 600,000              | 599,990              | 585,624              | (14,366)               |
| AMERICAN EXPRESS CREDIT         | 05/17/2027 | 655,000              | 654,900              | 632,114              | (22,785)               |
| CAPITAL ONE PRIME AT            | 05/17/2027 | 265,000              | 264,986              | 256,282              | (8,705)                |
| DISCOVER CARD EXE               | 05/17/2027 | 305,000              | 304,981              | 293,706              | (11,275)               |
| MERCEDES BENZ AUTO              | 11/15/2027 | 200,000              | 199,979              | 196,656              | (3,323)                |
| BANK OF AMERICA CREDIT CARD TR  | 04/17/2028 | 525,000              | 527,441              | 522,370              | (5,071)                |
| AMERICAN EXPRESS CREDIT         | 05/15/2028 | 150,000              | 149,987              | 149,115              | (872)                  |
| BANK OF AMERICA CREDIT CARD     | 05/15/2028 | 180,000              | 179,959              | 178,704              | (1,255)                |
| FORD CR AUTO OWNER TR           | 05/15/2028 | 160,000              | 159,998              | 159,726              | (271)                  |
|                                 |            | <u>\$ 6,383,968</u>  | <u>\$ 6,386,011</u>  | <u>\$ 6,185,778</u>  | <u>\$ (200,233)</u>    |
| <b>Supra-National Agency</b>    |            |                      |                      |                      |                        |
| INTER AMERICAN DEVEL BK         | 09/23/2024 | 870,000              | 869,736              | 819,671              | (50,065)               |
| COOPERATIVE CENTRALE RAIFFEIS   | 01/10/2025 | 440,000              | 439,337              | 413,714              | (25,622)               |
|                                 |            | <u>\$ 1,310,000</u>  | <u>\$ 1,309,072</u>  | <u>\$ 1,233,385</u>  | <u>\$ (75,688)</u>     |



|  |                           |
|--|---------------------------|
| Policy Number: HR.01                                       | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: 07/27/2022 |
| Approvers: Board of Directors (Administration)             |                           |
| <b>Purpose and Scope of Manual</b>                         |                           |

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

**POLICY:**

This manual provides Kaweah Health management, supervisors, and staff with a single reference source for all policies and benefits information relating to Human Resources management. Current policies will supersede all previous policies.

Policies and procedures contained in additional Kaweah Health manuals and relating to topics covered in this manual will be consistent with the policies stated herein. To the extent there is a conflict between this manual and Kaweah Health policies stated in other sources, the policies stated in this manual ~~will~~would override all such inconsistent policies.

In the interest of addressing its mission to provide high quality, comprehensive, cost effective health care services for its community, Kaweah Health reserves the right to direct the supervision of its personnel; to discipline personnel appropriately, including termination of employment; to assign staff to different schedules, working hours, and/or job responsibilities; and to establish and modify its policies and procedures.

**PROCEDURE:**

I. The policies outlined in this manual apply to all Kaweah Health facilities and personnel. The Employee Handbook and this manual provide detailed information in the following areas:

- Recruitment
- Employment
- Transfer
- Employee Relations
- Compensation
- Benefits
- Attendance
- Leaves Of Absence
- General Information

II. Definitions

An employee is an individual who is hired directly by Kaweah Health to work for wages or salary to perform services subject to the will and control of Kaweah Health, including both management and non-management personnel. These individuals may be eligible to receive ~~District~~Kaweah Health-provided benefits. An employee may be full-time, part-time, per diem, or temporary. Although the exact title of a job classification may vary, a manager is an individual who, on a regular basis, has supervisory responsibility for a department or a distinct operation similar to a department.

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Personnel include employees, students, interns, volunteers, and other non-employees who provide work via a controlled basis. Policies that refer to personnel may reference benefits or rights. The mere inclusion of personnel in policies does not constitute a right by non-employees to the benefits or rights of an employee.

### III. Policy Additions/Changes and Updates

This manual cannot anticipate every situation or answer every question about employment; it is not an employment contract or a legal document. To retain necessary flexibility in the administration of policies and procedures, Kaweah Health reserves the right to change or revise policies, procedures and benefits described in this manual, other than the employment-at-will provisions, without notice whenever Kaweah Health determines that such action is warranted.

Any questions regarding the interpretation of this manual should be referred to the Chief Human Resources Officer.

*"Responsibility for the review and revision of this Policy is assigned to the Chief Human Resources Officer. In some cases, such as Employee Benefits Policies, Summary Plan Descriptions and Plan Documents prevail over a policy. In all cases, Kaweah Health will follow Federal and State Law, as applicable, as well as Regulatory requirements. Policies are subject to change as approved by the Governing Board and will be communicated as approved after each Board Meeting. It is the employee's responsibility to review and understand all Kaweah Health Policies and Procedures."*



|   |                           |
|---|---------------------------|
| Policy Number: HR.02  | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer)  | Date Approved: 07/27/2022 |
| Approvers: Board of Directors (Administration), Board of Directors (Human Resources), Dianne Cox (VP Human Resources) |                           |
| <b>District Commitment &amp; Staff Member Relations</b>   |                           |

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

**POLICY:**

[The District Kaweah Health](#) believes that the best and most rewarding employment atmosphere results from a direct relationship between management and staff members. [The District Kaweah Health](#) prefers to deal with staff members directly. It is the responsibility of management to encourage staff members to bring their problems and suggestions to their department management team or another member of management, listen to staff member's concerns with respect, make every effort to help solve staff member's problems, and accept constructive criticism with an open mind and without any retribution.

[The District Kaweah Health](#) will implement fair and effective Human Resources policies and procedures to:

- employ individuals on the basis of their qualifications and with assurance of equal opportunity (Refer to policy HR.12).
- provide salaries and benefits which bear a fair and reasonable relationship to the work performed;
- establish reasonable hours of work; and,
- maintain a work environment that is safe, healthy, and free from harassment.

Kaweah Health promotes staff awareness of appropriate rest and fitness to provide patient care services.

Kaweah Health recognizes that staff may be requested to work additional hours beyond their regularly-scheduled work hours in the event of a staffing short, patient emergency and/or activation of [the District Kaweah Health](#)'s disaster plan.

Kaweah Health expects all personnel to:

- work productively to the best of their abilities and skills;
- arrive at their assigned work area and begin work on time;

- demonstrate a considerate, friendly, and constructive attitude to other personnel, patients, and visitors; and,
- comply with Behavioral Standards and Code of Conduct.
- adopt and display the Organization Values in all interactions with others including:

**Vision** - We plan for and act to produce an ever-improving future.

**Integrity** - We are completely honest, candid, and transparent in our dealings.

**Care** - The patient must be at the center of all we do.

**Accountability** - We are completely responsible for our results – no excuses.

**Respect** - We collaborate effectively with others and are socially and interpersonally skilled.

**Excellence** - We accept nothing less than our very best efforts and expect the same of others.

Kaweah Health retains the right to:

- assign, supervise, discipline, and terminate employees at any time;
- determine and change working conditions, hours and schedules; and,
- establish, change, and delete its policies and procedures.

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|  |                                      |
|--|--------------------------------------|
| Policy Number: HR.13                                       | Date Created: 06/01/2007             |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: <del>08/28/2020</del> |
| Approvers: Board of Directors (Administration)             |                                      |
| <b>Anti-Harassment and Abusive Conduct</b>                 |                                      |

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

**POLICY:**

It is the policy of Kaweah [HealthDelta](#) to provide a work environment free from abusive conduct, sexual or unlawful harassment, and/or any behaviors that undermine a culture of safety. This includes, but is not limited to, race, color, ancestry, religion, religious creed (including religious dress and grooming), sex(including breastfeeding and related medical conditions), sexual orientation (including those who identify as transgender, transgender transitioning, gender expression, gender roles, gender identity), sexual harassment, victim of domestic violence, sexual assault or stalking, national origin, disability, medical condition, mental health conditions such as depression and post-traumatic stress disorder, genetic information (GINA Act of 2008), marital status, same-sex marriage, pregnancy, age, military and veteran services, or any other characteristic protected by law.

This policy applies to all employees and individuals involved in the operations of Kaweah [DeltaHealth](#), including but not limited to, employees, vendors, independent contractors, individuals working through a temporary service agency, unpaid interns, students, or volunteers, and others doing business with Kaweah [DeltaHealth](#).

Harassment and Abusive Conduct as defined is prohibited by Kaweah [DeltaHealth](#) and is against the law. All must be aware of:

- a. What Sexual Harassment and Abusive Conduct is;
- b. Steps to take if harassment occurs;
- c. Prohibition against retaliation for reporting

Kaweah [DeltaHealth](#) management and supervisors have a responsibility to maintain a workplace free of all forms of abusive conduct and sexual or unlawful harassment. Kaweah [DeltaHealth](#) will take all reasonable steps to prevent abusive conduct and harassment from occurring.

Sexual harassment is defined as any unwelcome sexual advances, or visual, verbal, or physical harassment of a sexual nature. It is critical to note that it is the perception of the receiver rather than the intention of the offender that will define behavior which constitutes Sexual Harassment. This definition includes various forms of offensive behavior:

1. Verbal Harassment Examples:  
Sexual comments, derogatory comments or slurs, epithets, name-calling, belittling, sexually explicit or degrading words to describe an individual, sexually explicit jokes, comments about an employee's anatomy and/or dress, sexually oriented noises or remarks, questions about a person's sexual practices, use of patronizing terms or remarks, verbal abuse, graphic verbal commentaries about the body.
2. Physical Harassment Examples:  
Physical touching, assault, impeding or blocking movement, pinching, patting, grabbing, brushing against or poking another employee's body, hazing or initiation that involves a sexual component, requiring an employee to wear sexually suggestive

clothing, any physical interference with normal work or movement, when directed at an individual.

3. Visual Harassment Examples:

Displaying sexual pictures, derogatory posters, cartoons or drawings, displaying sexual media or electronic information, such as computer images, text messages, emails, web pages, or multimedia content, displaying sexual writings or objects obscene letters or invitations, staring at an employee's anatomy, leering, sexually oriented gestures, mooning, unwanted love letters or notes.

It is impossible to define every action or all words that could be interpreted as Sexual Harassment. The examples listed above are not meant to be a complete list of objectionable behavior nor do they always constitute Sexual Harassment.

Sexual Harassment does not typically refer to behavior or occasional compliments of a socially acceptable nature. Sexual harassment refers to behavior that is not welcome, that is personally offensive, that fails to respect the rights of others, and unreasonably interferes with work effectiveness.

Abusive Conduct is conduct of an employer or employee, in the workplace, with malice that a reasonable person would find hostile, offensive and unrelated to an employer's legitimate business interests. Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating or the gratuitous sabotage or undermining of a person's work performance.

Abusive conduct behaviors foster medical errors, contribute to poor employee and patient satisfaction, contribute to adverse outcomes, increase the cost of care, and cause employees, and individuals to seek new positions in more professional environments.

Those who are affected or witnesses of Abusive Conduct are encouraged to report any such incidences.

Examples of abusive conduct, intimidating and/or disruptive behaviors include but are not limited to:

- a. Condescending language or voice intonation;
- b. Profane or disrespectful language;
- c. Angry outbursts or yelling, raised voice, name calling;
- d. Disruption of meetings;
- e. Refusal to complete a task or carry out duties;
- f. Intentional failure to follow Kaweah [DeltaHealth](#)'s policies;
- g. Retaliation against any person;
- h. Derogatory remarks about others;
- i. Inappropriate touching or assault;
- j. Starting false rumors about others; gossip
- k. Exclusion or social isolation;
- l. Throwing instruments, charts or other things;
- m. Bullying or demeaning behavior;
- n. Abusive treatment of patients or coworkers;
- o. Sexual harassment; sexual comments/innuendos;
- p. Racial, ethnic, or socioeconomic slurs;
- q. Physical attacks, pinching, patting, slapping, or unwanted touch;
- r. Non-constructive criticism to intimidate, undermine confidence, belittle;
- s. Persistent hostility toward a co-worker;
- t. Blames or shames others for possible adverse outcomes;
- u. Threatening to get someone fired;
- v. Unnecessary sarcasm or cynicism;
- w. Threats of violence or retribution;
- x. Criticizing other caregivers in front of patients or others

Overt and passive behaviors undermine team effectiveness and can compromise the safety and satisfaction of patients and employees. Disruptive behaviors are unprofessional, and are subject to Progressive Discipline (see HR.216) up to and including termination.

Unlawful harassment or abusive conduct in any form, including verbal, physical, or visual behaviors, threats, demands or harassing conduct that affect tangible job benefits, that interfere unreasonably with an individual's work performance, or that create an intimidating, hostile, or offensive working environment, is strictly prohibited. Retaliation for reporting such conduct is also prohibited.

### **KAWEAH [DELTAHEALTH](#)'S RESPONSIBILITY**

Kaweah [DeltaHealth](#) has an affirmative duty to take reasonable steps to prevent and promptly correct discriminatory, abusive and harassing conduct.

Every department must assure that the work environment is free from all types of unlawful discrimination – including abusive conduct and sexual harassment. Awareness of sexual harassment and abusive conduct requires prompt corrective action from supervisors and managers.

By law, management is held responsible and has personal liability regardless of whether the employer knew or should have known and/or did not do anything about the harassment, and for the actions of their staff members.

In accordance with California AB 1825, all management will receive at least two (2) hours of Sexual Harassment prevention training every two (2) years. Management who is hired, or personnel promoted to management positions will complete the training within six (6) months of hire or promotion.

In accordance with California AB 2053, abusive conduct training has been incorporated into the sexual harassment prevention training for Kaweah [DeltaHealth](#) management in order to prevent abusive conduct in the workplace. In addition, in compliance with SB1343, all employees are required to complete a dedicated one-hour training module every other year.

In accordance with SB425- Kaweah [DeltaHealth](#) will report any written complaint of sexual abuse or misconduct to the appropriate licensing board within 15 days of receiving the written complaint. Individuals may not be aware that their behavior is offensive or potentially harassing.

### **GENERAL INFORMATION**

Once advised of the offending behavior the problem may resolve. If an employee is found to have engaged in sexual harassment, or if a manager is aware of harassing conduct of an employee or individual doing business with the company and does nothing, condones or ratifies it, they may be personally liable for monetary damages. Kaweah [DeltaHealth](#) will not pay damages assessed against an individual personally. Kaweah [DeltaHealth](#) takes seriously its obligation to take all reasonable steps to prevent discrimination and harassment from occurring and recognizes its own responsibility and potential liability for harassment by its supervisors or agents.

If harassment does occur, Kaweah [DeltaHealth](#) will take effective action to stop any further harassment and to correct any effects of the harassment. Whenever possible personnel who feel harassed should inform the harasser that the behavior is unwelcome and unwanted. If this does not resolve the problem, or if the person feels uncomfortable in expressing their concern, they should follow the following procedure:

#### **PROCEDURE:**

- I. Any individual who believes that the actions or words of management, fellow personnel, or another person in the workplace constitutes unlawful harassment or abusive conduct, even if there is no loss of job or economic benefit, has a responsibility to report or complain as soon as possible to their chain of command or to the [Chief Vice President of Human Resources Officer](#) or designee or Chief Executive Officer.

Anyone with knowledge and certainly anyone in a supervisory or management role has a responsibility to inform the [Chief Vice President of Human Resources Officer](#) or designee as soon as possible of any complaint made consistent with this policy.

Individuals can raise concerns and make reports without fear of reprisal or retaliation. All allegations of sexual harassment will be investigated. To the extent possible, confidentiality of the reporting personnel and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure.

- II. The [Chief Vice President of Human Resources Officer](#) or designee will inform the complainant of their rights under appropriate law and the staff member's obligation to secure those rights. Staff members can contact the Department of Fair Employment and Housing for additional information at 800-884-1684 or at [www.dfeh.ca.gov](http://www.dfeh.ca.gov)
- III. The [Chief Vice President of Human Resources Officer](#) or designee will conduct a thorough, objective, timely and complete investigation of the complaint and recommend imposition of appropriate disciplinary actions, up to and including immediate termination of employment, against violator(s).

The investigation process will include but not be limited to the following:

- A. A timely response;
  - B. An investigation performed by qualified personnel in a timely and impartial manner;
  - C. Documentation and tracking for reasonable progress;
  - D. Appropriate options for remedial actions and resolutions;
  - E. Closure in a timely manner
- IV. Results of the investigation will be communicated to the complainant, to the alleged harasser, and, as appropriate, to all others directly concerned.
  - V. If an investigation reveals that a member of Kaweah [DeltaHealth](#)'s Medical Staff is involved or implicated, the matter will be investigated by the [Chief Vice President of Human Resources Officer](#) or designee in consultation with the Medical Staff Leadership. The appropriate Kaweah [DeltaHealth Chief Vice President](#), Chief Medical Officer and Chief Executive Officer will be kept informed as appropriate.

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|   |                                      |
|---|--------------------------------------|
| Policy Number: HR.16  | Date Created: 06/01/2007             |
| Document Owner: Dianne Cox (Chief Human Resources Officer)  | Date Approved: <del>07/27/2022</del> |
| Approvers: Board of Directors (Administration), Board of Directors (Human Resources),<br>Dianne Cox (Chief Human Resources Officer) |                                      |
| <b>Reasonable Accommodation &amp; Medical Fitness for Work</b>  |                                      |

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

**POLICY:**

It is the policy of Kaweah Health to comply with the Americans with Disabilities Act (ADA), the Fair Employment and Housing Act (FEHA), and the comprehensive civil rights laws that prohibit discrimination against a qualified applicant or employee because of his/her disability. Under the ADA and FEHA, qualified individuals with disabilities must have equal access to all aspects of employment that are available to employees without disabilities. [The District Kaweah Health](#) also complies with the Labor Commissioner’s office with regard to the rights of victims of domestic violence, sexual assault and stalking.

Pursuant to the ADA and FEHA, Kaweah Health will provide reasonable accommodation to a qualified applicant and/or employee with a disability to allow him/her to perform the essential functions of his/her job, unless the accommodation would create an undue hardship for the employer.

Kaweah Health will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.

Kaweah Health will take steps to ensure that all staff members are medically able, with or without reasonable accommodation, to perform the duties and responsibilities expected of and assigned to him/her. At any time during the employment relationship, if management has reason to believe that [the District Kaweah Health](#) personnel is not free of communicable disease, or is not able to perform the duties and responsibilities to which s/he is assigned, s/he may be asked to report to Employee Health Services and/or to a licensed medical practitioner of [the District's Kaweah Health](#) -choice for a medical examination. ~~The District Kaweah Health~~ will be responsible for the cost of this examination.

**DEFINITIONS:**

Reasonable Accommodation: Reasonable accommodation can be considered as the logical adjustment to a job or work environment that enables a disabled person or an individual who is a victim of domestic violence, sexual assault or stalking to perform the essential functions of his/her job Kaweah Health is required to provide reasonable accommodation for qualified individuals with physical or mental limitations including

mental health conditions such as depression and post-traumatic stress disorder. Reasonable accommodation includes, but is not limited to:

- Modifications or adjustments to an application, examination, or interview process that will enable a qualified applicant with a disability to be considered for the desired position; or
- Modifications or adjustments to the work environment, or to the method under which the position held or desired is routinely performed, that enables a qualified individual with a disability to perform the essential functions of that position; or
- Modifications or adjustments that will enable an employee with a disability to enjoy the same benefits and privileges of employment as those enjoyed by similarly situated employees without disabilities.

Kaweah Health may choose to provide an alternative accommodation other than the one requested by the employee, as long as it is effective in assisting the employee in performing his/her essential job functions.

Each reasonable accommodation situation is evaluated on a case-by-case basis; so that the accommodation provided meets the needs of the individual with the disability, and will allow him/her to perform the essential functions of his/her job. Examples of Reasonable accommodation may include any or all of the following:

- Purchase of an assistive device
- Worksite modifications
- Job restructuring
- Reassignment to another position
- Removal of an architectural barrier
- Purchase of assistive services
- Modified work schedule
- Removal of communication barrier
- Special testing/Interview arrangements
- Leave of absence

Essential Functions: Essential functions are the tasks that are fundamental to the job. A job function may be considered essential for any of the following reasons:

- The position exists to perform the function.
- The function is highly specialized and the employee in the position was hired for his/her expertise in performing the function.
- There are a limited number of employees to whom the performance of the function can be assigned.

Individual With a Disability: An individual is considered to be disabled if he/she:

- Has a permanent physical or mental impairment that limits the performance of one or more major life activities; or
- Has a record of such an impairment; or
- Is regarded as having such impairment.

Physical or Mental Impairment: Physical or mental impairment includes, but is not limited to any physiological disorder or condition, cosmetic disfigurement, anatomical loss affecting one or more of the body systems, or any mental or psychological disorder. Examples of conditions that would constitute disabilities because they limit a major life activity include paralysis, hearing or vision loss, epilepsy, and cancer.

Major Life Activities: Major life activities include self-care, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working. The list of major life activities is not exhaustive.

Functional limitations: Determining whether a functional limitation in performing essential functions exists due to a physical or mental impairment is the first step in establishing whether an individual is entitled to a reasonable accommodation. Many impairments do not affect a person's life to the extent of limiting a major life activity. An impairment rises to the level of limiting a major life activity when it makes the performance of a major life activity difficult. When evaluating a reasonable accommodation request, Kaweah Health considers several factors in assessing the functional limitation(s) a physical or mental impairment causes in performing essential functions:

- The specific physical or mental limitation or medical condition which requires an accommodation;
- The duration or expected duration of the impairment; and
- The permanent or long-term impact, or the expected permanent or long-term impact of, or resulting from, the impairment.

#### REQUESTING REASONABLE ACCOMMODATION<sup>1</sup>:

- I. Notice: Kaweah Health has established procedures for requesting a reasonable accommodation to ensure there is an interactive process with the individual requesting such an accommodation.— However, written requests for accommodation are not required.

An applicant or employee who believes that s/he is in need of an accommodation must notify his/her department manager or director and/or a Human Resources Director. A department manager or director who receives a request for accommodation from an employee shall then notify a Human Resources and/or Employee Health. All requests for reasonable accommodation, whether written or verbal, must provide the following information:

- A. The type of accommodation requested;
- B. An explanation of the limitation for which the accommodation is needed; and
- C. A description of how the accommodation will allow the individual to perform the essential functions of his/her job.

If an employee notifies their manager or director of their disability without an explanation or request for a reasonable accommodation the manager/director must notify Human Resources and/or Employee Health to insure notice of the disability is appropriately documented and the employee is assessed to determine if an accommodation is appropriate or feasible. There may be times where the ~~the District~~ [Kaweah Health](#) may be unable to provide an accommodation, including situations which impose an undue hardship on ~~the District~~ [Kaweah Health](#) or present an undue risk to the health and safety of the individual, other employees or patients.

If a manager or director encounters an employee situation where he/she suspects the employee has a problem that may require reasonable accommodation but, where there has not been a request for reasonable accommodation, the manager/director must notify Human Resources and/or Employee Health to assess the employee to appropriately document any disability and to determine if an accommodation is appropriate or feasible.

## II. Medical Documentation

- A. The applicant or employee seeking reasonable accommodation may be required to provide Human Resources with medical documentation from his/her treating health care provider regarding the medical condition for which the employee is requesting accommodation in order to evaluate his/her eligibility for an accommodation. The documentation must include the following information regarding the employee's medical condition:
  - 1. major life activities hindered and the manner in which each activity is hindered;
  - 2. whether the medical condition is permanent or temporary;
  - 3. the estimated length of the medical condition (if the medical condition is temporary);
  - 4. the functional limitations as they relate to the employee's job duties and the impact on the individual's ability to perform the

5. essential job functions; and  
the type(s) of reasonable accommodation requested for the employee and how it will help the employee to perform his/her essential job duties.
  - B. The documentation should not include the underlying medical condition at issue unless specifically requested by a physician working on behalf of the District.
  - C. The medical documentation must be written/typed on the official letterhead stationary of the health professional or health professional's organization. The documentation must identify the health professional's credentials (e.g., M.D., D.O, N.P., P.A.) and practice specialty (e.g., Physician, Nurse Practitioner, Physical Therapist) and be signed and dated by the health professional.
- III. The Director of Human Resources and the Manager of Employee Health will provide guidance to managers, directors, and persons requesting reasonable accommodation at all stages of the process. The Director of Human Resources will evaluate each reasonable accommodation request on a case-by-case basis. The decision to grant or deny a request for accommodation will be made only after considering all essential information, including but not limited to input from the employee, his/her supervisor, and his/her health professional. The individual requesting an accommodation is not automatically entitled to the accommodation he/she requests; however, an individual may refuse an accommodation offered by Kaweah Health.

Current employees are expected to continue to perform all essential job functions while a request for reasonable accommodation is being considered. If that is not possible, the employee may request a leave of absence. A request for a leave of absence which is granted is considered an accommodation.

- IV. Interactive Process: As soon as reasonably possible upon receiving a request for reasonable accommodation by a disabled employee or applicant, Kaweah Health and its representatives must engage in a timely, good faith, interactive process to determine effective reasonable accommodations. To ensure that all effective accommodations have been considered, the Director of Human Resources and the employee's manager must discuss the request with the employee. This is particularly important when the specific limitation, problem, or barrier is unclear; where effective accommodation is not obvious; where modifications to the request may be appropriate; where the parties are choosing between different possible reasonable accommodations; or in other situations where the interactive process can further promote resolution of the request for accommodation. The interactive process should take place in person, unless it is impractical to do so. The interactive process with the employee or applicant shall include, but is not limited to:
- A. Discussing the purpose and the essential functions of the specific position;
  - B. A review of the medical documentation and other documentation related to the request;
  - C. Reviewing how the functional limitations of the disability can be overcome with reasonable accommodation.

- D. Identifying potential accommodation options;
- E. Evaluating the effectiveness of each potential accommodation option;
- F. Documenting all options discussed and reasons for selecting particular option(s);
- G. Implementing the most appropriate option(s), Keeping the applicant or employee informed until accommodation is provided or denied.
- H. Whether the reasonable accommodation would impose an undue hardship on the District or present an undue risk to the health and safety of the individual, other employees or patients.

1. The applicant/employee is expected to cooperate in the interactive process, in good faith, by submitting medical information as necessary and participating in discussions regarding possible accommodations. Failure to comply with this policy will result in denial of an accommodation request and/or a determination that the employee is unable to perform the essential functions of his or her job.

## V. THE ONGOING INTERACTIVE PROCESS

Kaweah Health is required to make reasonable accommodations for qualified persons with disabilities. The duty to accommodate is a continuing duty that is not exhausted by one effort. If Kaweah Health becomes aware that an accommodation is not working, it must consider alternative accommodations. The ~~Vice President of Chief~~ Human Resources Officer or his/her designee and the manager must further engage in the interactive process with the employee to identify appropriate accommodations, as discussed above. Prior to any substantive modification or adjustment of a previously granted accommodation, the ~~Vice President of Chief~~ Human Resources Officer or his/her designee must be consulted. Furthermore, prior to the denial of any newly requested accommodation, ~~the Vice-Chief President of~~ Human Resources Officer or his/her designee must also be consulted.

## VI. GRIEVANCE PROCESS

Any persons who believe that he or she has been subjected to discrimination on the basis of disability and/or has been treated in a manner that is contrary to the policy stated above, may file a complaint with the Human Resources department. Complaints should be in writing and set forth the problem or action alleged to be discriminatory as well as the remedy or relief sought by the complainant. Human Resources will conduct an investigation of the complaint and take any and all necessary action arising out of the complaint.

~~The District Kaweah Health~~ will not retaliate against anyone who files a complaint or cooperates in the investigation of a complaint.

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<sup>1</sup> This procedure is neither exhaustive nor exclusive. The District is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA, FEHA and all other applicable federal, state, and local laws.

*“Responsibility for the review and revision of this Policy is assigned to the Chief of Human Resources Officer. In some cases, such as Employee Benefits Policies, Summary Plan Descriptions and Plan Documents prevail over a policy. In all cases, Kaweah Health will follow Federal and State Law, as applicable, as well as Regulatory requirements. Policies are subject to change as approved by the Governing Board and will be communicated as approved after each Board Meeting. It is the employee’s responsibility to review and understand all Kaweah Health Policies and Procedures.”*

|   |   |
|---|---|
| <b>Policy Number:</b> HR.17                                       | <b>Date Created:</b> 06/01/2007             |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> <del>07/27/2022</del> |
| <b>Approvers:</b> Board of Directors (Administration)             |   |
| <b>Language Resource Assistant Program</b>                        |   |

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

**POLICY:**

Kaweah Health maintains interpretation options to facilitate communication in many languages. Kaweah Health staff members who have been evaluated for their bilingual skills are identified as Language Resource Assistants.

**PROCEDURE:**

I. Language Resource Assistants (LRA)

If an employee or health care provider determines that an "in person" interpreter is either necessary or preferred when communicating with a patient or a member of a patient's family, the staff member may contact the Interpreter Services Department for a listing of participants in the Language Resource Assistant Program. This listing is also available through Kaweah Compass, [DirectoriesPeople](#), and Interpreter Directory.

Kaweah Health provides a system to identify and compensate qualified interpreters who interpret in situations involving patient care and hospital services. To be eligible for participation the staff member must first fill out a Language Resource Application to Test to demonstrate their competence through:

- A. Language assessment through Kaweah Health Interpreter Services Department; or,
- B. Language assessment through an identified agency qualified to provide assessment for any particular language.

Once the staff member has gone through the evaluation process, he/she will be identified as having general or clinical/advanced skills. The new LRA will be issued an

orange pin for general skill level or a dark blue pin for clinical skill with the words Language Resource Assistant imprinted on it. This pin will be worn on their employee identification badge.

To be eligible for compensation for interpretation services, staff members must have been determined as qualified and as a participant in the Language Resource Assistant program prior to the interpretation.

This compensation will be provided only for actual time of interpretation if the LRA is pulled outside their regular line of work or work area. Interpretation must be directly related to patient care and/or hospital business. Staff members will record all time spent interpreting on LRA Log Sheet and secure the requesting supervisor's approval and signature on the sheet prior to submission to the Interpreter Services Department for data retrieval prior to it being sent to the Payroll Department for payment. The log must be submitted on a weekly basis; by 9am on Monday. An LRA will lose his/her ability to be paid if any fraudulent occurrences are documented.

The Language Resource Assistant will read and agree to abide by the National Code of Ethics and Standards of Practice which is available at

<https://www.ncihc.org/assets/documents/publications/NCIHC%20National%20Code%20of%20Ethics.pdf>

In addition, a Language Resource Assistant fully understands that they may be scheduled for or receive information for additional training and receive resources that will assist them in improving their bilingual skills.

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|--|---------------------------|
| Policy Number: HR.28                                       | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: 08/23/2023 |
| Approvers: Board of Directors (Administration)             |                           |
| Recruitment and Selection of Staff Members                 |                           |

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

**POLICY:**

Kaweah Health personnel will be employed on the basis of their training, experience, skill, aptitude, reliability, past performance and other indications of their ability to perform the essential functions and requirements of the job, and their willingness to partner with Kaweah Health in the provision of high quality patient care in accordance with established employment policies.

It is the policy of Kaweah Health to select the strongest candidates for employment by ensuring that the following steps are taken prior to extending an offer of employment:

- A. Ensure a complete and accurate Job Description, including Physical Requirements, is on file with Human Resources;
- B. Ensure the essential functions of the job have been identified;
- C. Ensure the prospective employee meets the minimum requirements of the position.

Further, it is the policy of Kaweah Health to adhere to the philosophy and principles of Equal Employment Opportunity and comply with all local, state, and federal laws applicable to recruiting, interviewing, and selecting employees. All candidates for employment, internal and external, must apply through the Human Resources Department in order to ensure proper screening and consideration, as well as to maintain the appropriate applicant documentation. Further, management will refer all contacts with applicants and employment agencies to Human Resources. (See HR.12- Equal Employment Opportunity.)

All offers of employment will be contingent upon successful completion of a background screening, employer sponsored post offer/pre-employment medical examination, including drug screen, and proof of candidate's legal ability to work in the United States. (See HR.36- New Hire Processing.)

**PROCEDURE:**

- I. Responsibility of Management/Human Resources

- A. Hiring Manager must submit a request for a job requisition with approvals from appropriate Manager, Director and Chief Officer, for recruitment of new and replacement positions.
- B. Upon receipt of an approved requisition, Human Resources will post position and source qualified applicants, including internal candidates. External candidates apply through the career site and internals apply through Workday on the Jobs Hub.
- C. New and replacement positions will be posted online for a minimum of five days to allow equal opportunity for applicant consideration. Internal departmental postings are acceptable when position is limited to current employees within the department or include changes in Shift or Status. The internal posting will allow departments to adjust to changing staffing needs within the department.
- D. Human Resources will maintain a recruitment program that meets the needs of the organization and will continually search for new means and sources to expand our workforce and support patient care.
- E. Human Resources will ensure that all job applicants complete an application for employment. (Will provide accommodation to any applicant who experiences difficulty with the application process and requests reasonable accommodation.)
- F. Human Resources will review qualified applicants and forward selected candidates to the appropriate hiring manager.
- G. Hiring Manager will interview, assess and select candidates to determine the preferred candidate utilizing effective and legal practices. During the interview process, hiring leader will ensure application for employment is complete and accurate, as well as confirm prospective candidate meets minimum position requirements. (An interview panel must be coordinated for all management and director vacancies.)
- H. Following interviews, the hiring manager will notify Human Resources of selection decision.
- I. Human Resources will be responsible for extending the contingent offer to the selected candidate, including hourly rate, benefit eligibility, start date and other relevant information. Human Resources will provide an appropriate starting pay rate based on Kaweah Health's current Compensation Program.
- J. Human Resources will notify the hiring manager on job offer acceptance and pre-employment clearances and start date.
- K. Human Resources will validate job requirements (licensure/certification, degree, driving record, etc.) and will ensure that post-offer background

screening (including regulatory components, criminal convictions, employment verifications ~~and professional references~~), pre-employment medical examination and drug screen are satisfactorily completed prior to the employee's start date.

- L. The Hiring Manager will notify candidates who have been interviewed and not chosen for the position.
- M. Human Resources will maintain internal/external applications received and appropriate records of the selection process for two years from application date.

## II. Eligibility for Rehire

If a qualified applicant has been employed previously by Kaweah Health, a review of the former Human Resources file must be completed to determine eligibility for re-employment. Review will include assessment of employment record and circumstances of the termination

Applications from former employees will be considered case-by-case with consideration of the job opening and other relevant factors.

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| <b>Policy Number:</b> HR.34                                       | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 07/27/2022 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Employment of Relatives</b>                                    |                                  |

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

**POLICY:**

It is the policy of Kaweah Health to provide the most professional staffing possible by minimizing employment situations which may and /or has resulted in problems of supervision, safety, security, morale, or a conflict of interest. Employment of relatives, regardless of status, refers to the immediate family of an employee which, for the purposes of this policy, includes the following:

|              |                   |                |        |                      |
|--------------|-------------------|----------------|--------|----------------------|
| Wife         | Mother            | Mother-in-Law  | Aunt   | Son-in-Law           |
| Husband      | Father            | Father-in-Law  | Uncle  | Daughter-in-Law      |
| Daughter     | Sister            | Sister-in-Law  | Niece  | First Cousin         |
| Son          | Brother           | Brother-in-Law | Nephew | “Step” Relationships |
| Grandparents | Domestic Partners |                |        |                      |

An individual will not be hired, nor promoted or transferred into the same department in which one of the above family members would have supervisory authority over the other, evaluate the work performance, make or recommend salary decisions, or audit the work of the other. Relationships where employees are supervised by the same department management or supervisor will be considered on a case by case basis for appropriateness; final decisions will be made by the Department Leader and [Chiefs Vice President](#), in consult with the [Chief Vice President of Human Resources Officer](#) and the CEO.

**PROCEDURE:**

1. No individual will hold a job in which he/she would be supervised by a family member. If two employees marry or become related after being employed and the potential problems stated in this policy exist, a decision will be made by the Hospital on which employee will remain in the department. Criteria generally used may include performance, experience, department need and length of service.
2. The affected employee will have the following options:
  - a. Transfer to another section of the department under a different supervisor (if there is a vacancy or the department is able to exchange employees), or
  - b. Transfer to a different shift (if the department has a vacancy or the department is able to exchange employees), or
  - c. Transfer from the department to a vacant position in another department, if qualified.
3. The employee must actively seek a transfer and must comply with the transfer procedure established by Human Resources. If none of the options listed above or if reasonable accommodations cannot be made to eliminate actual or potential problems that arise when two employees marry or become related in a reasonable time frame, [Kaweah Health the District](#) reserves the right to terminate the affected employee. The Department Leader and the Chief Human Resources Officer will develop appropriate interim measures.

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|---|---|
| <b>Policy Number:</b> HR.37   | <b>Date Created:</b> 06/01/2007             |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer)   | <b>Date Approved:</b> <del>11/21/2017</del> |
| <b>Approvers:</b> Board of Directors (Administration), Board of Directors (Human Resources), Dianne Cox (Chief Human Resources Officer) |   |
| <b>Introductory Period</b>  |   |

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

**POLICY:**

All newly hired and rehired must serve a six (6) month introductory period. This will give ~~the District~~[Kaweah Health](#) an opportunity to evaluate the employee’s performance and. will also provide the employee with an opportunity to gain experience and to determine whether s/he wishes to continue employment with ~~the District~~[Kaweah Health](#).

Completion of the introductory period does not guarantee continued or permanent employment with ~~the District~~[Kaweah Health](#) and, notwithstanding the completion of the “Introductory Period” employees will continue to be “at will” and may be terminated from their employment in accordance with Health and Safety Code Section 32121(h): that is “at the pleasure of the Board of Directors.”

**PROCEDURE:**

- I. At the time of hire, all newly hired and rehired staff members are notified of the introductory period. The introductory period shall be for six (6) months from the date of hire.
- II. The introductory period is applicable to all ~~District~~[Kaweah Health](#) policies, unless specifically excluded as stated in this policies and procedures manual.
  - A. Employees of ~~the District~~[Kaweah Health](#) are “at will” which means that they serve at the pleasure of the Board of Directors. ~~The District~~[Kaweah Health](#) maintains a review process for certain disciplinary actions taken by ~~the District~~[Kaweah Health](#) and this process is available to employees who have successfully completed the introductory period. Access to the review process does not change the “at will” nature of employment at ~~the District~~[Kaweah Health](#).

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| Policy Number: HR.65                                       | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: 07/27/2022 |
| Approvers: Board of Directors (Administration)             |                           |
| <b>Payment of Wages</b>                                    |                           |

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**POLICY:**

Employees of Kaweah Health are paid bi-weekly for all the time worked during the past pay period the Friday after the end of each 14-day work period. There are 26 pay periods per year. Employees may elect to receive their paycheck by direct deposit, pay card, or paper check. The preferable payment method is direct deposit.

**PROCEDURE:**

- I. All employees receive their pay stubs online and are accessible through Workday Employee Self Service. The pay stubs are available after the bi-weekly payroll process is completed, on Wednesday evening or Thursday morning before pay day.
- I. ~~All employees receive their pay stub notification via email shortly after the bi-weekly payroll process is complete on Wednesday evenings or Thursday morning before pay day. The notifications are emailed per the pay stub delivery set up employees have entered in HRONLINE.~~

Commented [BT1]: Suggested by Larissa Dodson

Supplemental pay given to employees is paid with paper checks unless a pay card has been agreed upon between the employee and the payroll department. All Employees that possess a pay card are instructed to keep their cards for future use if the need arises. The issuance of pay cards is determined by the payroll department.

- II. When payday falls on a holiday observed by Kaweah Health and banking institutions, paychecks will be distributed one-day earlier.
- III. Employees who resign providing at least seventy-two (72) hours- notice will receive their final pay after the end of their last worked shift. If termination occurs on a weekday, the final pay will be ready for pick up at Human Resources by 4:00 pm. If termination occurs on a weekend or legal holiday and the required notice has been submitted by the employee, payroll will process the check and the manager or supervisor on duty will deliver the final payment to the employee after the end of their last work shift. Employees who provide less than -seventy-two (72) hours-notice, will have their final pay available within 72 hours of their last hour worked – or, the next available business day if the late resignation is given on a Friday and there is a holiday on Monday.

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III. ~~Employees who provide less than seventy-two (72) hours notice will have their final pay available within forty-eight (48) hours of their last hour worked.~~

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Employees who are terminated, as a result of disciplinary action will receive their final pay upon notice of termination.

Final pay will include all hours worked and accrued Paid Time Off bank. Deductions from final pay will include statutory deductions, insurance premiums, voluntary deductions and any amounts the employee owes the District through sign-on bonus, etc. that the employee has agreed to repay in writing.

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| <b>Policy Number:</b> HR.71                                       | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 10/31/2019 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Overtime Pay</b>   |                                  |

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

**PURPOSE:**

To provide leadership with appropriate guidelines for overtime scheduling.

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**POLICY:**

When patient care or other operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these assignments will be provided. Unless a strict emergency, or where patient care is necessary without interruption, all overtime work must receive the supervisor or department leadership's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified for the work.

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Overtime compensation is paid to all non-exempt employees in accordance with Federal wage and hour requirements. As required by law, overtime pay is based on actual hours worked, including orientation and workshop hours that are scheduled by the manager. Time off for sick, vacation, holiday, Jury Duty, Bereavement, or other non-productive time, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

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Using Fair Labor Standards Act guidelines, overtime pay is calculated at one and one-half times the employee's regular rate for all hours over 40 hours in one work week.

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Failure to work scheduled overtime, or overtime worked without prior authorization from the supervisor may result in Disciplinary Action, up to and including termination of employment.

Employees who are characterized by Kaweah ~~Delta-Health~~ as exempt from the overtime provisions federal law are paid a salary that is intended to fully compensate them for all hours worked each week. The salary consists of a predetermined amount constituting the exempt employee's compensation. That amount is not subject to reduction because of variations in the quality or quantity of the employee's work.

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**PROCEDURE:**

Unless a strict emergency, or where patient care is necessary without interruption, employees are to obtain supervisor or department leadership's approval in advance of working any overtime hours and record overtime hours during the pay period in which

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they worked.

#### Concurrent Jobs

The employee clocks in for all hours worked using the transfer function in ~~HR Timekeeper~~ **Timekeeping System** or on the wall clock, adjusting their job code or department as appropriate.

1. If an employee's primary and concurrent jobs are both non-exempt, overtime will be paid for combined hours worked in excess of 40 hours in a week.
2. If an employee has one job that is exempt and one job that is non-exempt, all hours worked over 40 will be paid at overtime any week in which the non-exempt duties exceed 50% of the hours worked in that week.

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3. If an employee's primary job and concurrent job are classified as exempt, no overtime will be paid for hours exceeding 40 hours in a week.

The department that schedules the concurrent hours is responsible for paying any overtime unless an alternate agreement has been reached between the primary and concurrent managers. The primary manager confirms all hours to be paid after verifying with the appropriate manager(s) the hours worked in the concurrent department(s).

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| <b>Policy Number:</b> HR.74                                       | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 07/21/2022 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Telecommuting</b>  |                                  |

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## POLICY

This policy on telecommuting applies to affected employees and provides for security for all records by limiting and monitoring access to the communication and computer systems.

Kaweah Health considers telecommuting to be a viable work option for certain employees which, benefits both Kaweah Health and the telecommuter. A telecommuter is an employee who works for Kaweah Health from a home, or other remote office for some part of the regularly scheduled workweek. Telecommuting does not change the basic terms and conditions of employment with Kaweah Health. All Kaweah Health employees, including telecommuters, are subject to Kaweah Health's employment policies and procedures. A telecommuter will be required to sign a copy of this Policy as a condition of being a telecommuter. These documents will be kept in the employee's Personnel file.

Kaweah Health may change the conditions under which the telecommuter is authorized to telecommute or it may cancel the privileges of telecommuting with or without cause and with or without notice.

## PROCEDURE:

The employee may request to be considered for telecommuting privileges and/or department leadership may request the employee to work remotely according to the needs of the department.

### General

1. Employees entering into a telecommuting agreement may be required to forfeit use of a designated onsite workstation in favor of a shared arrangement to maximize office space needs.
2. Telecommuters who request a change in telecommuting status to return to work onsite must provide a written notice to their manager before returning to work onsite in order to provide management time to arrange for a work station. Kaweah Health will consider the request and if agreed, will ensure a transition within a reasonable timeframe. Kaweah Health reserves the right to deny the request.

## Eligibility

The management team will determine which position/roles qualify for telecommuting. Telecommuters must be able to perform functions of their job in a remote setting.

1. The telecommuter must be proficient in all aspects of their assigned job functions. Department quality and productivity standards may be a condition of approval for telecommuting.
2. The telecommuter must have the ability to work independently with minimal assistance and/or supervision.
3. The telecommuter must demonstrate familiarity with computer operations and software and must be able to troubleshoot computer and technical issues and communicate effectively with the management team, ISS Helpdesk and other technical support personnel.
4. Remote opportunities may not be extended/offered to employees who are currently in disciplinary action or have low scores on a performance evaluation.
5. Department management will establish the manner and frequency of communication.

## Telecommuter Scheduled Workweek:

1. The telecommuter agrees that he or she will be accessible during their regularly scheduled hours while working from his or her home office or any other remote office. A non-exempt telecommuter must also take his or her required meal periods and rest breaks and must obtain pre-approval to work any overtime in accordance with Kaweah Health policy. Changes to the telecommuter's work schedule must be approved by department management.
2. Telecommuters may be scheduled a portion of their time to routinely work onsite at the discretion of management.
3. Telecommuters will continue to utilize [KRONOS-Workday](#) to clock in and out or other timekeeping protocol as per existing policies. Worked hours may be verified by examining the production reports as well as computer log-in and log-out times. Falsification of any records will be grounds for progressive discipline up to and including termination of employment.
4. [Telecommuters will request management approval for time off by submitting an absence request in Workday and completing any other department specific time off request processes.](#) ~~Telecommuters will request management approval for time-off by completing the department PTO process.~~

## Telecommuter Workplace:

1. The telecommuter is responsible for designating and maintaining a workplace that is free from recognized hazards and that complies with all occupational

safety and health standards, rules and regulations.

2. To ensure that safe work conditions exist, the telecommuter will allow representatives of Kaweah Health to have prompt access to and to inspect the telecommuter's designated workplace at any reasonable time on any regularly scheduled workday. The telecommuter is responsible for setting up and maintaining an ergonomically correct workstation. Employees requiring assistance in this regard should contact Human Resources.
3. The telecommuter agrees that he or she is responsible for any tax implications related to his or her home workspace.

#### Telecommuter Equipment:

1. Kaweah Health may provide the telecommuter with equipment to be used in his or her home office. The telecommuter agrees to use all equipment for its intended purpose, in accordance with the manufacturer's instructions and in a safe manner, and in accordance with the Kaweah Health Equipment Use Security Agreement, and Acceptable Use Policy (ISS.001).
2. Kaweah Health may install one or more telephone lines in the telecommuter's designated work space to be used by telecommuter for making and receiving business phone calls and for use with the computer and facsimile machine that may be provided by Kaweah Health. All phone lines installed in the telecommuter's home office by Kaweah Health shall be in the name of Kaweah Health, unless another arrangement has been made. The telecommuter shall have no right in, or title to, Kaweah Health phone lines.
3. Kaweah Health shall be responsible for the installation, repair and maintenance of all organization-owned telecommuting equipment, office equipment, and furniture. The telecommuter agrees to promptly notify Kaweah Health if any of the office equipment described above malfunctions or performs improperly or unsafely.
4. All office equipment, telecommuting equipment, furniture and any other items used in the performance of Kaweah Health business shall be located within the work space designated by the telecommuter and may be used only be-by authorized employees. Kaweah Health shall not be liable for any loss, damages, or wear of any equipment, furniture, or supplies owned by the telecommuter. The telecommuter is responsible for insuring their equipment under his or her homeowner's or renter's insurance policy.

#### Telecommuter Internet/Intranet Access:

1. Internet or Kaweah Health intranet access may be provided by Kaweah Health to the telecommuter for the benefit of Kaweah Health and its customers, vendors and suppliers. This access enables the telecommuter to connect to information and other resources within and outside Kaweah Health.

2. When accessing Kaweah Health's own intranet, the telecommuter agrees to do so only for business purposes. Accordingly, all such communications should be for professional, business reasons and should not be for personal use. Electronic mail may be used for non-confidential business contracts. Kaweah Health's intranet should not be used for personal gain or advancement of individual views. Solicitation of non-Kaweah Health business is strictly prohibited.
3. The Telecommuter will be given an Active Directory user name and password when granted access to Kaweah Health's intranet. The Human Resources and the Information Systems department will further be able to access all Kaweah Health computer equipment and electronic mail. All passwords issued will be kept confidential and are not to be used by any other person. Any employee found to knowingly allow their password to be used by anyone else, or who is found to be using another's password will be subject to disciplinary action up to and including termination of employment.

#### Equipment Ownership and Usage:

1. All telecommuting systems provided by Kaweah Health, including the equipment and the data stored in the system, are and remain at all times, whether located on Kaweah Health premises or even though located in the telecommuter's home or at another remote location, the property of Kaweah Health. As a result, all messages created, sent or retrieved over Kaweah Health's electronic mail system or via voicemail are the property of Kaweah Health, and should be considered public information. Kaweah Health reserves the right to retrieve and read any message composed, sent or received on Kaweah Health's computer equipment electronic mail system or voicemail system. The telecommuter should be aware that, even when a message is erased, it is still possible to recreate the message; therefore, ultimate privacy of messages cannot be ensured. Accordingly, the telecommuter expressly consents to electronic monitoring of these systems. Furthermore, all communication including text and images can be disclosed to law enforcement or other third parties without the prior consent of the sender or receiver.
2. Kaweah Health will provide access to all necessary programs, systems, and software necessary to perform job functions.

#### Telecommuter Confidentiality:

1. The telecommuter agrees that all trade secrets, confidential information, and business records that come into his or her possession, or that he or she prepares, are the property of Kaweah Health. During his/her employment with Kaweah Health the telecommuter agrees not to disclose, directly or indirectly, any of the trade secrets, confidential data, or business records of Kaweah Health to any other individual or entity, including the telecommuter's family, except as required in the course of his/her employment. In addition, the telecommuter agrees not to use, directly or indirectly, any of the trade secrets, confidential data, or business records of Kaweah Health for the

benefit of any other individual or entity, including the telecommuter's family, except as required in the course of his or her employment. In furtherance of these principles, telecommuter agrees to file all business records in a locked filing cabinet or otherwise take all other steps necessary to protect the confidentiality of information.

2. The telecommuter is responsible to protect any and all Patient Health Information from disclosure to anyone that does not have a business or clinical reason to have such information.
3. Only email via Kaweah Health email system shall be utilized for purposes of communicating patient information to and from the facility.

#### Telecommuter Liability for Injuries:

1. Kaweah Health and the telecommuter agree that any injury that occurs while the telecommuter is performing work on behalf of Kaweah Health from his/her home office shall be covered by Kaweah Health's Workers' Compensation insurance. The telecommuter agrees to promptly report any work-related injuries to his or her manager or Employee Health.
2. The telecommuter agrees that he or she will conduct all [in-person](#) business meeting at Kaweah Health's offices. The telecommuter further agrees not to invite third parties to visit his or her home office for the purpose of conducting Kaweah Health business.
3. The telecommuter shall hold harmless and otherwise indemnify Kaweah Health for any injuries that occur to third parties, including members of telecommuter's family, on the telecommuter's premises.

#### Telecommuter Harassment and Discrimination:

1. The telecommuter understands that any form of discrimination or harassment is strictly prohibited. The telecommuter further agrees to take all reasonable steps to prevent discrimination and harassment from occurring while conducting Kaweah Health business or while acting on behalf of Kaweah Health. The telecommuter also agrees that he or she will immediately report all instances of discrimination or harassment occurring at the telecommuter's workplace to Kaweah Health.

#### Workplace Violence:

The telecommuter agrees that he or she will immediately report all instances of violence, harassment, sexual or otherwise, occurring at the telecommuter's workplace to Kaweah Health.

#### Scheduled/Unscheduled System Downtime:

1. Equipment malfunction must be reported immediately to management, and if

applicable, the ISS Help Desk. The technician on duty will inform the telecommuter when systems are back and running.

2. Telecommuters may not be paid for equipment/system downtime. The telecommuter must be available to work onsite during an equipment failure expected to exceed two hours, unless other arrangements are approved by management. Other options may include a flex schedule to make up this time, or used Paid Time Off at the discretion of management.

#### Leave of Absence or Termination of Employment:

1. Upon extended leave of absence or termination of employment, the telecommuter agrees to return or have returned Kaweah Health-owned office equipment, furniture, business records, files and supplies.
2. The Information Systems Department will be notified immediately of the leave of absence or termination by Human Resources. The employee's access will be deactivated upon an extended leave of absence or date of termination.

#### Terms and Conditions of Participation Agreement

1. The department Chief and the Chief Human Resources Officer (CHRO) ~~Department Director must review any telecommuting requests with their Vice President and the Vice President of Human Resources~~ before telecommuting begins.

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|  |                                      |
|--|--------------------------------------|
| Policy Number: HR.95   | Date Created: 06/01/2007             |
| Document Owner: Dianne Cox (Chief Human Resources Officer)                                 | Date Approved: <del>07/27/2022</del> |
| Approvers: Board of Directors (Administration), Dianne Cox (Chief Human Resources Officer) |                                      |
| <b>Job Descriptions</b>  |                                      |

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

**POLICY:**

This policy provides department heads with appropriate guidelines for defining the qualifications and performance expectations for all staff positions. The Job Description is ~~combined with and~~ used as a part of the annual Performance Evaluation ~~form~~. Department heads are responsible to create and maintain current Performance Evaluation/Job Descriptions for each ~~position-job~~ in their department. Each job description will contain a job summary, job duties and performance standards, and minimum ~~position-job~~ qualifications including education, experience, required certification and/or registration, and the ~~position's~~ essential functions and physical demands.

**PROCEDURE:**

1. Each employee is entitled to a copy of the most recent Job Description for his/her position and will be required to ~~electronically acknowledge receipt sign an Acknowledgment of receipt~~ upon hire and upon a change in ~~position/job profile~~.
2. Human Resources ~~will assist department heads in updating existing and creating new Job Descriptions.~~  
~~2. will assist department heads in updating existing Job Descriptions and creating Job Descriptions for new positions.~~
3. Human Resources will maintain the most current copy of each Job Description in the Human Resources' system. Department heads must notify Human Resources of any changes in Job Descriptions in order to update these files.

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|   |  |
|---|--|
| <b>Policy Number:</b> HR.96   | <b>Date Created:</b> 06/01/2007            |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer)                                 | <b>Date Approved:</b> <del>7/27/2022</del> |
| <b>Approvers:</b> Board of Directors (Administration), Dianne Cox (Chief Human Resources Officer) |  |
| <b>Personnel Files and Employee Health Records</b>  |  |

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

## **POLICY:**

This policy provides guidelines on the appropriate retention and review of Personnel Files and Employee Health Records, ensures the confidentiality of same, and indicates access requirements for an employee or previous employee of their own Personnel File and/or certain Employee Health Records.

Kaweah Health maintains a system for retaining employee Personnel Files and Employee Health Records to assure compliance with all Federal and State regulatory requirements and to serve as reference documents when needed.

Personnel Files are retained after an employee leaves employment for a minimum of three years; Employee Health records, including Workers' Compensation Files, are retained for at least 30 years post-employment.

The Human Resources and Employee Health departments maintain a Personnel File and separate Employee Health Record for each employee. The Personnel File includes such information as the employee's job employment-application, resume, payroll information concerning position/salary changes, W-4's, education and training records ~~of training, records of~~ benefit plan enrollment records, ~~documentation of~~ performance appraisals appraisals and disciplinary actions, and salary increases, required license and certifications and other employment records. The Employee Health Record includes the post-offer health history and related documentation as well as ongoing immunization records, such as TB screenings.

Personnel Files and Employee Health Records are the property of Kaweah Health and are confidential. Access to the information contained in these files is restricted. Only supervisors and management personnel of Kaweah Health who have a legitimate reason to review information in a file are allowed to do so. Employee Health Records are maintained by the Employee Health Manager or designee. These records are available to employees of the Human Resources and Employee Health departments for purposes of responding to employee requests for documentation or other job-related reasons. Review and/or removal of a Personnel File from Human Resources will be controlled within Human Resources; the same for Employee Health Records which are controlled by Employee Health. A File may only be requested and/or removed from Human Resources or Employee Health by authorized individuals.

Authorized Individuals:

1. The following individuals are authorized to review an employee's Personnel file within Human Resources:
  - a. Current or former employee - review and research, may request a copy
  - b. Human Resources or Employee Health staff for their respective files and records - review, research, filing
  - c. Supervisor or department management – review of their staff or if considering an employee for transfer to their department
  - d. Kaweah Health legal counsel - review for appropriate legal action
  - e. State and Federal agencies - for subpoena of records, inspection of file for compliance with regulations as and law; The Joint Commission, CMS, and the State Department of Health.

**PROCEDURE:**

The following procedures apply to files of current and ~~former terminated~~ employees:

1. ~~The A current or former~~ employee may request in writing to inspect or have a copy made of his/her Personnel file by completing the ~~form~~ "Request ~~to Inspect or For Copy~~ Personnel Records File" Form in Human Resources. For ~~copies of~~ Employee Health Records, the employee must complete the "Employee Health Records Information Release" Form. A time for inspection/copy that is convenient for both the employee and Human Resources will be scheduled within a reasonable time, but no later than 30 days after a written request and for payroll records no later than 21 calendar days from date of the request. –OR– Upon a written request from a current or former employee, Human Resources shall provide a copy of the personnel records within 30 calendar days or 21 calendar days for payroll records. For current employees, Human Resources has 48 hours to complete the request. For terminated employees, Human Resources attempts to provide the copied files within 4-5 days, but reserves the right to complete the request within 30 days. –The employee must review the file in Human Resources and is not allowed to remove the file under any circumstances.
2. Employee Health Records are not contained in the Personnel File. These records are confidential; Kaweah Health will safeguard them from disclosure and will disclose such information only as allowed by law or as required for Workers' Compensation or regulatory agency purposes.
3. A file removed from Human Resources or Employee Health must be hand carried to the requesting party by the authorized individual or designee. A representative from Human Resources or Employee Health will typically remain with the file and ensure the return.
4. Files and records must be returned within a timely manner. A Human Resources Representative or designee will monitor the tracking form to ensure the file is returned.

5. To keep Personnel records up to date, employees are required to notify the Human Resources department in writing of any changes in personal status including:
  - a. name
  - b. address

- c. telephone number
- d. marital status and dependents if covered under employee benefits
- e. beneficiary designation for any of the insurance plans
- f. persons to be notified in case of emergency

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|---|----------------------------------|
| <b>Policy Number:</b> HR.98                                       | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 07/27/2022 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Employment References and Personnel File Access</b>            |                                  |

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

**POLICY:**

Kaweah Health is concerned with protecting confidential information on current and former employees. Human Resources will respond to all requests for employment references and verifications. All inquiries for information, whether verbal or written, concerning current or former employees are to be directed to Human Resources. Human Resources will not release any information (except as noted below) regarding current employees without their prior written authorization.

Any supervisor or employee may give a personal reference for another employee, provided the reply is not on Kaweah Health Delta-stationary and that the individual states that the opinions expressed are solely those of the employee. All communications from government agencies that affect the Human Resources area will be referred to the Chief Human Resources Officer.

**PROCEDURE:**

1. Routine references checking job title and length of time on the job can be verified only by a representative of Human Resources.
2. Human Resources will report employee incidents, issues, or misconduct as required to State or Federal licensing or other agencies.
3. Kaweah Health will cooperate with Federal, State, and local government agencies which are investigating an employee if the investigators furnish proper identification and proof of their legal authority to conduct the investigation.
4. Employees, supervisors and department heads are required to refer all inquiries or requests for Personnel information from any governmental agency to the Chief Human Resources Officer Vice-President of Human Resources. Where appropriate, Human Resources will respond to inquiries, requests for data, claims, charges, etc., received from an agency.

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| <b>Policy Number:</b> HR.141                                      | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 07/27/2022 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Employee Parking</b>   |                                  |

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

**POLICY:**

Parking permits are issued to each employee entitling them to park in designated Kaweah Health employee parking lots at no cost. Additionally, various parking lots owned and operated by the City of Visalia are available for all day parking. As a condition of employment, all Kaweah Health employees must properly utilize lots that are designated for employee parking. Kaweah Health assumes no responsibility for theft or damage involving vehicles parked ~~in the District at Kaweah Health~~ or City parking areas.

**PROCEDURE:**

- I. Parking permits are available through Human Resources.

Permits ~~shall~~ must be hung from the rear view mirror and have the permit fully visible. It is acceptable to place the permit face up on the dashboard of the vehicle, so long the permit is fully visible. Employees may obtain two parking permits if they have two vehicles. Employees must submit their license plate number(s) to obtain each permit. Carpool slots will be designated. A Carpool permit will be required.

Employees who do not have permits on their rear view mirrors are not permitted to park in any ~~District Kaweah Health~~ lot while working. Violations will result in citations and/or towing of the vehicle as well as disciplinary action. There will be a \$5.00 charge to replace lost permits.

- II. Kaweah Health offers a free secured bike cage at the medical center for interested riders. The bike cage is located in the Acequia Visitor lot off South Floral Street. Bike racks are available for employees arriving to work via bicycle.

- III. Non-Employees

Non employee's, with the exception of GME Residents and Medical Students must obtain parking permits from the GME Coordinator and may park in designated Kaweah ~~Delta-Health~~ spaces.

- IV. Parking spaces specifically marked for physicians are not to be utilized by staff.

V. Employees are not permitted to park in the visitor parking lots.

- VI. If appropriate, employees who are temporarily disabled may apply to the Security Services Manager for a temporary pass to permit parking near their place of work.
  
- VII. Questions concerning parking rules and regulations should be addressed to the Security Services Manager. (See AP policy 142, Traffic and Parking Regulations and AP 143 Parking Citation Appeal).

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|--|---------------------------|
| Policy Number: HR.148                                      | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: 07/27/2022 |
| Approvers: Board of Directors (Administration)             |                           |
| <b>Personal Leave of Absence</b>                           |                           |

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

**POLICY:**

To allow employees time off for personal reasons and time off not covered by legislative requirements.

Leaves not covered under legislative requirements may be considered to be personal leaves of absence and are subject to approval by the department head. Leaves may be approved for a period of up to one month, in the case of pending licensure, leave may be extended up to 12-weeks, based on the employee's length of service, performance, level of responsibility, reason for the request, and Kaweah Health's ability to obtain a satisfactory replacement during the time the employee will be away from work.

**PROCEDURE:**

1. Employees requesting a personal leave of absence are required to complete a request for Leave of Absence form. Requests and approvals for a personal leave of absence must indicate the specific beginning and ending dates. This request will be given to the employee's department head for approval. The employee will be ~~send~~ sent a pamphlet from the state Employment Development Department ("EDD") entitled "For your Benefit: California's Program for the Unemployed."
2. Employees have the option to use accrued Paid Time Off (PTO) during a personal Leave of Absence, ~~and need to coordinate this with their timekeeper if they would like to utilize their accrued PTO time. This can be indicated on the personal leave form and will be coordinated with payroll.~~
3. Efforts will be made to hold the employee's position open for the period of the approved leave. However, due to business needs, there will be times when positions cannot be held open and it is not possible to guarantee reinstatement. ~~If an employee's former position is unavailable when he/she is to return to work, a reasonable effort will be made to place the employee in a comparable position for which he/she is qualified. An employee who does not accept the position offered will be considered to have voluntarily terminated his/her employment effective the date the refusal is made. If an employee's former position is unavailable when he/she is to return to work, the employee may apply for an open position for which he/she is qualified. If the employee does not successfully transfer into an~~

~~open position employee will be terminated.~~ If Kaweah Health does not have any positions available for which the employee is qualified, the employee will be terminated.

## 4. Employee Benefits:

- a. An employee taking leave will continue to receive coverage under Kaweah Health's employee benefit plan for up to a maximum of four (4) months per 12-month ~~rolling calendar rolling year period~~ at the level and under the conditions of coverage as if the employee had continued in employment continuously for the duration of such leave. Kaweah Health will continue to make the same premium contribution as if the employee had continued working.
- b. Insurance premiums (health, vision, dental, life, etc.) are to be paid by the employee and Kaweah Health, under the same conditions as existed prior to the leave, for a maximum ~~period~~ of four (4) months in a 12-month ~~rolling calendar rolling year period~~.
- c. If on paid status (utilizing PTO), an employee may continue his/her normal premiums through payroll deduction. If on unpaid status, he/she is required to pay Kaweah Health his/her portion of the premiums monthly while on a leave of absence for a total of four months. After four months, employees will be offered COBRA Continuation Coverage for applicable benefits.
- d. An employee whose insurance is canceled due to nonpayment of premiums will have to satisfy a new waiting period after returning to work and will be considered a "new employee" for insurance purposes. The employee may have to provide proof of insurability.
- e. An employee may cancel his/her insurance(s) within thirty (30) days of the end of his/her paid leave and will be re-enrolled upon return without a waiting period. Cancellation must be done in writing to the Human Resources Department. The employee must reinstate coverage within thirty (30) days of his/her return to work.
- f. Group medical, dental and vision insurance coverage will cease on the last day of the month in which an employee reaches four months of leave or employment ends except that continuation is allowed under COBRA regulations if applicable to the plan.
- g. If the employee fails to return to work at the expiration of the leave, he/she must repay any health insurance premiums paid by Kaweah Health while on leave, unless failure to return to work is due to a continuation of his/her own serious health condition or other reasons beyond his/her control.
- h. The employee must complete all outstanding job requirements and documentation (licensure, CPR, ACLS, NRP, PALS, and TB testing, as applicable) prior to a return to work. Competency-related

documentation must be completed within two weeks of the employee's return.

5. Benefit Accrual:

~~5.~~

The employee will continue to accrue Paid Time Off (PTO) and EIB as long as he/she is being paid by Kaweah Health (receiving a paycheck).

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6. Merit Review Date:

~~6.~~

~~The merit review date will be adjusted by the number of days of paid and/or unpaid leave of absence over eighty-four (84) days. Human Resources will run the merit cycle for all employees at the same time yearly in October.~~

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| <b>Policy Number:</b> HR.151  | <b>Date Created:</b> 06/01/2007             |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer)                                 | <b>Date Approved:</b> <del>05/31/2018</del> |
| <b>Approvers:</b> Board of Directors (Administration), Dianne Cox (Chief Human Resources Officer) |   |
| <b>Short Term (Reserve) Military Training Leave and Military Leave of Absence</b>                 |   |

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

**POLICY:**

To allow employees who are members of the Armed Forces time off to fulfill their military obligations.

**PROCEDURE:**

1. Reason for Leave:

Leave without pay is provided to employees who enter uniformed military service of the Armed Forces of the United States for active duty or training. Employees returning from Military Leave are afforded certain rights and benefits upon reemployment in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 as well as any applicable state law. Employees seeking Military Leave must bring their military service orders to the Human Resources Department for a review of their individual situation prior to commencement of the leave.

2. Employee Eligibility:

~~Regular full-time and part-time benefit-eligible employees are eligible for Military Leave regardless of their length of employment. Employee's status is not considered when granting this type of leave.~~

~~3.~~

~~4.~~

~~5-3.~~ Leave Available:

Employees will receive Military Leave in accordance with the requirements of their military service orders and in accordance with the requirements of applicable State and Federal law in effect at the time the leave is granted.

~~6.~~

~~7.~~

~~8-4.~~ Notice:

Employees requiring Military Leave must notify and submit a copy of their military orders to the Human Resources Department as soon as the need for the leave becomes known to the employee.

~~9-5.~~ Compensation During Leave:

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Military leave is without pay. However, employees have the option to use accrued Paid Time Off during the leave.

40.6. Benefit Accrual:

The employee will continue to accrue benefits (Paid Time Off and Extended Illness Bank) as long as he/she is being paid by the District (receiving a paycheck).

41.7. Merit Review Date:

~~The merit review date will be adjusted by the number of days of paid and/or unpaid leave of absence over eighty four (84) days. Human Resources will run the merit cycle for all employees at the same time yearly in October.~~

42.8. Benefits During Leave:

- a. An employee taking leave will continue to receive coverage under ~~the District's Kaweah Health~~ employee benefit plans for up to a maximum of ~~twenty~~ four months at the level and under the conditions of coverage as if the employee had continued in employment continuously for the duration of such leave. ~~The District Kaweah Health~~ will continue to make the same premium contribution as if the employee had continued working.
- b. Insurance premiums (health, vision, dental, life, etc.) are to be paid by the employee and ~~the District Kaweah Health~~, under the same conditions as existed prior to the leave, for a maximum period of ~~twenty~~ four months. After 4 months, an employee may continue insurance coverage for himself and dependents by paying the full cost of the premium for ~~20-18~~ additional months.
- c. If on paid status (utilizing PTO), an employee may continue his/her normal premiums through payroll deduction. If on unpaid status, he/she is required to pay ~~the District Kaweah Health~~ his/her portion of the premiums while on a leave of absence for a total of four months. After four months, employee will pay the full cost of coverage.
- d. An employee may cancel his/her insurance(s) within 30 days of the end of his/her paid leave and will be re-enrolled upon return without a waiting period or pre-existing provisions. Cancellation must be done in writing to the Human Resources Department. The employee must reinstate coverage within 30 days of his/her return from work.
- e. If the employee fails to return to work at the expiration of the leave, he/she must repay any health insurance premiums paid by ~~the Kaweah Health District~~ while on leave, unless failure to return to work is due to a continuation of his/her own serious health condition or other reasons beyond his/her control.

43.9. Reinstatement:

- ~~a.~~ To be reinstated, an employee returning from military leave must submit an application for reemployment within a certain period of time, depending on the employee's length of leave. If the service was less than 31 days, the employee must report for reemployment no later than the beginning of the first full regularly scheduled work period on the first calendar day following completion of service and the expiration of eight (8) hours after a time for

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| safe transportation back to his or her residence. If reporting within that

period is impossible or unreasonable through no fault of the employee, he or she should report as soon as possible. If the period of military service was for 31 days or more, but less than 181 days, the employee must submit an application for reemployment no later than 14 days following completion of service. For military service over 180 days, the employee must submit an application for reemployment no later than 90 days after the completion of service. An employee, who is hospitalized for, or convalescing from, and illness or injury incurred during the performance of military duty has certain additional time to allow for recovery before reapplying for employment.

b-a. An employee returning from military service (or released from hospitalization that continued following discharge) in accordance with the above time requirements will be offered the position that he or she would have attained if continuously employed. If the employee is not qualified for this position, then the same position held at the time of leaving will be offered, unless the employee is not qualified to perform the duties of his or her former position. If this is the case, the employee will be afforded all rights under applicable Federal and State law.

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| <b>Policy Number:</b> HR.183                                      | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 07/27/2022 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Identification Badges</b>                                      |                                  |

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

**POLICY:**

Employees and contract staff are required to wear the official Kaweah Health ID badge at all times while on duty. Students, sales and service representatives, temporary help, contractors and construction workers, and volunteers will wear identification badges as a condition of being on [DistrictKaweah Health](#) property. The badge is to be worn chest high or above, with the name and picture clearly visible to patients, visitors, co-workers, physicians, and volunteers. No other badges, buttons or insignias, other than the official I.D. Badge may be worn while on duty. Unauthorized stickers or pins cannot be placed on the ID Badge. In the event of a disaster, the official Kaweah Health ~~Hospital~~ identification badge must be worn to gain admittance to the property.

Some badges issued by Human Resources include access control. These badges are programmed for each employee to have access to certain locations of [the DistrictKaweah Health](#). Employees who do not have access via their badge may not enter these protected areas without specific permission from a member of management.

Employees with specific access may not provide access to anyone else.

A \$10.00 replacement charge will occur if an employee requests an ID badge due to it being lost or forgotten. The \$10.00 charge is the actual cost of the badge, including the attachments that must also be replaced. There is no charge to replace a damaged or worn badge.

**PROCEDURE:**

1. Human Resources will prepare ID badges indicating the name and title.
2. Employees can make purchases using their ID Badge in the Gift Shop, Kaweah Korner, Pharmacy, and Cafeteria. All amounts will be paid via payroll deduction, including a final check if leaving employment.
3. If an individual loses his/her badge or the badge is damaged or worn, he/she must report to Human Resources immediately to have a new badge prepared. Individuals will be held financially responsible for purchases made with their ID Badge, even if the badge is lost or stolen. A \$10.00

replacement charge will occur if an employee requests an ID badge due to it being lost or forgotten. The \$10.00 charge is the actual cost of the badge, including the attachments that must also be replaced. There is no cost to replace a damaged or worn badge.

4. A new badge will be issued when an employee has a name change or title change. A name change will only be issued upon presentation of a Social Security Card with the new name, and required licensure is verifiable with the new name.
5. The Purchasing Department, via a Vendormate kiosk, will issue temporary badges to all sales representatives.
6. Upon termination of employment or if work or service will no longer be provided to ~~the District~~[Kaweah Health](#), the ID badge must be turned in to the department. All ID badges must be returned to Human Resources.

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| <b>Policy Number:</b> HR.188                                      | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer) | <b>Date Approved:</b> 07/27/2022 |
| <b>Approvers:</b> Board of Directors (Administration)             |                                  |
| <b>Personal Property and Valuables</b>                            |                                  |

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

**POLICY:**

Kaweah Health does not assume responsibility for personal articles lost or stolen on or about the District premises. Personnel are responsible for safeguarding their personal property while at work and are advised not to bring large sums of cash or other valuables to the workplace.

**PROCEDURE:**

I. Lost or Stolen Property

If personnel experiences loss of personal property while at work they should immediately notify department management and complete and submit the Occurrence Report form located on Kaweah Compass.

The Occurrence Report form is reviewed by department management and forwarded to and discussed with the department Director. If additional guidance is needed by department leadership, the Director of Employee Relations or Director of Risk Management may be contacted to find resolution.

Commented [MM1]: What are the possible outcomes after the event case is reviewed? Should this be spelled out in the policy?

II. Found Property

If personnel finds what appears to be personal property, notice should be made to department management immediately.

Employees are encouraged to search Kaweah Health's Lost and Found database for their lost item(s) at: <https://www.kaweahhealth.org/about-us/lost-and-found/>

III. Lockers

Lockers may be assigned to an employee. Kaweah Health maintains ownership of the onsite locker and with appropriate reason has the right to access an employee's locker at any time.

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*approved after each Board Meeting. It is the employee's responsibility to review and understand all Kaweah Health Policies and Procedures."*

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|--|---------------------------|
| Policy Number: HR.197                                      | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: 07/15/2020 |
| Approvers: Cindy Moccio (Board Clerk/Exec Assist-CEO)      |                           |
| <b>Dress Code - Professional Appearance Guidelines</b>     |                           |

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

**POLICY:**

The professional appearance and conduct of our employees and contract staff are important parts of the experience for patients, their families and visitors in clinical and non-clinical areas. Dress and behavioral guidelines help Kaweah [DeltaHealth](#) employees and contract staff with expectations concerning appearance and conduct. This helps to ensure that our patients feel welcomed, respected, comfortable and safe. This policy provides expectations and guidelines for dress and personal appearance for employees, contract staff, and other individuals working at Kaweah [DeltaHealth](#) as well as while off duty.

**PROCEDURE:**

All individuals working at Kaweah [DeltaHealth](#) affect the overall image with patients, visitors, and the community. In as much, individuals are required to present a professional healthcare appearance and dress according to the requirements of this policy as well as adhere to their department-specific or job-specific dress standards.

Kaweah [DeltaHealth](#) has established the following criteria for personal appearance. These criteria are ~~for the purpose of~~ meeting our customers' and the community expectations and the image of what they expect of healthcare providers and administrative department personnel.

The following applies while at work and not at work if wearing any article that indicates "Kaweah [DeltaHealth](#)," or Kaweah [DeltaHealth](#) ID badge:

- a. Employees and contract staff are required to wear the official Kaweah [DeltaHealth](#) ID badge at all times while on duty. The ID badge must be worn so that the picture and name can be seen and must be chest high or above. No marks, stickers (other than flu vaccine compliance), etc., or membership pins may be on the badge; it must include a current picture and not be faded or worn). Kaweah [DeltaHealth](#) recognition pins may be attached to the badge extender. If an employee or contract staff member is visiting Kaweah [DeltaHealth](#) while not on duty, they are not to wear their ID badge, nor represent that they are on duty; they may not perform any work. At the option of an employee, the badge may include only the first name and initial of last name.
- b. Attire must be neat, clean, appropriately fitting, matched and coordinated and have a professional or business-like appearance. Scrubs must be appropriately fitting as well, neither too large nor too tight; pants may not touch the ground. Scrubs or jackets branded with another organization name or logo (including health care or a hospital) are prohibited.

1. Revealing clothing (such as see-through or showing cleavage), sun-dresses, inappropriate length dresses or mini-skirts, bare-back dresses, halter tops, tank tops, t-shirts, ~~casual denim or jeans~~any denim or denim appearing material, leggings, unprofessional casual ~~capri~~Capri pants with strings or cargo pockets, shorts or walking-shorts, army fatigue-print clothing, and thong/flip-flop sandals (even with back straps) are some examples of inappropriate attire. T- Shirts/Tops that expose chest hair are not allowed. Sleeveless attire is appropriate as long as it is business professional. "Hoodies" or hooded jackets of any kind are not permitted; team jackets are to be approved by a manager.
2. Those employees who work in departments that are exposed to the outside elements may wear hats while outside.
3. ~~With the exception of the front neck area above the collar line and the face,~~Tattoos ~~tattoos~~Tattoos may be visible if the images or words do not convey violence, discrimination, profanity or sexually explicit content. Tattoos containing such messages must be covered with bandages, clothing, or cosmetics. Kaweah DeltaHealth reserves the right to judge the appearance of visible tattoos. However, tattoos that are visible on the front neck area above the collar line and the face must be covered.
4. Hickeys can be considered offensive, unprofessional and distracting in nature, and must be covered by clothing or ~~band-aids~~Band-Aids.
5. Excessive jewelry and watches that may affect safe patient care or violate infection control standards, multiple ear piercings or body piercings (except for a pin-size nose adornment) are not allowed. Ear expanders must be plugged with a flesh color plug.
6. Shoes are to be worn as appropriate for the position and must be clean, in good repair, and meet the safety and noise abatement requirements of Kaweah DeltaHealth environment. Open-toed shoes may not be worn in patient care areas by those providing direct patient care. Socks are to be worn as appropriate for the position, (i.e. with Croc-type shoes that have holes). Closed toe shoes are required in the patient care areas and other areas in which safety requires closed toe shoes. Sandals or open-toed shoes are acceptable when safety does not dictate otherwise. Tennis shoes are appropriate if they apply to the position. ~~Flip-flops~~Flip-flops, thong shoes or locker-room sandals are not acceptable. High heels greater than three (3) inches and platform shoes are not safe in our work environment at Kaweah DeltaHealth and may not be worn.
7. Hair is to be kept neat and clean, and may not be of abnormal color (purple, pink, unusual reds, etc.); extreme trends such as Mohawks (completely shaved but for hair down the middle of the head) are not permitted. Employees with long hair who have direct patient contact or work with food or machinery must have their hair pinned up off the shoulders, secured at the nape of the neck, or secured in a hair net. Traits historically associated with race, including, but not limited to, hair texture and protective hairstyles, defined as braids, locks and twists are allowed and must be secured. Beards, mustaches and sideburns must be clean and neat at all times.
8. Kaweah DeltaHealth is fragrance-free due to allergies that present themselves with colognes, perfumes, aftershave lotions, hand lotions, etc. Body odor, smell of cigarette/e- cigarette/tobacco smoke or excessive makeup are examples of unacceptable personal grooming.
9. Fingernails: Employees who have direct contact with patients (those employees who touch patients as a part of their job description) and those indirectly involved in patient

care, such as Pharmacy, Housekeeping, Laboratory, and Sterile Processing must

comply with the following guidelines. Some departments (i.e. Food and Nutrition Services) may have specific requirements that vary:

- Nails must be kept clean, short and natural.
- Artificial nails, acrylics or other artificial materials (including nail jewelry) applied over the nails are prohibited. These are dried grinded nail products (acrylics or gels).
- Nail or Gel Polish is permissible in most areas if used in good taste, with non-shocking colors or decor, and is maintained without chips or cracks. Polish is not allowed in Food and Nutrition Services.
- Nails should not be visible when holding the palm side of the hand up.

Non-direct caregivers (those employees without “hands on” patient contact) must comply, as follows:

- Nails (including artificial) must be kept clean and neatly trimmed or filed.
  - Short nail length is defined as the white nail tip not greater than 1/4 inch.
  - Polish is permissible if used in good taste, with non-shocking colors or decor, and is maintained without chips or cracks.
10. Employees who are required to wear certain uniform-type attire must comply with the requirements set forth by their department head or Kaweah [DeltaHealth](#), within the following guidelines: attire limited to a general color of fabric (i.e., dark, solid colors), business style jackets/blazers, white shirts/blouses, and/or black shoes. Any other attire required by Kaweah [DeltaHealth](#) will be provided to the employee at no cost.
  11. Employees attending Kaweah [DeltaHealth](#) staff meetings on Kaweah [DeltaHealth](#) premises may wear casual and appropriate, but not inappropriate attire. It would be inappropriate to wear shorts, gym-wear, tank tops, nor anything similar. Jeans are appropriate as long as they are not frayed and torn. Employees must be modestly dressed. Employees attending on-site classes or other meetings are to wear office-casual attire, scrubs, or street clothes in good taste. Kaweah [DeltaHealth](#) employees and contract staff are not permitted to present in any way that would appear unprofessional to Kaweah [DeltaHealth](#) leadership.
  12. Kaweah [DeltaHealth](#) promotes organization-wide events and may allow Kaweah [DeltaHealth](#)- provided t-shirts for these days. These are allowed if appropriate for the employees’ work environment.
  13. Kaweah [DeltaHealth](#) promotes organization-wide events and may allow Kaweah [DeltaHealth](#)- provided t-shirts for these days. These are allowed if appropriate for the employees’ work environment. With the exception of specific areas where scrubs are laundered (i.e. Cath Lab, CVOR, OR, NICU, L&D) Kaweah [DeltaHealth](#) does not provide or launder scrubs or uniforms for employees, unless the garments are provided by Kaweah [DeltaHealth](#) and require dry-cleaning. However, employees who have received a splash of blood or body fluid during the normal course of their job need to change into clothing for protection. Per under Standard Precautions, employees are allowed to wear Kaweah [DeltaHealth](#)-provided, ~~Kaweah Delta laundered~~ scrubs or uniforms furnished by Kaweah [DeltaHealth](#) laundry. These are to be returned to Kaweah [DeltaHealth](#) at the next shift worked. Upon arriving at and leaving from work, employees are provided with reasonable paid time to change. An employee may not wear these scrubs to and from Kaweah [DeltaHealth](#) or outside of the hospital unless it is for work-related business (i.e. Employee Health, Human Resources, and Employee Pharmacy) and they must wear a white lab coat over the scrubs. \_\_\_\_\_ Upon

returning to the department, personnel must change into fresh scrubs before returning to the semi-restricted or restricted areas. Refer to Policy SS4000.

14. The responsibility to determine the appropriateness of employee appearance and attire and for enforcing uniform/dress code requirements rests with leadership. For example, the Behavioral Health departments may allow exceptions to this policy as appropriate to their patient care population. Employees who fail to follow personal appearance and hygiene guidelines will be sent home and instructed to return to work in proper form. Under such circumstances, employees will not be compensated for the time away from work.
15. Employees ~~who violate this policy are subject to may be placed into the pProgressive Ddisciplineary per HR.216 Progressive Discipline Action process for violation of this policy.~~

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|---|----------------------------------|
| <b>Policy Number:</b> HR.215  | <b>Date Created:</b> 06/01/2007  |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer)                           | <b>Date Approved:</b> 06/28/2021 |
| <b>Approvers:</b> Board of Directors (Administration), Board of Directors (Human Resources) |                                  |
| <b>Grievance Procedure</b>  |                                  |

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

**POLICY:**

Concerns, issues or questions occasionally arise during the course of employment. When this occurs, employees are encouraged to discuss these matters with management. If the situation remains unresolved, employees will be provided with an opportunity to appeal management decisions through a formal grievance procedure. Employees using the Grievance Procedure will not be retaliated against for doing so. This specific policy does not apply to residents enrolled in Kaweah Health’s Graduate Medical Education (GME) program. Residents’ concerns, issues or questions will be handled through a separate GME policy as described in the Resident Handbook.

**DEFINITION**

- I. A grievance is defined as an employee’s dissatisfaction with an action taken on behalf of Kaweah Health. Examples of actions that may be grieved under this policy include:
  - A. Incorrect or inconsistent application or interpretation of Kaweah Health’s policies (not the policies themselves);
  - B. Disagreement with a written level warning.
- II. Time spent by aggrieved employees in grievance discussions with management during their normal working hours will be considered hours worked for payroll purposes.
- III. All steps of the grievance are coordinated by a Human Resources representative.
- IV. Decisions on grievances will be neither precedent setting nor binding on future grievances unless they are officially stated as Kaweah Health policy.
- V. In cases where the grievance is in relation to a division reporting to the ~~Chief Vice President of~~ Human Resources Officer, ~~another Executive Senior Vice President~~ will serve in place of the ~~Chief Vice President of~~ Human Resources Officer.

**PROCEDURE:**

- I. The employee must initiate the Grievance Procedure to seek formal consideration. To do so, the employee must contact the Human Resources Department to initiate the first step in the procedure. Upon initial contact, the employee will be provided a copy of this Grievance Policy and will receive instruction as to the appropriate format in which the written grievance must be submitted.
- II. The grievance must be filed within 10 calendar days of when the employee became aware, or reasonably should have been aware of the facts and circumstances arising to the grievance.
- III. Management will receive the grievance from Human Resources and will investigate the matter to attempt resolution. Management will prepare and forward their response, in the approved format, to the Human Resources representative within seven (7) working days or as soon as reasonably possible with notification to the Human Resources representative.
- IV. The Human Resources representative will forward management's response to the employee.
- V. If the aggrieved employee is not satisfied with management's decision, the employee will be permitted to appeal to the Chief Vice President of Human Resources Officer within seven (7) working days.
- VI. The Human Resources representative will forward the Chief Vice President of Human Resources Officer response within seven (7) working days to the employee or as soon as reasonably possible.
- VII. This decision will be final and binding on both the aggrieved employee and Kaweah Health for the specified grievance only and to the extent allowable by law.
- VIII. Time limits for both the employee and management may be extended at any step by Human Resources, upon a showing of good cause.
- IX. The Grievance Procedure described herein is not applicable to an employee whose proposed discipline is demotion, suspension for more than five (5) days or termination or whose employment with Kaweah Health has terminated regardless of the reason for the termination. However, employees whose proposed discipline is suspension for more than five (5) days, demotion or involuntary termination may be entitled to a Pre-determination hearing, may have certain appeal rights and should refer to HR.218 NOTIFICATION REQUIREMENTS AND APPEAL PROCESS FOR INVOLUNTARY TERMINATION AND DEMOTION.

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|--|---------------------------|
| Policy Number: HR.216                                      | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer) | Date Approved: 08/23/2023 |
| Approvers: Board of Directors (Administration)             |                           |
| <b>Progressive Discipline</b>                              |                           |

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

POLICY:

Kaweah Health uses positive measures and a process of progressive discipline to address employee performance and/or behavioral problems. Kaweah Health recognizes that the circumstances of each situation must be evaluated individually to determine whether to discipline progressively or to impose more advanced discipline immediately. This policy applies to all ~~District Kaweah Health~~ employees, except residents enrolled in ~~the District's Kaweah Health's~~ Graduate Medical Education (GME) program. Disciplinary actions related to residents in the GME program are handled by the Office of the GME as described in the Resident Handbook.

The primary purpose of Disciplinary Action is to assure compliance with policies, procedures and/or Behavioral Standards of Performance of ~~the District Kaweah Health~~. Orderly and efficient operation of ~~our District Kaweah Health~~ requires that employees maintain appropriate standards of conduct and service excellence. Maintaining proper standards of conduct is necessary to protect the health and safety of all patients, employees, and visitors, to maintain uninterrupted operations, and to protect ~~the District's Kaweah Health's~~ goodwill and property. Because the purpose of disciplinary action is to address performance issues, it should be administered as soon after the incident(s) as possible.

Therefore, depending on the seriousness of the offense and all pertinent facts and circumstances, disciplinary action will be administered promptly.

Certain violations are considered major and require more immediate and severe action such as suspension and/or termination. Lesser violations will generally be subject to Progressive Discipline.

Any employee who is in Progressive Discipline is eligible for transfer or promotion within Kaweah Health with review and approval by the hiring manager and Human Resources.

Progressive Discipline shall be the application of corrective measures by increasing degrees, designed to assist the employee to understand and comply with the required expectations of performance. All performance of an employee will be considered when applying Progressive Discipline.

In its sole discretion, Kaweah Health reserves the right to deviate from Progressive Discipline or act without Progressive Discipline whenever it determines that the circumstances warrant.

PROCEDURE:

I. The process of Progressive Discipline may include the following, depending on the seriousness of the offense and all pertinent facts and circumstances:

A. Warnings

1. Verbal Warning:  
A Verbal Warning explains why the employee's conduct/performance is unacceptable and what is necessary to correct the conduct/performance.

B. Written Warning:

A Written Warning provides the nature of the issue and outlines the expectations of performance/conduct or what is necessary to correct the situation. This Warning becomes part of the employee's personnel file, along with any pertinent back-up documentation available, and will inform the employee that failure to meet the job standards/requirements of the Warning will necessitate further disciplinary action, up to and including termination.

The department management, in concert with Human Resources, determines the level of corrective disciplinary action that will take place based upon the seriousness of the offense, the existence of any prior disciplinary actions and the entirety of the employee's work record.

1. Level I  
Any employee who receives a Level I is subject to further Written Warnings as stated in this policy.
2. Level II  
Any employee who receives a Level II is subject to further Written Warnings as stated in this policy.
3. Level III  
A Level III is considered Final Written Warning to the employee involved, and includes a written explanation of what is necessary to meet the expectation of performance. A Level III Warning may be accompanied by a suspension. A suspension may be without pay and is generally up to five days or forty hours.

C. Administrative Leave

In the discretion of ~~the District~~Kaweah Health, an employee may be placed on Administrative Leave at any time to give Kaweah Health time to conduct an investigation or for other circumstances considered appropriate ~~by the District~~. Management may impose an Administrative Leave at any time for an employee(s) if they believe there is a risk to employee or patient safety. Management will notify Human Resources immediately if an Administrative Leave is enforced. When an employee is placed on Administrative Leave, Kaweah Health will make every effort to complete the investigation of the matter within five business days. If Kaweah Health is unable to complete an investigation of the matter within five days the Administrative Leave may be extended.

After the investigation has been completed, the employee may be returned to work and, in the discretion of Kaweah Health and depending on the circumstances, may be reimbursed for all or part of the period of the leave. If it is determined that the employee should be terminated, compensation may, in the discretion of ~~the District~~Kaweah Health, be paid until the Post Determination Review process has been completed. (See policy HR.218).

D. Dismissal Without Prior Disciplinary History

As noted, Kaweah Health may determine, in its sole discretion, that the employee's conduct or performance may warrant dismissal without prior Progressive Discipline. Examples of conduct that may warrant immediate dismissal, suspension or demotion include acts that endanger others, job abandonment, and misappropriation of ~~District~~Kaweah Health resources. This is not an exclusive list and other types of misconduct/poor performance, may also result in immediate dismissal, suspension or demotion. See Employee Conduct below.

E. Employee Conduct

This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare or ~~the District's~~Kaweah Health's operations may also be prohibited. This includes behavior or behaviors that undermine a culture of safety. Employee conduct that will be subject to Progressive Discipline up to and including immediate involuntary termination of employment includes but is not limited to:

1. Falsifying or altering of any record (e.g., employment application, medical history form, work records, time cards, business or patient records and/or charts).
2. Giving false or misleading information during a Human Resources investigation;

3. Theft of property or inappropriate removal from premises or unauthorized possession of property that belongs to ~~the~~ District Kaweah Health, employees, patients, or their families or visitors;
4. Damaging or defacing materials or property of the District Kaweah Health, employees, patients, or their families or visitors;
5. Possession, distribution, sale, diversion, or use of alcohol or any unlawful drug while on duty or while on District Kaweah Health premises, or reporting to work or operating a company vehicle under the influence of alcohol or any unlawful drug;
6. Fighting, initiating a fight, threats, abusive or vulgar language, intimidation or coercion or attempting bodily injury to another person on District Kaweah Health property or while on duty. Reference policy AP161 Workplace Violence Prevention Program;
7. Workplace bullying which can adversely affect an employee's work or work environment, Reference policy HR.13 Anti-Harassment and Abusive Conduct.
8. Bringing or possessing firearms, weapons, or any other hazardous or dangerous devices on District Kaweah Health property without proper authorization;
9. Endangering the life, safety, or health of others;
10. Intentional violation of patients' rights (e.g., as stated in Title XXII);
11. Insubordination and/or refusal to carry out a reasonable directive issued by an employee's manager (inappropriate communication as to content, tone, and/or language)
12. Communicating confidential District Kaweah Health or Medical Staff information, except as required to fulfill job duties;
13. Sleeping or giving the appearance of sleeping while on duty;
14. An act of sexual harassment as defined in the policy entitled Anti-Harassment and Abusive Conduct HR.13;
15. Improper or unauthorized use of District Kaweah Health property or facilities;
16. Improper access to or use of the computer system or breach of password security;
17. Improper access, communication, disclosure, or other use of

Progressive Discipline

5

patient information. Accessing medical records with no business

need is a violation of state and federal law and as such is considered a terminable offense by ~~KDHCD~~Kaweah Health.

18. Unreliable attendance (See Attendance and Punctuality HR.184)
19. Violations of Kaweah Health Behavioral Standards of Performance.
20. Unintentional breaches and/or disclosures of patient information may be a violation of patient privacy laws. Unintentional breaches and/or disclosures include misdirecting patient information to the wrong intended party via fax transmission, mailing or by face-to-face interactions.
21. Access to personal or family PHI is prohibited.
22. Refusing to care for patients in the event mandated staffing ratios are exceeded due to a healthcare emergency.
23. Working off the clock at any time. However, employees are not permitted to work until their scheduled start time.
24. Failure to work overtime.
25. Use of personal cell phones while on duty if, unrelated to job duties anywhere in Kaweah Health. [This includes wearing earbuds for the purpose of listening to music from your personal cell phone, unless authorized by department leadership.](#)
26. Excessive or inappropriate use of the telephone, cell phones, computer systems, email, internet or intranet.
27. Any criminal conduct off the job that reflects adversely on ~~the District~~Kaweah Health.
28. Making entries on another employee's time record or allowing someone else to misuse ~~the District's~~Kaweah Health's timekeeping system.
29. Bringing children to work, or leaving children unattended on ~~District~~Kaweah Health premises during the work time of the employee.
30. Immoral or inappropriate conduct on ~~District~~Kaweah Health property.
31. Unprofessional, rude, intimidating, condescending, or abrupt verbal communication or body language.
32. Unsatisfactory job performance.

33. Horseplay or any other action that disrupts work,
34. Smoking within Kaweah Health and/or in violation of the policy.

- 35. Failure to report an accident involving a patient, visitor or employee.
- 36. Absence from work without proper notification or adequate explanation, leaving the assigned work area without permission from the supervisor, or absence of three or more days without notice or authorization.
- 37. Unauthorized gambling on ~~District~~ Kaweah Health premises.
- 38. Failure to detect or report to Kaweah Health conduct by an employee that a reasonable person should know is improper or criminal.
- 39. Providing materially false information to ~~the~~ District, Kaweah Health or a government agency, patient, insurer or the like.
- 40. Spreading gossip or rumors which cause a hostile work environment for the target of the rumor.
- 41. Impersonating a licensed provider.
- 42. Obtaining employment based on false or misleading information, falsifying information or making material omissions on documents or records.
- 43. Violation of Professional Appearance Guidelines
- 44. Being in areas not open to the general public during non-working hours without the permission of the supervisor or interfering with the work of employees.
- 45. Failure to complete all job related mandatory requirements as noted on the job description and as issued throughout a year (i.e. Mandatory Annual Training, TB/Flu, etc.).

~~46.~~ Mandatory utilization of BioVigil.

~~47.~~ Failure to use two (2) patient identifiers in the course of patient care.

~~46.~~

Further information regarding this policy is available through your department manager or the Human Resources Department.

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| Policy Number: HR.220  | Date Created: 06/01/2007             |
| Document Owner: Dianne Cox (Chief Human Resources Officer)   | Date Approved: <del>11/21/2017</del> |
| Approvers: Board of Directors (Administration), Board of Directors (Human Resources), Dianne Cox (Chief Human Resources Officer) |                                      |
| <b>Separation from Employment</b>  |                                      |

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

**POLICY:**

Employment status will conclude upon the individual's resignation, discharge, retirement, death, or because of a permanent reduction in the workforce. Discharge may be for any reason not prohibited by federal or state law, including employee misconduct or unsatisfactory job performance. In the absence of a specific written agreement, employees are free to resign at any time, ~~and the District~~ Kaweah Health reserves the right to end employment at any time and for any reason, in its sole discretion.

Nothing in this policy should be interpreted as changing the "at-will" nature of employment at ~~the District~~ Kaweah Health.

**PROCEDURE:**

- I. Unless there are good reasons for shorter notice, all employees are expected to provide at least two (2) weeks written notice of their intent to resign. Lack of timely written notice could result in the employee being considered as ineligible for rehire.
- II. For policies and procedures governing involuntary discharge see policy entitled PROGRESSIVE DISCIPLINE (HR. 216) and policy entitled NOTIFICATION REQUIREMENTS, PRE-DETERMINATION PROCESS AND APPEAL PROCESS FOR INVOLUNTARY TERMINATION, SUSPENSIONS WITHOUT PAY FOR MORE THAN FIVE DAYS AND DEMOTION (HR.218)
- ~~III. For policies and procedures governing termination as a result of retirement see policy entitled RETIREMENT AND TAX DEFERRED SAVINGS PLANS (HR. 130).~~
- ~~IV.~~ III. For policies and procedures governing termination as a result of reduction in the work force see policy entitled Employee Reduction in Force – or Reassignment Resulting in Demotion ~~STAFF REDUCTION IN FORCE AND REASSIGNMENT~~ (HR. 221).

✓IV. In accordance with the policy entitled PROGRESSIVE DISCIPLINE (HR. 216), any employee who is absent from work without first having notified management of the absence, or the reason for the absence, will be considered as having resigned after the third day of absence.

~~VI.V.~~ Management will immediately forward notices of resignation or termination to the Human Resources Department for review and processing.

~~VII.VI.~~ Upon termination of employment for any reason, employees must return all District property including identification card or badge, keys and parking permit, and complete termination paperwork to the Human Resources Department prior to their last hour worked.

~~VIII.VII.~~ Employees who resign providing at least seventy-two (72) hours notice will generally receive their final pay upon their last hour of work. Employees who provide less than seventy-two hours notice may pick-up their final pay in the Human Resources Department within forty-eight (48) hours of their last hour worked.

Employees who are terminated as a result of disciplinary action will receive their final pay within (72) hours upon notice of termination.

For further discussion on distribution of final pay, see policy entitled PAYMENT OF WAGES (HR. 65)

~~IX.VIII.~~ Employees who are terminated may be eligible for State of California Unemployment Insurance benefits. Affected employees may obtain information and apply for such benefits through the local office of the Employment Development Department.

When an employee or former staff member applies for Unemployment Insurance Benefits, the Human Resources Department will respond to the Employment Development Department's requests for information.

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| Policy Number: HR.221   | Date Created: 06/01/2007  |
| Document Owner: Dianne Cox (Chief Human Resources Officer)                  | Date Approved: 12/22/2022 |
| Approvers: Board of Directors (Administration)                              |                           |
| <b>Employee Reduction in Force - or- Reassignment Resulting in Demotion</b> |                           |

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

**POLICY:**

Kaweah Health is committed to maintaining a highly skilled and diverse workforce and will make all reasonable attempts to avoid cutbacks and reductions in force (RIF) or demotions whenever feasible. However, when Kaweah Health experiences circumstances it cannot maintain the existing staffing levels, the organization may decide in its discretion to implement a reduction in force or realignment in accordance with the following guidelines. Kaweah Health reserves the right to deviate from the guidelines contained in this policy when it determines, in its sole discretion, that such deviation(s) is/are appropriate.

**GUIDELINES:**

I. Appropriate Staffing

Kaweah Health Management will determine the appropriate number of employees needed to effectively staff their departments. Staffing patterns will include the number of employees needed by department number, job number and full or part time status. Full-time employees, part-time employees and per diems are considered separate classifications.

II. Attrition and/or Hiring Freeze

The preferred method to reduce staffing levels is through attrition. Attrition occurs when employees terminate and are not replaced. Also, staff currently on Personal Leave of Absence can be informed that their job has been eliminated.

A hiring freeze may be implemented on an organization-wide, division-wide, department-wide, or job classification-specific basis or any combination of such basis. Because there are areas where specific training and/or licensure are necessary, if in-service training and/or internal transfer cannot meet the staffing needs, it may be necessary to recruit from outside the current Kaweah Health workforce. If a hiring freeze is implemented and qualified employees are not available through internal transfer, jobs may be posted by utilizing the position control process.

III. Furlough

A furlough is a temporary lay-off/ leave of an employee due to special needs of an employer, generally due to economic conditions. A furlough will not generally be extended for longer than three months. However, Kaweah Health reserves the right to deviate from this standard under extraordinary circumstances.

When a furlough is applied, the employee may apply for Unemployment Benefits. The employee is required to be available to work when called back to duty. If the employee is not available to work, a voluntary termination may be applied. See section IV for guidelines.

#### IV. Reduction in Force (RIF)

When a department Director and Chief Executive determine that there are more employees employed within a job classification or department or any unit or units of employment than is necessary to support Kaweah Health needs, a RIF may be proposed. All requests for RIF's must be approved by Kaweah Health's Chief Executive Officer.

Once approved, the Human Resources department will determine which employees will be reduced by following this policy. For the purposes of this policy each department is considered separately. Each job number in the department is considered separately. Managerial and lead positions will be considered separate job classifications from the positions held by employees that they manage/lead. Also part-time, full-time and per diem employee categories will be considered separately.

- A. –Generally, employee reductions will be based on the following factors in the order listed below. However, Kaweah Health may decide in its discretion to deviate from these guidelines, particularly where patient care or other important functions of Kaweah Health may be affected:
1. –Employees on Personal Leave of Absence will be reduced first and are not eligible for Reduction in Force benefits.
  2. Employees who have not successfully completed introductory period at Kaweah Health.
  3. Employees with documented job performance issues based on progressive discipline noted.
  4. Employees with the lowest documented job performance evaluations or certain competences needed do not apply to an individual or are scored lower.
  5. In all other cases where all considerations are equal, employees with the longest service based on date of hire with Kaweah Health will be the deciding factor.
  6. Where special skills, licensure, qualifications, experience or other key attributes are important to assist in carrying out the functions of

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Kaweah Health, Kaweah Health may deviate from the above criteria.

B. Reduced employees will have some choices to make and deadlines in which to make them. The deadlines must be met.

1. The right to appeal the reduction (see section X);
2. The choice to take a three month RIF Personal Leave of Absence to look for a transfer (see section IV) while receiving salary continuance as reflected on the severance schedule below;  
- or -
3. The choice to take a severance lump sum and terminate employment (see section V).

V. Three month RIF Personal Leave of Absence

Employees experiencing a RIF will receive salary continuation while on a three-month personal leave. Employees who have not been accepted into a new job with Kaweah Health by the end of the three month RIF Personal Leave of Absence will be terminated with their remaining severance in a lump sum. In addition, RIF employees who select the three month RIF Personal Leave of Absence may choose at any time within the three months to instead terminate their employment and take severance in a lump sum. Employees who find a new Kaweah Health job within three months will retain their original date of hire and the severance salary continuance will end.

VI. Severance Pay and Termination

Severance pay will be paid according to the schedule below. The pay will be based on straight time excluding any differentials or standby pay. Per diems are not eligible.

| Years of Service | Weeks to be Paid |
|------------------|------------------|
| 0 - 1            | 1.00             |
| 2 - 4            | 2.00             |
| 5 - 9            | 3.00             |
| 10 - 14          | 4.00             |
| 15 - 20          | 5.00             |
| More than 20     | 8.00             |

The average number of hours which the employee worked per pay period during the six-month period prior to the Reduction in Force will be reviewed and considered to determine the appropriate status (i.e. Full-time vs. Part-time). Employees with unpaid PTO accrued in their banks will be paid for those hours. EIB bank will not be paid out.

In consideration of the severance pay, there is no further financial obligation to the employee on the part of Kaweah Health aside from eligible pension benefits, if any.

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## VII. Reassignment Resulting in Demotion

Based on staffing pattern or employee performance, it is sometimes necessary to change an employee's job duties. When this change results in a lower salary grade or salary, it is considered a demotion. Employees who are demoted are given the choice of transfer to the new role offered to them at a lower grade and salary, or take a three-month Personal Leave of Absence as described in this policy without severance or take severance terminating employment as described in this policy. An employee has the right to appeal the reassignment resulting in demotion (see section IX).

## VIII. Benefits

An employee with group health, dental and vision insurance benefits who is placed on furlough or separates from employment as a result of RIF is entitled to continue his/her insurance benefits. For three months following furlough or separation from employment, the employee may continue group health, dental, and vision insurance at the active employee rates. [However, no employee shall be allowed to continue these benefits for greater than four \(4\) months in a rolling 12 month period.](#) An employee choosing to continue coverage beyond that period of time, may do so at full COBRA rates. Employees will be sent COBRA information to their address on file.

The benefits offered through this policy apply to employees who separate from employment with Kaweah Health as a result of a RIF. They are not available to employees who separate from employment with Kaweah Health for other reasons such as a resignation or involuntary termination.

## IX. Re-Employment

Employees who separate from employment with Kaweah Health as a result of a RIF and receive a severance payment may reapply for employment with Kaweah Health. However, if after separation has occurred a former employee is selected to fill a vacancy, their employment will be considered as any other newly hired employee. There is no requirement for reemployment by Kaweah Health.

## X. Appeal Rights for Reassignment Resulting in Demotion

Employees may not grieve or appeal termination of employment as a result of a reduction in force through the policy entitled GRIEVANCE PROCEDURE (HR.215). However, employees who have served greater than one hundred eighty (180) days may access their rights under policy entitled NOTIFICATION REQUIREMENTS AND APPEAL PROCESS FOR INVOLUNTARY TERMINATION AND DEMOTION (HR.218).

## XI. Appeal Rights for Employee Reduction in Force

You are entitled to appeal this separation orally, or in writing, by contacting your Chief Executive no later than the time indicated on your RIF Notice (typically one

business day).

XII. Under special circumstances, alternative severance packages may be developed and offered to employees. Where this is the case, acceptance of an alternate severance package will cause the employee to be ineligible for the benefits offered in this policy.

*"Responsibility for the review and revision of this Policy is assigned to the Chief Human Resources Officer. In some cases, such as Employee Benefits Policies, Summary Plan Descriptions and Plan Documents prevail over a policy. In all cases, Kaweah Health will follow Federal and State Law, as applicable, as well as Regulatory requirements. Policies are subject to change as approved by the Governing Board and will be communicated as approved after each Board ~~Meeting.~~ Meeting. It is the employee's responsibility to review and understand all Kaweah Health Policies and Procedures."*

|   |                                 |
|---|---------------------------------|
| <b>Policy Number:</b> HR.234  | <b>Date Created:</b> 06/01/2007 |
| <b>Document Owner:</b> Dianne Cox (Chief Human Resources Officer)   | <b>Date Approved:</b> 8/2/2023  |
| <b>Approvers:</b> Board of Directors (Administration)   |                                 |
| <b>Paid Time Off (PTO), Extended Illness Bank (EIB) and Healthy Workplace, Healthy Families Act of 2014</b> |                                 |

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

### **POLICY:**

Paid Time Off (PTO), Extended Illness Bank (EIB) and Healthy Workplace, Healthy Families Workplace Act of 2014 – Paid Sick Leave (PSL) benefits are offered to all employees as defined in this policy. PTO is offered to full-time and part-time benefit eligible employees for leisure, celebration of holidays, short-term illness and other personal needs. EIB is offered to full-time and part-time benefit eligible employees for extended illness and Kin Care. Private Home Care staff, temporary staff/interims and Per Diem staff are not eligible for PTO or EIB but are eligible for Paid Sick Leave (PSL) as defined in this policy. Excessive occurrences of unapproved time off may result in disciplinary action. See Policy HR.184 Attendance and Punctuality.

This policy does not apply to Graduate Medical Education

### **PROCEDURE:**

#### Eligibility and Accrual for PTO and EIB

Full-time and part-time benefited employees are eligible to receive PTO and EIB as of the first pay period of eligibility (date of hire or transfer). If an eligible employee is changed to a non-eligible status, the PTO and EIB time accrual will cease. The employee will receive a lump-sum payment for all accrued PTO paid at 100% of their hourly rate of pay prior to the status change. During the non-eligible status, the employee will accrue PSL.

If a non-eligible employee is changed to an eligible status, the employee begins accruing PTO and EIB as of the first pay period in which the status change became effective; PSL accrual will cease. At no time will an employee accrue PTO and EIB as well as PSL. An employee accrues either PTO and EIB or PSL.

EIB accrual will be reinstated for employees who leave Kaweah Health and are rehired as follows:

- a. If left as non-benefited and rehired as a non-benefited, we will reinstate the ending available EIB balance into a reserve bucket. These hours are available for use.
- b. If terminated as a benefited and rehired as benefited, we will reinstate the ending EIB balance.

- c. If terminated as non-benefited and rehired as benefited, we will reinstate the ending available EIB balance from the reserved EIB balance (if any).
- d. If terminated as a benefited and rehired as non-benefited, we will reinstate the ending available EIB balance up to the 48-hour maximum, placing the excess EIB balance into a reserve bucket. These hours are not available for use.

The rate of PTO and EIB accrual received is based on years of service. Employees receive accruals on up to 80 eligible hours, per pay period. The bi-weekly pay period starts at 12 AM on a Sunday, and ends at 11:59 PM on the last Saturday of the pay period. The accruals received per pay period will vary dependent on actual hours worked or paid. Qualified service hours which count towards a year of service for the accrual rate include the following: regular hours worked (non-overtime), ~~Education Reduced Shift~~, Flex Time Off, PTO FMLA, PTO unscheduled, PTO/PSL, PTO Sick/Pregnancy, ~~PTO Holiday~~, PTO/Workers Compensation, Sitter Pay, Sleep Pay, PTO hours, bereavement hours, jury duty hours, training/workshop hours, orientation hours, ~~Education Reduced Shift~~, and mandatory dock hours. Neither EIB nor PTO accruals will be earned while employees are being paid EIB hours.

| All Other Employees |           |  |                                  |                   | Directors |           |  |                                  |                   | Chiefs    |           |  |                                  |                   |
|---------------------|-----------|--|----------------------------------|-------------------|-----------|-----------|--|----------------------------------|-------------------|-----------|-----------|--|----------------------------------|-------------------|
| Beg Years           | End Years | PTO Max Hrly Accrual Rate (Up to 80 elg hrs) | Max Hours accrued per pay period | PTO Days per year | Beg Years | End Years | PTO Max Hrly Accrual Rate (Up to 80 elg hrs) | Max Hours accrued per pay period | PTO Days per year | Beg Years | End Years | PTO Max Hrly Accrual Rate (Up to 80 elg hrs) | Max Hours Accrued per pay period | PTO Days per year |
| 0.0                 | 4.9       | 0.084625                                     | 6.77                             | 22                | 0.0       | 4.9       | 0.103875                                     | 8.3                              | 27                | 0.0       | 1.0       | 0.103875                                     | 8.3                              | 27                |
| 5.0                 | 9.9       | 0.103875                                     | 8.31                             | 27                | 5.0       | 9.9       | 0.123000                                     | 9.8                              | 32                | 1.1       | 4.0       | 0.123000                                     | 9.8                              | 32                |
| 10.0                | 14.9      | 0.123000                                     | 9.84                             | 32                | 10.0      | 14.9      | 0.142250                                     | 11.4                             | 37                | 4.1       | 9.0       | 0.142250                                     | 11.4                             | 37                |
| 15                  | 19.9      | 0.126875                                     | 10.15                            | 33                | 15        | 19.9      | 0.146125                                     | 11.7                             | 38                | 9.1       | 13.5      | 0.146125                                     | 11.7                             | 38                |
| 20                  | 24.9      | 0.130750                                     | 10.46                            | 34                | 20        | 24.9      | 0.150000                                     | 12.0                             | 39                | 13.6      | 18.0      | 0.150000                                     | 12.0                             | 39                |
| 25                  | 26.9      | 0.134625                                     | 10.77                            | 35                | 25        | 26.9      | 0.153875                                     | 12.3                             | 40                | 18.1      | 22.5      | 0.153875                                     | 12.3                             | 40                |
| 27                  | 28.9      | 0.138500                                     | 11.08                            | 36                | 27        | 28.9      | 0.157750                                     | 12.6                             | 41                | 22.6      | 27.0      | 0.157750                                     | 12.6                             | 41                |
| 29+                 |           | 0.142375                                     | 11.39                            | 37                | 29+       |           | 0.161625                                     | 12.9                             | 42                | 27.1      |           | 0.161625                                     | 12.9                             | 42                |

### Eligibility and Accrual for PSL

PSL eligible employees include Per-Diem, Private Home Care, and Part-Time non-benefit eligible employees. PSL eligible employees will accrue at the rate of one hour per every 30 hours worked (.033333 per hour); accrual begins as of the first pay period. A new employee is entitled to use PSL beginning on the first day of employment. Employees are limited to 24 hours of use of accrued time in each calendar year. PSL will carry over to the following calendar year not to exceed 48 hours of accrual in any calendar year.

### Maximum Accruals

The maximum PTO accrual allowed is 400 hours. The accrual will cease once the maximum accrual is reached until PTO hours are used or cashed out. The maximum EIB accrual is 2000 hours; the maximum PSL accrual is 48 hours in a calendar year. No payment is made for accrued EIB or PSL time when employment with Kaweah Health ends for any reason.

### Requesting, Scheduling, and Access to PTO, EIB and PSL

Employees are required to use accrued PTO for time off for illness or unexpected absence occurrences.

Routine unpaid time off is not allowed. Any requests for unpaid time should be considered only on a case-by-case basis taking into consideration the need for additional staffing to replace the employee and other departmental impacts. It is the responsibility of management to monitor compliance. Employees should be aware that unpaid time off could potentially affect their eligibility for benefits.

Any planned request for PTO time, whether for traditional holiday, for vacation time or otherwise must be approved in advance by management. Management will consider the employee's request as well as the needs of the department. In unusual circumstances, management may need to change the PTO requests of employees based upon the business and operational needs of Kaweah Health. In such situations, Kaweah Health is not responsible for costs employees may incur as a result of a change in their scheduled PTO time.

#### AB 1522 Healthy Workplace Healthy Families Act of 2014

An employee may utilize up to 24 hours of PTO or PSL in a calendar year (January-December) period for the following purposes:

- a) Diagnosis, care, or treatment of an existing health condition, or preventative care for an employee or an employee's designated person, family member, as defined as employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and siblings.
- b) "Family Member" means any of the following:
  - i. A child, which for purposes of this policy means a biological, adopted or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis; this definition of child is applicable regardless of age or dependency status.
  - ii. A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.
  - iii. Spouse
  - iv. Registered domestic partner
  - v. Grandparent
  - vi. Grandchild
  - vii. Sibling
- c) Designated Person means the following:
  - i. Under the California Family Rights Act (CFRA) and California Healthy Workplaces Health Families Act (HWHFA) an employee will be able to identify a designated person for whom they want to use leave when they request unpaid CFRA or paid HWHFA.
- d) For an employee who is a victim of domestic violence, sexual assault or stalking, as specified.

There is no cash out provision for the PSL accrual, including upon termination of

employment or with a status change to a benefit eligible position. However, if an employee separates from Kaweah Health and is rehired within one year, previously accrued and unused PSL will be reinstated.

PSL and PTO time shall be utilized at a minimum of 1-hour increments and no more than the length of the employee's shift.

PTO and PSL time taken under this section is not subject to the Progressive Discipline Policy HR.216.

#### Time Off Due To Extended Illness

Employees who are absent due to illness for more than three (3) consecutive work days should notify their manager and contact the Human Resources Department to determine if they are eligible for a leave of absence. Accrued EIB can be utilized for an approved continuous leave of absence beyond 24 hours and if admitted to a hospital or have a medical procedure under anesthesia. However, in instances when an employee has been issued Disciplinary Action and directed to provide a doctor's note for all sick days, then an employee may need to submit a doctor's note.

Employees who are absent due to illness for more than seven (7) consecutive days should file a claim for California State Disability Insurance. Claim forms are available in Human Resources. State Disability payments will be supplemented with any accrued EIB time by the Payroll Department and PTO at the employee's request.

Employees who are absent with an Intermittent Leave under FMLA/CFRA are required to use accrued PTO for their absences, at no less than one hour and no more than the regular length of the shift.

#### Time Off Due to Kin Care

Kin Care allows eligible employees to use up to one-half (1/2) of the Extended Illness Bank (EIB) that they accrue annually in a calendar year to take time off to care for a sick family member. Only employees who accrue EIB are eligible for Kin Care. No more than one-half of an employee's EIB accrual in a calendar year period can be counted as Kin Care. An employee who has exhausted their EIB and then is absent to care for a sick family member cannot claim that absence under Kin Care.

Kin Care can be used to care for a sick family member, to include a spouse or registered domestic partner, child of an employee, "child" means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child or a person standing in loco parentis, parents, parents- in-law, siblings, grandchildren and grandparents.

EIB time taken under this section to care for an immediate family member is not subject to the Progressive Discipline Policy HR.216.

#### Holidays

Kaweah Health observes 72 holiday hours each year. Eligible employees may

be scheduled a day off and will be paid provided adequate accrual exists within their PTO bank account for each observed holiday. Time off for the observance of holidays will always be in accordance Kaweah Health needs.

1. New Year's Day (January 1<sup>st</sup>)
2. President's Day (Third Monday in February)
3. Memorial Day (Last Monday in May)
4. Independence Day (July 4<sup>th</sup>)
5. Labor Day (First Monday in September)
6. Thanksgiving Day (Fourth Thursday in November)
7. Day after Thanksgiving Day (Friday following Thanksgiving)
8. Christmas Day (December 25<sup>th</sup>)
9. Personal Day

Business departments and/or non-patient care areas will typically be closed in observance of the noted holidays. Where this is the case, employees assigned to and working in these departments will be scheduled for a day off on the day the department is closed. Employees affected by department closures for holidays should maintain an adequate number of hours within their PTO banks to ensure that time off is with pay.

In business departments and/or non-patient care areas, holidays, which fall on Saturday, will typically be observed on the Friday preceding the actual holiday and holidays, which fall on Sunday, will be observed on the Monday following the actual holiday.

Employees who work hours on some of these holidays may be eligible for holiday differential. For more information of eligibility, see policy HR.75 Differential Pay-Shift, Holiday, and Weekend.

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# Sepsis Quality Focus Team Report

October 2023

Erika Pineda BSN, RN, PHN, CPHQ  
Quality Improvement Manager

Dr. Lamar Mack, MD, MHA

Medical Director of Quality & Patient Safety



# Acronyms

- ALOS - Average Length of Stay
- BC – Blood Culture lab test
- Dx - Diagnosis
- ED – Emergency Department
- EM – Emergency Medicine GME Program
- FM – Family Medicine GME Program
- GMLOS – Geometric Length of Stay
- ICD10 – Billing Codes
- LA – Lactic Acid Lab Test
- RRT – Rapid Response Team
- SEP-1 – CMS Sepsis Bundle Measure
- VBG – Venous Blood Gas lab test
- VS – Vital Signs
- HR – Heart Rate
- PPR – Peripheral Pulse Rate
- APR – Apical Pulse Rate
- IBW – Ideal Body Weight
- PNF – Provider Notification Form
- OFI – Opportunity for Improvement

# What is Sepsis?

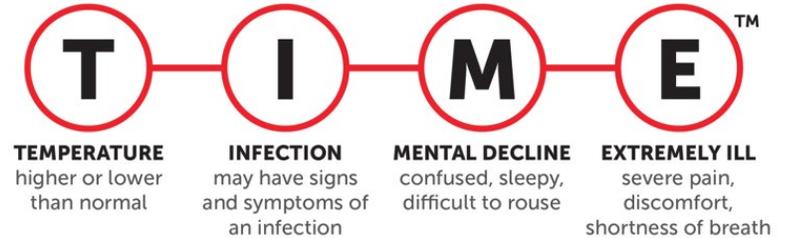
Sepsis is the body's overwhelming and life-threatening response to infection that can lead to tissue damage, organ failure, and death.

- The body's overactive and toxic response to an infection.
- Like strokes or heart attacks, sepsis is a medical emergency that requires rapid diagnosis and treatment.
- Sepsis can lead to severe sepsis and septic shock.

## Key Sepsis Facts

- More than 1.7 million people in the U.S. are diagnosed with sepsis each year.
- In the United States, sepsis takes a life every two minutes.
- The risk of mortality from sepsis increases by 4-9% for every hour treatment is delayed. As many as 80% of septic shock patients can be saved with rapid diagnosis and treatment.
- Sepsis is the #1 cost of hospitalization in the U.S. Costs for acute sepsis hospitalization and skilled nursing are estimated to be \$62 billion annually.
- As many as 87% of sepsis cases originate in the community and not in the hospital.
- An estimated 34% of U.S. adults have NEVER heard of sepsis

When it comes to sepsis, remember  
**IT'S ABOUT TIME™**. Watch for:



If you experience a combination of these symptoms: seek urgent medical care, call 911, or go to the hospital with an advocate. Ask: "Could it be sepsis?"

©2020 Sepsis Alliance

sepsis.org



# Surviving Sepsis Campaign 1-Hour Bundle Initiative

- Kaweah Health went live with the **ED 1-hour Sepsis Bundle** in June of 2023
- Goal: To *reduce sepsis-related mortality*

## The Way Kaweah Health is Reducing Sepsis Mortality

### One Hour

- Collect Lactic Acid
- Collect Blood Culture prior to antibiotics
- Administer Broad Spectrum Antibiotics
- Administer 30ml/kg crystalloid fluids for hypotension or lactate  $\geq 4\text{mmol/l}$

### Six Hours

- Administer vasopressor if hypotensive during or after fluid resuscitation to maintain a mean arterial pressure  $\geq 65$  mm Hg
- Physician Reassessment
- Repeat Lactic Acid if the first was  $\geq 2\text{mmol/l}$

## SEPSIS CLINICAL CARE BUNDLE GUIDE



### 1-hour bundle

- 1 Draw lactate level
- 2 Draw blood culture prior to antibiotics
- 3 Administer broad spectrum antibiotics
- 4 Administer 30 ml/kg crystalloid fluids for hypotension or lactate  $\geq 4\text{mmol/l}$

### 6-hour bundle

- 5 Apply vasopressor (for hypotension that does not respond to initial fluid resuscitation) to maintain a MAP  $\geq 65\text{mm Hg}$
- 6 Physician reassessment (Sepsis reevaluation) - any one of: CVP, SvO<sub>2</sub>, bedside cardiovascular US, passive leg raise or fluid challenge
- 7 Draw a repeat lactate if the first was  $\geq 2\text{mmol/l}$

# FY24 Clinical Quality Goals

**Our Mission**  
 Health is our passion.  
 Excellence is our focus.  
 Compassion is our promise.

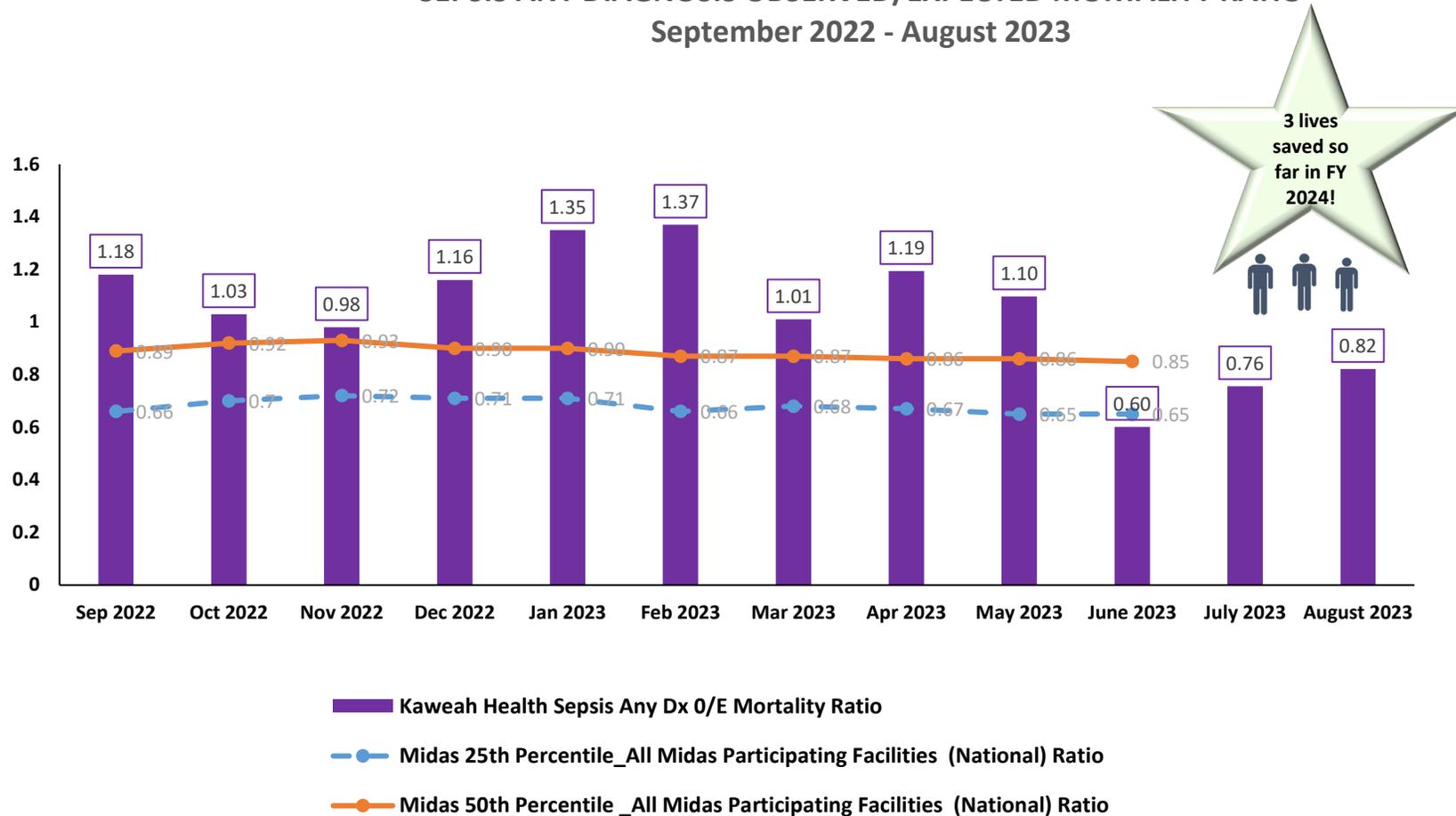
**Our Vision**  
 To be your world-class  
 healthcare choice, for life

|                                       | <b>July – August 23</b><br>Higher is Better | <b>FY24 Goal</b><br><b>PROPOSED</b> | <b>FY23</b> | <b>FY23 Goal</b> |
|---------------------------------------|---|-------------------------------------|-------------|------------------|
| <b>SEP-1</b><br>(% Bundle Compliance) | <b>73%</b>                                  | ≥ 85%                               | 73%         | ≥ 77%            |

Percent of patients with this serious infection complication that received “perfect care”. Perfect care is the right treatment at the right time for our sepsis patients.

# Sepsis Any Diagnosis – Outcomes Observed/Expected (o/e) Mortality

SEPSIS ANY DIAGNOSIS OBSERVED/EXPECTED MORTALITY RATIO  
September 2022 - August 2023

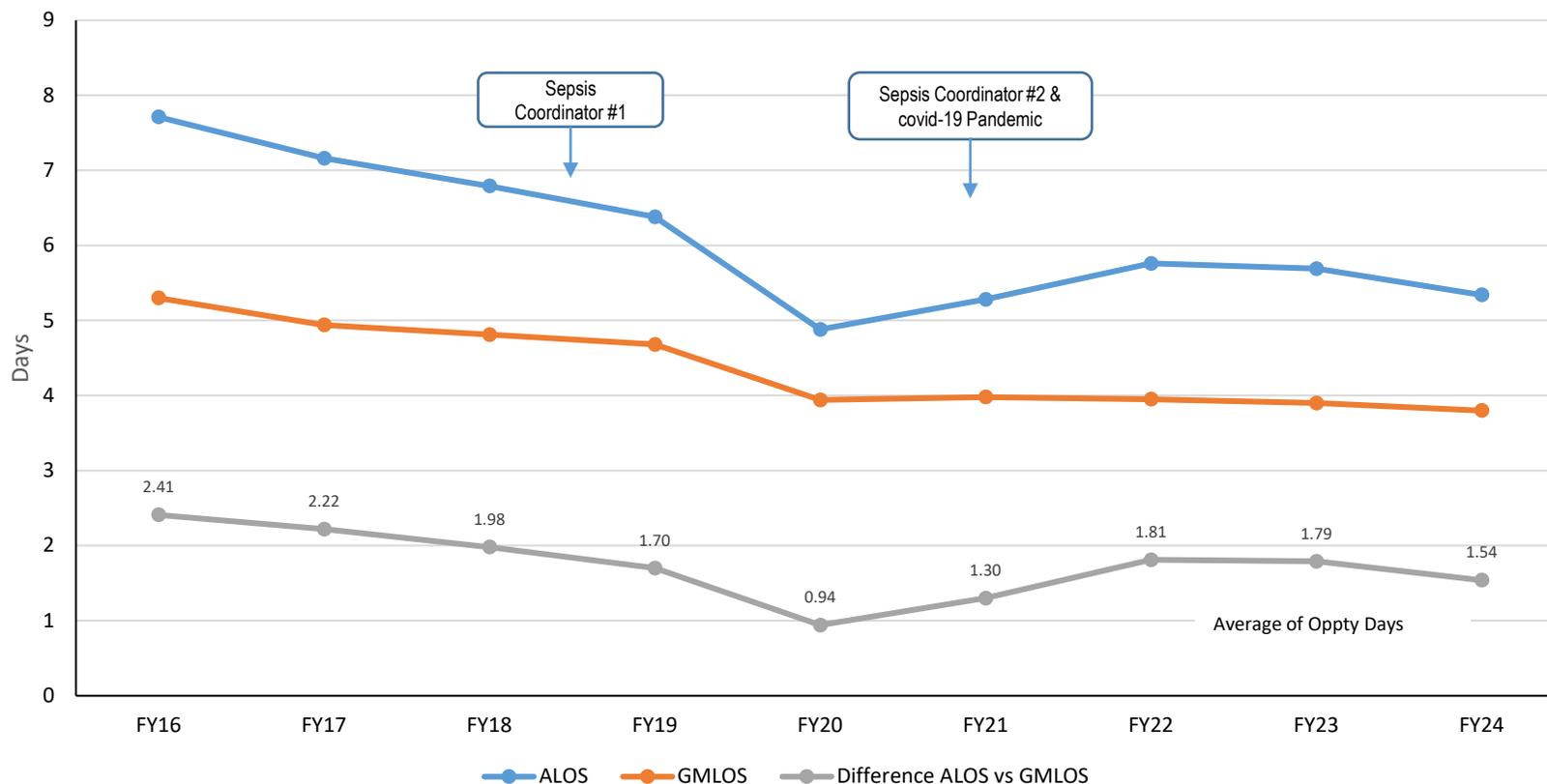


- Ratio < 1.0 indicates that at least expected deaths do not exceed actual (Lower ratio is better)
- FY 2023 KH Ratio: 1.12 (140/125)
- Best performing facilities have o/e ratios significantly lower than 1.0 (i.e. 0.6)
- KH Goal is 0.6 o/e sepsis Mortality
- FY 2024 (July – August) KH Ratio: 0.79 (13/16)

Midas Risk Adjusted Model v6 comparison analysis  
(582-624 sites)

# Sepsis Any Diagnosis - Outcomes Length of Stay

All Sepsis Dx - ALOS, GMLOS & Difference Between (excludes COVID)



- 26.2% decrease in ALOS from FY16 (ALOS=7.71) to FY23 (ALOS=5.69)
- FY23 Kaweah Health ALOS 5.69 days vs. CMS GMLOS 3.94 Difference of 1.79 days.
- COVID-19 cases removed in FY20-23. SEP-1 bundle does not apply to COVID-19 patients.

# Sepsis QFT Actions & Next Steps

- Key Improvement strategies in process:
  1. Secure GME Resident engagement & Support: Secured one ED Chief Resident (s) to Attend Sepsis Committee meeting consistently (In progress)
  2. Resident education event (Orientation) Completed 6/21/23
  3. Standing educational activities for GME residency: Sepsis SIM and Sepsis didactic every 18 months (In progress)
  4. ED Provider (s) education ongoing by ED Medical Staff leadership (In progress)
  5. HealtheAnalytics Sepsis data retrieval dashboard developed to track 1-hr. bundle compliance (Currently undergoing validation) (In progress)
  6. ED Sepsis Decision Making tool rolled out to aid in ED Provider documentation enhancement (Ongoing evaluation to improve tool) In progress
  7. Sepsis Committee to meet on a monthly basis to address concerns timely (In progress)

## Sepsis Decision Making

| SIRS                           | Sepsis    | Severe Sepsis                         | Septic Shock         |
|--------------------------------|-----------|---------------------------------------|----------------------|
| T>38.3 or <36                  | Infection | Lactate >2                            | Lactate ≥ 4          |
| HR > 90                        | +         | Single SBP < 90                       | SBP <90 despite IVFs |
| RR >20                         | 2 SIRS    | BiPAP/Vent                            |                      |
| WBC > 12 or <4;<br>Bands > 10% |           | Cr or Bili >2, INR > 1.5, Plts < 100k |                      |

Sepsis Recognition Time: \_



A sepsis re-evaluation was performed at:

Delays:

- \_ Waiting for blood cultures to be drawn would have resulted in a delay of >45 minutes in starting antibiotics.
- \_ After a risk/benefit discussion the patient/POA refused IV placement and blood draw (blood cultures, lactic acid).
- \_ After a risk/benefit discussion the patient/POA refused antibiotics.
- \_ After a risk/benefit discussion the patient/POA refused vasopressors
- \_ IV access was unattainable. Therefore, antibiotics were ordered and administered via the IM/IO route to avoid further delay.

Measured and Ideal Weights:

LWM Weight

No qualifying data available. Ideal Body Weight:

### Resuscitation Volume:

| Check One | Weight Range Actual Wt or IBW | 30 mL/kg Resuscitation Volumes | OR | Check One | Lesser Resuscitation Volumes |
|-----------|-------------------------------|--------------------------------|----|-----------|------------------------------|
|           | Exact Weight                  | 30 mL/kg                       |    |           | 500 mL                       |
|           | <50 kg                        | 1500 mL                        |    |           | 1000 mL                      |
|           | 50-67 kg                      | 2000 mL                        |    |           | 1500 mL                      |
|           | 67-83 kg                      | 2500 mL                        |    |           | 2000 mL                      |
|           | 83-100 kg                     | 3000 mL                        |    |           |                              |
|           | >100 kg                       | Recommend IBW                  |    |           |                              |

### Sepsis Fluid Decision Making:

- \_ N/A Septic shock not present.
- \_      mL of crystalloid fluids were given in lieu of a 30 mL/kg bolus because the blood pressure responded to a lesser volume.
- \_ The total volume of crystalloids and/or colloids given will now be      in place of 30 mL/kg as there is a concern for fluid volume overload.

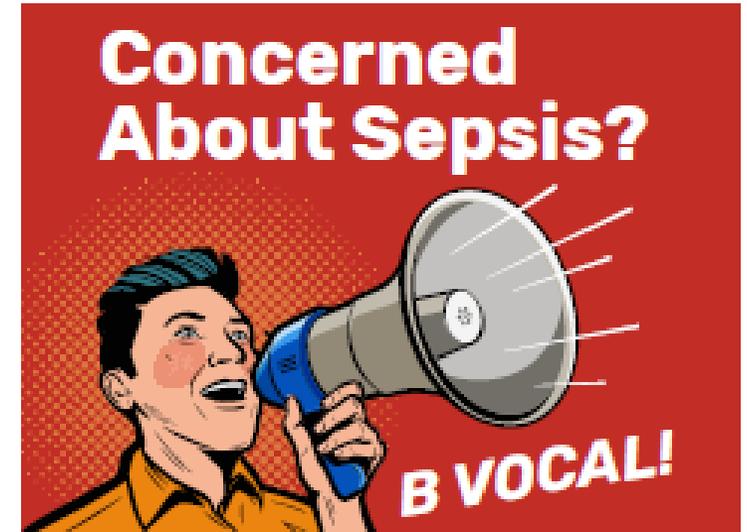
Code Status:

N/A ▼

# Sepsis QFT Actions & Next Steps

- Key Improvement strategies in process:

8. SEP 1 fall outs deep dive & discussion for strategies in Sepsis Committee (In progress)
9. Continue education/follow-up with providers, & caregivers during concurrent review of cases (In progress)
10. Engagement with Transitional year Resident (s) for a Sepsis Quality Improvement Project (In progress)
11. Ongoing partnership with Education Department as needed for refresher on CMS Sepsis requirement (Completed 9/26/23)
12. Improve communication regarding blood culture collection between nurse, phlebotomist & providers (In progress)
13. Acronym developed to assist as cognitive aid to remember SEP-1 Bundle elements: B VOCAL! Completed
14. Advocate for Unit Based Nurse Sepsis Champions hospital wide (presented to Patient Care Leadership 7/19/23 (Not feasible at the moment)
15. Exploring the use of Sepsis intervention tracker/Sepsis electronic checklist (Not feasible at the moment)



**B**lood culture collection (before antibiotics)  
**V**asopressors\*  
**O**xygen supplementation\*  
**C**rystalloids / colloids\*  
**A**ntibiotics (broad-spectrum, parental)  
**L**actic acid monitoring (serial collection)  
*\*When appropriate*

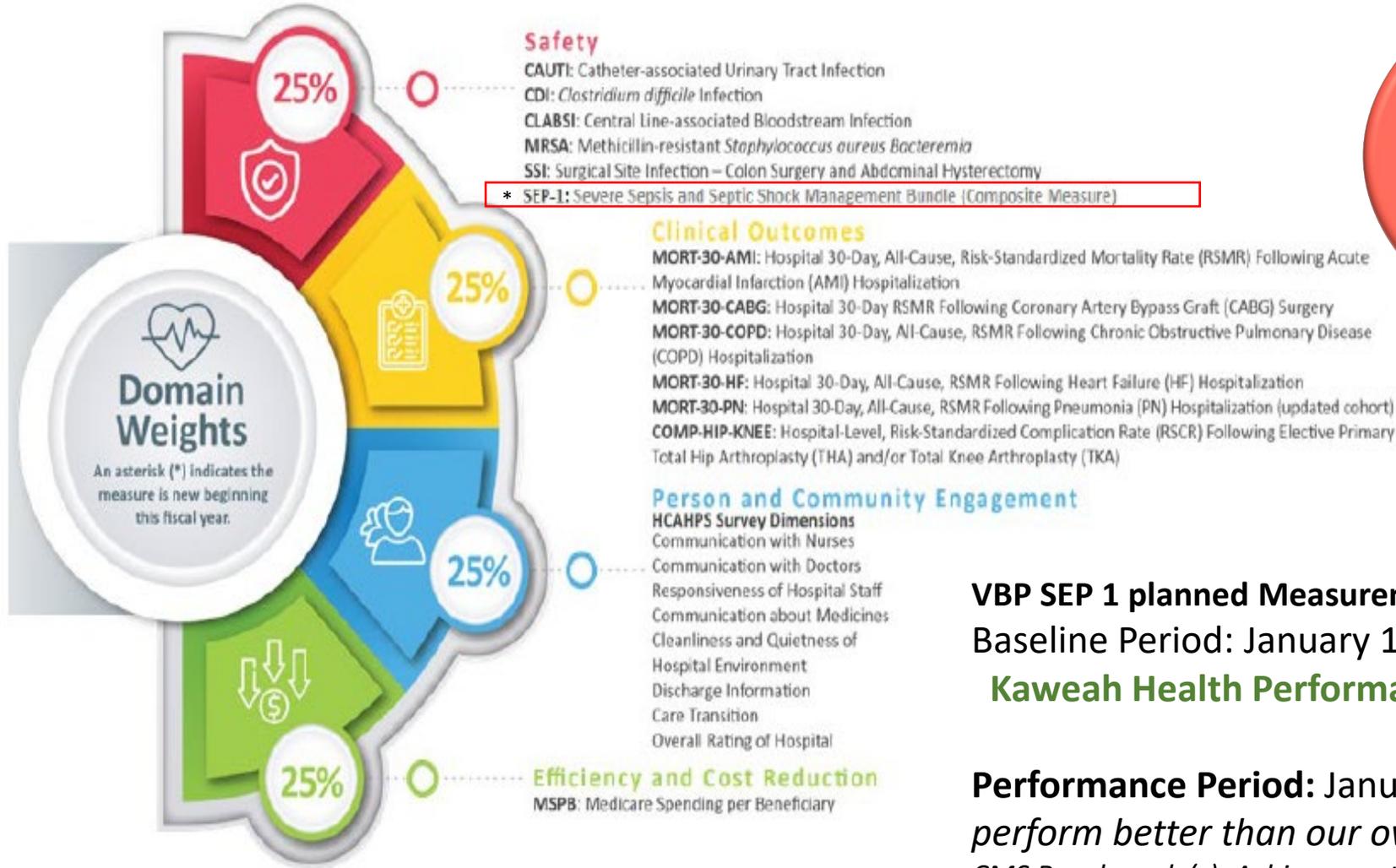


# Sepsis QFT Next Steps

## Next Steps:

- Exploring development of SIRS Sepsis Alert for Emergency Department
- Improve Severe Sepsis Alert accuracy
- Ongoing evaluation for the “One-Hour” Sepsis bundle to reduce Sepsis mortality
- Strengthen partnership with HIM/Coding related to Sepsis
- Explore rolling out 1-hour Sepsis bundle to the inpatient population
- Planned modified Kaizen event to evaluate current barriers to meeting SEP 1 requirements
- Ensure to secure the most points for SEP 1 composite measure for the CMS Value Based Purchasing program

# CMS NEWS: Value Based Purchasing Domains & Measurement for Calendar Year 2024 Discharges



CMS has adopted SEP 1: Severe Sepsis and Septic Shock Management Bundle (Composite Measure) to the Safety Domain for Pay for performance Value based Purchasing Program starting Jan 1, 2024

## VBP SEP 1 planned Measurement Period:

Baseline Period: January 1–December 31, 2022 (CY 2022)

**Kaweah Health Performance Period in CY 2022: 76%**

**Performance Period: January 1–December 31, 2024 (We have to perform better than our own and/or the National CMS Benchmark)**  
 CMS Benchmark (s): Achievement Threshold 60% Benchmark/Top Decile: 84%

# Sepsis Awareness Month Activities in September!

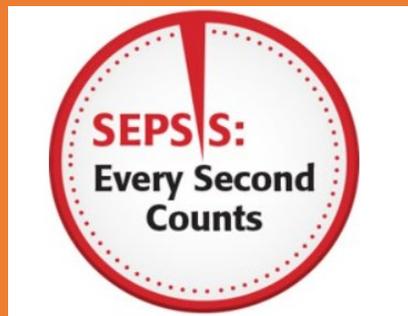


- Sepsis education community event at Rawhide Stadium on 8/18
- Sepsis Awareness video updated
- Sepsis Scholar Contest (chance to win gift cards)
- 6 Theme Sepsis Contest (chance to win a gift basket)
- Social Media Sepsis Campaign
- Radio/TV announcements (English/Spanish speaking Audience)

## Kaweah Health earned:

- 5 stars in the treatment of sepsis 10 years in a row





Dr. LaMar Mack, Medical Director, Quality and Patient Safety Ext. 2117  
Sandy Volchko, RN-Director, Quality and Patient Safety. Ext. 2169  
Erika Pineda, RN-Manager, Quality and Patient Safety. Ext. 2876  
Ryan Smith, RN-Sepsis Coordinator. Ext. 5905  
Jared Cauthen, RN-Sepsis Coordinator. Ext. 6903



# Ideal Work Environment

October 2023



[kaweahhealth.org](http://kaweahhealth.org)



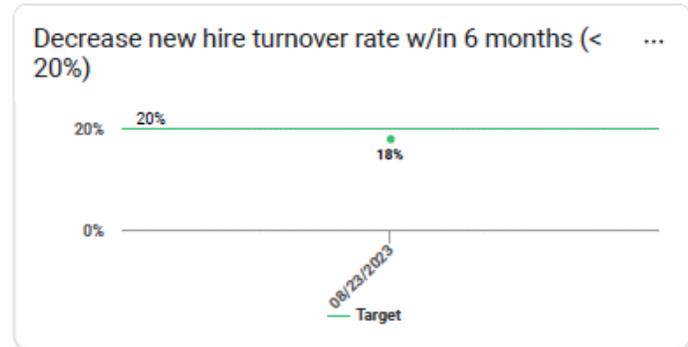
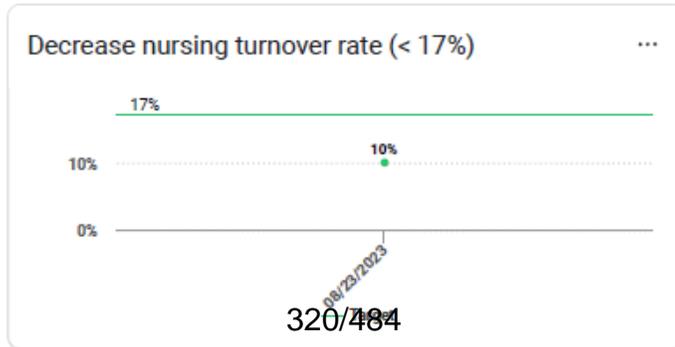
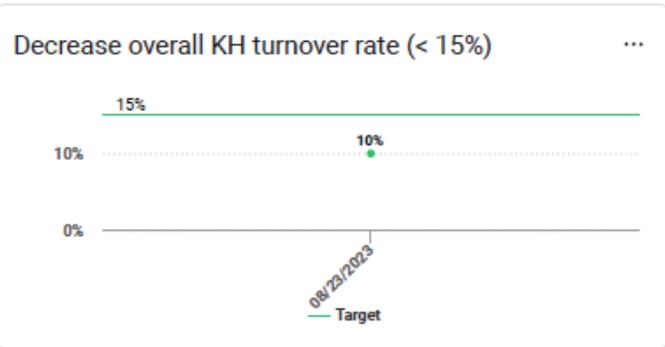
# Ideal Work Environment

## Five areas of focus

- Employee Retention and Resiliency
- Kaweah Care Culture
- Ideal Practice Environment
- Expand Volunteer Programs
- Growth in School Partnerships

Objective: Improving retention and decreasing turnover will stabilize the workforce, improve competency and safe patient care and reduce costs of hiring and onboarding.

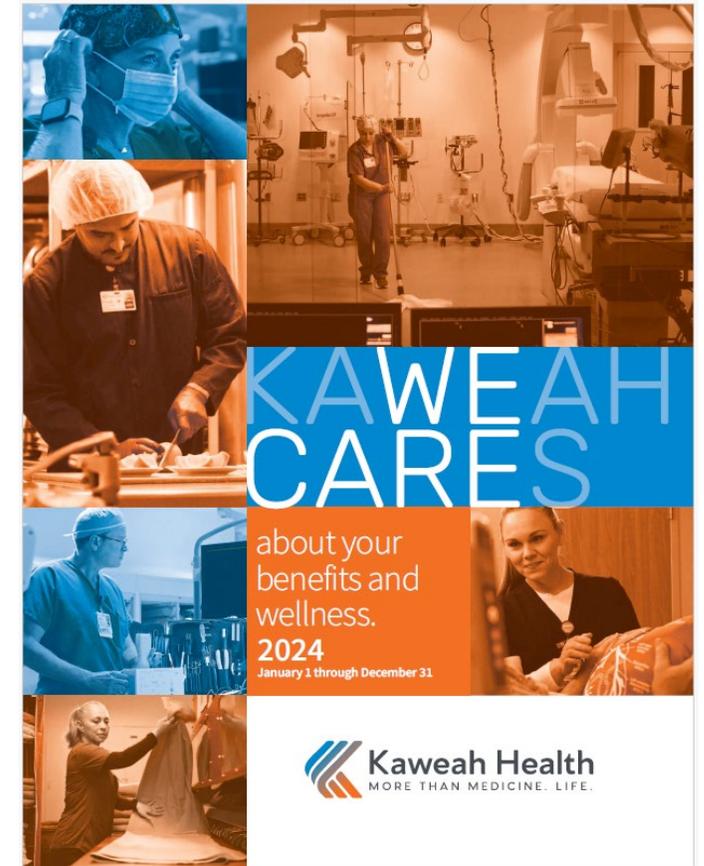
| Plan  |           |   |            |            |             |             |   |
|-------|-----------|---|------------|------------|-------------|-------------|---|
| #     | Level     | Name  | Start Date | Due Date   | Assigned To | Status      | Last Comment  |
| 2.1.1 | Objective | Restart Retention Committee Initiatives   | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    |   |
| 2.1.2 | Objective | Monitor Competitive Compensation and Benefits   | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    | Open enrollment begins in November. Enhancing plans: vision plan and legal plan will be improved to provide better coverage.<br><br>AB520 and AB525 pending approval. If approved, will increase minimum wage to \$21-\$23 per hour.  |
| 2.1.3 | Objective | Schwartz Programs Second Year Rollout (6 total by 6/30/24)  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    |   |
| 2.1.4 | Objective | Health Equity - Study health/dental insurance analytics of our employee/member population by 6/30/24      | 01/01/2024 | 06/30/2024 | Dianne Cox  | Not Started | Will start in January 2024 and complete on June 30, 2024  |
| 2.1.5 | Objective | Standardize weekly communication/newsletters, daily or weekly huddles, monthly staff meetings with themes | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    | Started Kaweah Care meetings. Will standardize talking points and communication method. Will rollout October 2023 after Leadership meeting.<br><br>Learning Path was rolled out and covers the topic of effective communication.<br><br>Employee Engagement survey will include "My director is an effective communicator". |
| 2.1.6 | Outcome   | Decrease overall KH turnover rate to meet CHA statewide statistics  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    |   |
| 2.1.7 | Outcome   | Decrease Direct Patient Care RN Turnover Rate to meet CHA statewide statistics                            | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    |   |
| 2.1.8 | Outcome   | Decrease New Hire Turnover Rate (leaving < 6 months) with 30/90 days Check-in                             | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track    |   |



# Employee Retention and Resiliency

## *Objectives*

- **COMING SOON:** Employee Experience and Engagement Kaweah Care subcommittee
- Monitor Competitive Compensation and Benefits
  - Open Enrollment begins November 1
    - Enhancing plans: Vision and offering new legal plan (ARAG)
  - CHA market data received and under review- challenging market!
- Schwartz Programs (2<sup>nd</sup> Year )
  - Led by Sandra Shadley
  - Sign-up - 





# Employee Retention and Resiliency

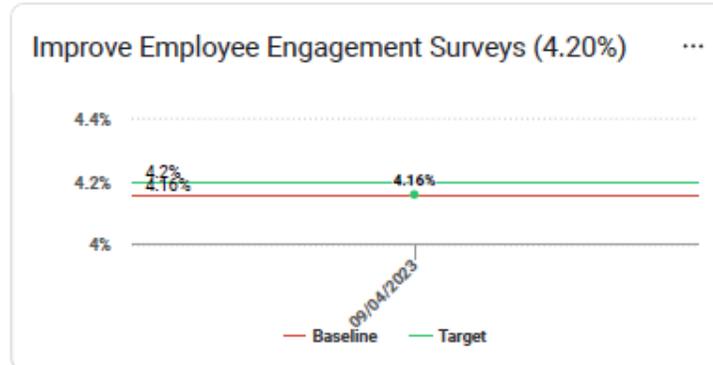
## *Outcomes*

- Decrease overall KH Turnover Rate to meet CHA statewide statistics
  - Goal: < 15%
  - 8/23/23: 10%
- Decrease Direct Patient Care RN Turnover Rate to meet CHA statewide statistics
  - Goal: < 17%
  - 8/23/23: 10%
- Decrease New Hire Turnover Rate (leaving <6 months) with 30/90 days Check-in
  - Goal: < 20%
  - 8/23/23: 18%



Objective: Recreate Kaweah Care culture into the various aspects of the organization.

| Plan  |           |  |            |            |             |          |  |
|-------|-----------|--|------------|------------|-------------|----------|--|
| #     | Level     | Name   | Start Date | Due Date   | Assigned To | Status   | Last Comment   |
| 2.3.1 | Objective | Reinvigorate post-COVID "World-Class Experiences. Every Person, Every Time." | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track |  |
| 2.3.2 | Objective | Re-establish Kaweah Care Committee and Subcommittees by September 30, 2023   | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | Three meetings have been held to date. There are three groups established: employee engagement, provider engagement, and patient experience, more updates will be provided in November.  |
| 2.3.3 | Objective | Establish goals and start implementation by June 30, 2024                    | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track |  |
| 2.3.4 | Outcome   | Improve Employee Engagement Surveys  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | Based on the Pulse survey  |
| 2.3.5 | Outcome   | Improve Employee Feedback from Jan/Feb 2023 SAQ                              |            |            | Dianne Cox  | On Track | Every SAQ department has developed a stop light report. ET will be meeting with the groups to update on progress. In 2023 Q4, ET will be rounding to discuss patient safety topics to discuss.<br><br>New SAQ performance data will be available January 2025. |





### Kaweah Care Subcommittees:

1. Community and Patient Experience and Engagement
2. Employee Experience and Engagement
3. Provider Experience and Engagement

A vertical graphic announcement for a survey. At the top, an orange banner contains the text 'WHAT DOES KAWEAH CARE MEAN TO YOU?' and 'NOW OPEN' next to a megaphone icon. Below this, the text 'KAWEAH CARE' is written in large, bold letters, with '1 - 2 MINUTE PULSE SURVEY' underneath. A dark grey horizontal band contains the text 'Survey Open October 2 - 16' and a blue circular badge that says 'GRAND PRIZE 8 HOURS PTO GRAND PRIZE'. Below the band, a line of text reads 'Link to online survey sent via email on October 2' and 'Email from: Press Ganey on behalf of Kaweah Health'. At the bottom, there are logos for 'PULSE' and 'Kaweah care'.

# Kaweah Care Culture Outcomes

- Improve Employee Engagement Surveys
  - June 2022: 4.16- 27 Question Pulse Survey
  - June 2024: 4.20- 27 Question Survey Goal

| Survey Items (Agreement Scale 1-5)  |
|---|
| My unit/department works well together.   |
| My manager treats me with respect.  |
| My manager cares about my job satisfaction.   |
| I am satisfied with the recognition I receive for doing a good job.                               |
| I am involved in decisions that affect my work.   |
| Employees in my unit/department help others to accomplish their work.                             |
| This organization supports me in balancing my work life and personal life.                        |
| I get the training I need to do a good job.   |
| Employees in my unit/department make every effort to deliver safe, error-free care.               |
| My manager encourages teamwork.   |
| My job makes good use of my skills and abilities.   |
| My unit/department provides high-quality care and service.  |
| Employees in my unit/department follow proper procedures for patient care/customer service.       |
| This organization provides career development opportunities.                                      |
| My workgroup leadership values great customer service.  |
| I get the tools and resources I need to provide the best care/service for our customers/patients. |
| I have sufficient time to provide the best care/service for our customers/patients.               |
| I respect the abilities of my manager.  |
| My job responsibilities are clear.  |
| My manager is a good communicator.  |
| Communication between shifts is effective in my unit/department.                                  |
| The employees in my unit/department are careful in how they manage organization resources.        |
| Employees in my unit/department treat each other with respect.                                    |
| My director is a good communicator.   |
| My director treats me with respect.   |
| I respect my manager.   |
| I respect my director.  |
| Survey Items (Open Text)  |
| What does "Physicians and staff work well together" mean to you?                                  |
| What do you find meaningful about your work at Kaweah Health?                                     |

## Ideal Practice Environment

Champion: Dr. Tom Gray, Dr. Lori Winston, April Mckee, and Amy Shaver

*Objective: Ensure a practice environment that is friendly and engaging for providers, free of practice barriers.*

### Plan

| #     | Level     | Name   | Start Date | Due Date   | Assigned To  | Status      | Last Comment   |
|-------|-----------|--|------------|------------|--------------|-------------|--|
| 2.2.1 | Objective | Improve Physician Retention and Resiliency   | 07/01/2023 | 06/30/2024 | Lori Winston | On Track    | Kaweah Care Physician Engagement Committee.<br>Suggestion to change "resiliency" to "wellness".  |
| 2.2.2 | Objective | Develop a team of physician leaders to identify specific goals and initiatives to reach improved scores. | 07/01/2023 | 06/30/2024 | Lori Winston | Not Started | Consider changing objective to: "Develop a team of physician and leaders" to help broaden the group and narrow the scope of the metrics.<br><br>Dyad and Kaweah Care.<br>Identify a physician engagement champion. |
| 2.2.3 | Outcome   | Improve Provider Feedback from Jan/Feb 2023 SAQ  | 07/01/2023 | 06/30/2024 | Lori Winston | Not Started | Baseline 170 providers responded (40% response rate).<br>Will not be available until May 2024  |
| 2.2.4 | Outcome   | Improve Provider Engagement Surveys  | 07/01/2023 | 06/30/2024 | Lori Winston | Not Started | Next survey will not be conducted until June 2024  |

## Expand Volunteer Programs

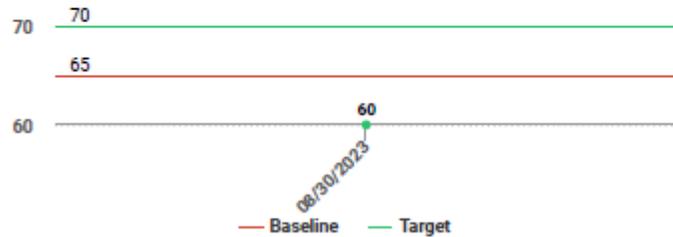
Champions: Jamie Morales and Kelly Pierce

**Objective:** Increase the number of active volunteers (high school students and young adults) engaged with Kaweah Health year over year.

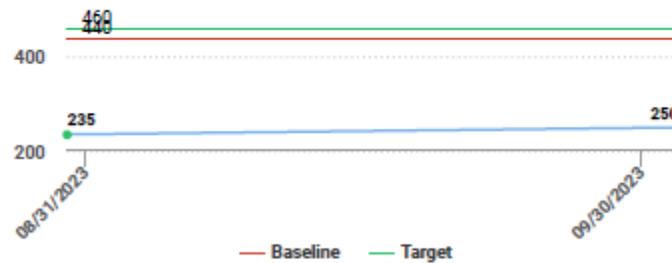
### Plan

| #     | Level     | Name   | Start Date | Due Date   | Assigned To | Status   | Last Comment                       |
|-------|-----------|--|------------|------------|-------------|----------|------------------------------------|
| 2.4.1 | Objective | Increase partnerships with local high schools and colleges for internships/shadowing | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track |                                    |
| 2.4.2 | Objective | Continue marketing of service opportunities at Kaweah Health to the public           | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track |                                    |
| 2.4.3 | Outcome   | Increase Volunteer Locations (70)  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | Baseline of 65 for FY23            |
| 2.4.4 | Outcome   | Increase Volunteer Numbers FYTD  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | Baseline 440 from 7/1/22 - 4/31/23 |
| 2.4.5 | Outcome   | Increase Volunteer Hours (35,000) FYTD   | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | FYTD                               |

Increase to 70 Volunteer Locations (by 6/30/24)



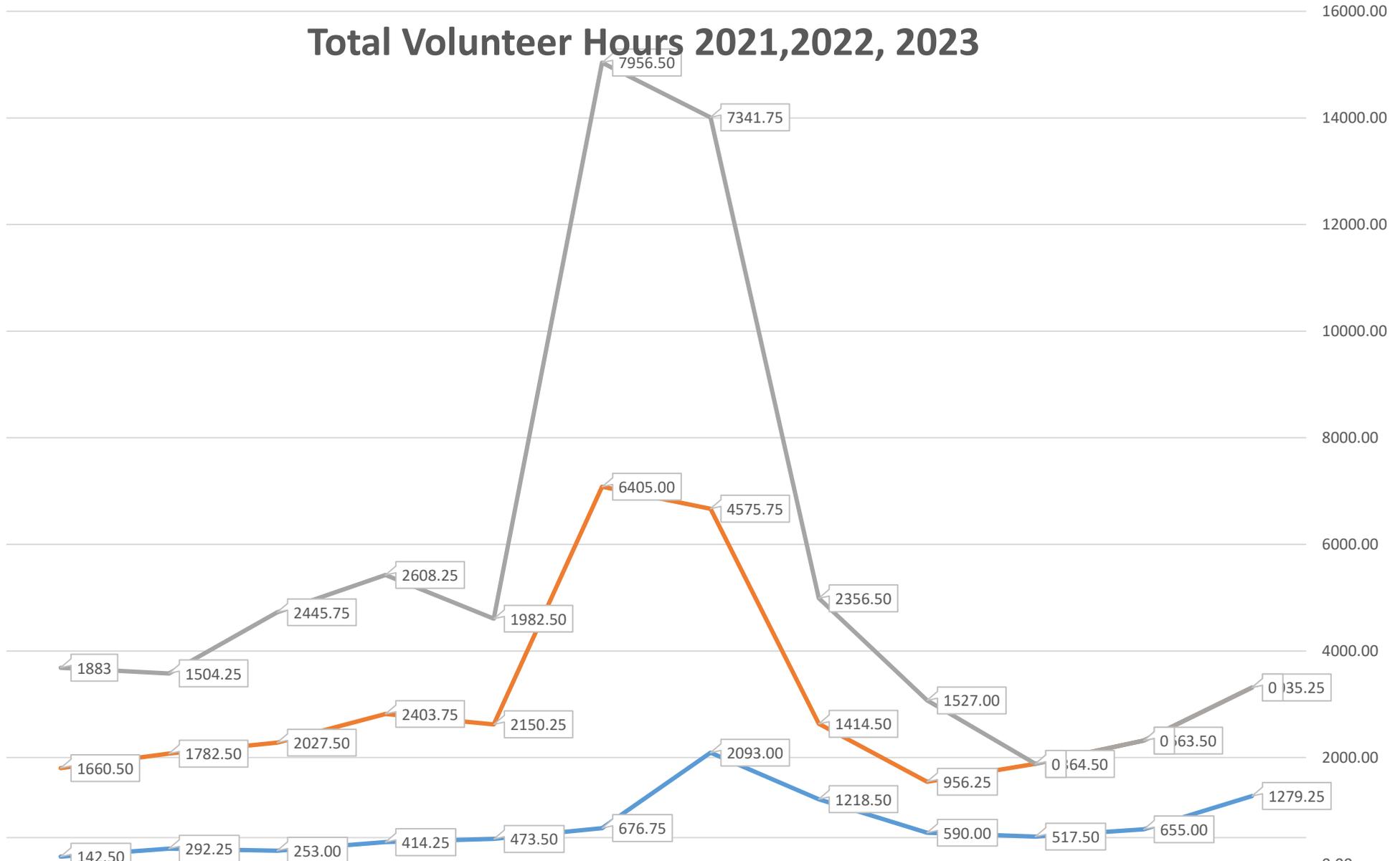
Increase to 460 Volunteers (by 6/30/24)



Increase to 35,000 Volunteer Hours (by 6/30/24)



# Total Volunteer Hours 2021,2022, 2023



| Year | Jan     | Feb     | Mar     | Apr     | May     | Jun     | Jul     | Aug     | Sept    | Oct     | Nov     | Dec     |
|------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2023 | 1883    | 1504.25 | 2445.75 | 2608.25 | 1982.50 | 7956.50 | 7341.75 | 2356.50 | 1527.00 | 1364.50 | 1663.50 | 2035.25 |
| 2022 | 1660.50 | 1782.50 | 2027.50 | 2403.75 | 2150.25 | 6405.00 | 4575.75 | 1414.50 | 956.25  | 1364.50 | 1663.50 | 2035.25 |
| 2021 | 142.50  | 292.25  | 253.00  | 414.25  | 473.50  | 676.75  | 2093.00 | 1218.50 | 590.00  | 517.50  | 655.00  | 1279.25 |

# What volunteers say

"I'm enjoying my time as a volunteer, I'm learning a lot and meeting tons of new people. Although, I can't help but notice how lonely some of the patients are while they stay, as sometimes they don't have family that comes to visit. **I was wondering if one day a week, I could bring my guitar and either play for some of the patients or sing to them, just a song or two.** I know I'm there to help the HUC and other staff as well as the patients and if it doesn't sound beneficial I understand. I was just thinking it might be nice for some of them."

"I am currently a 2<sup>nd</sup> year nursing student at UCLA. Last year, I had the opportunity to serve as a volunteer during the summer, and it was an incredibly rewarding experience...I wanted to express my newfound interest in critical care nursing... I have developed a strong fascination for this specialized field. I would be thrilled if there is a possibility for me to volunteer in an ICU, preferably the CVICU. "

"I hope that one day when I become a healthcare professional, that I may return and provide services to the Central Valley like many of the healthcare professionals I have met. I would love to one day return to Kaweah Health..."

"My time at Kaweah Health was one of the best clinical volunteer experiences and all of the staff always made me feel welcome and supported...Thanks to this experience, I have been able to confirm my passion for pursuing medicine and hope to return to the Central Valley as a physician to give back to the community that has helped me so much."

"It has been great! I absolutely loved the time I spent at here and I've learned so much. I'm so glad and grateful for the opportunity."

"I've had a great time this summer! I would like to continue volunteering on the weekends as much as I can, so please keep me active. "

"I am an undergraduate student at Johns Hopkins University studying on the Pre-med track. When I was in high school I attended the Kaweah Delta Pro-Med Volunteer Program which actually helped me discover that Health is also my passion and one day I plan to return to my community as a Physician. "

"Interning here has been an amazing learning experience"

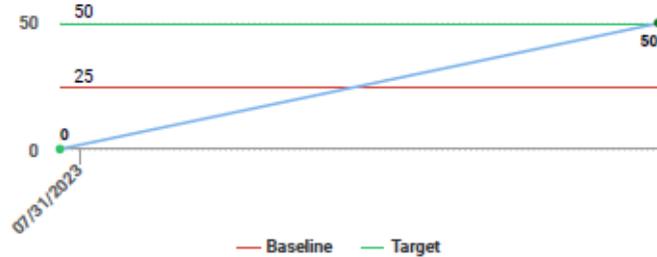


Objective: Increase the pool of local RN candidates with the local schools to increase RN cohort seats.

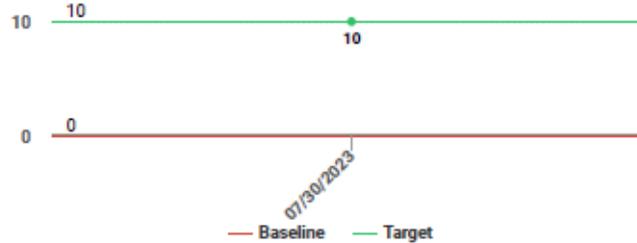
Plan

| #     | Level     | Name   | Start Date | Due Date   | Assigned To | Status   | Last Comment   |
|-------|-----------|--|------------|------------|-------------|----------|--|
| 2.5.1 | Objective | Continue to build partnerships with local colleges and universities for nursing programs; expand into other educational programs beyond nursing for KH employees | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | Expanding partnerships beyond nursing. Exploring partnerships with Fresno State and Gurnick for ancillary programs.<br><br>There is ongoing partnerships with the high schools and middle schools. In January, we will be bringing on more high school volunteers from Cutler and Orosi. |
| 2.5.2 | Objective | Continue promotion of Educational Assistance funding from Kaweah Health and governmental programs  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track |  |
| 2.5.3 | Objective | Designate a single contact person as an external/internal resource for schools and employees   | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track |  |
| 2.5.4 | Outcome   | Increase Unitek to two 25 seat programs  | 07/01/2023 | 06/30/2024 | Dianne Cox  | Achieved | Second cohort of Unitek started September 2023. Two: 25 seats in January 2023 and 25 seats in September 2023. January 2024 (25) seats have already been enrolled. This completes the 50 seats for FY24.  |
| 2.5.5 | Outcome   | Increase College of Sequoias (COS) offering of one 10 seat part-time RN program  | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | From May 2023. Will start again in May 2024  |
| 2.5.6 | Outcome   | Expand College of Sequoias (COS) and San Joaquin Valley College (SJVC)   | 07/01/2023 | 06/30/2024 | Dianne Cox  | On Track | Cohorts approved by BRN. 5 filled for SJVC   |

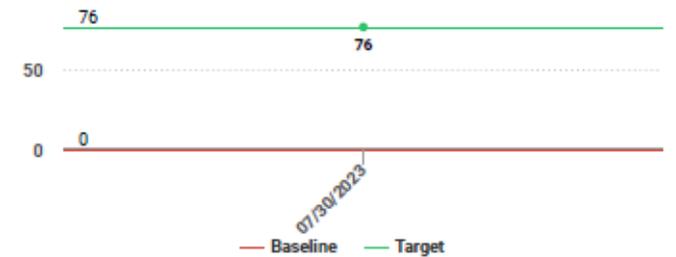
Increase Unitek Program Seats (50 seats by 6/30/24) ...



Increase COS program seats for part-time RN (10 seats by 6/30/24) ...



Expand COS and SJVC (76 seats by 6/30/24) ...



# RN Pipeline

## In Region

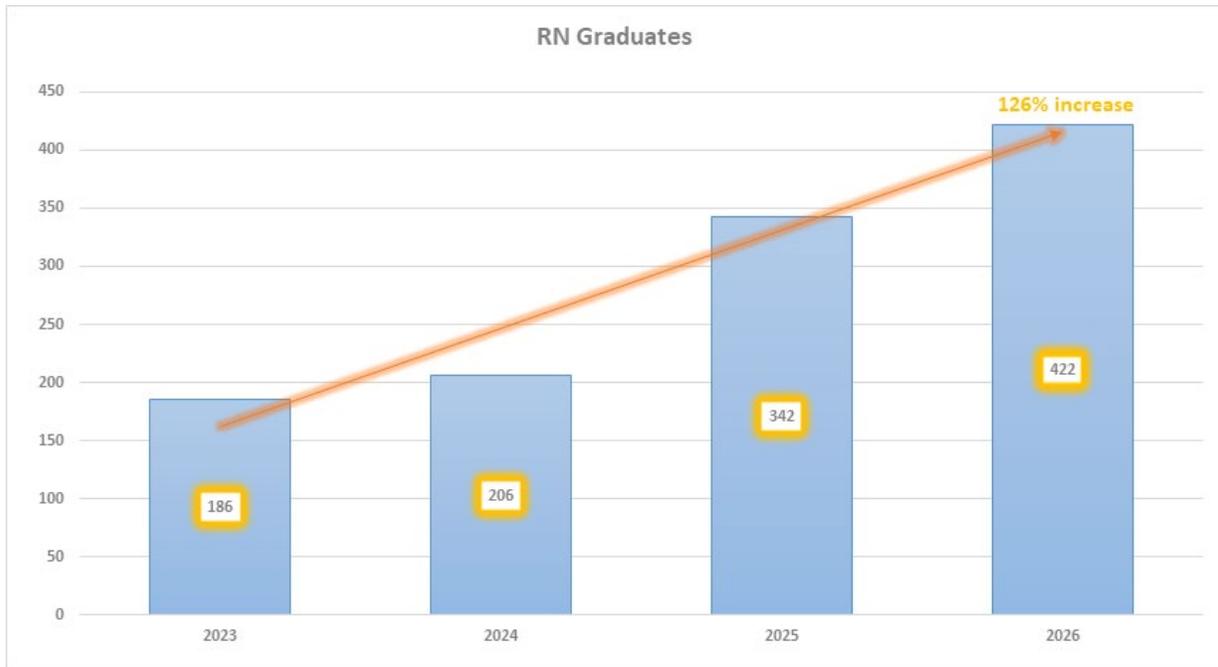
|                                       | 1x a year | 2x a year | ANNUAL RN GRADS           |
|---------------------------------------|-----------|-----------|---------------------------|
| <b>*COS</b>                           |           |           |                           |
| LVN to RN                             |           | 10        | 20                        |
| RN Traditional                        |           | 40        | 80                        |
| New RN Year Round (5/2022)            | 20        |           | Grads starting 7/2024 20  |
| New RN Traditional Cohort (8/2023)    | 40        |           | Grads starting 5/2025 40  |
| New LVN to RN Apprenticeship (8/2024) | 40        |           | Grads starting 12/2025 40 |
| <b>Fresno City</b>                    |           |           |                           |
| RN                                    |           | 110       | 220                       |
| <b>Fresno State</b>                   |           |           |                           |
| RN                                    |           | 57        | 114                       |
| <b>Gurnick Academy</b>                |           |           |                           |
| RN                                    |           | 30        | 60                        |
| <b>National University (Fresno)</b>   |           |           |                           |
| RN                                    |           | 20        | 40                        |
| <b>*Porterville College</b>           |           |           |                           |
| RN                                    | 20        |           | 20                        |
| New RN Cohort (1/2023)                | 20        |           | Grads starting 12/2025 20 |
| <b>*San Joaquin Valley College</b>    |           |           |                           |
| LVN to RN                             | 30        |           | 30                        |
| RN                                    | 36        |           | 36                        |
| RN New Cohort (8/2023)                | 36        |           | Grads starting 4/2025 36  |
| <b>*Unitek College</b>                |           |           |                           |
| RN at Kaweah Health (3/2023)          |           | 25        | Grads starting 1/2026 50  |
| RN at Sierra View (3/2023)            |           | 15        | Grads starting 3/2026 30  |
| <b>West Hills</b>                     |           |           |                           |
| RN                                    | 30        |           | 30                        |

**Current Overall Region Grads: 650**  
**Current \*Local\* Grads: 186**  
**New Local Seats Added: 236**  
**Local Grads in 2026: 422**

\*Local Visalia/Porterville area:  
 COS, SJVC, Porterville  
 333/484

# The Future

## Local RN Graduates





# KAWEAH HEALTH RUTH WOOD OPEN ARMS HOUSE



[kaweahhealth.org](http://kaweahhealth.org)



# OUR MISSION

*To provide a home for end-of-life care for our community where every life matters to the very last breath and no one dies alone.*



# Leadership

Jacklyn Becerra, LVN, Supervisor

Debbe Salazar, RN, Manager/Administrator

Tiffany Bullock, RN, Director

Jag Batth, PT, Chief Operating Officer



[kaweahhealth.org](http://kaweahhealth.org)



# KAWEAH HEALTH RUTH WOOD OPEN ARMS HOUSE

- Licensed through the Department of Social Services as a residential care facility for the elderly.
- Special waiver that allows up to six hospice residents at a time.
- At the end of life care, allows families to focus on the demands of their daily lives
- Staff provide the resident with around-the-clock care in the home.
- Trained volunteers who can offer a variety of support.

# KAWEAH HEALTH RUTH WOOD OPEN ARMS HOUSE

- Located at 3234 West Iris Avenue
- Six private bedrooms, a dining area, common living spaces, kitchen, outdoor patio and a serenity garden.
- Typical life expectancy of a resident is 30 days or less.
- Patients must be receiving hospice services from Kaweah Health Hospice.

# Staffing

- LVN supervisor; 7 full time, part-time and PRN personal care aides providing 24/7 dedicated end-of-life care.
- Kaweah Health Hospice provides care to 100% of the residents.
- Staffing ratio is ideally set at 1:3, but depending on acuity, at times been able to increase to 1:4.





[kaweahhealth.org](http://kaweahhealth.org)



# Timeline

- In July 2022, the Open Arms House obtained their license and accreditation.
- First resident was accepted on July 29, 2022.
- Through September 30, 2023, 100 residents have made it their home.
- On July 29, 2023 the annual survey was conducted. There were no findings or deficiencies.

| Financials                            | Pro Forma                            | Actual   |
|---------------------------------------|--------------------------------------|--|
| <u>Volumes</u><br>Resident days       | 3.5 daily patient census             | 2.84 daily patient census                                |
| <u>Income</u><br>Daily Rate/Donations | 415K/\$325 per day<br>130K Donations | 126K/\$121 per day<br>229K Hospice Foundation subsidized |
| <u>Expenses</u>                       | 554K (506k labor expense)            | 356K (292k labor expense)                                |

\* Pro Forma-Hospice to subsidize up to \$400,000

\*Community Donations raised \$297,000 ( double the projections)

\*Anonymous Donor gave a 1-time donation of \$400,000

\*Sliding fee scale used to determine rate.

# Hope and Remembrance

- The first Open Arms House Hope and Remembrance event was held in May, 2023 to honor the memory of the 40 residents who spent their last days in the home from July 2022 through March 2023.
- This will happen bi-annually and the next event is set for November 2, 2023.

# What's coming up...

- Preparations are being made for the annual Christmas tree auction. Proceeds go to the Hospice foundation.
- On February 24, 2023 the Hospice Foundation fundraiser, “The Moonlight Soiree” will be held. This is the major fundraiser by the Hospice foundation for the year.
- Leadership of the Open Arms House are working to develop a satisfaction survey that can be sent to families 30-60 days after the patient expires.
- Hiring of 2 more part time, personal care aides for the home.
- Community education happening all year round to educate the community about Hospice and the Open Arms House

QUESTIONS???





# The pursuit of healthiness



# CFO Financial Report

## Month Ending September 2023

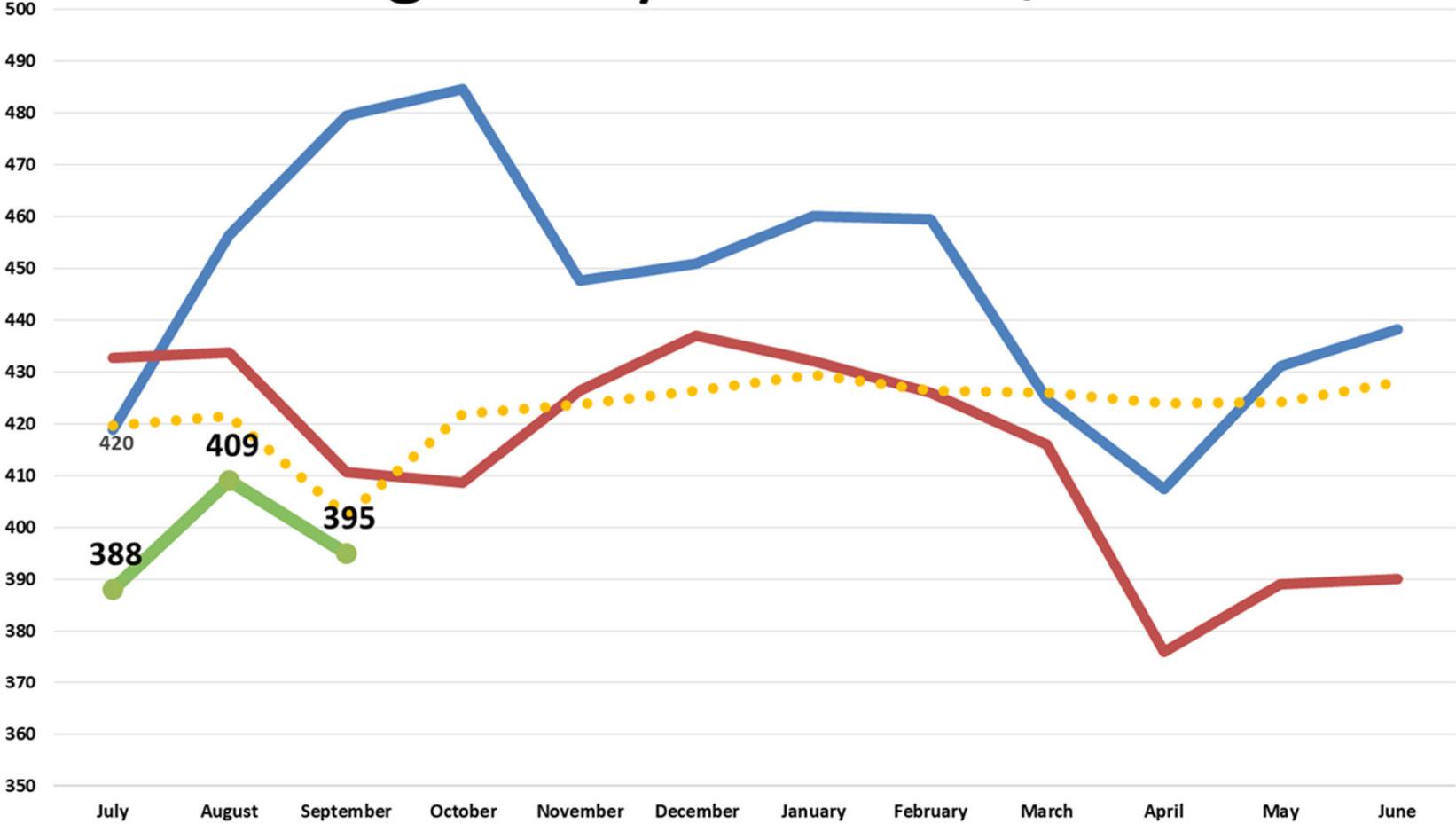


[kawahhealth.org](https://www.kawahhealth.org)

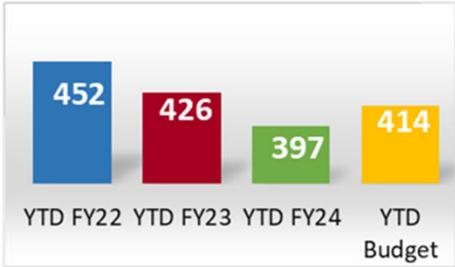


**Kawah Health**<sup>™</sup>  
MORE THAN MEDICINE. LIFE.

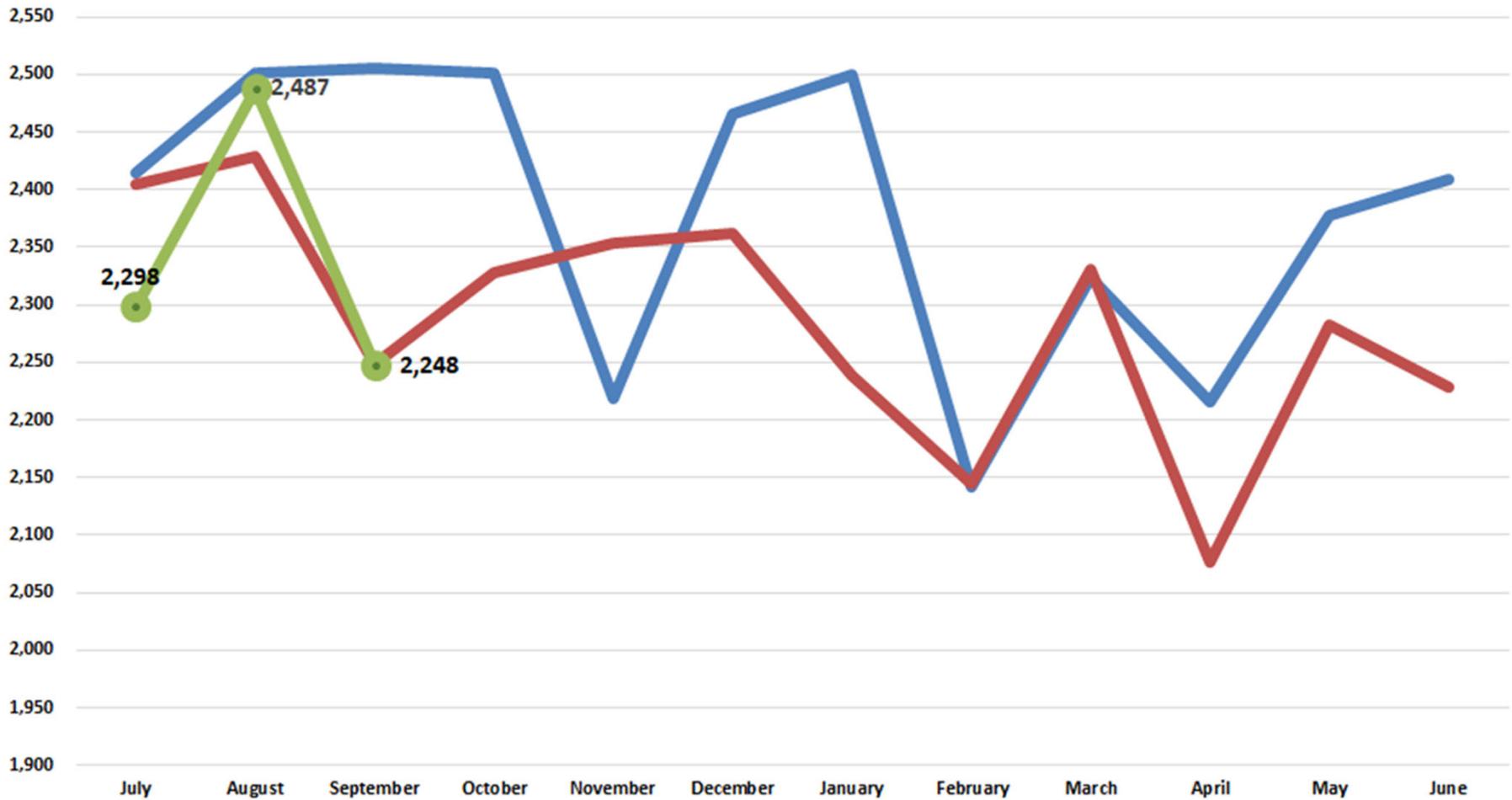
# Average Daily Census w/o TCS



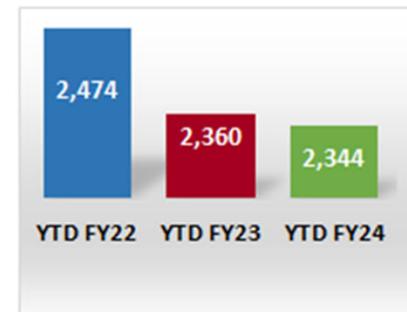
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



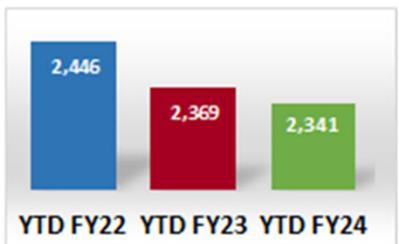
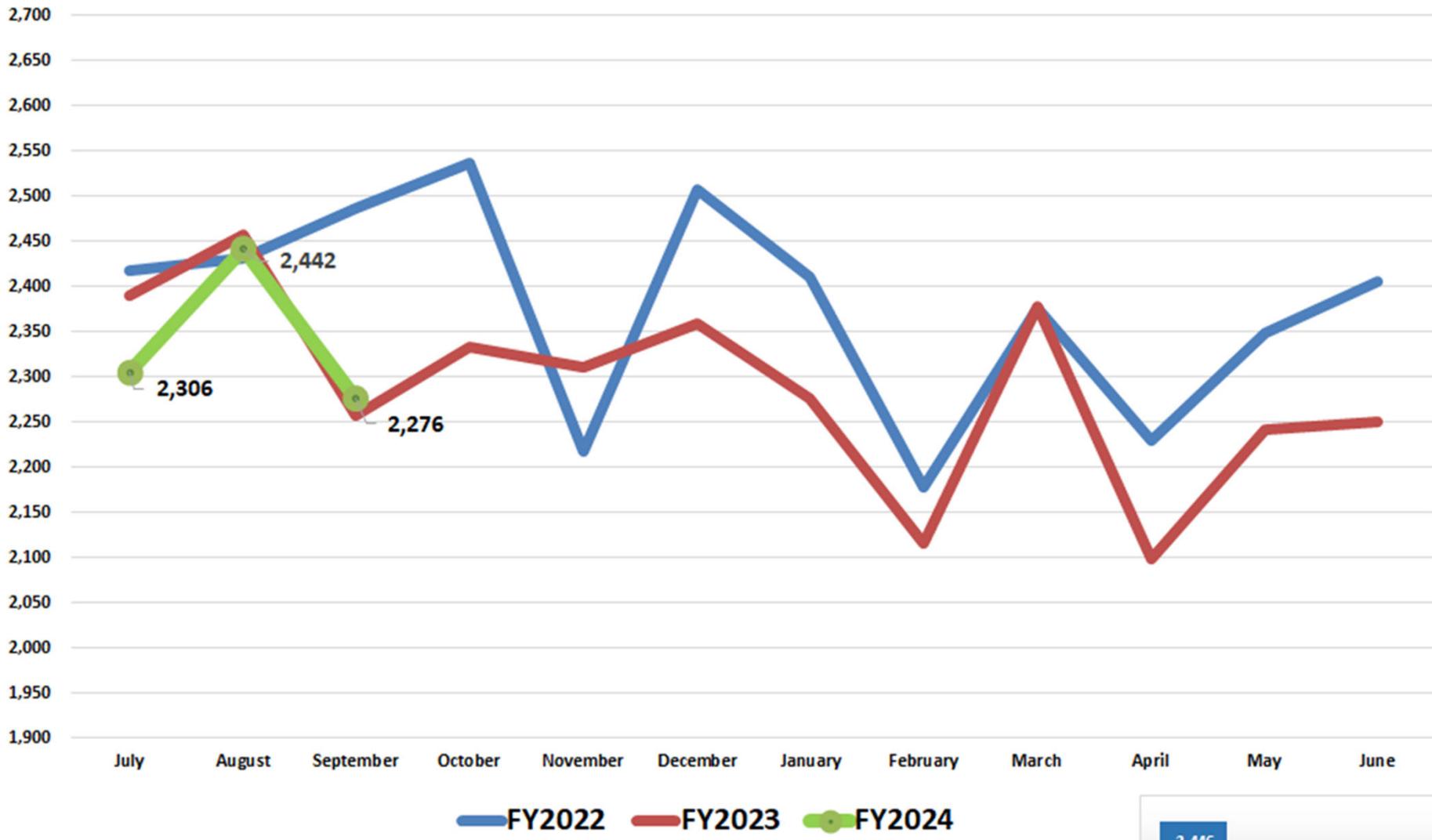
# Admissions



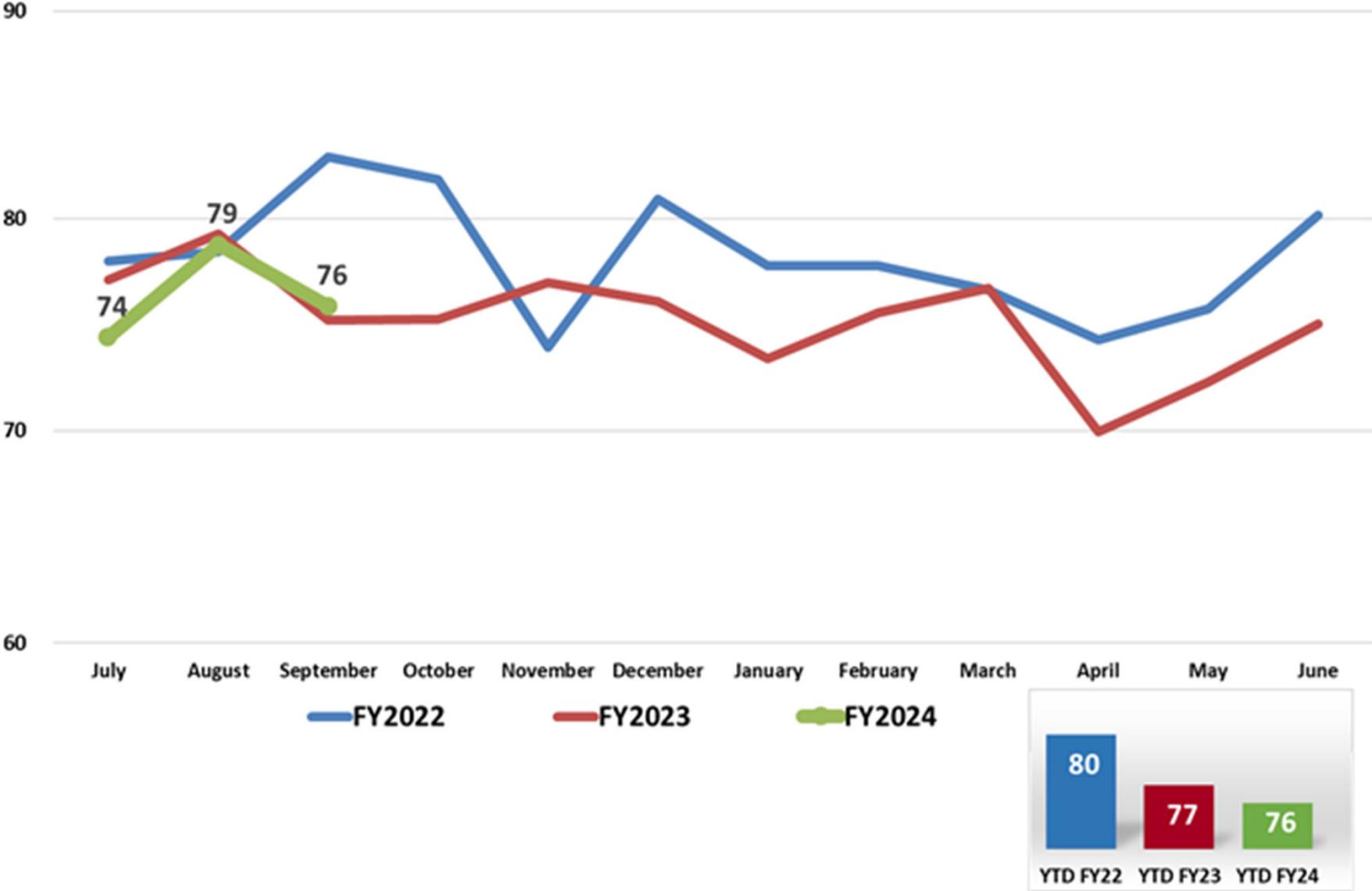
— FY2022 — FY2023 — FY2024



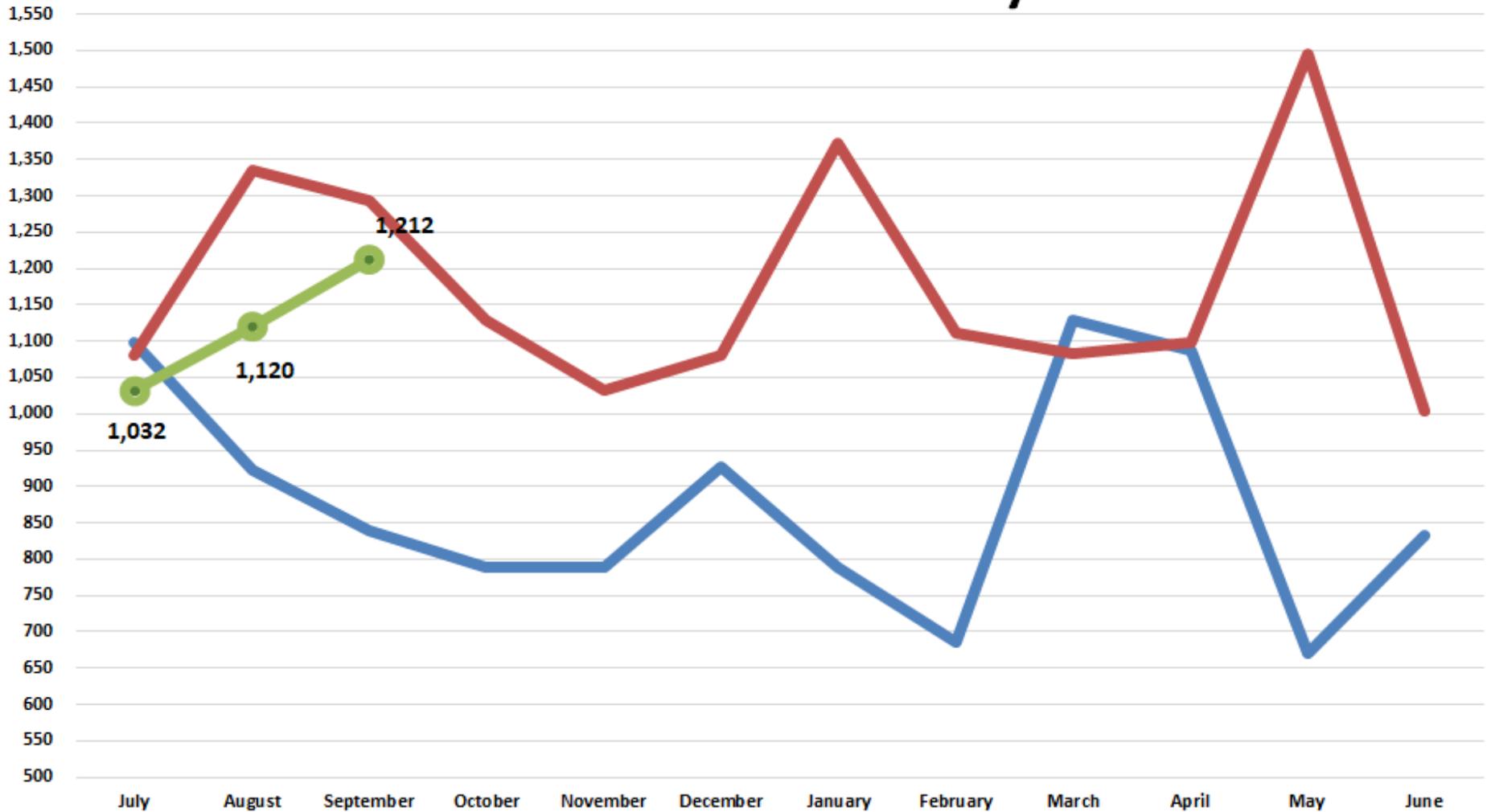
# Discharges



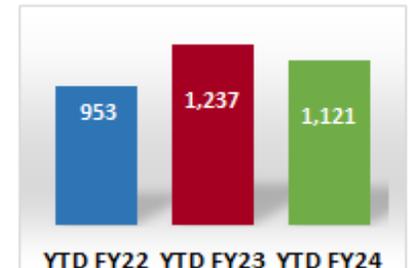
# Average Discharges per day



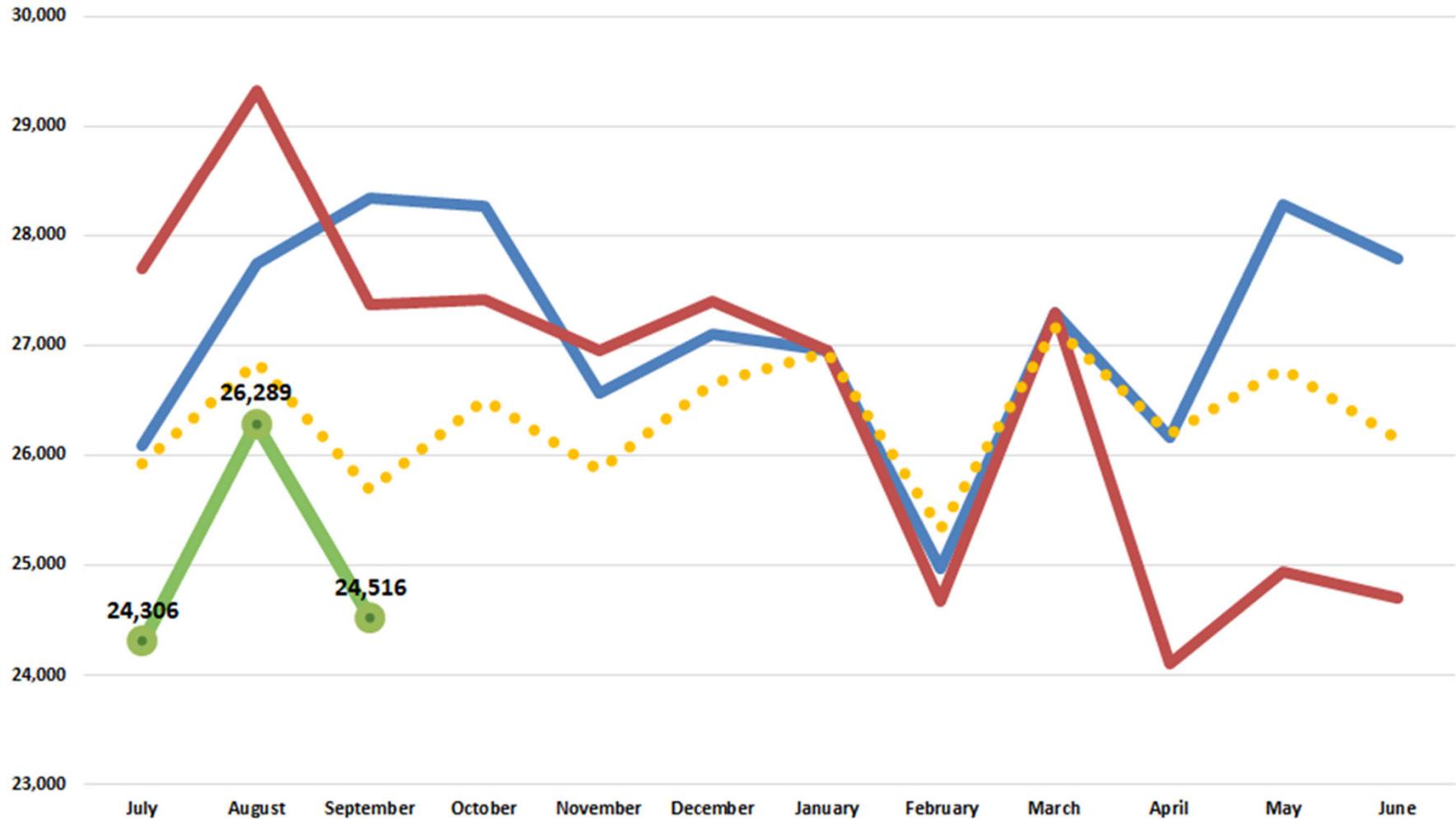
# Observation Days



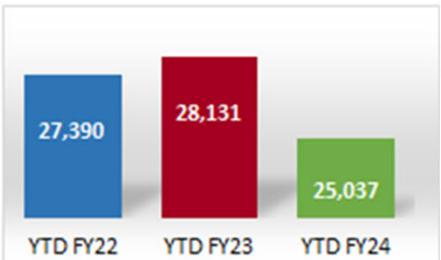
FY2022 FY2023 FY2024



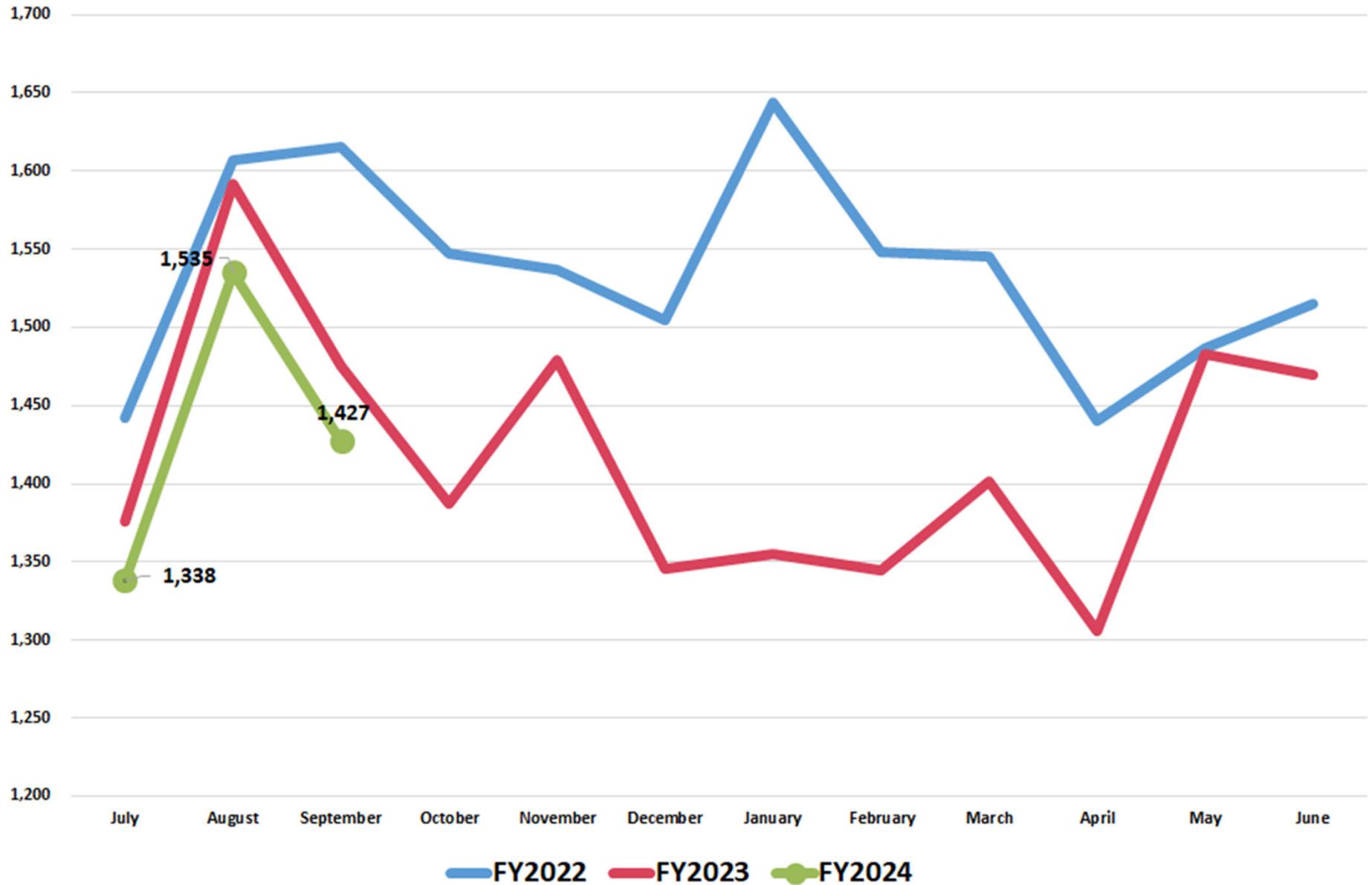
# Adjusted Patient Days



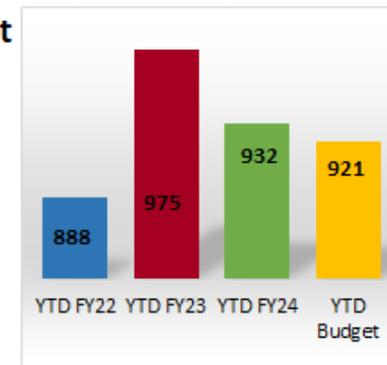
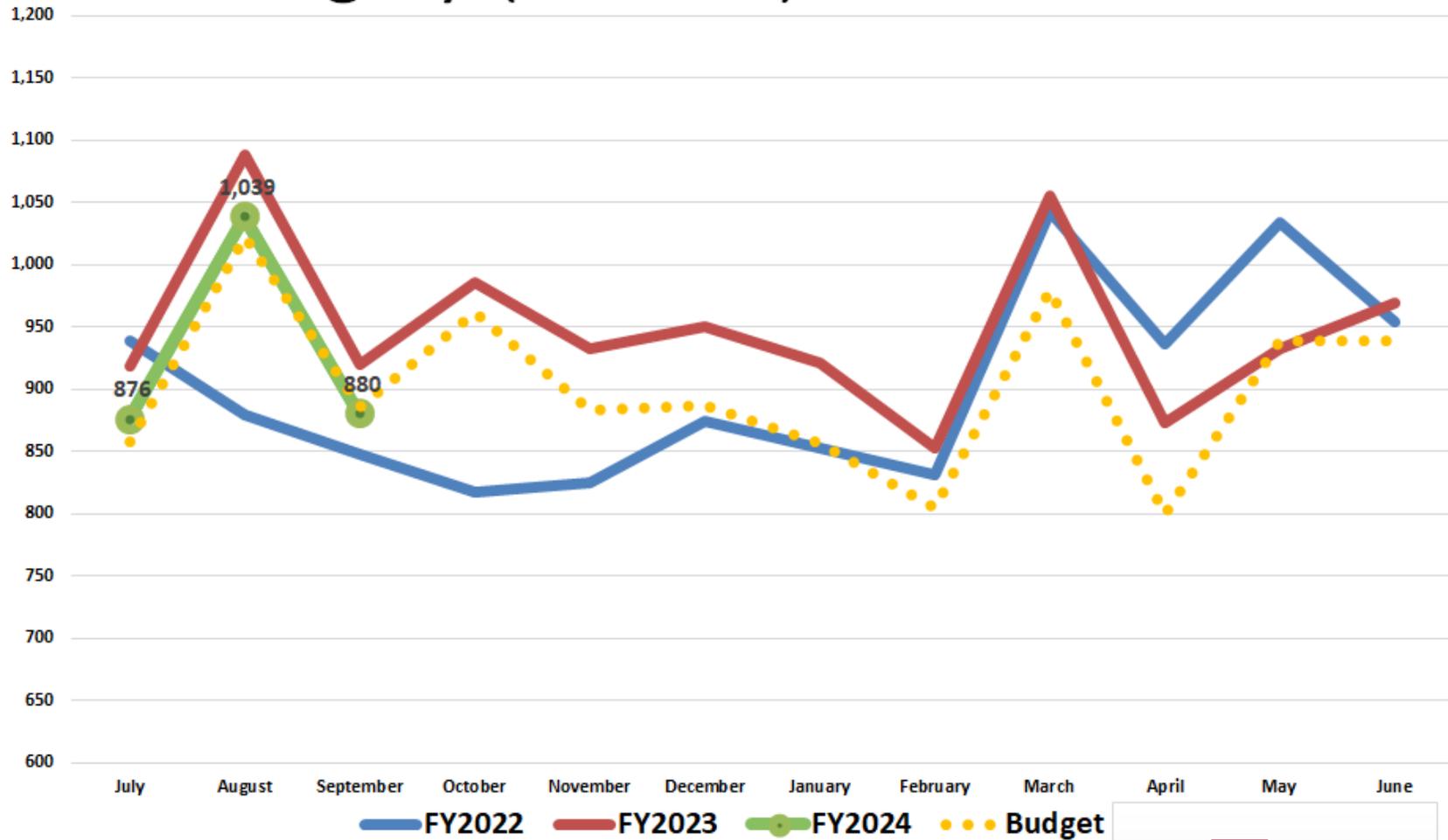
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



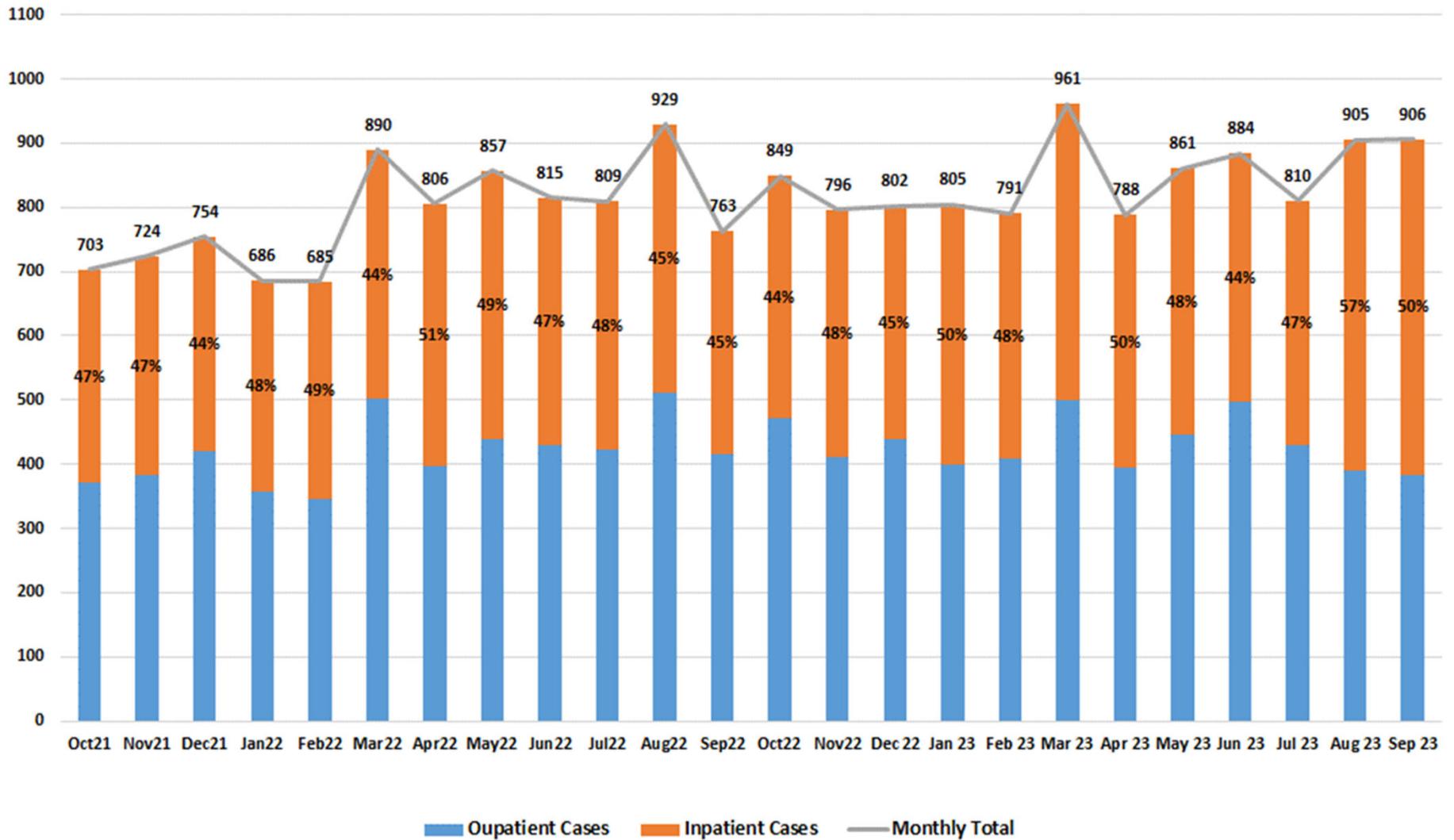
# Outpatient Registrations Per Day



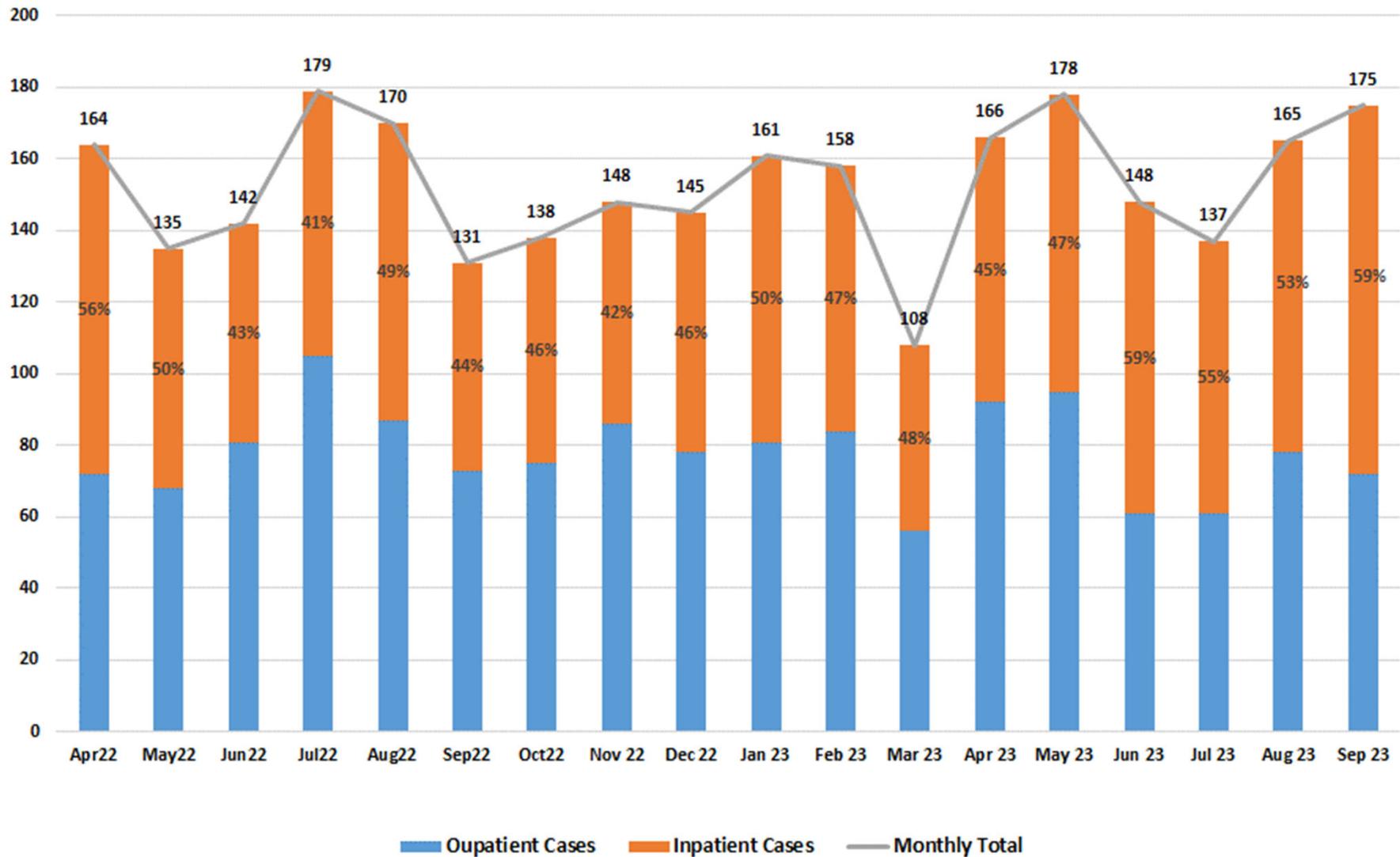
# Surgery (IP & OP) – 100 Min Units



# Surgery Cases (IP & OP)



# Cath Lab Patients (IP & OP)



## Statistical Results – Fiscal Year Comparison (Sep)

| Actual Results |          |          | Budget   | Budget Variance |          |
|----------------|----------|----------|----------|-----------------|----------|
| Sep 2022       | Sep 2023 | % Change | Se[ 2023 | Change          | % Change |

|                             |            |            |               |            |             |               |
|-----------------------------|------------|------------|---------------|------------|-------------|---------------|
| <b>Average Daily Census</b> | <b>426</b> | <b>395</b> | <b>(7.2%)</b> | <b>416</b> | <b>(21)</b> | <b>(5.0%)</b> |
|-----------------------------|------------|------------|---------------|------------|-------------|---------------|

### KDHCD Patient Days:

|                 |       |       |          |       |       |          |
|-----------------|-------|-------|----------|-------|-------|----------|
| Medical Center  | 8,399 | 7,886 | (6.1%)   | 8,348 | (462) | (5.5%)   |
| Acute I/P Psych | 1,236 | 1,326 | 7.3%     | 1,350 | (24)  | (1.8%)   |
| Sub-Acute       | 857   | 888   | 3.6%     | 819   | 69    | 8.4%     |
| Rehab           | 481   | 504   | 4.8%     | 611   | (107) | (17.5%)  |
| TCS-Ortho       | 312   | 394   | 26.3%    | 366   | 28    | 7.7%     |
| TCS             | 521   | 0     | (100.0%) | 0     | 0     | (100.0%) |
| NICU            | 448   | 349   | (22.1%)  | 445   | (96)  | (21.6%)  |
| Nursery         | 514   | 499   | (2.9%)   | 533   | (34)  | (6.4%)   |

|                                 |               |               |               |               |              |               |
|---------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|
| <b>Total KDHCD Patient Days</b> | <b>12,768</b> | <b>11,846</b> | <b>(7.2%)</b> | <b>12,472</b> | <b>(626)</b> | <b>(5.0%)</b> |
|---------------------------------|---------------|---------------|---------------|---------------|--------------|---------------|

|                                |               |               |               |               |              |             |
|--------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|
| <b>Total Outpatient Volume</b> | <b>44,250</b> | <b>42,810</b> | <b>(3.3%)</b> | <b>41,265</b> | <b>1,545</b> | <b>3.7%</b> |
|--------------------------------|---------------|---------------|---------------|---------------|--------------|-------------|

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

| Actual Results |           |          | Budget    | Budget Variance |          |
|----------------|-----------|----------|-----------|-----------------|----------|
| FYTD 2023      | FYTD 2024 | % Change | FYTD 2024 | Change          | % Change |

|                             |            |            |               |            |             |               |
|-----------------------------|------------|------------|---------------|------------|-------------|---------------|
| <b>Average Daily Census</b> | <b>441</b> | <b>397</b> | <b>(9.8%)</b> | <b>419</b> | <b>(22)</b> | <b>(5.1%)</b> |
|-----------------------------|------------|------------|---------------|------------|-------------|---------------|

**KDHCD Patient Days:**

|                 |        |        |          |        |         |          |
|-----------------|--------|--------|----------|--------|---------|----------|
| Medical Center  | 26,979 | 24,153 | (10.5%)  | 25,848 | (1,695) | (6.6%)   |
| Acute I/P Psych | 3,703  | 3,945  | 6.5%     | 4,140  | (195)   | (4.7%)   |
| Sub-Acute       | 2,628  | 2,850  | 8.4%     | 2,465  | 385     | 15.6%    |
| Rehab           | 1,613  | 1,580  | (2.0%)   | 1,818  | (238)   | (13.1%)  |
| TCS-Ortho       | 1,104  | 1,145  | 3.7%     | 1,198  | (53)    | (4.4%)   |
| TCS             | 1,529  | 0      | (100.0%) | 0      | 0       | (100.0%) |
| NICU            | 1,377  | 1,317  | (4.4%)   | 1,464  | (147)   | (10.0%)  |
| Nursery         | 1,610  | 1,571  | (2.4%)   | 1,612  | (41)    | (2.5%)   |

|                                 |               |               |               |               |                |               |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| <b>Total KDHCD Patient Days</b> | <b>40,543</b> | <b>36,561</b> | <b>(9.8%)</b> | <b>38,545</b> | <b>(1,984)</b> | <b>(5.1%)</b> |
|---------------------------------|---------------|---------------|---------------|---------------|----------------|---------------|

|                                |                |                |               |                |              |             |
|--------------------------------|----------------|----------------|---------------|----------------|--------------|-------------|
| <b>Total Outpatient Volume</b> | <b>136,258</b> | <b>131,873</b> | <b>(3.2%)</b> | <b>126,547</b> | <b>5,326</b> | <b>4.2%</b> |
|--------------------------------|----------------|----------------|---------------|----------------|--------------|-------------|

# Other Statistical Results – Fiscal Year Comparison (Sep)

|   | Actual Results |               |                |                | Budget        | Budget Variance |               |
|---|----------------|---------------|----------------|----------------|---------------|-----------------|---------------|
|   | Sep 2022       | Sep 2023      | Change         | % Change       | Sep 2023      | Change          | % Change      |
| <b>Adjusted Patient Days</b>                    | <b>27,367</b>  | <b>24,516</b> | <b>(2,851)</b> | <b>(10.4%)</b> | <b>25,688</b> | <b>(1,178)</b>  | <b>(4.6%)</b> |
| <b>Outpatient Visits</b>                        | <b>44,250</b>  | <b>42,810</b> | <b>(1,440)</b> | <b>(3.3%)</b>  | <b>41,265</b> | <b>1,545</b>    | <b>3.7%</b>   |
| Endoscopy Procedures (I/P & O/P)                | 504            | 633           | 129            | 25.6%          | 497           | 136             | 27.4%         |
| Infusion Center                                 | 299            | 361           | 62             | 20.7%          | 336           | 25              | 7.4%          |
| ED Total Registered                             | 7,253          | 7,836         | 583            | 8.0%           | 7,440         | 396             | 5.3%          |
| Cath Lab Minutes (IP & OP)                      | 289            | 308           | 19             | 6.6%           | 320           | (12)            | (3.8%)        |
| Radiology/CT/US/MRI Proc (I/P & O/P)            | 16,068         | 16,850        | 782            | 4.9%           | 16,672        | 178             | 1.1%          |
| RHC Registrations                               | 9,413          | 9,684         | 271            | 2.9%           | 10,762        | (1,078)         | (10.0%)       |
| Hospice Days                                    | 3,701          | 3,735         | 34             | 0.9%           | 3,748         | (13)            | (0.3%)        |
| Dialysis Treatments                             | 1,451          | 1,441         | (10)           | (0.7%)         | 1,550         | (109)           | (7.0%)        |
| Home Health Visits                              | 3,195          | 3,132         | (63)           | (2.0%)         | 3,111         | 21              | 0.7%          |
| OB Deliveries                                   | 403            | 391           | (12)           | (3.0%)         | 409           | (18)            | (4.4%)        |
| Physical & Other Therapy Units                  | 17,411         | 16,791        | (620)          | (3.6%)         | 17,607        | (816)           | (4.6%)        |
| O/P Rehab Units                                 | 19,343         | 18,248        | (1,095)        | (5.7%)         | 18,841        | (593)           | (3.1%)        |
| Surgery Minutes – General & Robotic (I/P & O/P) | 1,075          | 1,013         | (62)           | (5.8%)         | 1,056         | (43)            | (4.1%)        |
| Radiation Oncology Treatments (I/P & O/P)       | 1,762          | 1,457         | (305)          | (17.3%)        | 2,090         | (633)           | (30.3%)       |
| Urgent Care - Demaree                           | 2,854          | 2,012         | (842)          | (29.5%)        | 2,654         | (642)           | (24.2%)       |
| Urgent Care - Court                             | 4,292          | 2,955         | (1,337)        | (31.2%)        | 4,215         | (1,260)         | (29.9%)       |

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

|   | Actual Results |                |                |                | Budget         | Budget Variance |               |
|---|----------------|----------------|----------------|----------------|----------------|-----------------|---------------|
|   | FY 2023        | FY 2024        | Change         | % Change       | FY 2024        | Change          | % Change      |
| <b>Adjusted Patient Days</b>                  | <b>84,214</b>  | <b>75,105</b>  | <b>(9,109)</b> | <b>(10.8%)</b> | <b>78,457</b>  | <b>(3,352)</b>  | <b>(4.3%)</b> |
| <b>Outpatient Visits</b>                      | <b>136,258</b> | <b>131,873</b> | <b>(4,385)</b> | <b>(3.2%)</b>  | <b>126,547</b> | <b>5,326</b>    | <b>4.2%</b>   |
| Infusion Center                               | 924            | 1,193          | 269            | 29.1%          | 1,058          | 135             | 12.8%         |
| Endoscopy Procedures (I/P & O/P)              | 1,572          | 1,939          | 367            | 23.3%          | 1,542          | 397             | 25.7%         |
| O/P Rehab Units                               | 55,759         | 60,033         | 4,274          | 7.7%           | 61,027         | (994)           | (1.6%)        |
| ED Total Registered                           | 22,448         | 23,979         | 1,531          | 6.8%           | 22,165         | 1,814           | 8.2%          |
| Radiology/CT/US/MRI Proc (I/P & O/P)          | 49,279         | 52,112         | 2,833          | 5.7%           | 50,540         | 1,572           | 3.1%          |
| RHC Registrations                             | 28,474         | 29,915         | 1,441          | 5.1%           | 31,667         | (1,752)         | (5.5%)        |
| Home Health Visits                            | 8,794          | 9,154          | 360            | 4.1%           | 9,327          | (173)           | (1.9%)        |
| OB Deliveries                                 | 1,218          | 1,243          | 25             | 2.1%           | 1,227          | 16              | 1.3%          |
| Dialysis Treatments                           | 4,475          | 4,540          | 65             | 1.5%           | 4,650          | (110)           | (2.4%)        |
| Hospice Days                                  | 11,497         | 11,610         | 113            | 1.0%           | 11,292         | 318             | 2.8%          |
| Surgery Minutes-General & Robotic (I/P & O/P) | 3,304          | 3,262          | (42)           | (1.3%)         | 3,326          | (64)            | (1.9%)        |
| Cath Lab Minutes (IP & OP)                    | 912            | 882            | (30)           | (3.3%)         | 1,034          | (152)           | (14.7%)       |
| Physical & Other Therapy Units                | 54,633         | 52,699         | (1,934)        | (3.5%)         | 53,981         | (1,282)         | (2.4%)        |
| Radiation Oncology Treatments (I/P & O/P)     | 5,738          | 4,817          | (921)          | (16.1%)        | 6,350          | (1,533)         | (24.1%)       |
| Urgent Care - Demaree                         | 9,047          | 5,900          | (3,147)        | (34.8%)        | 8,447          | (2,547)         | (30.2%)       |
| Urgent Care - Court                           | 14,043         | 9,077          | (4,966)        | (35.4%)        | 13,168         | (4,091)         | (31.1%)       |

# September Financial Comparison without KHMG (000's)

|   | Comparison to Budget - Month of September |                    |                  |              | Comparison to Prior Year - Month of September |                 |                  |              |
|---|---|--------------------|------------------|--------------|---|-----------------|------------------|--------------|
|   | Budget<br>Sep-2023                        | Actual<br>Sep-2023 | \$ Change        | % Change     | Sep-2022                                      | Sep-2023        | \$ Change        | % Change     |
| <b>Operating Revenue</b>                    |   |                    |                  |              |   |                 |                  |              |
| Net Patient Service Revenue                 | \$46,514                                  | \$47,195           | \$681            | 1.4%         | \$44,088                                      | \$47,195        | \$3,107          | 6.6%         |
| Supplemental Gov't Programs                 | \$6,273                                   | \$6,383            | \$109            | 1.7%         | \$4,943                                       | \$6,383         | \$1,440          | 22.6%        |
| Prime Program                               | \$808                                     | \$822              | \$13             | 1.6%         | \$743   | \$822           | \$79             | 9.6%         |
| Premium Revenue                             | \$7,675                                   | \$7,675            | \$0              | 0.0%         | \$5,972                                       | \$7,675         | \$1,703          | 22.2%        |
| Management Services Revenue                 | \$3,328                                   | \$2,962            | (\$367)          | -12.4%       | \$3,313                                       | \$2,962         | (\$351)          | -11.9%       |
| Other Revenue                               | \$2,424                                   | \$3,199            | \$775            | 24.2%        | \$2,279                                       | \$3,199         | \$920            | 28.8%        |
| Other Operating Revenue                     | \$20,508                                  | \$21,039           | \$531            | 2.5%         | \$17,249                                      | \$21,039        | \$3,790          | 18.0%        |
| <b>Total Operating Revenue</b>              | <b>\$67,023</b>                           | <b>\$68,234</b>    | <b>\$1,212</b>   | <b>1.8%</b>  | <b>\$61,337</b>                               | <b>\$68,234</b> | <b>\$6,897</b>   | <b>10.1%</b> |
| <b>Operating Expenses</b>                   |   |                    |                  |              |   |                 |                  |              |
| Salaries & Wages                            | \$28,177                                  | \$27,198           | (\$980)          | -3.6%        | \$27,468                                      | \$27,198        | (\$270)          | -1.0%        |
| Contract Labor                              | \$1,625                                   | \$1,980            | \$356            | 18.0%        | \$7,067                                       | \$1,980         | (\$5,087)        | -256.9%      |
| Employee Benefits                           | \$6,513                                   | \$5,847            | (\$666)          | -11.4%       | \$3,432                                       | \$5,847         | \$2,415          | 41.3%        |
| <b>Total Employment Expenses</b>            | <b>\$36,315</b>                           | <b>\$35,025</b>    | <b>(\$1,290)</b> | <b>-3.7%</b> | <b>\$37,968</b>                               | <b>\$35,025</b> | <b>(\$2,943)</b> | <b>-8.4%</b> |
| Medical & Other Supplies                    | \$9,881                                   | \$10,435           | \$555            | 5.3%         | \$11,107                                      | \$10,435        | (\$671)          | -6.4%        |
| Physician Fees                              | \$6,665                                   | \$6,225            | (\$440)          | -7.1%        | \$6,679                                       | \$6,225         | (\$454)          | -7.3%        |
| Purchased Services                          | \$1,423                                   | \$1,849            | \$426            | 23.0%        | \$1,476                                       | \$1,849         | \$373            | 20.2%        |
| Repairs & Maintenance                       | \$2,359                                   | \$2,643            | \$284            | 10.8%        | \$2,341                                       | \$2,643         | \$303            | 11.5%        |
| Utilities                                   | \$1,037                                   | \$985              | (\$52)           | -5.2%        | \$997   | \$985           | (\$12)           | -1.2%        |
| Rents & Leases                              | \$165                                     | \$130              | (\$35)           | -27.0%       | \$140   | \$130           | (\$10)           | -7.9%        |
| Depreciation & Amortization                 | \$2,914                                   | \$2,810            | (\$104)          | -3.7%        | \$2,768                                       | \$2,810         | \$42             | 1.5%         |
| Interest Expense                            | \$568                                     | \$604              | \$37             | 6.1%         | \$592   | \$604           | \$12             | 2.0%         |
| Other Expense                               | \$2,101                                   | \$2,169            | \$67             | 3.1%         | \$1,720                                       | \$2,169         | \$449            | 20.7%        |
| Humana Cap Plan Expenses                    | \$3,701                                   | \$2,832            | (\$869)          | -30.7%       | \$3,777                                       | \$2,832         | (\$944)          | -33.3%       |
| Management Services Expense                 | \$3,660                                   | \$2,676            | (\$984)          | -36.8%       | \$3,370                                       | \$2,676         | (\$694)          | -25.9%       |
| <b>Total Other Expenses</b>                 | <b>\$34,474</b>                           | <b>\$33,360</b>    | <b>(\$1,114)</b> | <b>-3.3%</b> | <b>\$34,966</b>                               | <b>\$33,360</b> | <b>(\$1,606)</b> | <b>-4.8%</b> |
| <b>Total Operating Expenses</b>             | <b>\$70,789</b>                           | <b>\$68,385</b>    | <b>(\$2,405)</b> | <b>-3.5%</b> | <b>\$72,933</b>                               | <b>\$68,385</b> | <b>(\$4,549)</b> | <b>-6.7%</b> |
| <b>Operating Margin</b>                     | <b>(\$3,767)</b>                          | <b>(\$150)</b>     | <b>\$3,616</b>   |              | <b>(\$11,597)</b>                             | <b>(\$150)</b>  | <b>\$11,446</b>  |              |
| Stimulus/FEMA                               | \$1,558                                   | \$0                | (\$1,558)        |              | \$0   | \$0             | \$0              |              |
| <b>Operating Margin after Stimulus/FEMA</b> | <b>(\$2,209)</b>                          | <b>(\$150)</b>     | <b>\$2,058</b>   |              | <b>(\$11,597)</b>                             | <b>(\$150)</b>  | <b>\$11,446</b>  |              |
| Nonoperating Revenue (Loss)                 | \$465                                     | \$626              | \$162            |              | (\$3,901)                                     | \$626           | \$4,527          |              |
| <b>Excess Margin</b>                        | <b>(\$1,744)</b>                          | <b>\$476</b>       | <b>\$2,220</b>   |              | <b>(\$15,497)</b>                             | <b>\$476</b>    | <b>\$15,973</b>  |              |

# FYTD Q1 July-Sept: Financial Comparison without KHMG (000's)

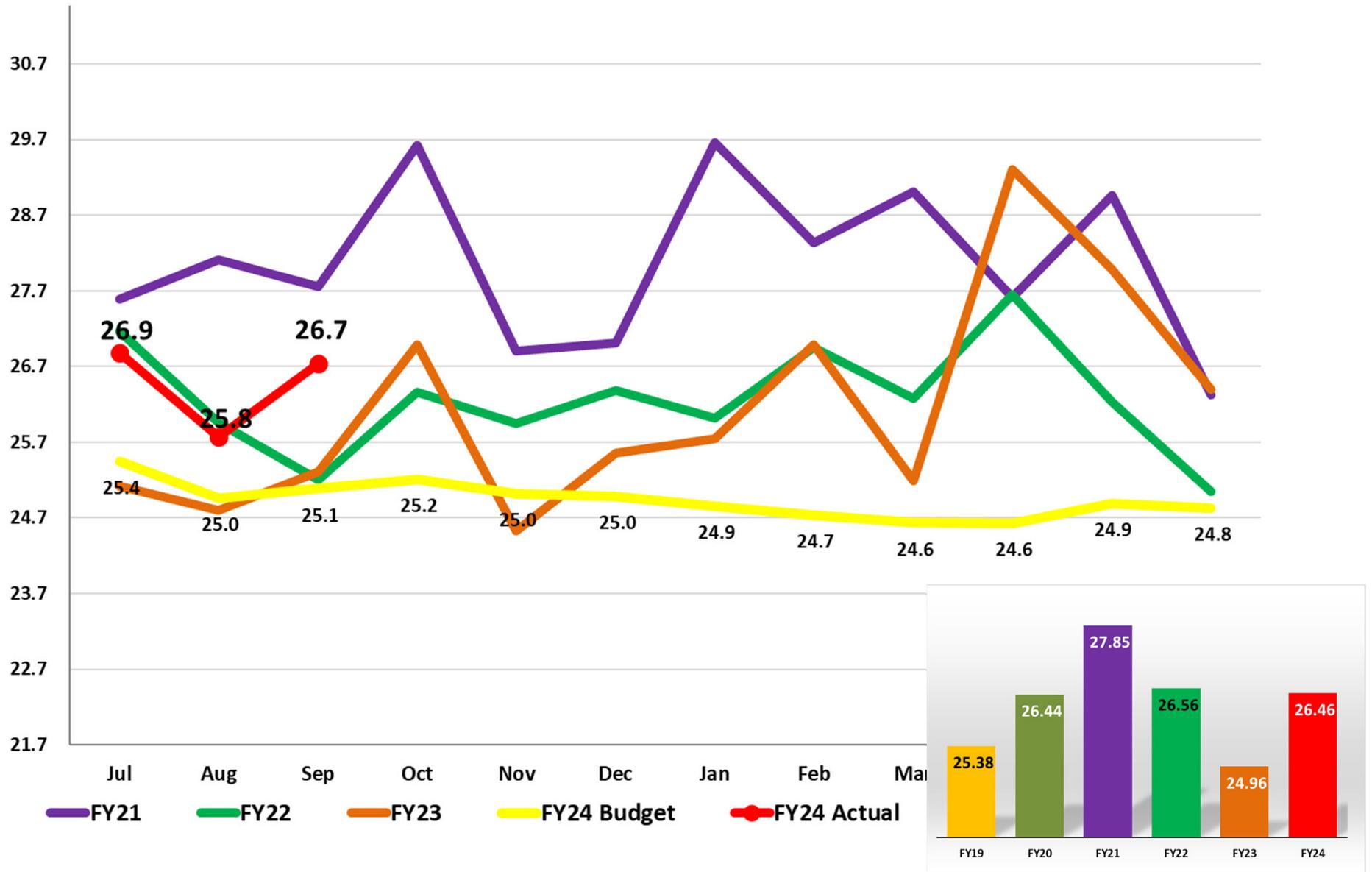
|   | Comparison to Budget - YTD September |                    |                  |              | Comparison to Prior Year - YTD September |                  |                   |               |
|---|--------------------------------------|--------------------|------------------|--------------|--|------------------|-------------------|---------------|
|   | Budget<br>Sep-2023                   | Actual<br>Sep-2023 | \$ Change        | % Change     | Sep-2022                                 | Sep-2023         | \$ Change         | % Change      |
| <b>Operating Revenue</b>                    |                                      |                    |                  |              |  |                  |                   |               |
| Net Patient Service Revenue                 | \$143,278                            | \$142,205          | (\$1,073)        | -0.8%        | \$143,833                                | \$142,205        | (\$1,628)         | -1.1%         |
| Supplemental Gov't Programs                 | \$19,239                             | \$19,148           | (\$91)           | -0.5%        | \$15,027                                 | \$19,148         | \$4,121           | 21.5%         |
| Prime Program                               | \$2,478                              | \$2,465            | (\$13)           | -0.5%        | \$2,228                                  | \$2,465          | \$237             | 9.6%          |
| Premium Revenue                             | \$23,536                             | \$23,536           | \$0              | 0.0%         | \$17,800                                 | \$23,536         | \$5,736           | 24.4%         |
| Management Services Revenue                 | \$10,206                             | \$9,861            | (\$346)          | -3.5%        | \$10,042                                 | \$9,861          | (\$181)           | -1.8%         |
| Other Revenue                               | \$7,433                              | \$9,648            | \$2,215          | 23.0%        | \$7,814                                  | \$9,648          | \$1,834           | 19.0%         |
| Other Operating Revenue                     | \$62,893                             | \$64,658           | \$1,765          | 2.7%         | \$52,911                                 | \$64,658         | \$11,747          | 18.2%         |
| <b>Total Operating Revenue</b>              | <b>\$206,171</b>                     | <b>\$206,862</b>   | <b>\$692</b>     | <b>0.3%</b>  | <b>\$196,743</b>                         | <b>\$206,862</b> | <b>\$10,119</b>   | <b>4.9%</b>   |
| <b>Operating Expenses</b>                   |                                      |                    |                  |              |  |                  |                   |               |
| Salaries & Wages                            | \$86,410                             | \$83,541           | (\$2,869)        | -3.4%        | \$84,080                                 | \$83,541         | (\$539)           | -0.6%         |
| Contract Labor                              | \$5,411                              | \$5,722            | \$311            | 5.4%         | \$20,056                                 | \$5,722          | (\$14,334)        | -250.5%       |
| Employee Benefits                           | \$19,974                             | \$18,678           | (\$1,296)        | -6.9%        | \$14,878                                 | \$18,678         | \$3,800           | 20.3%         |
| <b>Total Employment Expenses</b>            | <b>\$111,795</b>                     | <b>\$107,941</b>   | <b>(\$3,854)</b> | <b>-3.6%</b> | <b>\$119,013</b>                         | <b>\$107,941</b> | <b>(\$11,072)</b> | <b>-10.3%</b> |
| Medical & Other Supplies                    | \$30,720                             | \$31,345           | \$625            | 2.0%         | \$30,901                                 | \$31,345         | \$444             | 1.4%          |
| Physician Fees                              | \$19,996                             | \$20,053           | \$57             | 0.3%         | \$20,534                                 | \$20,053         | (\$482)           | -2.4%         |
| Purchased Services                          | \$4,365                              | \$5,249            | \$884            | 16.8%        | \$5,396                                  | \$5,249          | (\$147)           | -2.8%         |
| Repairs & Maintenance                       | \$7,100                              | \$6,268            | (\$831)          | -13.3%       | \$6,578                                  | \$6,268          | (\$309)           | -4.9%         |
| Utilities                                   | \$2,963                              | \$2,756            | (\$208)          | -7.5%        | \$2,599                                  | \$2,756          | \$157             | 5.7%          |
| Rents & Leases                              | \$495                                | \$378              | (\$117)          | -31.0%       | \$388                                    | \$378            | (\$10)            | -2.7%         |
| Depreciation & Amortization                 | \$8,741                              | \$8,475            | (\$266)          | -3.1%        | \$8,327                                  | \$8,475          | \$148             | 1.7%          |
| Interest Expense                            | \$1,741                              | \$1,794            | \$53             | 3.0%         | \$1,776                                  | \$1,794          | \$18              | 1.0%          |
| Other Expense                               | \$6,451                              | \$5,598            | (\$852)          | -15.2%       | \$5,160                                  | \$5,598          | \$438             | 7.8%          |
| Humana Cap Plan Expenses                    | \$11,104                             | \$11,035           | (\$70)           | -0.6%        | \$12,012                                 | \$11,035         | (\$977)           | -8.9%         |
| Management Services Expense                 | \$10,686                             | \$9,071            | (\$1,615)        | -17.8%       | \$9,951                                  | \$9,071          | (\$880)           | -9.7%         |
| <b>Total Other Expenses</b>                 | <b>\$104,362</b>                     | <b>\$102,022</b>   | <b>(\$2,340)</b> | <b>-2.3%</b> | <b>\$103,622</b>                         | <b>\$102,022</b> | <b>(\$1,600)</b>  | <b>-1.6%</b>  |
| <b>Total Operating Expenses</b>             | <b>\$216,157</b>                     | <b>\$209,963</b>   | <b>(\$6,194)</b> | <b>-3.0%</b> | <b>\$222,636</b>                         | <b>\$209,963</b> | <b>(\$12,672)</b> | <b>-6.0%</b>  |
| <b>Operating Margin</b>                     | <b>(\$9,987)</b>                     | <b>(\$3,101)</b>   | <b>\$6,886</b>   |              | <b>(\$25,892)</b>                        | <b>(\$3,101)</b> | <b>\$22,791</b>   |               |
| <b>Stimulus/FEMA</b>                        | <b>\$4,777</b>                       | <b>\$3,220</b>     | <b>(\$1,557)</b> |              | <b>\$97</b>                              | <b>\$3,220</b>   | <b>\$3,123</b>    |               |
| <b>Operating Margin after Stimulus/FEMA</b> | <b>(\$5,210)</b>                     | <b>\$119</b>       | <b>\$5,329</b>   |              | <b>(\$25,795)</b>                        | <b>\$119</b>     | <b>\$25,914</b>   |               |
| Nonoperating Revenue (Loss)                 | \$1,434                              | \$1,829            | \$396            |              | (\$3,119)                                | \$1,829          | \$4,949           |               |
| <b>Excess Margin</b>                        | <b>(\$3,776)</b>                     | <b>\$1,949</b>     | <b>\$5,724</b>   |              | <b>(\$28,914)</b>                        | <b>\$1,949</b>   | <b>\$30,863</b>   |               |

# Month of September- Budget Variances

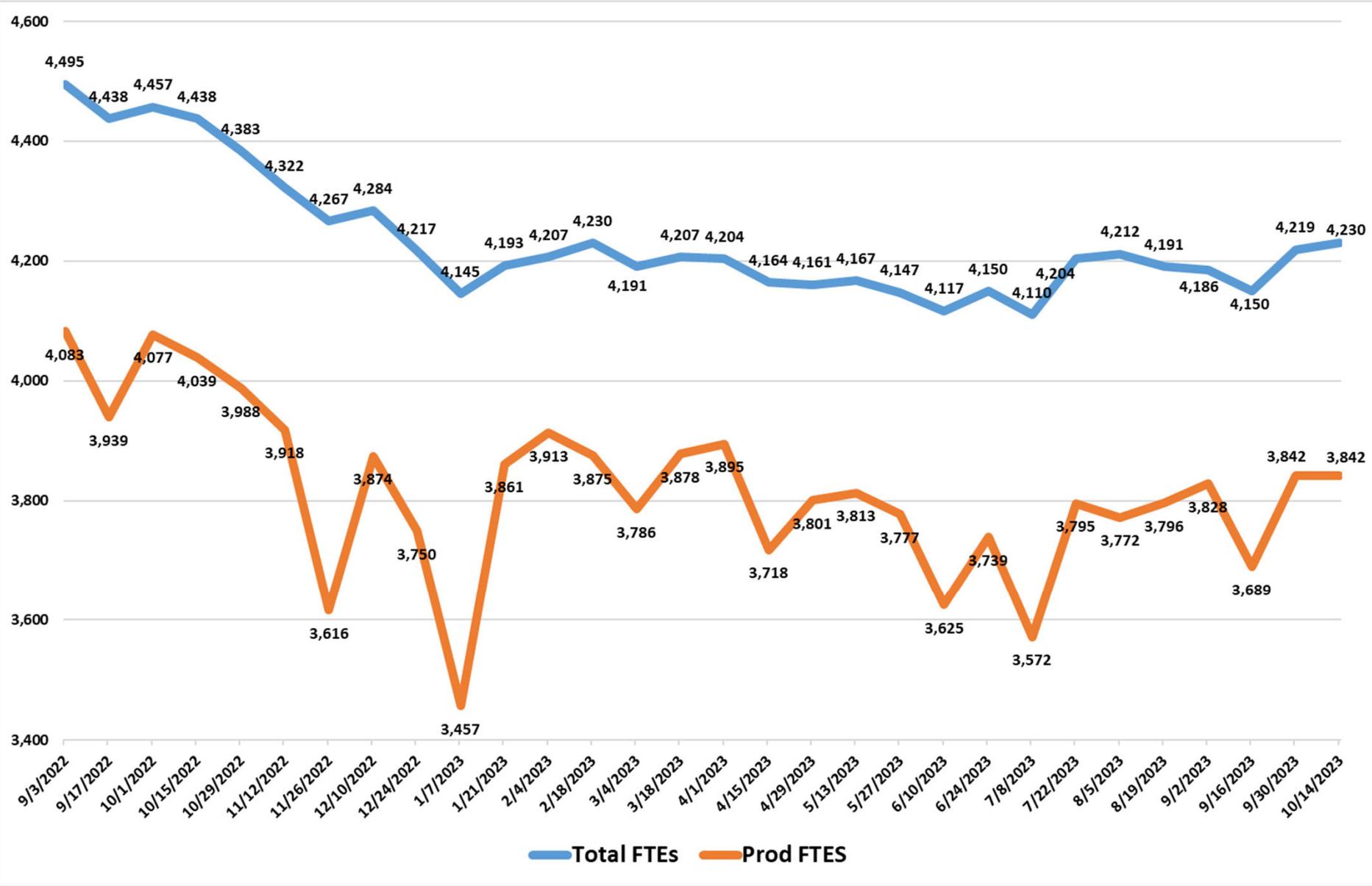
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- **Other Revenue:** Other revenue was 24% over budget due to several items. Health Homes over budget by \$293K, retail pharmacy over by \$137K and two GME grants received \$234K. In addition, some of the overage was due to timing. In September, we had three pay periods post to the general ledger, so the employee deductions for Dietary, Lifestyle, and Kaweah Kids were recorded three times instead of two for \$55K.
- **Employment expenses:** Health insurance was under budget due to timing – three pay periods were recorded in September of employee deductions.
- **Purchase Services:** The \$426K overage in September had to do with several areas. One area is in patient transportation costs \$55K that historically had been offset in net patient revenue and is now separated out as part of operating expenses. Some other areas were higher primarily due to timing such as Plant Operations, ISS, Cardiac Surgery, Kaweah Cares and the Mail room.

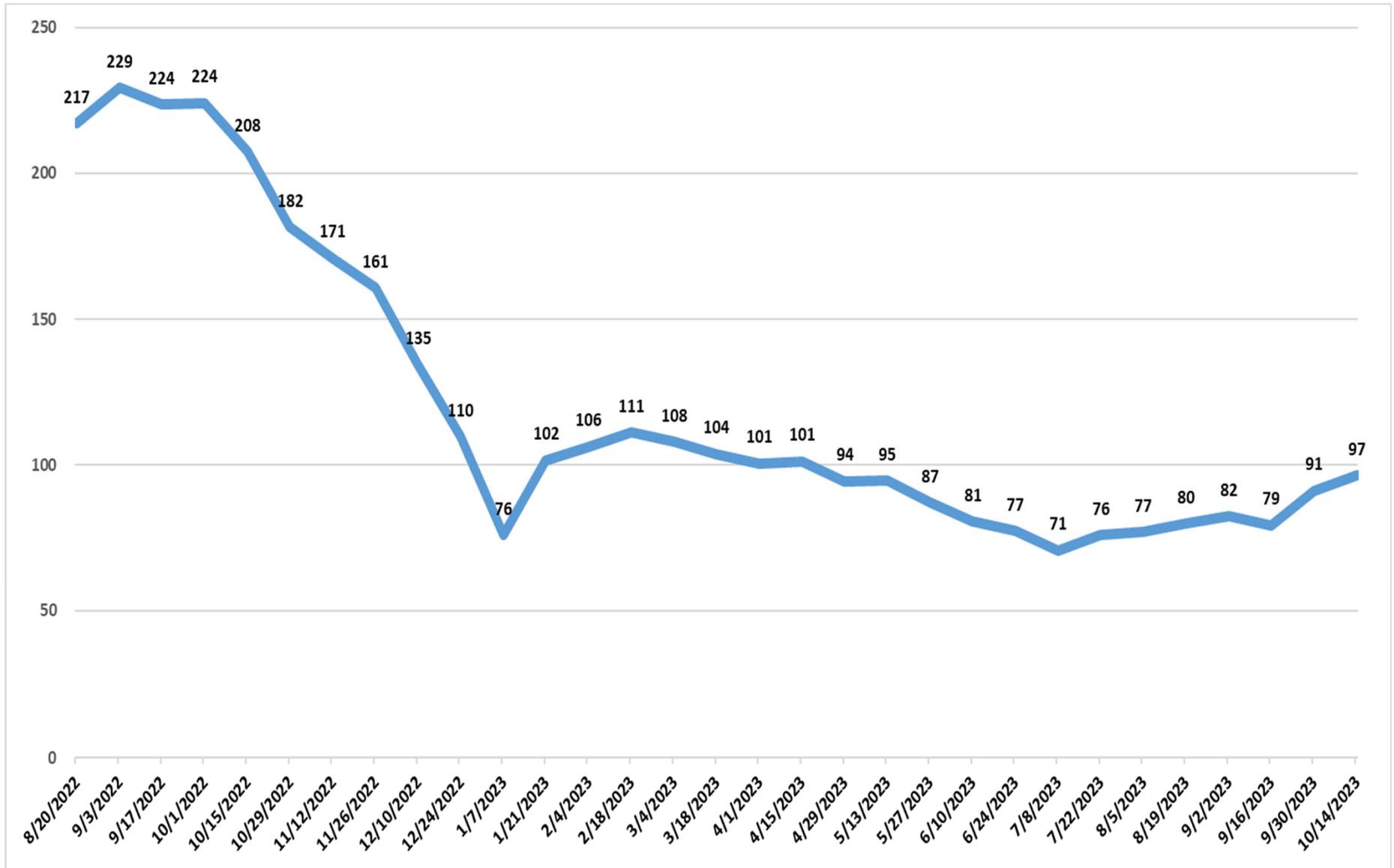
# Productivity: Worked Hours/Adjusted Patient Days



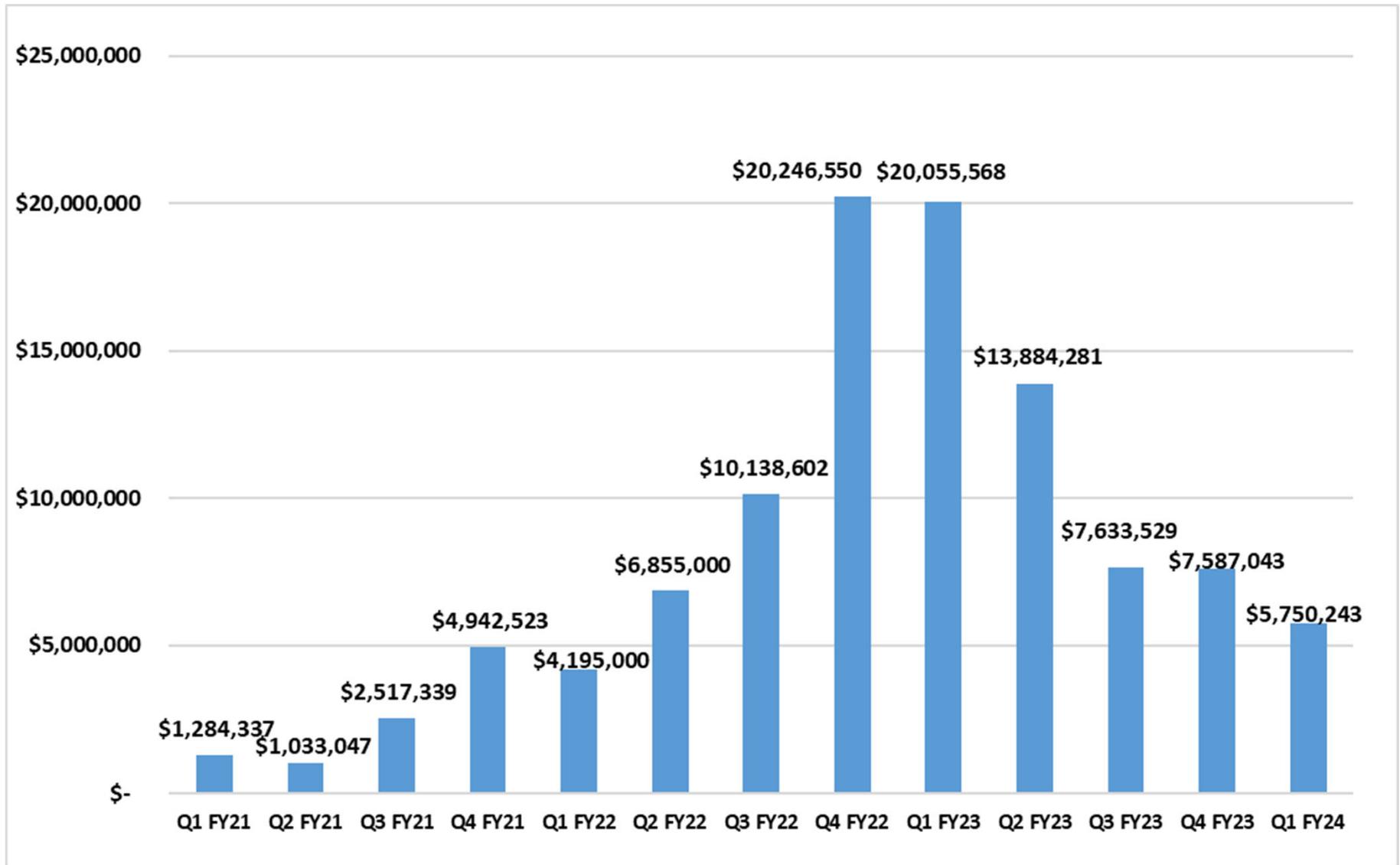
# Productive and Total FTEs without KHMG



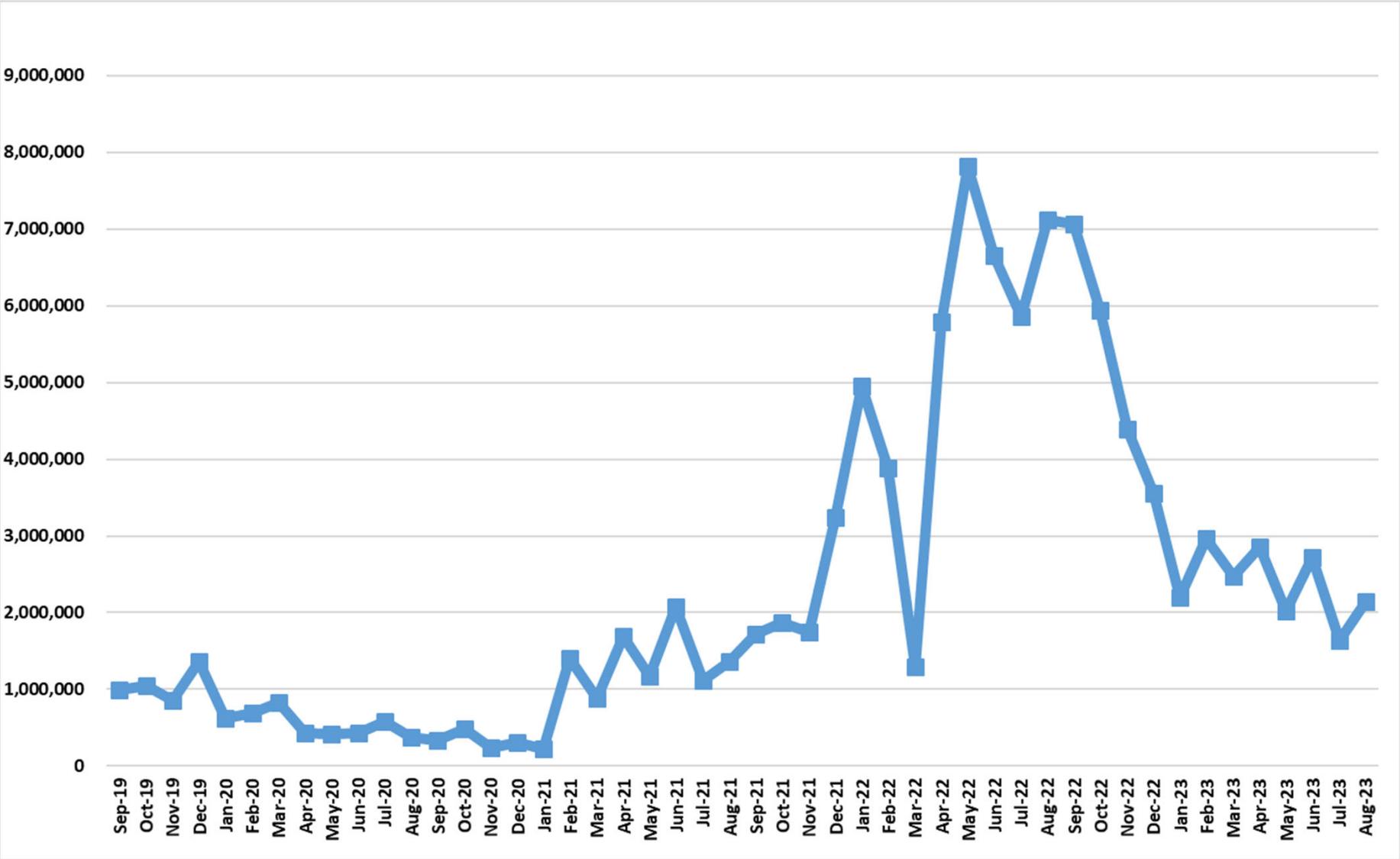
# Contract Labor Full Time Equivalents (FTEs)



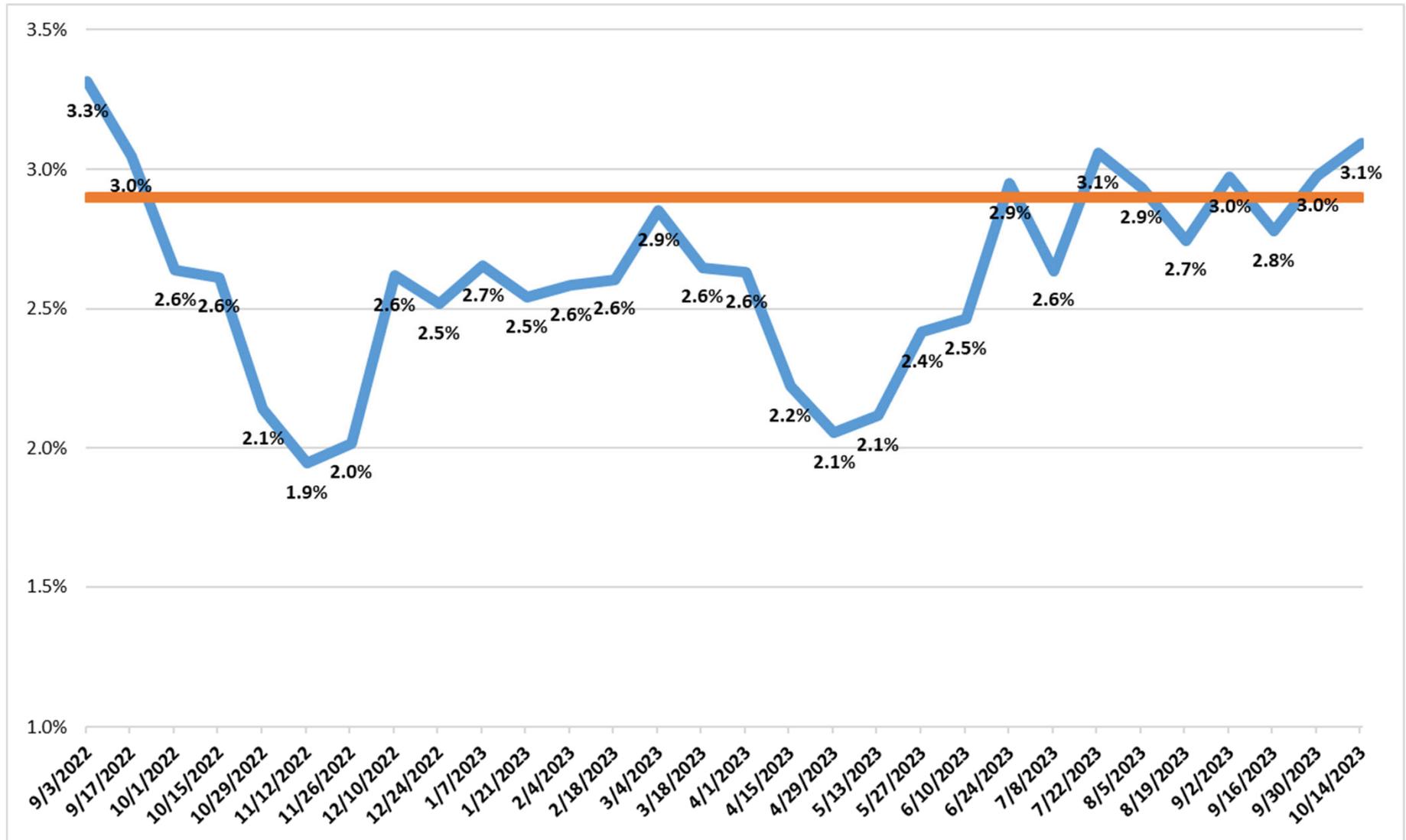
# Quarterly Contract Labor Expense



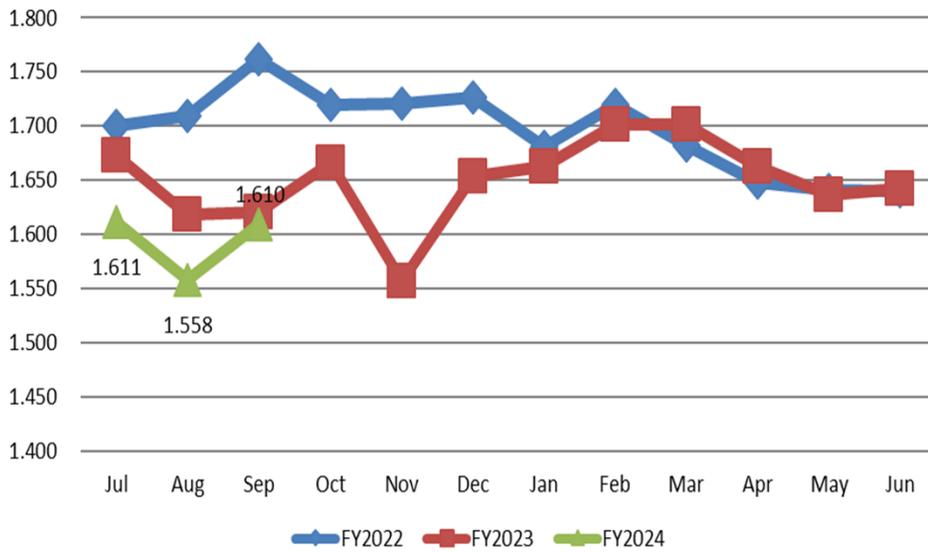
# Contract Labor Expense



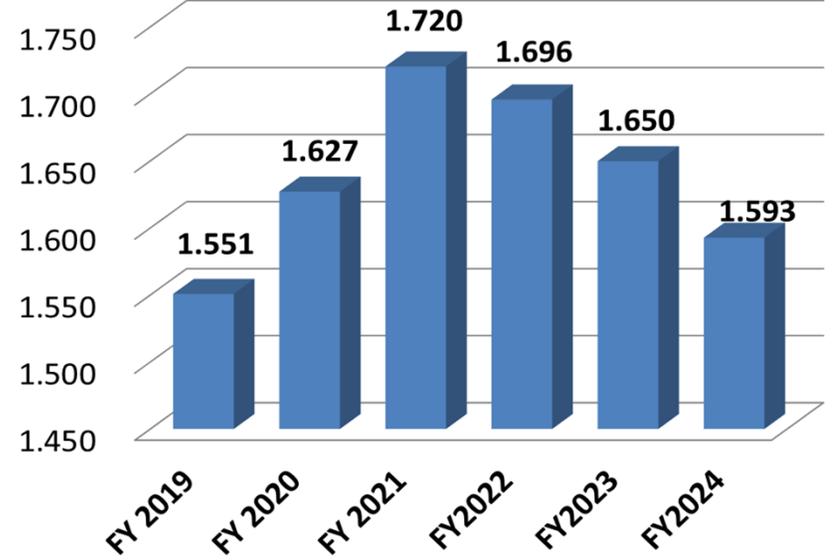
# Overtime as a % of Productive Hours and \$



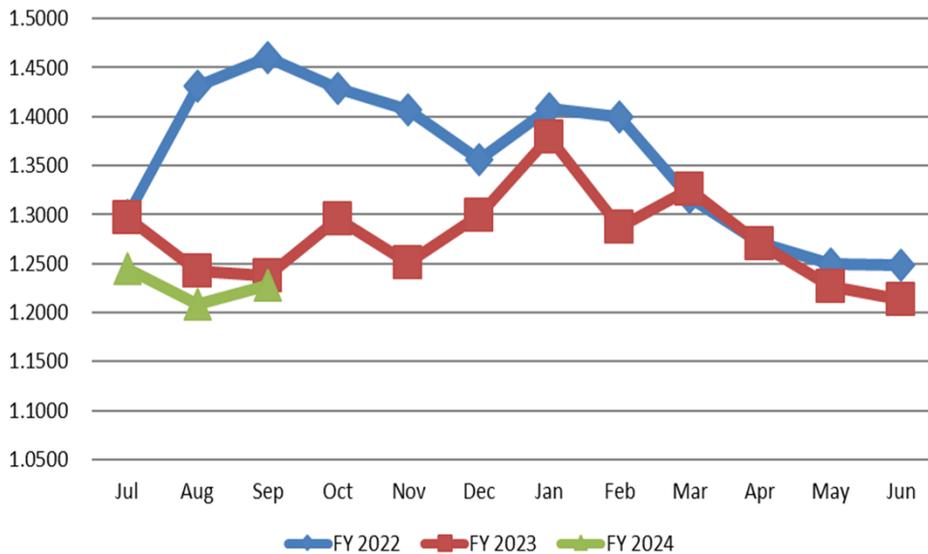
**Case Mix Index w/o Normal Newborns**



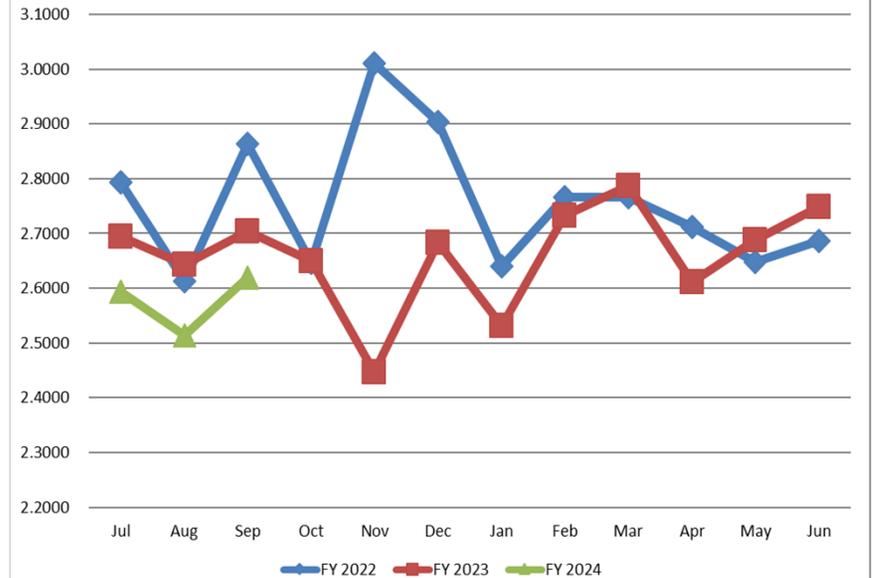
**Case Mix Index w/o Normal Newborns - All**



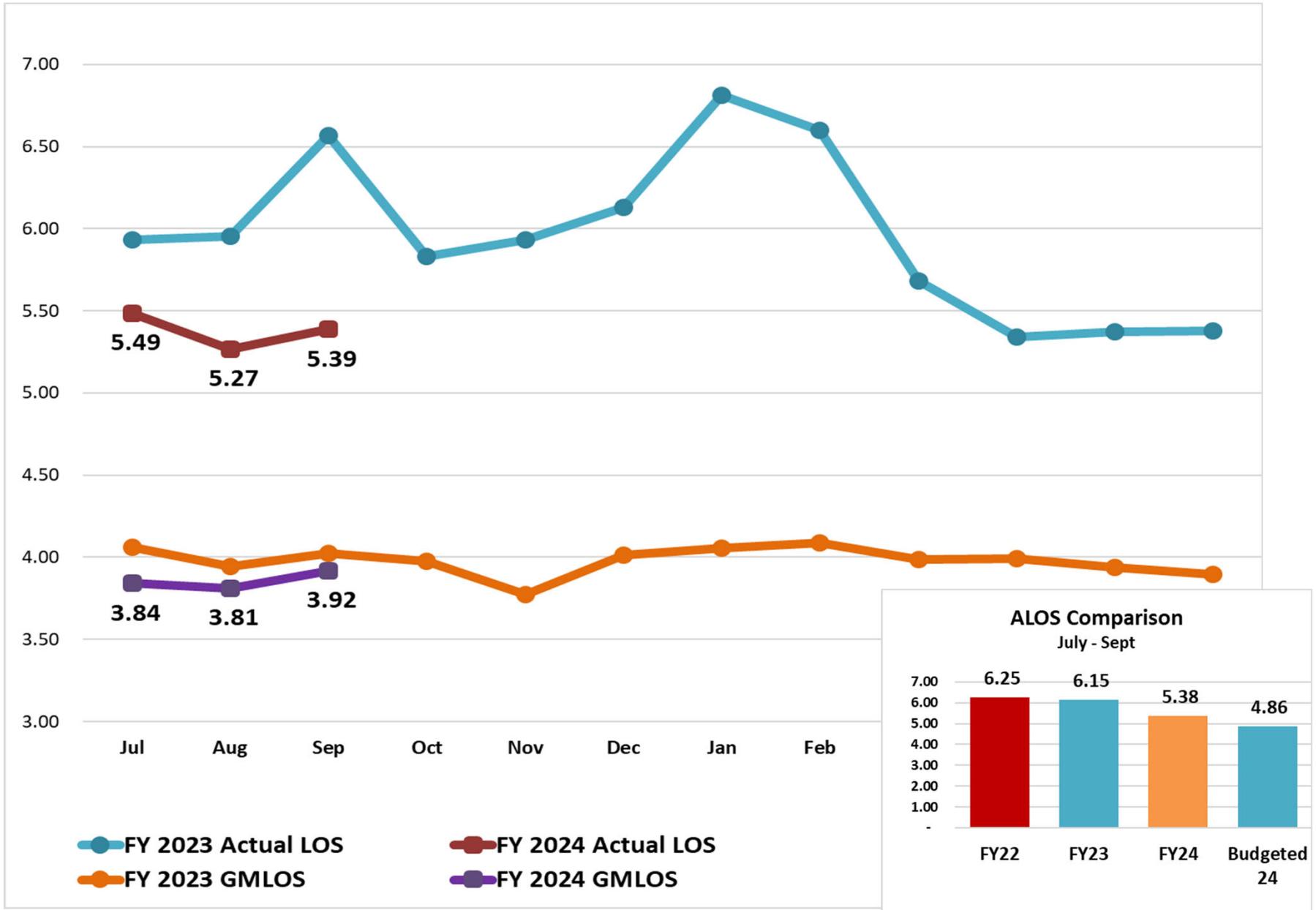
**Case Mix **Medical** w/o Normal Newborns**



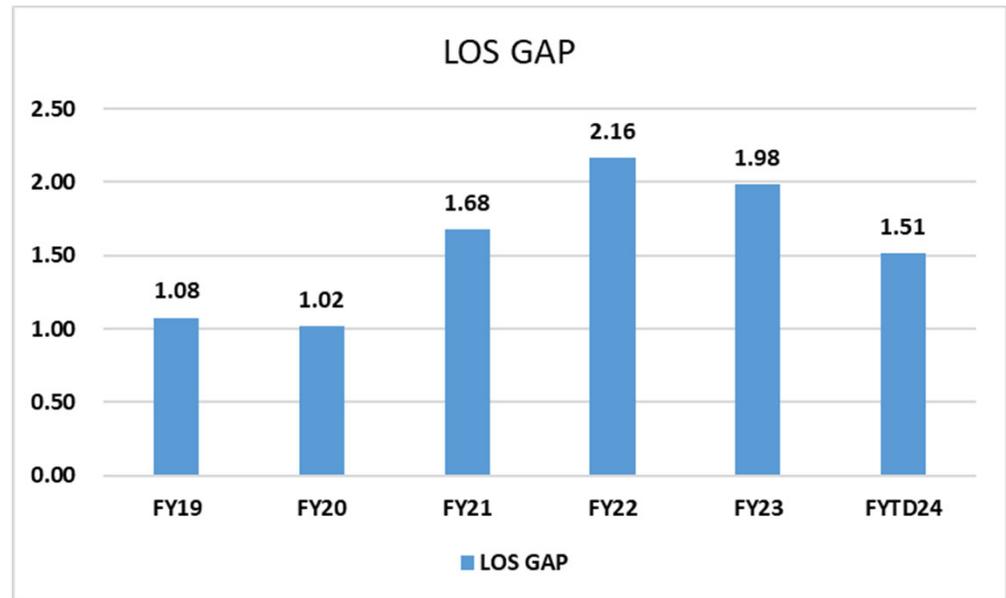
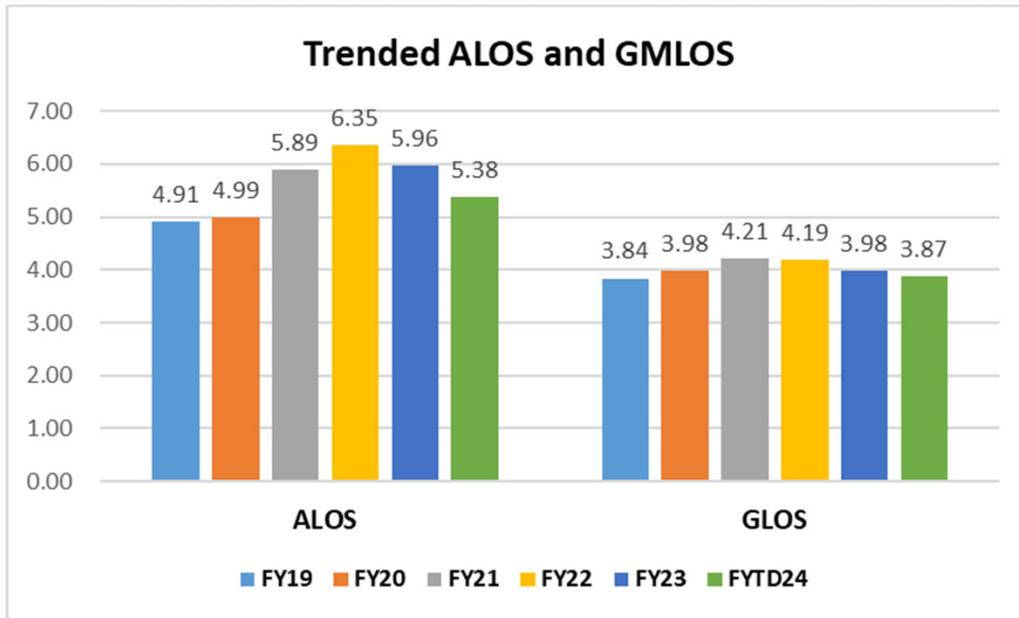
**Case Mix Index **Surgical** w/o Normal Newborns**



# Average Length of Stay versus National Average (GMLOS)



# Year over Year ALOS vs GMLOS



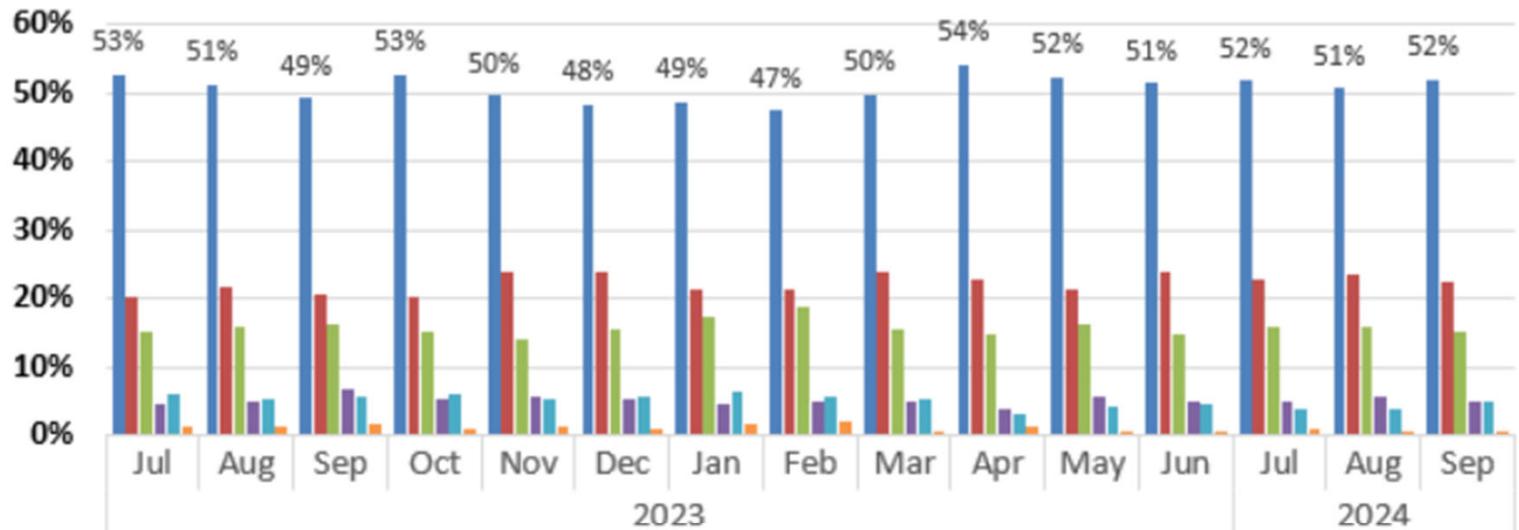
## Average Length of Stay versus National Average (GMLOS)

|                | Including COVID Patients |             |             | Excluding COVID Patients |             |             | Gap Diff    | %          |
|----------------|--------------------------|-------------|-------------|--------------------------|-------------|-------------|-------------|------------|
|                | ALOS                     | GMLOS       | GAP         | ALOS                     | GMLOS       | GAP         |             |            |
| Sep-21         | 6.72                     | 4.52        | 2.20        | 5.89                     | 4.08        | 1.81        | 0.39        | 18%        |
| Oct-21         | 6.51                     | 4.38        | 2.13        | 5.33                     | 4.00        | 1.33        | 0.80        | 38%        |
| Nov-21         | 7.00                     | 4.37        | 2.63        | 5.75                     | 3.95        | 1.80        | 0.83        | 32%        |
| Dec-21         | 6.82                     | 4.23        | 2.59        | 6.12                     | 3.98        | 2.14        | 0.45        | 17%        |
| Jan-22         | 6.09                     | 4.26        | 1.83        | 5.96                     | 3.96        | 2.00        | (0.17)      | -9%        |
| Feb-22         | 6.61                     | 4.23        | 2.38        | 5.86                     | 3.83        | 2.03        | 0.35        | 15%        |
| Mar-22         | 6.61                     | 4.02        | 2.59        | 5.68                     | 3.89        | 1.79        | 0.80        | 31%        |
| Apr-22         | 5.79                     | 3.99        | 1.80        | 5.67                     | 3.98        | 1.69        | 0.11        | 6%         |
| May-22         | 5.99                     | 3.94        | 2.05        | 5.63                     | 3.89        | 1.74        | 0.31        | 15%        |
| Jun-22         | 6.11                     | 3.97        | 2.14        | 5.62                     | 3.88        | 1.74        | 0.40        | 19%        |
| Jul-22         | 5.93                     | 4.06        | 1.87        | 5.66                     | 3.90        | 1.76        | 0.11        | 6%         |
| Aug-22         | 5.95                     | 3.94        | 2.01        | 5.62                     | 3.82        | 1.80        | 0.21        | 10%        |
| Sep-22         | 6.57                     | 4.02        | 2.55        | 6.32                     | 3.95        | 2.37        | 0.18        | 7%         |
| Oct-22         | 5.83                     | 3.97        | 1.86        | 5.62                     | 3.91        | 1.71        | 0.15        | 8%         |
| Nov-22         | 5.93                     | 3.77        | 2.16        | 5.87                     | 3.74        | 2.13        | 0.03        | 1%         |
| Dec-22         | 6.13                     | 4.01        | 2.12        | 5.68                     | 3.92        | 1.76        | 0.36        | 17%        |
| Jan-23         | 6.81                     | 4.06        | 2.75        | 6.30                     | 3.95        | 2.35        | 0.40        | 15%        |
| Feb-23         | 6.60                     | 4.09        | 2.51        | 6.39                     | 4.04        | 2.35        | 0.16        | 6%         |
| Mar-23         | 5.68                     | 3.99        | 1.69        | 5.55                     | 3.93        | 1.62        | 0.07        | 4%         |
| Apr-23         | 5.34                     | 3.99        | 1.35        | 5.06                     | 3.95        | 1.11        | 0.24        | 18%        |
| May-23         | 5.37                     | 3.94        | 1.43        | 5.15                     | 3.91        | 1.24        | 0.19        | 13%        |
| Jun-23         | 5.38                     | 3.89        | 1.49        | 5.32                     | 3.86        | 1.46        | 0.03        | 2%         |
| Jul-23         | 5.49                     | 3.84        | 1.65        | 5.47                     | 3.82        | 1.65        | -           | 0%         |
| Aug-23         | 5.27                     | 3.81        | 1.46        | 5.21                     | 3.77        | 1.44        | 0.02        | 1%         |
| Sep-23         | 5.39                     | 3.92        | 1.47        | 5.33                     | 3.89        | 1.44        | 0.03        | 2%         |
| <b>Average</b> | <b>5.95</b>              | <b>4.11</b> | <b>1.84</b> | <b>5.52</b>              | <b>3.95</b> | <b>1.57</b> | <b>0.28</b> | <b>15%</b> |

# Average Length of Stay Distribution

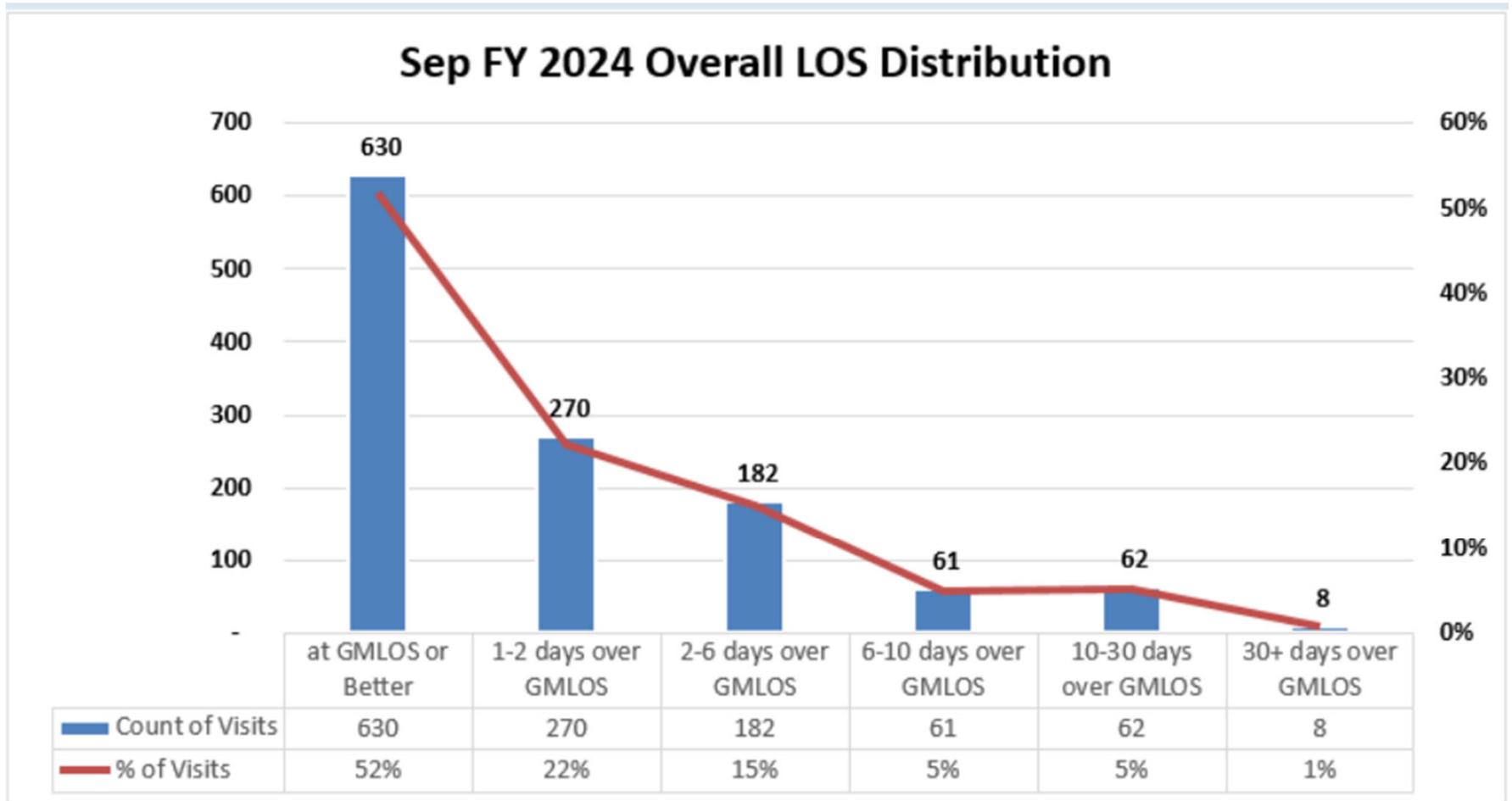
## Overall

### FY24 Overall LOS Distribution



|                         |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| ■ at GMLOS or Better    | 53%  | 51%  | 49%  | 53%  | 50%  | 48%  | 49%  | 47%  | 50%  | 54%  | 52%  | 51%  | 52%  | 51%  | 52%  |
| ■ 1-2 days over GMLOS   | 20%  | 22%  | 20%  | 20%  | 24%  | 24%  | 21%  | 21%  | 24%  | 23%  | 21%  | 24%  | 23%  | 23%  | 22%  |
| ■ 2-6 days over GMLOS   | 15%  | 16%  | 16%  | 15%  | 14%  | 16%  | 17%  | 19%  | 16%  | 15%  | 16%  | 15%  | 16%  | 16%  | 15%  |
| ■ 6-10 days over GMLOS  | 5%   | 5%   | 7%   | 5%   | 6%   | 5%   | 5%   | 5%   | 5%   | 4%   | 6%   | 5%   | 5%   | 6%   | 5%   |
| ■ 10-30 days over GMLOS | 6%   | 5%   | 6%   | 6%   | 5%   | 6%   | 7%   | 6%   | 5%   | 3%   | 4%   | 5%   | 4%   | 4%   | 5%   |
| ■ 30+ days over GMLOS   | 1.2% | 1.2% | 1.7% | 1.0% | 1.2% | 1.1% | 1.6% | 2.0% | 0.5% | 1.2% | 0.5% | 0.8% | 0.9% | 0.7% | 0.7% |

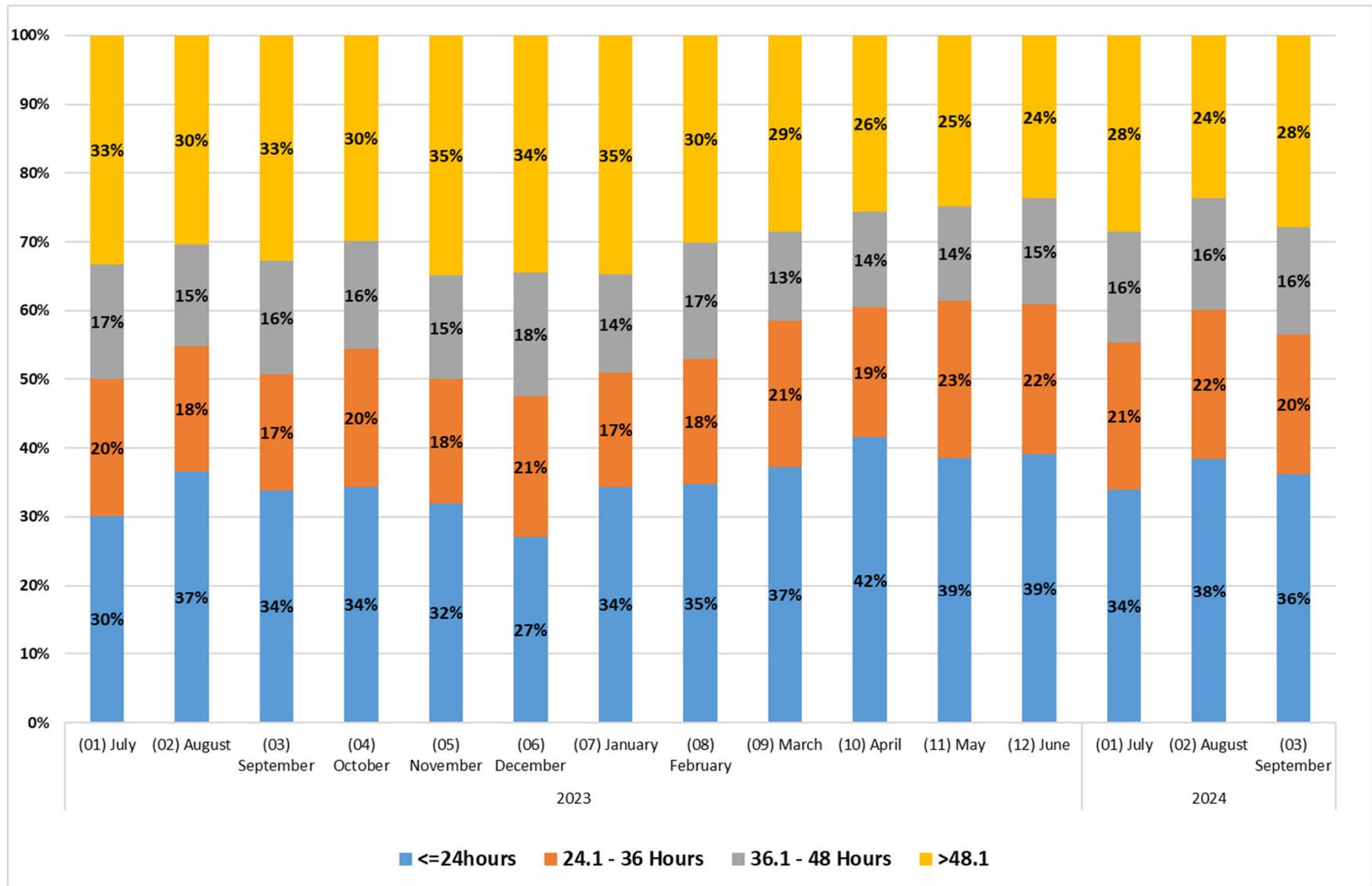
# Average Length of Stay Distribution



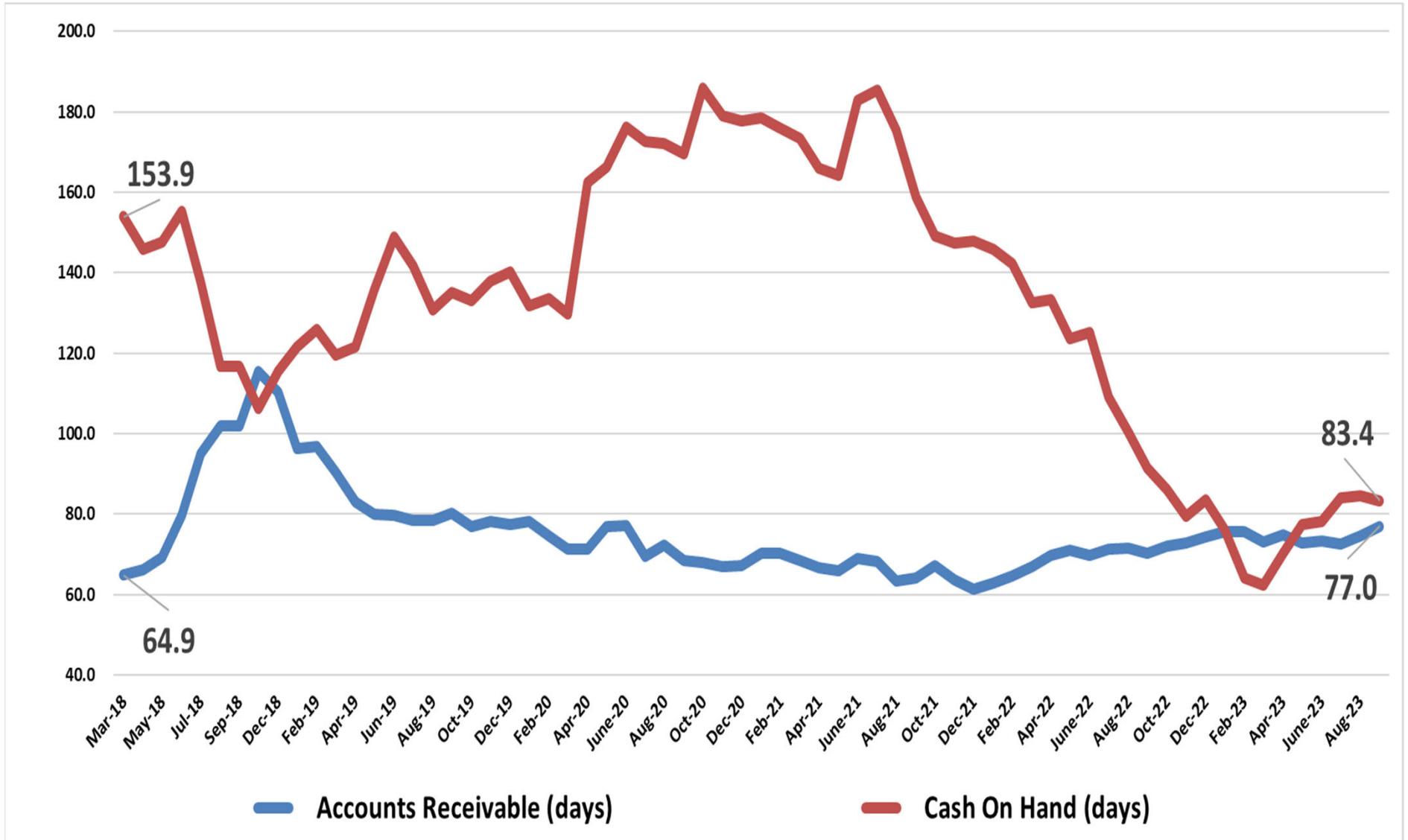
# Opportunity Cost of Reducing LOS to National Average - \$82M FY22



# Monthly Discharges of Observation Patients by their Length of Stay



# Trended Liquidity Ratios



# Ratio Analysis Report

|  | June 30, 2023 |          |           | 2021 Moody's     |               |        |
|--|---------------|----------|-----------|------------------|---------------|--------|
|  | Sept 2023     | Aug 2023 | Unaudited | Median Benchmark |               |        |
|  | Value         | Value    | Value     | Aa               | A             | Baa    |
| <b>LIQUIDITY RATIOS</b>                  |               |          |           |                  |               |        |
| Current Ratio (x)                        | 3.2           | 3.3      | 3.2       | 1.4              | <b>1.7</b>    | 1.6    |
| Accounts Receivable (days)               | 77.0          | 74.6     | 72.8      | 48.3             | <b>48.3</b>   | 47.5   |
| Cash On Hand (days)                      | 83.4          | 84.6     | 78.3      | 341.3            | <b>268.4</b>  | 206.5  |
| Cushion Ratio (x)                        | 10.1          | 10.2     | 10.3      | 52.4             | <b>31.5</b>   | 19.9   |
| Average Payment Period (days)            | 42.9          | 42.4     | 40.2      | 97.6             | <b>86.4</b>   | 94.0   |
| <b>CAPITAL STRUCTURE RATIOS</b>          |               |          |           |                  |               |        |
| Cash-to-Debt                             | 90.0%         | 91.4%    | 90.0%     | 323.4%           | <b>220.4%</b> | 170.1% |
| Debt-To-Capitalization                   | 33.2%         | 33.2%    | 32.9%     | 20.6%            | <b>29.1%</b>  | 36.3%  |
| Debt-to-Cash Flow (x)                    | 4.4           | 4.3      | (121.2)   | 2.1              | <b>2.6</b>    | 3.3    |
| Debt Service Coverage                    | 2.5           | 2.6      | (0.1)     | 9.6              | <b>6.0</b>    | 4.5    |
| Maximum Annual Debt Service Coverage (x) | 2.6           | 2.6      | (0.1)     | 8.2              | <b>5.5</b>    | 3.9    |
| Age Of Plant (years)                     | 14.5          | 14.6     | 12.2      | 10.8             | <b>12.4</b>   | 13.5   |
| <b>PROFITABILITY RATIOS</b>              |               |          |           |                  |               |        |
| Operating Margin                         | (1.5%)        | (2.1%)   | (6.9%)    | 4.1%             | <b>3.1%</b>   | 2.2%   |
| Excess Margin                            | 0.9%          | 1.0%     | (5.5%)    | 8.1%             | <b>6.7%</b>   | 4.8%   |
| Operating Cash Flow Margin               | 3.5%          | 2.8%     | (1.3%)    | 9.6%             | <b>8.8%</b>   | 7.5%   |
| Return on Assets                         | 0.9%          | 1.0%     | (5.7%)    | 5.8%             | <b>4.9%</b>   | 3.9%   |

# Consolidated Statements of Net Position (000's)

|  | Sep-23            | Aug-23            | Change          | % Change     | Jun-23<br>(Unaudited) |
|--|-------------------|-------------------|-----------------|--------------|-----------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS</b>                    |                   |                   |                 |              |                       |
| <b>CURRENT ASSETS</b>                                  |                   |                   |                 |              |                       |
| Cash and cash equivalents                              | \$ 3,796          | \$ 13,599         | \$ (9,802)      | -72.08%      | \$ 3,628              |
| Current Portion of Board designated and trusted assets | 16,309            | 14,931            | 1,377           | 9.23%        | 14,978                |
| Accounts receivable:                                   |                   |                   |                 |              |                       |
| Net patient accounts                                   | 134,339           | 131,652           | 2,687           | 2.04%        | 133,932               |
| Other receivables                                      | 27,017            | 28,002            | (985)           | -3.52%       | 31,196                |
| Inventories  | 14,404            | 14,007            | 397             | 2.83%        | 13,581                |
| Medicare and Medi-Cal settlements                      | 95,090            | 88,376            | 6,714           | 7.60%        | 80,263                |
| Prepaid expenses                                       | 12,554            | 13,484            | (930)           | -6.90%       | 10,327                |
| Total current assets                                   | 303,509           | 304,051           | (542)           | -0.18%       | 287,904               |
| <b>NON-CURRENT CASH AND INVESTMENTS -</b>              |                   |                   |                 |              |                       |
| less current portion                                   |                   |                   |                 |              |                       |
| Board designated cash and assets                       | 170,462           | 164,403           | 6,060           | 3.69%        | 174,916               |
| Revenue bond assets held in trust                      | 18,806            | 18,806            | 1               | 0.00%        | 18,806                |
| Assets in self-insurance trust fund                    | 470               | 963               | (492)           | -51.15%      | 956                   |
| Total non-current cash and investments                 | 189,739           | 184,171           | 5,568           | 3.02%        | 194,678               |
| <b>INTANGIBLE RIGHT TO USE LEASE,</b>                  | 12,618            | 12,866            | (249)           | -1.93%       | 11,249                |
| net of accumulated amortization                        |                   |                   |                 |              |                       |
| <b>CAPITAL ASSETS</b>                                  |                   |                   |                 |              |                       |
| Land   | 20,544            | 20,544            | -               | 0.00%        | 17,542                |
| Buildings and improvements                             | 426,230           | 426,230           | -               | 0.00%        | 427,105               |
| Equipment  | 324,125           | 323,988           | 137             | 0.04%        | 328,663               |
| Construction in progress                               | 24,750            | 24,324            | 426             | 1.75%        | 25,413                |
| Less accumulated depreciation                          | 795,649           | 795,087           | 563             | 0.07%        | 798,723               |
|  | 487,876           | 485,326           | 2,550           | 0.53%        | 485,406               |
|  | 307,773           | 309,761           | (1,987)         | -0.64%       | 313,318               |
| Property under capital leases -                        |                   |                   |                 |              |                       |
| less accumulated amortization                          | (691)             | (691)             | -               | 0.00%        | (691)                 |
| Total capital assets                                   | 307,082           | 309,069           | (1,987)         | -0.64%       | 312,627               |
| <b>OTHER ASSETS</b>                                    |                   |                   |                 |              |                       |
| Property not used in operations                        | 1,909             | 1,913             | (4)             | -0.22%       | 1,533                 |
| Health-related investments                             | 2,407             | 2,497             | (90)            | -3.59%       | 2,841                 |
| Other  | 13,754            | 13,761            | (7)             | -0.05%       | 13,350                |
| Total other assets                                     | 18,069            | 18,170            | (101)           | -0.56%       | 17,724                |
| Total assets   | 831,017           | 828,328           | 2,689           | 0.32%        | 824,182               |
| <b>DEFERRED OUTFLOWS</b>                               |                   |                   |                 |              |                       |
|  | 33,736            | 33,769            | (33)            | -0.10%       | 33,835                |
| <b>Total assets and deferred outflows</b>              | <b>\$ 864,753</b> | <b>\$ 862,097</b> | <b>\$ 2,656</b> | <b>0.31%</b> | <b>\$ 858,016</b>     |

# Consolidated Statements of Net Position (000's)

|   | Sep-23     | Aug-23     | Change   | % Change | Jun-23     |
|---|------------|------------|----------|----------|------------|
| <b>LIABILITIES AND NET ASSETS</b>               |            |            |          |          |            |
| <b>CURRENT LIABILITIES</b>                      |            |            |          |          |            |
| Accounts payable and accrued expenses           | \$ 31,635  | \$ 32,148  | \$ (513) | -1.60%   | \$ 30,063  |
| Accrued payroll and related liabilities         | 54,198     | 52,775     | 1,424    | 2.70%    | 51,024     |
| Long-term debt, current portion                 | 8,051      | 8,051      | -        | 0.00%    | 10,105     |
| Total current liabilities                       | 93,885     | 92,974     | 911      | 0.98%    | 91,192     |
| <b>LEASE LIABILITY, net of current portion</b>  | 12,808     | 13,043     | (235)    | -1.80%   | 11,355     |
| <b>LONG-TERM DEBT, less current portion</b>     |            |            |          |          |            |
| Bonds payable                                   | 229,412    | 229,419    | (7)      | 0.00%    | 229,432    |
| Notes payable                                   | 17,745     | 17,745     | -        | 0.00%    | 17,745     |
| Total long-term debt                            | 247,157    | 247,164    | (7)      | 0.00%    | 247,177    |
| <b>NET PENSION LIABILITY</b>                    | 54,124     | 53,200     | 924      | 1.74%    | 51,352     |
| <b>OTHER LONG-TERM LIABILITIES</b>              | 32,359     | 31,835     | 524      | 1.64%    | 30,575     |
| Total liabilities                               | 440,333    | 438,216    | 2,117    | 0.48%    | 431,651    |
| <b>NET ASSETS</b>                               |            |            |          |          |            |
| Invested in capital assets, net of related debt | 54,903     | 56,916     | (2,013)  | -3.54%   | 58,471     |
| Restricted                                      | 50,395     | 50,150     | 245      | 0.49%    | 49,954     |
| Unrestricted                                    | 319,122    | 316,816    | 2,307    | 0.73%    | 317,940    |
| Total net position                              | 424,420    | 423,881    | 539      | 0.13%    | 426,366    |
| Total liabilities and net position              | \$ 864,753 | \$ 862,097 | \$ 2,656 | 0.31%    | \$ 858,016 |

**KAWEAH DELTA HEALTH CARE DISTRICT**  
**SUMMARY OF FUNDS**  
 Sep 30, 2023

| <u>Board designated funds</u>           | <u>Maturity Date</u> | <u>Yield</u> | <u>Investment Type</u> | <u>G/L Account</u>                  | <u>Amount</u> | <u>Total</u> |
|---|----------------------|--------------|------------------------|-------------------------------------|---------------|--------------|
| LAIF                                    |                      | 3.48         | Various                |                                     | 10,190,404    |              |
| CAMP                                    |                      | 5.55         | CAMP                   |                                     | 36,265,993    |              |
| Allspring                               |                      | 2.63         | Money market           |                                     | 628,390       |              |
| PFM                                     |                      | 2.63         | Money market           |                                     | 241,306       |              |
| PFM                                     | 3-Jun-23             | 0.80         | MTN-C                  | Amazon Com Inc                      | 445,000       |              |
| PFM                                     | 25-Nov-23            | 3.06         | U.S. Govt Agency       | FHLMC                               | 218,555       |              |
| Allspring                               | 1-Jan-24             | 2.12         | Municipal              | New York ST                         | 585,000       |              |
| Allspring                               | 2-Feb-24             | 0.35         | MTN-C                  | Paccar Financial Mtn                | 1,000,000     |              |
| Allspring                               | 8-Feb-24             | 0.35         | MTN-C                  | National Rural                      | 1,400,000     |              |
| Allspring                               | 18-Mar-24            | 0.75         | MTN-C                  | Schwab Charles                      | 1,625,000     |              |
| PFM                                     | 18-Mar-24            | 0.75         | MTN-C                  | Schwab Charles                      | 90,000        |              |
| Allspring                               | 22-Mar-24            | 0.75         | MTN-C                  | Verizon                             | 730,000       |              |
| PFM                                     | 25-Mar-24            | 3.35         | U.S. Govt Agency       | FNMA                                | 107,285       |              |
| Bank of Marin - CDARS                   | 31-Mar-24            | 4.50         | CD                     | Bank of Marin                       | 236,500       |              |
| Blue Ridge Bank - CDARS                 | 31-Mar-24            | 4.50         | CD                     | Blue Ridge Bank                     | 236,500       |              |
| BOKF National Association - CDARS       | 31-Mar-24            | 4.50         | CD                     | BOKF National Association           | 236,500       |              |
| BOM Bank - CDARS                        | 31-Mar-24            | 4.50         | CD                     | BOM Bank                            | 236,500       |              |
| Cattlemens Bank - CDARS                 | 31-Mar-24            | 4.50         | CD                     | Cattlemens Bank                     | 236,500       |              |
| East West Bank - CDARS                  | 31-Mar-24            | 4.50         | CD                     | East West Bank                      | 236,500       |              |
| First Northern Bank of Dixon - CDARS    | 31-Mar-24            | 4.50         | CD                     | First Northern Bank of Dixon        | 236,500       |              |
| First Republic Bank - CDARS             | 31-Mar-24            | 4.50         | CD                     | First Republic Bank                 | 236,500       |              |
| Live Oak Banking Company - CDARS        | 31-Mar-24            | 4.50         | CD                     | Live Oak Banking company            | 236,500       |              |
| SouthEast Bank - CDARS                  | 31-Mar-24            | 4.50         | CD                     | SouthEast Bank                      | 94,138        |              |
| SpiritBank - CDARS                      | 31-Mar-24            | 4.50         | CD                     | SpiritBank                          | 236,500       |              |
| Springs Valley Bank & Trust Company - C | 31-Mar-24            | 4.50         | CD                     | Springs Valley Bank & Trust Company | 54,362        |              |
| The Bank of Commerce - CDARS            | 31-Mar-24            | 4.50         | CD                     | The Bank of Commerce                | 236,500       |              |
| Western Alliance - CDARS                | 31-Mar-24            | 4.50         | CD                     | Western Alliance                    | 250,000       |              |
| Allspring                               | 26-Apr-24            | 0.50         | MTN-C                  | Bank of Ny Mtn                      | 1,000,000     |              |
| PFM                                     | 26-Apr-24            | 0.50         | MTN-C                  | Bank of Ny Mtn                      | 170,000       |              |
| Allspring                               | 1-May-24             | 0.36         | Municipal              | Wisconsin ST                        | 1,320,000     |              |
| Allspring                               | 1-May-24             | 0.43         | Municipal              | Wisconsin ST                        | 500,000       |              |
| Allspring                               | 12-May-24            | 0.45         | MTN-C                  | Amazon Com Inc                      | 875,000       |              |
| PFM                                     | 12-May-24            | 0.45         | MTN-C                  | Amazon Com Inc                      | 250,000       |              |
| Allspring                               | 15-May-24            | 0.58         | Municipal              | University Ca                       | 1,000,000     |              |
| PFM                                     | 15-May-24            | 2.50         | U.S. Govt Agency       | US Treasury Bill                    | 100,000       |              |
| Allspring                               | 1-Jun-24             | 0.59         | Municipal              | Orange Ca                           | 500,000       |              |
| Allspring                               | 1-Jun-24             | 0.64         | Municipal              | Torrance Ca                         | 1,450,000     |              |
| Allspring                               | 15-Jun-24            | 0.52         | Municipal              | Louisiana ST                        | 500,000       |              |
| Allspring                               | 1-Jul-24             | 0.63         | Municipal              | El Segundo Ca                       | 510,000       |              |
| Allspring                               | 1-Jul-24             | 5.00         | Municipal              | Los Angeles Calif Ca                | 1,500,000     |              |
| PFM                                     | 1-Jul-24             | 1.96         | Municipal              | Arizona ST                          | -             |              |
| PFM                                     | 1-Jul-24             | 2.00         | Municipal              | Connecticut ST                      | 150,000       |              |
| PFM                                     | 1-Jul-24             | 0.62         | Municipal              | Wisconsin ST                        | 470,000       |              |
| PFM                                     | 30-Jul-24            | 2.40         | MTN-C                  | US Bancorp                          | 415,000       |              |
| PFM                                     | 1-Aug-24             | 0.51         | Municipal              | Maryland ST                         | 355,000       |              |
| PFM                                     | 1-Aug-24             | 2.05         | Municipal              | San Diego Ca Community              | 80,000        |              |
| PFM                                     | 1-Aug-24             | 0.70         | Municipal              | San Juan Ca                         | 195,000       |              |
| PFM                                     | 1-Aug-24             | 2.02         | Municipal              | Tamalpais Ca Union                  | 305,000       |              |
| PFM                                     | 9-Aug-24             | 0.75         | ABS                    | American Honda Mtn                  | 190,000       |              |
| PFM                                     | 12-Aug-24            | 0.75         | ABS                    | BMW US Cap LLC                      | 340,000       |              |
| PFM                                     | 12-Aug-24            | 0.63         | MTN-C                  | Unilever Capital                    | 100,000       |              |
| PFM                                     | 15-Aug-24            | 2.30         | MTN-C                  | Honeywell                           | 330,000       |              |
| PFM                                     | 15-Aug-24            | 2.15         | MTN-C                  | Paccar Financial Mtn                | 210,000       |              |
| Allspring                               | 16-Aug-24            | 2.02         | MTN-C                  | Exxon Mobil                         | 1,320,000     |              |
| PFM                                     | 30-Aug-24            | 1.75         | MTN-C                  | Walt Disney Co                      | -             |              |
| Allspring                               | 13-Sep-24            | 0.60         | MTN-C                  | Caterpillar Finl Mtn                | 500,000       |              |
| PFM                                     | 14-Sep-24            | 0.61         | MTN-C                  | Nestle Holdings                     | 640,000       |              |
| PFM                                     | 23-Sep-24            | 0.50         | Supra-National Agency  | Inter Amer Bk                       | 870,000       |              |
| PFM                                     | 30-Sep-24            | 1.50         | U.S. Govt Agency       | US Treasury Bill                    | 425,000       |              |
| PFM                                     | 15-Oct-24            | 0.70         | ABS                    | Toyota Auto Recvcs                  | 5,479         |              |
| PFM                                     | 18-Oct-24            | 0.37         | ABS                    | Honda Auto                          | 44,562        |              |
| PFM                                     | 24-Oct-24            | 2.10         | MTN-C                  | Bank of NY                          | 150,000       |              |
| PFM                                     | 25-Oct-24            | 0.85         | MTN-C                  | Bank of Ny Mtn                      | 390,000       |              |
| PFM                                     | 30-Oct-24            | 0.78         | MTN-C                  | Citigroup Inc                       | 445,000       |              |
| Allspring                               | 31-Oct-24            | 1.50         | U.S. Govt Agency       | US Treasury Bill                    | 650,000       |              |
| PFM                                     | 31-Oct-24            | 1.50         | U.S. Govt Agency       | US Treasury Bill                    | 500,000       |              |
| PFM                                     | 1-Nov-24             | 0.57         | Municipal              | Mississippi ST                      | 300,000       |              |
| Allspring                               | 8-Nov-24             | 2.15         | MTN-C                  | Caterpillar Finl Mtn                | 600,000       |              |
| PFM                                     | 8-Nov-24             | 2.15         | MTN-C                  | Caterpillar Finl Mtn                | 850,000       |              |
| PFM                                     | 30-Nov-24            | 1.50         | U.S. Govt Agency       | US Treasury Bill                    | 400,000       |              |
| Allspring                               | 5-Dec-24             | 4.02         | MTN-C                  | JP Morgan                           | 1,050,000     |              |
| Allspring                               | 6-Dec-24             | 2.15         | MTN-C                  | Branch Banking Trust                | 1,300,000     |              |
| Allspring                               | 15-Dec-24            | 1.00         | U.S. Govt Agency       | US Treasury Bill                    | 550,000       |              |
| PFM                                     | 15-Dec-24            | 0.00         | ABS                    | Hyundai Auto                        | (0)           |              |
| Allspring                               | 31-Dec-24            | 1.75         | U.S. Govt Agency       | US Treasury Bill                    | 1,000,000     |              |
| PFM                                     | 7-Jan-25             | 1.63         | U.S. Govt Agency       | FNMA                                | 1,510,000     |              |
| Allspring                               | 9-Jan-25             | 2.05         | MTN-C                  | John Deere Mtn                      | 500,000       |              |
| PFM                                     | 10-Jan-25            | 1.38         | Supra-National Agency  | Cooperatieve                        | 440,000       |              |
| Allspring                               | 15-Jan-25            | 1.13         | U.S. Govt Agency       | US Treasury Bill                    | 3,300,000     |              |
| Allspring                               | 21-Jan-25            | 2.05         | MTN-C                  | US Bank NA                          | 1,400,000     |              |
| Allspring                               | 24-Jan-25            | 1.76         | MTN-C                  | Goldman Sachs                       | 725,000       |              |
| PFM                                     | 7-Feb-25             | 1.88         | MTN-C                  | National Rural Mtn                  | 125,000       |              |
| PFM                                     | 12-Feb-25            | 1.50         | U.S. Govt Agency       | FHLMC                               | 1,000,000     |              |
| PFM                                     | 13-Feb-25            | 1.80         | MTN-C                  | Toyota Motor                        | 420,000       |              |
| PFM                                     | 14-Feb-25            | 1.75         | MTN-C                  | Novartis Capital                    | 425,000       |              |
| PFM                                     | 20-Feb-25            | 0.00         | MTN-C                  | Verizon Owner                       | 3,079         |              |
| Allspring                               | 7-Mar-25             | 2.13         | MTN-C                  | Deere John Mtn                      | 550,000       |              |
| PFM                                     | 10-Mar-25            | 2.13         | MTN-C                  | Roche Holding Inc                   | 730,000       |              |

**KAWEAH DELTA HEALTH CARE DISTRICT**  
**SUMMARY OF FUNDS**  
**Sep 30, 2023**

|           |           |      |                  |                     |           |
|-----------|-----------|------|------------------|---------------------|-----------|
| PFM       | 15-Mar-25 | 0.00 | ABS              | Carmax Auto Owner   | 12,324    |
| Allspring | 1-Apr-25  | 0.88 | Municipal        | Bay Area Toll       | 250,000   |
| PFM       | 1-Apr-25  | 3.25 | MTN-C            | General Dynamics    | 395,000   |
| PFM       | 14-Apr-25 | 0.50 | U.S. Govt Agency | FHLB                | 1,340,000 |
| PFM       | 15-Apr-25 | 2.70 | MTN-C            | Home Depot Inc      | 65,000    |
| PFM       | 22-Apr-25 | 0.63 | U.S. Govt Agency | FNMA                | 1,530,000 |
| Allspring | 1-May-25  | 0.74 | Municipal        | San Diego County    | 300,000   |
| PFM       | 1-May-25  | 0.98 | MTN-C            | Citigroup Inc       | 440,000   |
| PFM       | 11-May-25 | 1.13 | MTN-C            | Apple, Inc          | 655,000   |
| Allspring | 15-May-25 | 2.75 | U.S. Govt Agency | US Treasury Bill    | 980,000   |
| PFM       | 15-May-25 | 0.93 | Municipal        | University Calf Ca  | 185,000   |
| PFM       | 25-May-25 | 3.33 | U.S. Govt Agency | FHLMC               | 855,000   |
| Allspring | 1-Jun-25  | 0.92 | Municipal        | Connecticut ST      | 400,000   |
| PFM       | 1-Jun-25  | 1.35 | MTN-C            | Honeywell           | 400,000   |
| PFM       | 1-Jun-25  | 3.15 | MTN-C            | Emerson Electric Co | 265,000   |
| PFM       | 1-Jun-25  | 0.82 | MTN-C            | JP Morgan           | 1,000,000 |
| Allspring | 17-Jun-25 | 0.50 | U.S. Govt Agency | FNMA                | 2,000,000 |
| Allspring | 30-Jun-25 | 0.25 | U.S. Govt Agency | US Treasury Bill    | 350,000   |
| PFM       | 1-Jul-25  | 1.26 | Municipal        | Florida ST          | 600,000   |
| PFM       | 1-Jul-25  | 0.77 | Municipal        | Wisconsin ST        | 440,000   |
| Allspring | 21-Jul-25 | 0.38 | U.S. Govt Agency | FHLMC               | 1,500,000 |
| PFM       | 21-Jul-25 | 0.50 | ABS              | GM Financial        | 100,000   |
| Allspring | 1-Aug-25  | 2.17 | Municipal        | Santa Cruz Ca       | 400,000   |
| PFM       | 1-Aug-25  | 0.77 | Municipal        | Los Angeles Ca      | 335,000   |
| PFM       | 1-Aug-25  | 0.85 | Municipal        | San Juan Ca         | 190,000   |
| PFM       | 15-Aug-25 | 0.78 | ABS              | Carmax Auto Owner   | 60,615    |
| PFM       | 15-Aug-25 | 0.62 | ABS              | Kubota Credit       | 128,646   |
| Allspring | 25-Aug-25 | 0.38 | U.S. Govt Agency | FNMA                | 1,500,000 |
| PFM       | 25-Aug-25 | 3.75 | U.S. Govt Agency | FHLMC               | 278,608   |
| Allspring | 4-Sep-25  | 0.38 | U.S. Govt Agency | FHLB                | 525,000   |
| Allspring | 15-Sep-25 | 0.36 | ABS              | John Deere Owner    | 295,993   |
| PFM       | 15-Sep-25 | 0.00 | ABS              | Hyundai Auto        | 82,545    |
| PFM       | 15-Sep-25 | 3.88 | MTN-C            | Abbott Laboratories | 195,000   |
| Allspring | 23-Sep-25 | 0.00 | U.S. Govt Agency | FHLMC               | 750,000   |
| Allspring | 25-Sep-25 | 0.98 | MTN-C            | Bk of America       | 1,300,000 |
| 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   |
| PFM       | 17-Nov-25 | 0.56 | ABS              | Kubota Credit       | 134,397   |
| Allspring | 30-Nov-25 | 0.38 | U.S. Govt Agency | US Treasury Bill    | 2,550,000 |
| PFM       | 15-Dec-25 | 0.00 | ABS              | Carmax Auto Owner   | 52,579    |
| PFM       | 31-Dec-25 | 0.38 | U.S. Govt Agency | US Treasury Bill    | 1,395,000 |
| PFM       | 31-Jan-26 | 0.38 | U.S. Govt Agency | US Treasury Bill    | 1,000,000 |
| Allspring | 6-Feb-26  | 1.75 | MTN-C            | State Street Corp   | 1,000,000 |
| PFM       | 12-Feb-26 | 0.86 | MTN-C            | Goldman Sachs       | 205,000   |
| PFM       | 15-Feb-26 | 1.63 | U.S. Govt Agency | US Treasury Bill    | 1,000,000 |
| PFM       | 17-Feb-26 | 0.00 | ABS              | Carmax Auto Owner   | 149,325   |
| PFM       | 28-Feb-26 | 0.50 | U.S. Govt Agency | US Treasury Bill    | 1,500,000 |
| PFM       | 30-Mar-26 | 2.90 | MTN-C            | State Street Corp   | 420,000   |
| Allspring | 31-Mar-26 | 0.75 | U.S. Govt Agency | US Treasury Bill    | 675,000   |
| PFM       | 31-Mar-26 | 0.38 | U.S. Govt Agency | US Treasury Bill    | 1,000,000 |
| PFM       | 2-Apr-26  | 3.38 | MTN-C            | Bank of America     | 250,000   |
| PFM       | 19-Apr-26 | 3.50 | MTN-C            | Bank of America     | 295,000   |
| Allspring | 25-Apr-26 | 3.91 | MTN-C            | Wells Fargo co      | 800,000   |
| PFM       | 30-Apr-26 | 0.75 | U.S. Govt Agency | US Treasury Bill    | 1,435,000 |
| PFM       | 15-May-26 | 3.30 | MTN-C            | IBM Corp            | 410,000   |
| PFM       | 28-May-26 | 1.20 | MTN-C            | Astrazeneca LP      | 265,000   |
| PFM       | 31-May-26 | 0.75 | U.S. Govt Agency | US Treasury Bill    | 1,000,000 |
| PFM       | 31-May-26 | 2.13 | U.S. Govt Agency | US Treasury Bill    | 1,200,000 |
| PFM       | 15-Jun-26 | 0.00 | ABS              | Carmax Auto Owner   | 387,033   |
| 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 |
| PFM       | 30-Jun-26 | 0.88 | U.S. Govt Agency | US Treasury Bill    | 990,000   |
| 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 | ABS              | American Honda Mtn  | 145,000   |
| PFM       | 8-Jul-26  | 3.05 | MTN-C            | Walmart INC         | 205,000   |
| PFM       | 17-Jul-26 | 5.08 | MTN-C            | Cooperatieve CD     | 400,000   |
| PFM       | 20-Jul-26 | 0.00 | ABS              | Honda Auto Rec Own  | 130,000   |
| PFM       | 31-Jul-26 | 0.63 | U.S. Govt Agency | US Treasury Bill    | 880,000   |
| PFM       | 7-Aug-26  | 5.45 | MTN-C            | Wells Fargo Bank Na | 545,000   |

**KAWEAH DELTA HEALTH CARE DISTRICT  
SUMMARY OF FUNDS  
Sep 30, 2023**

|           |           |      |                  |                      |           |
|-----------|-----------|------|------------------|----------------------|-----------|
| PFM       | 31-Aug-26 | 0.75 | U.S. Govt Agency | US Treasury Bill     | 1,000,000 |
| 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 |
| PFM       | 1-Oct-26  | 2.95 | MTN-C            | JP Morgan            | 415,000   |
| 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  | 0.02 | MTN-C            | American Express Co  | 445,000   |
| PFM       | 15-Nov-26 | 3.55 | MTN-C            | Lockheed Martin      | 203,000   |
| PFM       | 16-Nov-26 | 0.00 | ABS              | Capital One Multi    | 640,000   |
| Allspring | 30-Nov-26 | 1.13 | U.S. Govt Agency | US Treasury Bill     | 2,000,000 |
| PFM       | 11-Jan-27 | 1.70 | MTN-C            | Deere John Mtn       | 220,000   |
| Allspring | 15-Jan-27 | 1.95 | MTN-C            | Target Corp          | 900,000   |
| PFM       | 15-Jan-27 | 1.95 | MTN-C            | Target Corp          | 330,000   |
| PFM       | 15-Mar-27 | 6.03 | MTN-C            | Daimler Trucks       | 325,000   |
| PFM       | 25-Mar-27 | 3.22 | U.S. Govt Agency | FHLMC                | 575,000   |
| PFM       | 15-Apr-27 | 0.00 | ABS              | Carmax Auto Owner    | 600,000   |
| PFM       | 15-Apr-27 | 2.50 | MTN-C            | Home Depot Inc       | 220,000   |
| Allspring | 30-Apr-27 | 2.88 | 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 | 2.88 | U.S. Govt Agency | US Treasury Bill     | 800,000   |
| PFM       | 15-May-27 | 2.38 | U.S. Govt Agency | US Treasury Bill     | 925,000   |
| PFM       | 15-May-27 | 1.70 | MTN-C            | IBM Corp             | 230,000   |
| PFM       | 15-May-27 | 3.70 | MTN-C            | Unitedhealth Group   | 85,000    |
| PFM       | 17-May-27 | 4.14 | ABS              | Capital One Prime    | 265,000   |
| PFM       | 17-May-27 | 2.39 | MTN-C            | American Express Co  | 655,000   |
| PFM       | 17-May-27 | 0.00 | MTN-C            | Discover Card Exe    | 305,000   |
| Allspring | 15-Jul-27 | 3.68 | Municipal        | Massachusetts St     | 1,000,000 |
| Allspring | 1-Aug-27  | 3.46 | Municipal        | Alameda Cnty Ca      | 500,000   |
| PFM       | 15-Nov-27 | 4.51 | ABS              | Mercedes Benz Auto   | 200,000   |
| PFM       | 18-Feb-28 | 5.41 | ABS              | Honda Auto           | 350,000   |
| PFM       | 25-Feb-28 | 0.00 | ABS              | BMW Vehicle Owner    | 95,000    |
| PFM       | 17-Apr-28 | 0.00 | ABS              | Hyundai Auto         | 115,000   |
| PFM       | 17-Apr-28 | 5.00 | MTN-C            | Bank of America      | 525,000   |
| PFM       | 15-May-28 | 0.00 | ABS              | Ally Auto Rec        | 195,000   |
| PFM       | 15-May-28 | 4.87 | MTN-C            | American Express Co  | 150,000   |
| PFM       | 15-May-28 | 4.79 | MTN-C            | Bank of America      | 180,000   |
| PFM       | 15-May-28 | 5.23 | MTN-C            | Ford CR Auto Owner   | 160,000   |
| PFM       | 16-Jun-28 | 5.59 | ABS              | GM Finl con Auto Rec | 110,000   |
| PFM       | 25-Jun-28 | 0.00 | U.S. Govt Agency | FHLMC                | 530,000   |
| PFM       | 25-Jun-28 | 0.00 | U.S. Govt Agency | FHLMC                | 439,575   |
| PFM       | 14-Jul-28 | 4.95 | MTN-C            | John Deere Mtn       | 120,000   |
| PFM       | 25-Jul-28 | 4.19 | U.S. Govt Agency | FNMA                 | 540,000   |
| PFM       | 15-Aug-28 | 5.69 | MTN-C            | Harley Davidson      | 500,000   |
| PFM       | 15-Aug-28 | 5.90 | ABS              | Fifth Third Auto     | 385,000   |
| PFM       | 25-Aug-28 | 4.65 | U.S. Govt Agency | FHLMC                | 545,000   |
| PFM       | 15-Sep-28 | 5.23 | MTN-C            | American Express     | 445,000   |
| PFM       | 15-Sep-28 | 5.16 | MTN-C            | Chase Issuance Trust | 435,000   |
| PFM       | 15-Sep-28 | 0.00 | MTN-C            | Discover Card Exe    | 495,000   |
| PFM       | 25-Sep-28 | 0.00 | U.S. Govt Agency | FHLMC                | 535,000   |
| PFM       | 29-Sep-28 | 5.80 | MTN-C            | Citibank N A         | 535,000   |
| PFM       | 1-Nov-25  | 0.38 | U.S. Govt Agency | US Treasury Bill     | 500,000   |

\$ 166,274,693

**KAWEAH DELTA HEALTH CARE DISTRICT  
SUMMARY OF FUNDS  
Sep 30, 2023**

|   | <b>Maturity Date</b> | <b>Yield</b> | <b>Investment Type</b>          | <b>G/L Account</b> | <b>Amount</b>     | <b>Total</b>              |
|---|----------------------|--------------|---------------------------------|--------------------|-------------------|---------------------------|
| <b><u>Self-insurance trust</u></b>          |                      |              |                                 |                    |                   |                           |
| Wells Fargo Bank                            |                      |              | Money market                    | 110900             | 1,312,186         |                           |
| Wells Fargo Bank                            |                      |              | Fixed income - L/T              | 152300             | <u>588,570</u>    | 1,900,756                 |
| <b><u>2015A revenue bonds</u></b>           |                      |              |                                 |                    |                   |                           |
| US Bank                                     |                      |              | COI                             | 152445             | -                 |                           |
| US Bank                                     |                      |              | Principal/Interest payment fund | 142110<br>142115   | <u>215,502</u>    | 215,502                   |
| <b><u>2015B revenue bonds</u></b>           |                      |              |                                 |                    |                   |                           |
| US Bank                                     |                      |              | Principal/Interest payment fund | 142110<br>142116   | 1,400,197         | 1,400,197                 |
| <b><u>2017C revenue bonds</u></b>           |                      |              |                                 |                    |                   |                           |
| US Bank                                     |                      |              | Principal/Interest payment fund | 142110<br>142118   | <u>3,134,239</u>  | 3,134,239                 |
| <b><u>2020 revenue bonds</u></b>            |                      |              |                                 |                    |                   |                           |
| Signature Bank                              |                      |              | Project Fund                    | 152446             | (589)             |                           |
| US Bank                                     |                      |              | Principal/Interest payment fund | 142110<br>142113   | <u>407,384</u>    | 406,796                   |
| <b><u>2022 revenue bonds</u></b>            |                      |              |                                 |                    |                   |                           |
| US Bank                                     |                      |              |                                 | 142110<br>142120   | <u>537,700</u>    | 537,700                   |
| <b><u>2014 general obligation bonds</u></b> |                      |              |                                 |                    |                   |                           |
| CAMP  |                      |              | Interest Payment fund           | 142110<br>152440   | <u>1,541,052</u>  | 1,541,052                 |
| <b><u>Master Reserve fund</u></b>           |                      |              |                                 |                    |                   |                           |
| US Bank                                     |                      |              |                                 | 142102             | (1,663,144)       |                           |
| US Bank                                     |                      |              |                                 | 142103             | <u>20,268,603</u> | 18,605,459                |
| <b><u>Operations</u></b>                    |                      |              |                                 |                    |                   |                           |
| Wells Fargo Bank                            | 0.16                 | Checking     |                                 | 100100<br>100500   | (3,130,676)       |                           |
| Wells Fargo Bank                            | 0.16                 | Checking     |                                 | 100500             | <u>13,822,856</u> | 10,692,180                |
| <b><u>Payroll</u></b>                       |                      |              |                                 |                    |                   |                           |
| Wells Fargo Bank                            | 0.16                 | Checking     |                                 | 100100             | 320,039           |                           |
| Wells Fargo Bank                            | 0.16                 | Checking     | Flexible Spending               | 100201             | (127,710)         |                           |
| Wells Fargo Bank                            | 0.16                 | Checking     | HSA                             | 100200             | (69,510)          |                           |
| Wells Fargo Bank                            |                      | Checking     | Resident Fund                   | 100205             | 1,287             |                           |
| Bancorp                                     |                      | Checking     | Bancorp                         | 100202             | <u>194,528</u>    | 318,634                   |
|   |                      |              |                                 |                    |                   | 11,010,814                |
| <b>Total investments</b>                    |                      |              |                                 |                    | <b>\$</b>         | <b><u>205,027,208</u></b> |

**KAWEAH DELTA HEALTH CARE DISTRICT  
SUMMARY OF FUNDS  
Sep 30, 2023**

**Kaweah Delta Medical Foundation**

|                  |          |        |    |                  |
|------------------|----------|--------|----|------------------|
| Wells Fargo Bank | Checking | 100050 | \$ | <u>1,682,593</u> |
|------------------|----------|--------|----|------------------|

**Sequoia Regional Cancer Center**

|                  |          |        |        |                  |
|------------------|----------|--------|--------|------------------|
| Wells Fargo Bank | Checking | 100535 | 60,105 | \$ <u>60,105</u> |
|------------------|----------|--------|--------|------------------|

**Kaweah Delta Hospital Foundation**

|                                   |                 |        |            |                      |
|-----------------------------------|-----------------|--------|------------|----------------------|
| Central Valley Community Checking | Investments     | 100501 | 530,322    |                      |
| Various                           | S/T Investments | 142200 | 4,048,612  |                      |
| Various                           | L/T Investments | 142300 | 12,685,904 |                      |
| Various                           | Unrealized G/L  | 142400 | 1,454,275  |                      |
|                                   |                 |        |            | \$ <u>18,719,113</u> |

**Summary of board designated funds:**

**Plant fund:**

|                                  |                   |                       |  |        |
|----------------------------------|-------------------|-----------------------|--|--------|
| Uncommitted plant funds          | \$                | 123,372,212           |  | 142100 |
| Committed for capital            |                   | <u>12,710,259</u>     |  | 142100 |
|                                  |                   | 136,082,471           |  |        |
| GO Bond reserve - L/T            |                   | 1,992,658             |  | 142100 |
| 401k Matching                    |                   | 3,744,269             |  | 142100 |
| Cost report settlement - current | 2,135,384         |                       |  | 142104 |
| Cost report settlement - L/T     | <u>1,312,727</u>  |                       |  | 142100 |
|                                  |                   | 3,448,111             |  |        |
| Development fund/Memorial fund   |                   | 104,184               |  | 112300 |
| Workers compensation - current   | 5,625,000         |                       |  | 112900 |
| Workers compensation - L/T       | <u>15,278,000</u> |                       |  | 113900 |
|                                  |                   | 20,903,000            |  |        |
|                                  |                   | \$ <u>166,274,693</u> |  |        |

|  | <u>Total<br/>Investments</u> | <u>%</u>      | <u>Trust<br/>Accounts</u> | <u>Surplus<br/>Funds</u> | <u>%</u>      |
|--|------------------------------|---------------|---------------------------|--------------------------|---------------|
| <b><u>Investment summary by institution:</u></b> |                              |               |                           |                          |               |
| Bancorp  | \$ 194,528                   | 0.1%          |                           | 194,528                  | 0.1%          |
| CAMP   | 36,265,993                   | 17.7%         |                           | 36,265,993               | 20.5%         |
| Local Agency Investment Fund (LAIF)              | 10,190,404                   | 5.0%          |                           | 10,190,404               | 5.7%          |
| CAMP - GOB Tax Rev                               | 1,541,052                    | 0.8%          | 1,541,052                 | -                        | 0.0%          |
| Allspring  | 58,844,383                   | 28.7%         | 1,900,756                 | 56,943,626               | 32.1%         |
| PFM  | 57,973,914                   | 28.3%         |                           | 57,973,914               | 32.7%         |
| Western Alliance                                 | 250,000                      |               |                           | 250,000                  | 0.1%          |
| Bank of Marin                                    | 236,500                      |               |                           | 236,500                  | 0.1%          |
| Blue Ridge Bank                                  | 236,500                      |               |                           | 236,500                  | 0.1%          |
| BOKF National Association                        | 236,500                      |               |                           | 236,500                  | 0.1%          |
| BOM Bank   | 236,500                      |               |                           | 236,500                  | 0.1%          |
| Cattlemens Bank                                  | 236,500                      |               |                           | 236,500                  | 0.1%          |
| East West Bank                                   | 236,500                      |               |                           | 236,500                  | 0.1%          |
| First Northern Bank of Dixon                     | 236,500                      |               |                           | 236,500                  | 0.1%          |
| First Republic Bank                              | 236,500                      |               |                           | 236,500                  | 0.1%          |
| Live Oak Banking Company                         | 236,500                      |               |                           | 236,500                  | 0.1%          |
| SouthEast Bank                                   | 94,138                       |               |                           | 94,138                   | 0.1%          |
| SpiritBank                                       | 236,500                      |               |                           | 236,500                  | 0.1%          |
| Springs Valley Bank & Trust Company              | 54,362                       |               |                           | 54,362                   | 0.0%          |
| The Bank of Commerce                             | 236,500                      |               |                           | 236,500                  | 0.1%          |
| Wells Fargo Bank                                 | 12,717,042                   | 6.2%          |                           | 12,717,042               | 7.2%          |
| Signature Bank                                   | (589)                        | 0.0%          | (589)                     | -                        | 0.0%          |
| US Bank  | 24,300,481                   | 11.9%         | 24,300,481                | -                        | 0.0%          |
| <hr/>  |                              |               |                           |                          |               |
| <b>Total investments</b>                         | <b>\$ 205,027,208</b>        | <b>100.0%</b> | <b>\$ 27,741,701</b>      | <b>177,285,507</b>       | <b>100.0%</b> |

**KAWEAH DELTA HEALTH CARE DISTRICT  
SUMMARY OF FUNDS  
Sep 30, 2023**

| <u>Investment summary of surplus funds by type:</u> |                       | <u>Investment<br/>Limitations</u> |
|---|-----------------------|-----------------------------------|
| Negotiable and other certificates of deposit        | \$ 3,000,000          | 53,186,000 (30%)                  |
| Checking accounts                                   | 11,010,814            |                                   |
| Local Agency Investment Fund (LAIF)                 | 10,190,404            | 75,000,000                        |
| CAMP  | 36,265,993            |                                   |
| Medium-term notes (corporate) (MTN-C)               | 41,476,079            | 53,186,000 (30%)                  |
| U.S. government agency                              | 52,234,023            |                                   |
| Municipal securities                                | 15,715,000            |                                   |
| Money market accounts                               | 869,696               | 35,457,000 (20%)                  |
| Commercial paper                                    | -                     | 44,321,000 (25%)                  |
| Asset Backed Securities                             | 5,213,499             | 35,457,000 (20%)                  |
| Supra-National Agency                               | 1,310,000             | 53,186,000 (30%)                  |
|   | <u>\$ 177,285,507</u> |                                   |

| <u>Return on investment:</u> |              |
|------------------------------|--------------|
| Current month                | <u>1.32%</u> |
| Year-to-date                 | <u>1.80%</u> |
| Prospective                  | <u>2.42%</u> |
| <br>                         |              |
| LAIF (year-to-date)          | <u>3.42%</u> |
| Budget                       | <u>2.27%</u> |

| <u>Fair market value disclosure for the quarter ended September 30, 2023 (District only):</u> | <u>Quarter-to-date</u> | <u>Year-to-date</u> |
|---|------------------------|---------------------|
| Difference between fair value of investments and amortized cost (balance sheet effect)        | N/A                    | (6,742,101)         |
| Change in unrealized gain (loss) on investments (income statement effect)                     | \$ 979                 | 979                 |

**KAWEAH DELTA HEALTH CARE DISTRICT  
SUMMARY OF FUNDS  
Sep 30, 2023**

**Investment summary of CDs:**

|                                     |              |
|-------------------------------------|--------------|
| Western Alliance                    | 250,000      |
| Bank of Marin                       | 236,500      |
| Blue Ridge Bank                     | 236,500      |
| BOKF National Association           | 236,500      |
| BOM Bank                            | 236,500      |
| Cattlemens Bank                     | 236,500      |
| East West Bank                      | 236,500      |
| First Northern Bank of Dixon        | 236,500      |
| First Republic Bank                 | 236,500      |
| Live Oak Banking company            | 236,500      |
| SouthEast Bank                      | 94,138       |
| SpiritBank                          | 236,500      |
| Springs Valley Bank & Trust Company | 54,362       |
| The Bank of Commerce                | 236,500      |
|                                     | <hr/>        |
|                                     | \$ 3,000,000 |

**Investment summary of asset backed securities:**

|                      |    |           |
|----------------------|----|-----------|
| Ally Auto Rec        | \$ | 195,000   |
| American Honda Mtn   | \$ | 335,000   |
| BMW Vehicle Owner    |    | 95,000    |
| BMW US Cap LLC       |    | 340,000   |
| Fifth Third Auto     |    | 385,000   |
| Capital One Multi    |    | 640,000   |
| Capital One Prime    |    | 265,000   |
| Carmax Auto Owner    |    | 1,261,877 |
| GM Finl con Auto Rec |    | 110,000   |
| Gm Financial         |    | 100,000   |
| Honda Auto           |    | 394,562   |
| Honda Auto Rec Own   |    | 130,000   |
| Hyundai Auto         |    | 197,545   |
| John Deere Owner     |    | 295,993   |
| Kubota Credit        |    | 263,043   |
| Mercedes Benz Auto   |    | 200,000   |
| Toyota Auto Recvs    |    | 5,479     |
|                      |    | <hr/>     |
|                      | \$ | 5,213,499 |

**KAWEAH DELTA HEALTH CARE DISTRICT**  
**SUMMARY OF FUNDS**  
**Sep 30, 2023**

**Investment summary of medium-term notes (corporate):**

|                      |           |                   |
|----------------------|-----------|-------------------|
| Abbott Laboratories  | \$        | 195,000           |
| Amazon Com Inc       |           | 1,570,000         |
| American Express     |           | 445,000           |
| American Express Co  |           | 1,250,000         |
| Apple, Inc           |           | 655,000           |
| Astrazeneca LP       |           | 265,000           |
| Bank of America      |           | 1,250,000         |
| Bank of NY           |           | 150,000           |
| Bank of NY Mtn       |           | 1,560,000         |
| Bk of America        |           | 1,300,000         |
| Branch Banking Trust |           | 1,300,000         |
| Chase Issuance Trust |           | 435,000           |
| Caterpillar Finl Mtn |           | 2,170,000         |
| Citibank N A         |           | 535,000           |
| Citigroup Inc        |           | 885,000           |
| Cooperatieve CD      |           | 400,000           |
| Daimler Trucks       |           | 325,000           |
| Deere John Mtn       |           | 770,000           |
| Discover Card Exe    |           | 800,000           |
| Emerson Electric Co  |           | 265,000           |
| Exxon Mobil          |           | 1,320,000         |
| Ford CR Auto Owner   |           | 160,000           |
| General Dynamics     |           | 395,000           |
| Goldman Sachs        |           | 930,000           |
| Harley Davidson      |           | 500,000           |
| Home Depot Inc       |           | 285,000           |
| Honeywell            |           | 730,000           |
| IBM Corp             |           | 640,000           |
| John Deere Mtn       |           | 620,000           |
| JP Morgan            |           | 2,465,000         |
| Lockheed Martin      |           | 203,000           |
| National Rural       |           | 1,400,000         |
| National Rural Mtn   |           | 125,000           |
| Natixis Ny           |           | 405,000           |
| Nestle Holdings      |           | 640,000           |
| Novartis Capital     |           | 425,000           |
| Paccar Financial Mtn |           | 1,210,000         |
| Procter Gamble Co    |           | 1,300,000         |
| Roche Holding Inc    |           | 730,000           |
| Schwab Charles       |           | 1,715,000         |
| State Street Corp    |           | 1,420,000         |
| Target Corp          |           | 1,230,000         |
| Toyota Motor         |           | 1,820,000         |
| Unilever Capital     |           | 100,000           |
| Unitehealth Group    |           | 85,000            |
| US Bancorp           |           | 415,000           |
| US Bank NA           |           | 1,400,000         |
| Verizon              |           | 730,000           |
| Verizon Owner        |           | 3,079             |
| Walmart INC          |           | 205,000           |
| Wells Fargo Bank Na  |           | 545,000           |
| Wells Fargo co       |           | 800,000           |
|                      | <u>\$</u> | <u>41,476,079</u> |

**Investment summary of U.S. government agency:**

|  |           |                   |
|--|-----------|-------------------|
| Federal National Mortgage Association (FNMA) | \$        | 7,187,285         |
| Federal Home Loan Bank (FHLB)                |           | 1,865,000         |
| Federal Home Loan Mortgage Corp (FHLMC)      |           | 7,226,738         |
| US Treasury Bill                             |           | 35,955,000        |
|  | <u>\$</u> | <u>52,234,023</u> |

**KAWEAH DELTA HEALTH CARE DISTRICT**  
**SUMMARY OF FUNDS**  
**Sep 30, 2023**

**Investment summary of municipal securities:**

|                        |           |                   |
|------------------------|-----------|-------------------|
| Alameda Cnty Ca        | \$        | 500,000           |
| Anaheim Ca Pub         |           | 1,000,000         |
| Bay Area Toll          |           | 250,000           |
| California St Univ     |           | 125,000           |
| Connecticut ST         |           | 550,000           |
| El Segundo Ca          |           | 510,000           |
| Florida ST             |           | 600,000           |
| Los Angeles Ca         |           | 605,000           |
| Los Angeles Calif Ca   |           | 1,500,000         |
| Louisiana ST           |           | 500,000           |
| Maryland ST            |           | 355,000           |
| Massachusetts St       |           | 1,000,000         |
| Mississippi ST         |           | 300,000           |
| New York ST            |           | 585,000           |
| Orange Ca              |           | 500,000           |
| San Diego Ca Community |           | 80,000            |
| San Diego County       |           | 300,000           |
| San Juan Ca            |           | 385,000           |
| Santa Cruz Ca          |           | 400,000           |
| Tamalpais Ca Union     |           | 305,000           |
| Torrance Ca            |           | 1,450,000         |
| University Ca          |           | 1,000,000         |
| University Calf Ca     |           | 185,000           |
| Wisconsin ST           |           | 2,730,000         |
|                        | <b>\$</b> | <b>15,715,000</b> |

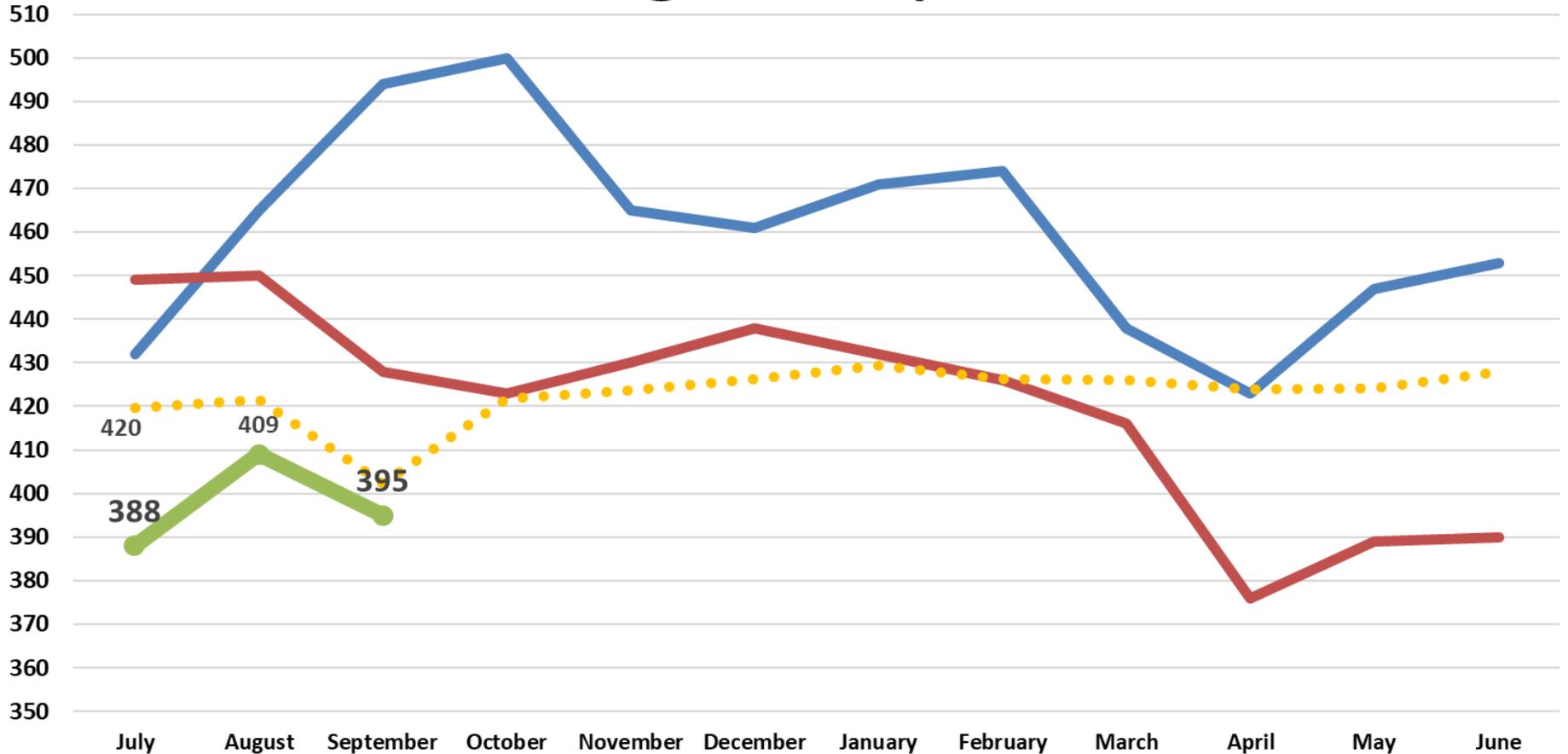
**Investment summary of Supra-National Agency:**

|               |           |                  |
|---------------|-----------|------------------|
| Cooperative   | \$        | 440,000          |
| Inter Amer Bk |           | 870,000          |
| Intl Bk       |           | -                |
|               | <b>\$</b> | <b>1,310,000</b> |

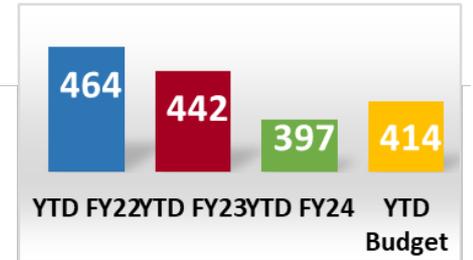
# Statistical Report

## September 2023

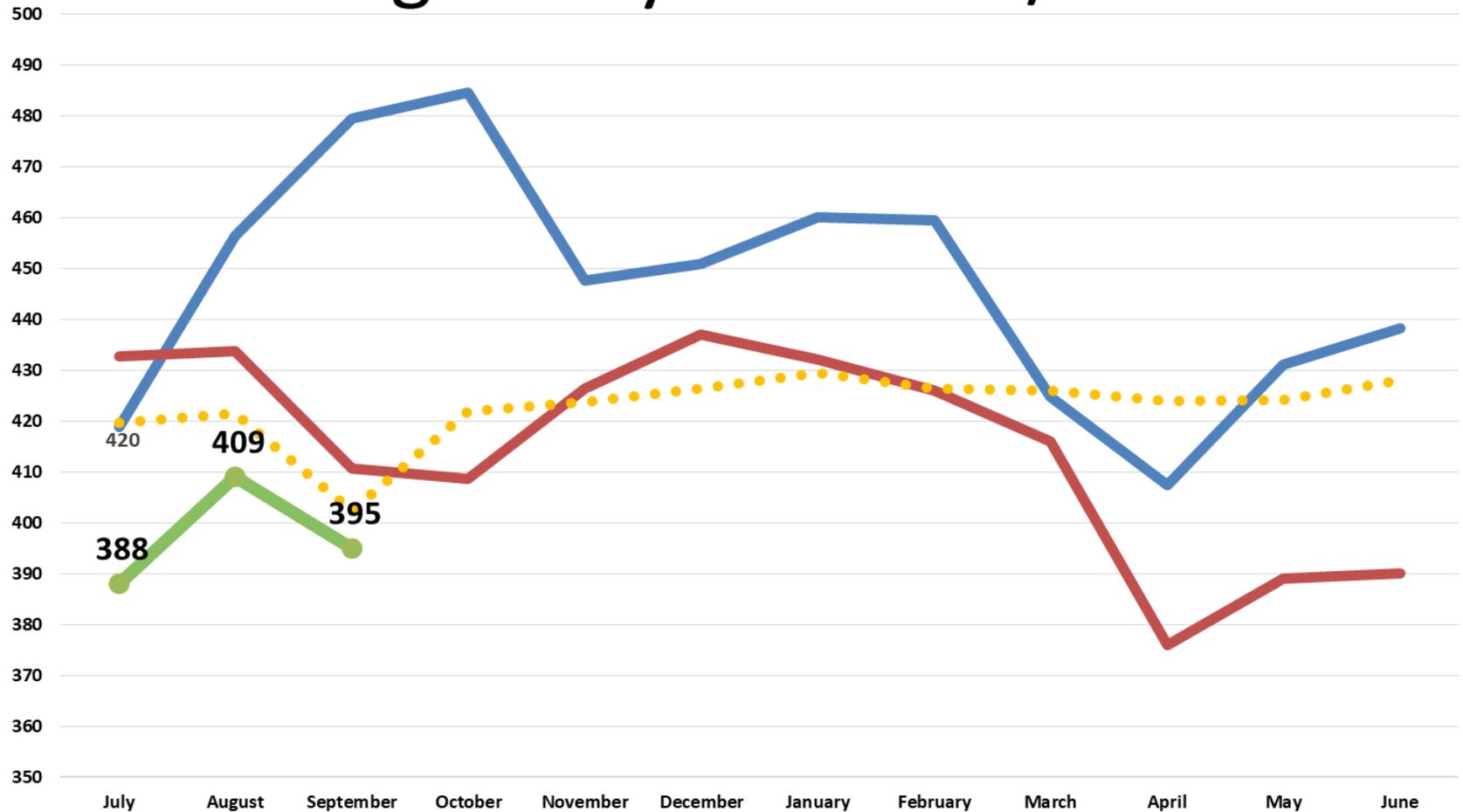
# Average Daily Census



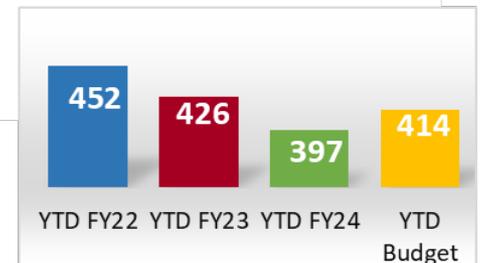
—●— FY2022    
 —●— FY2023    
 —●— FY2024    
 ●●● Budget



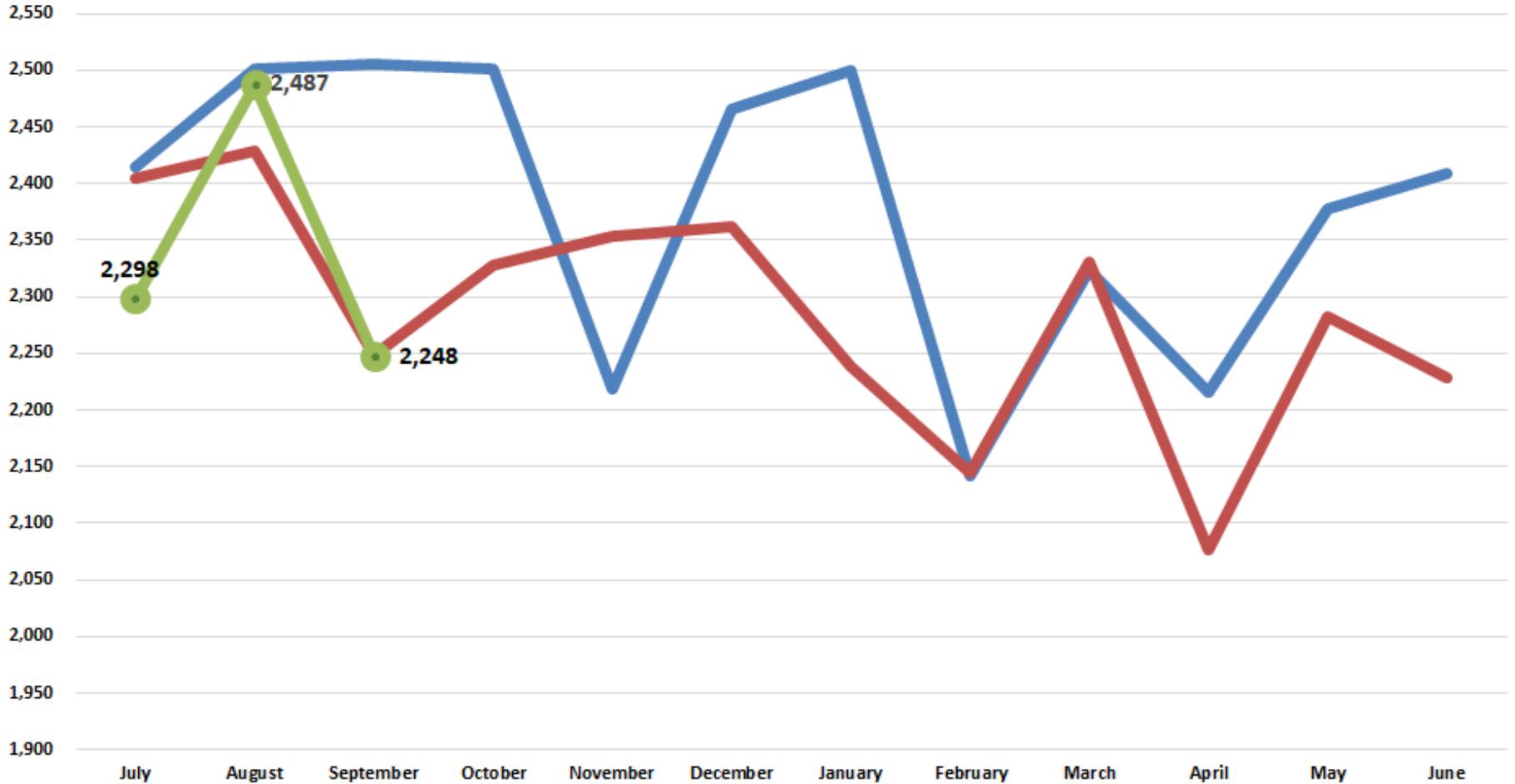
# Average Daily Census w/o TCS



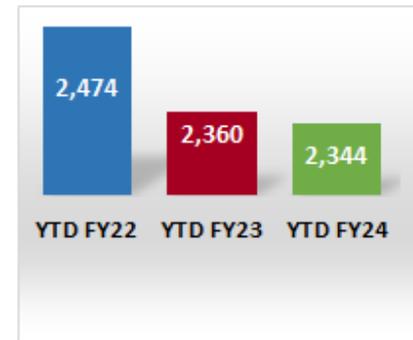
— FY2022 — FY2023 — FY2024 ••• Budget



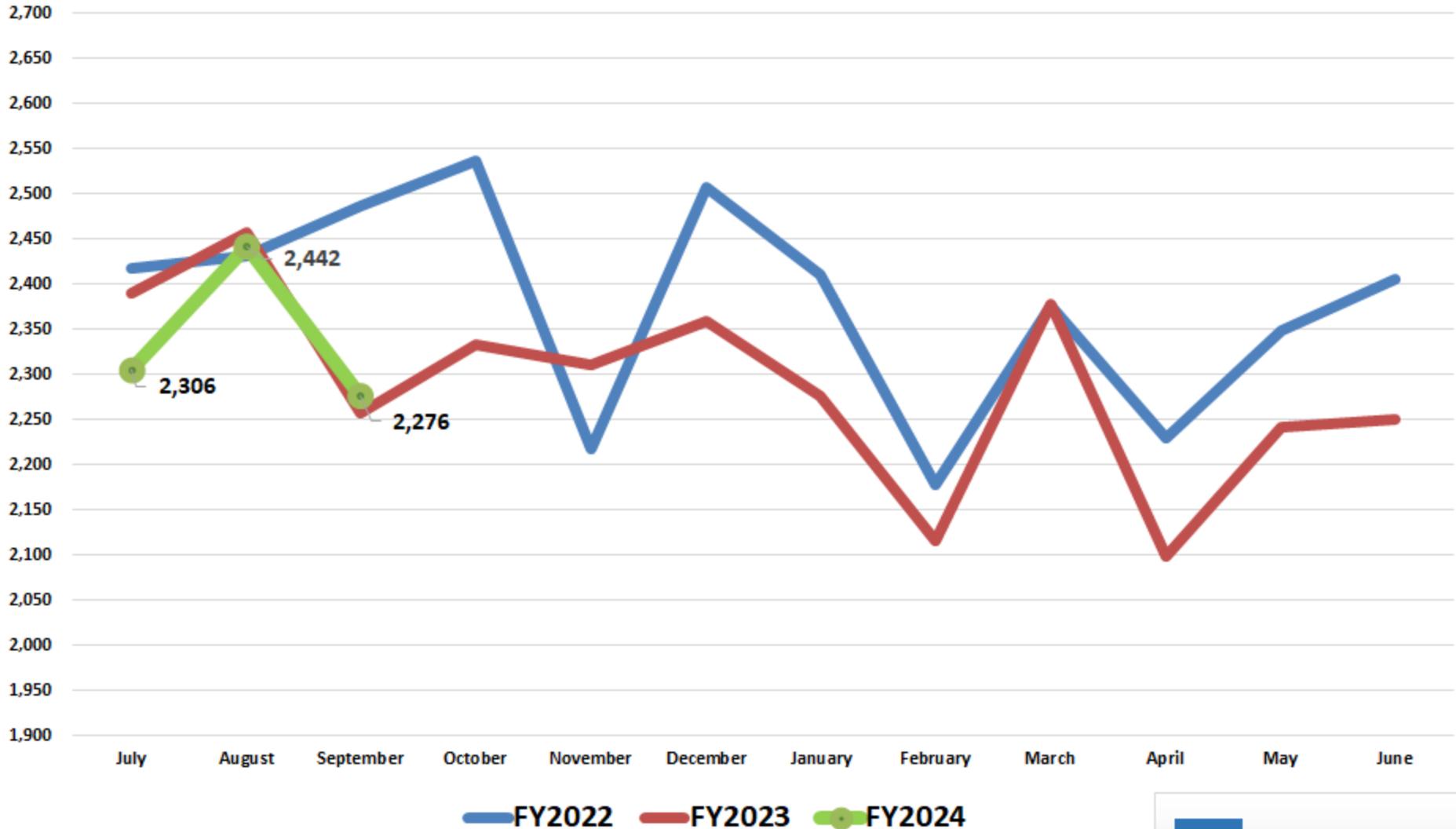
# Admissions



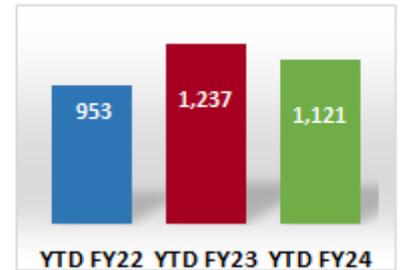
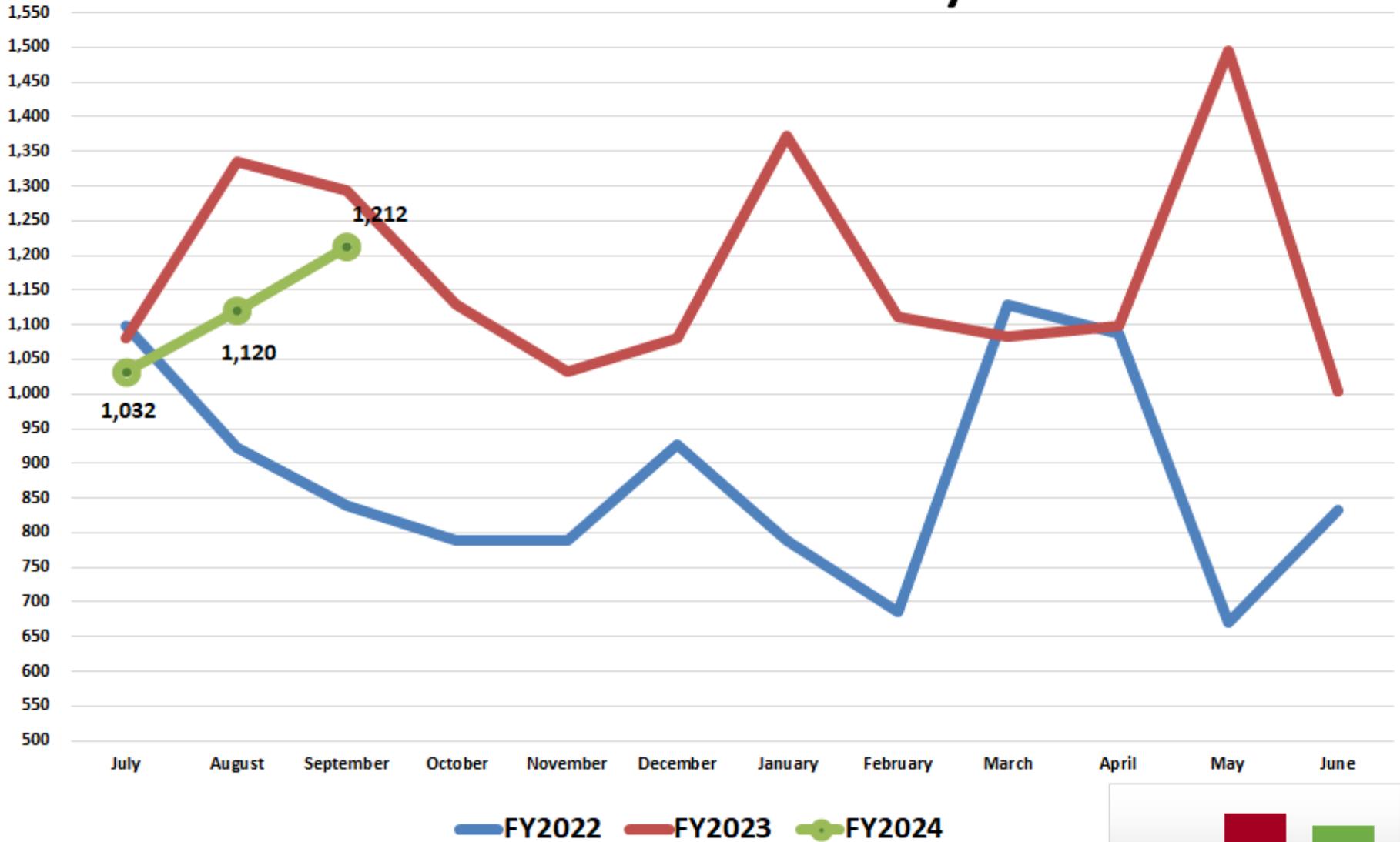
— FY2022 — FY2023 — FY2024



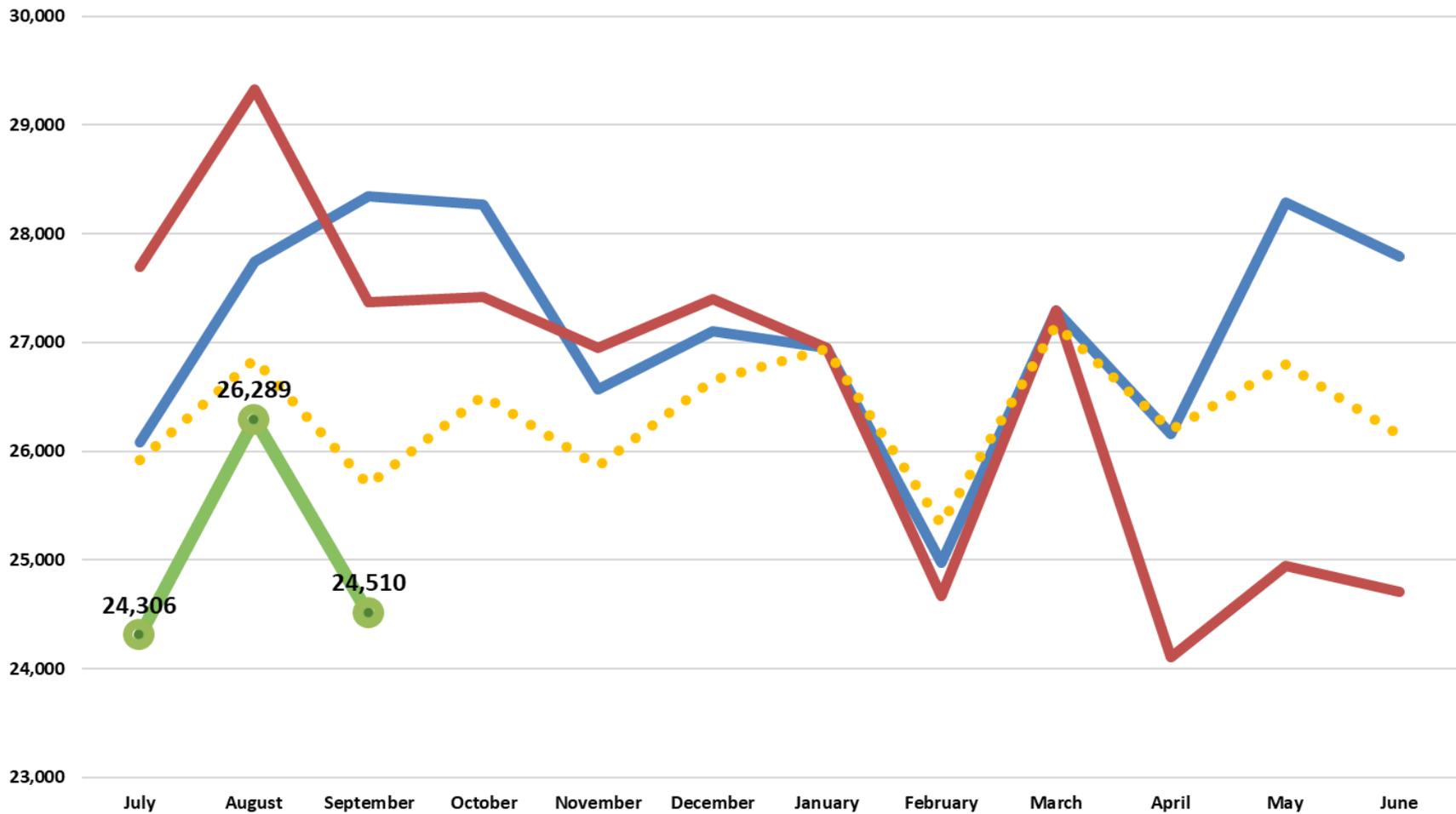
# Discharges



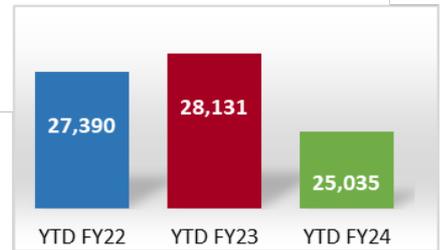
# Observation Days



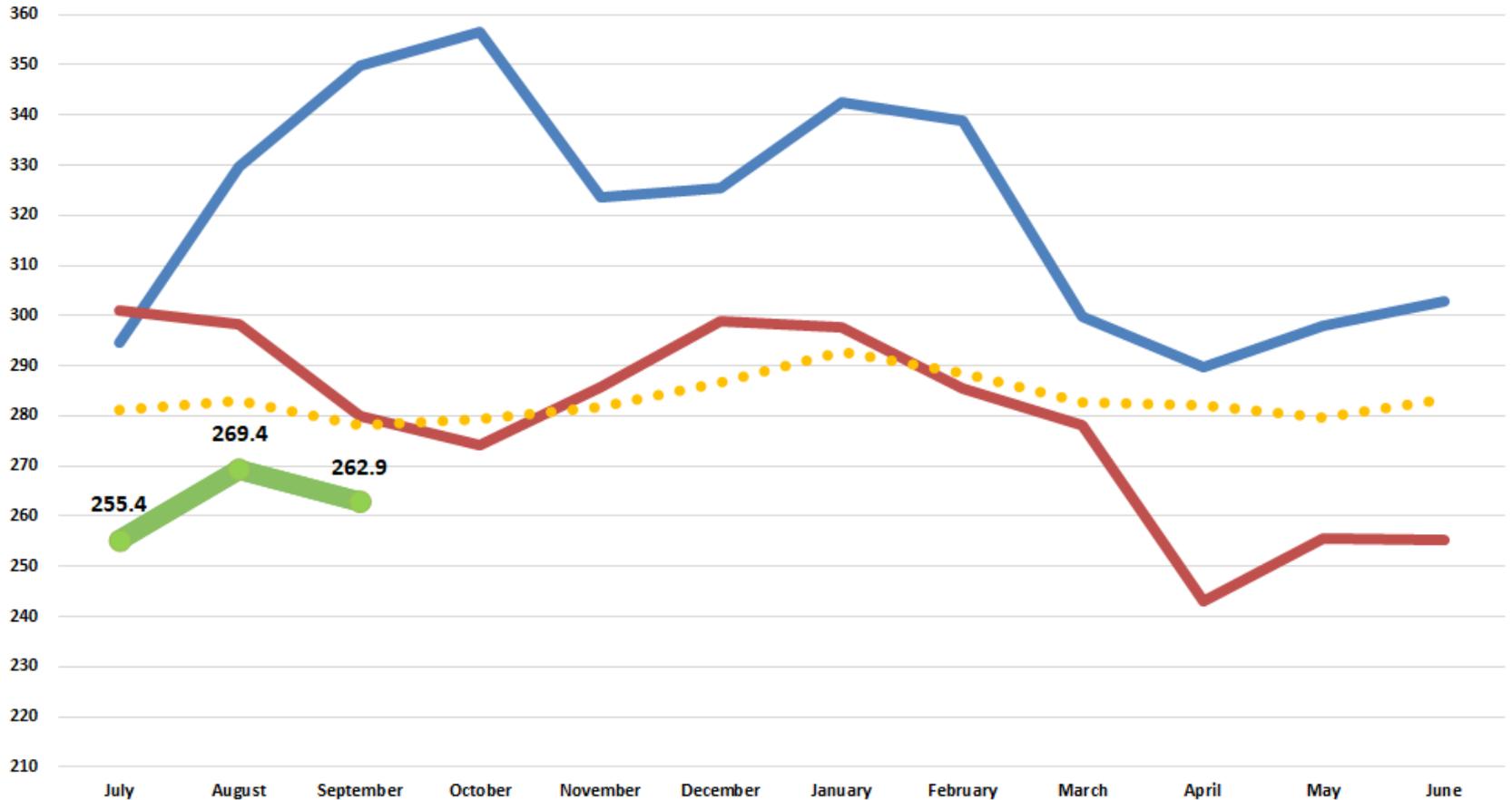
# Adjusted Patient Days



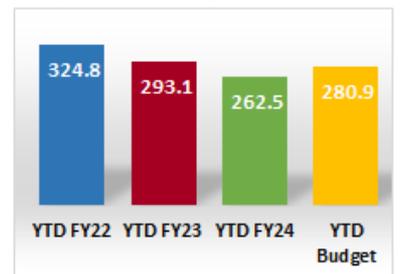
—● FY2022   
 —● FY2023   
 —● FY2024   
 ●●● Budget



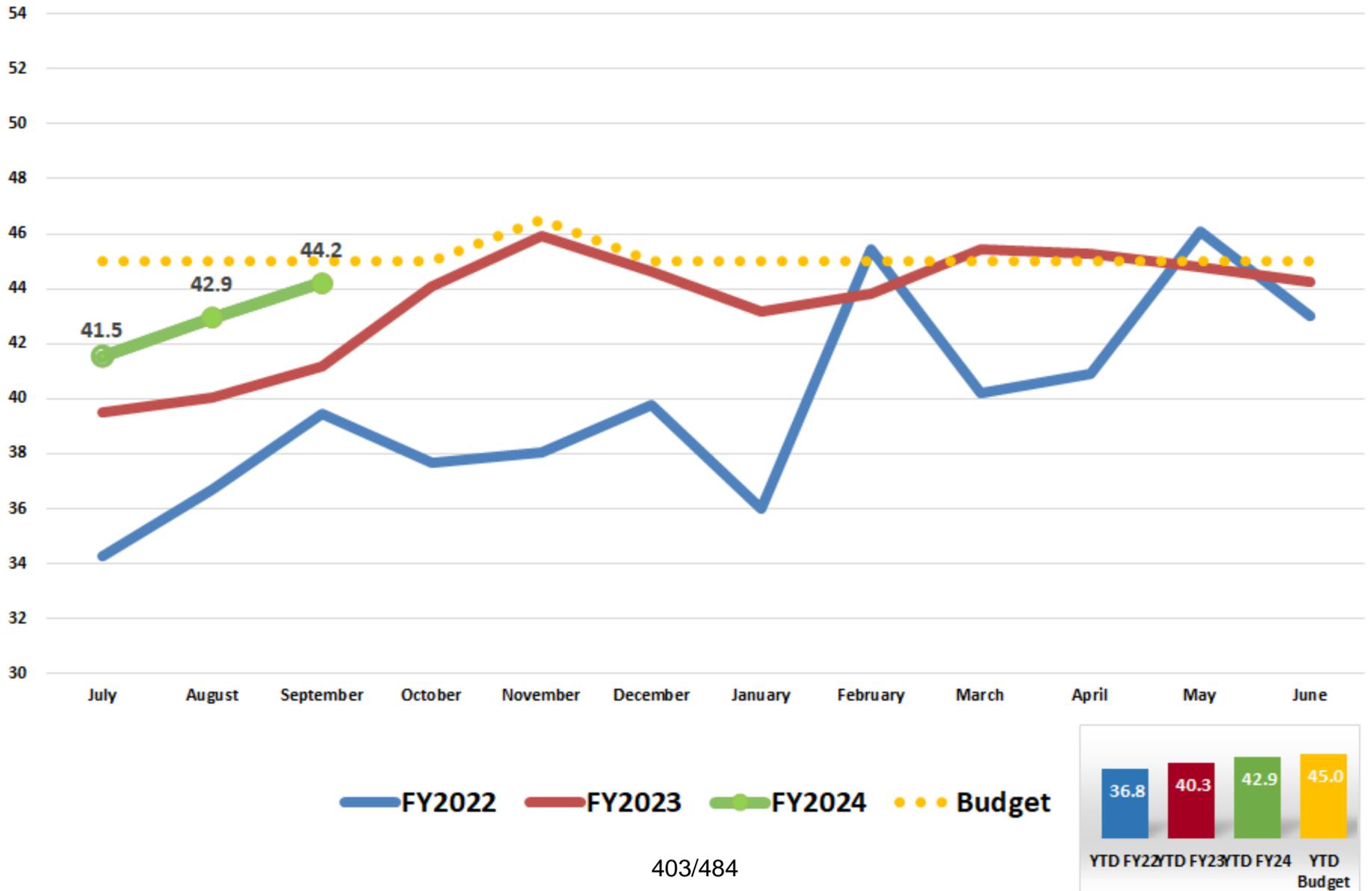
# Medical Center (Avg Patients Per Day)



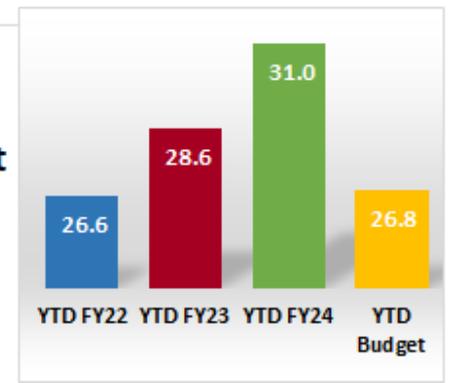
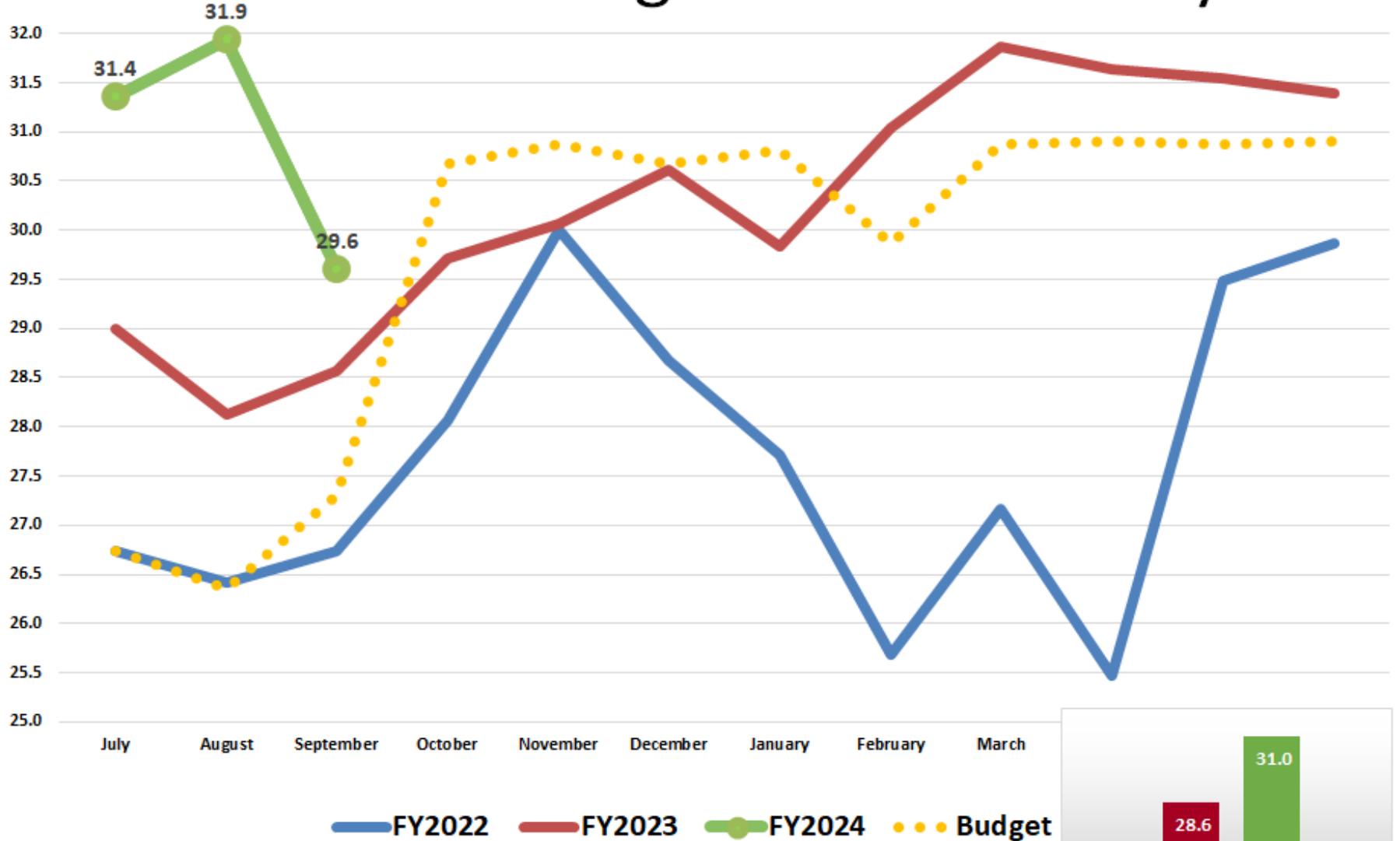
— FY2022   
 — FY2023   
 —●— FY2024   
 ●●● Budget



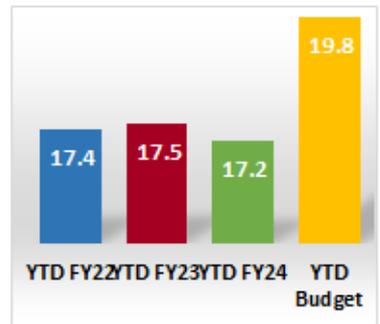
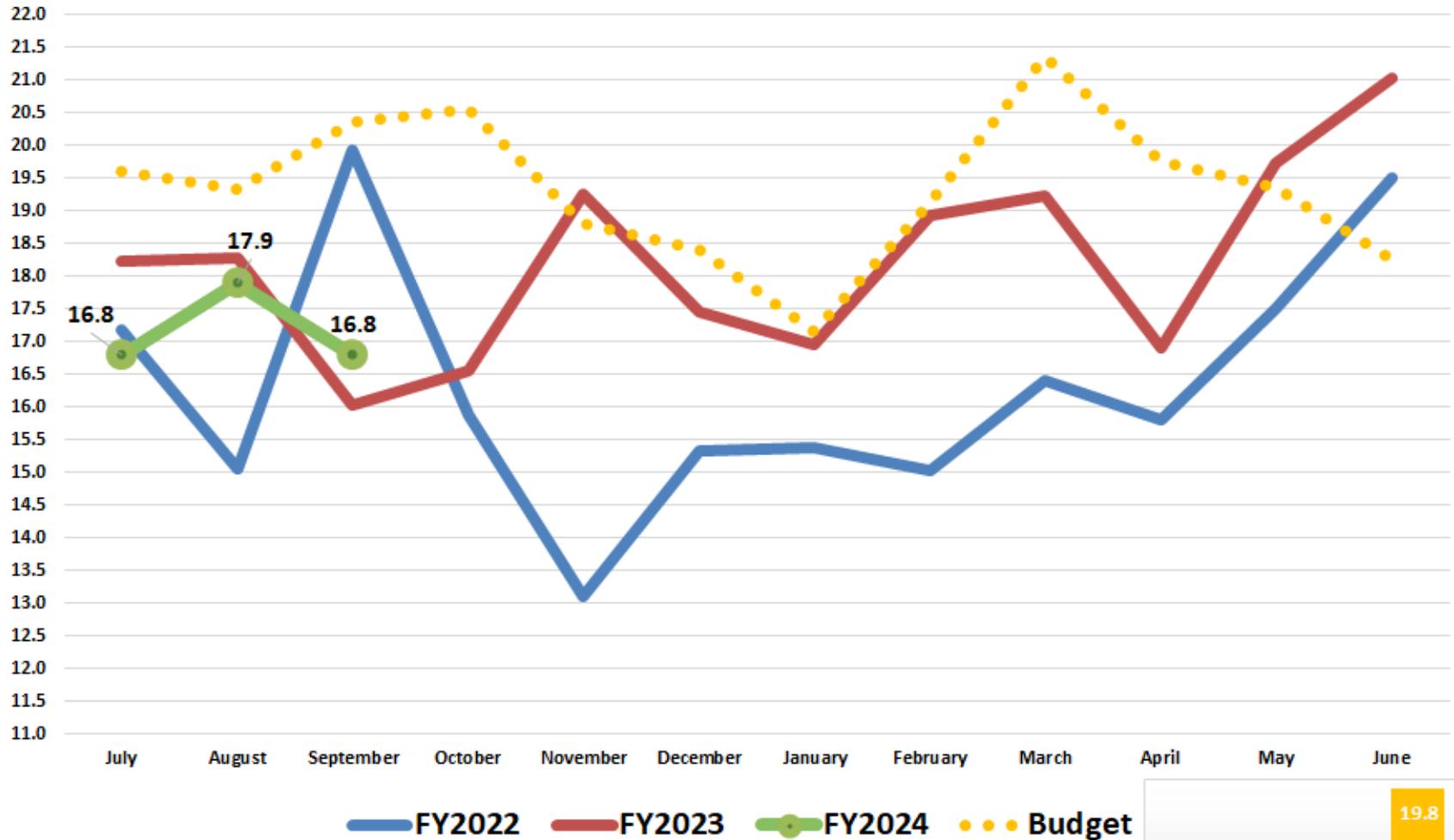
# Acute I/P Psych (Avg Patients Per Day)



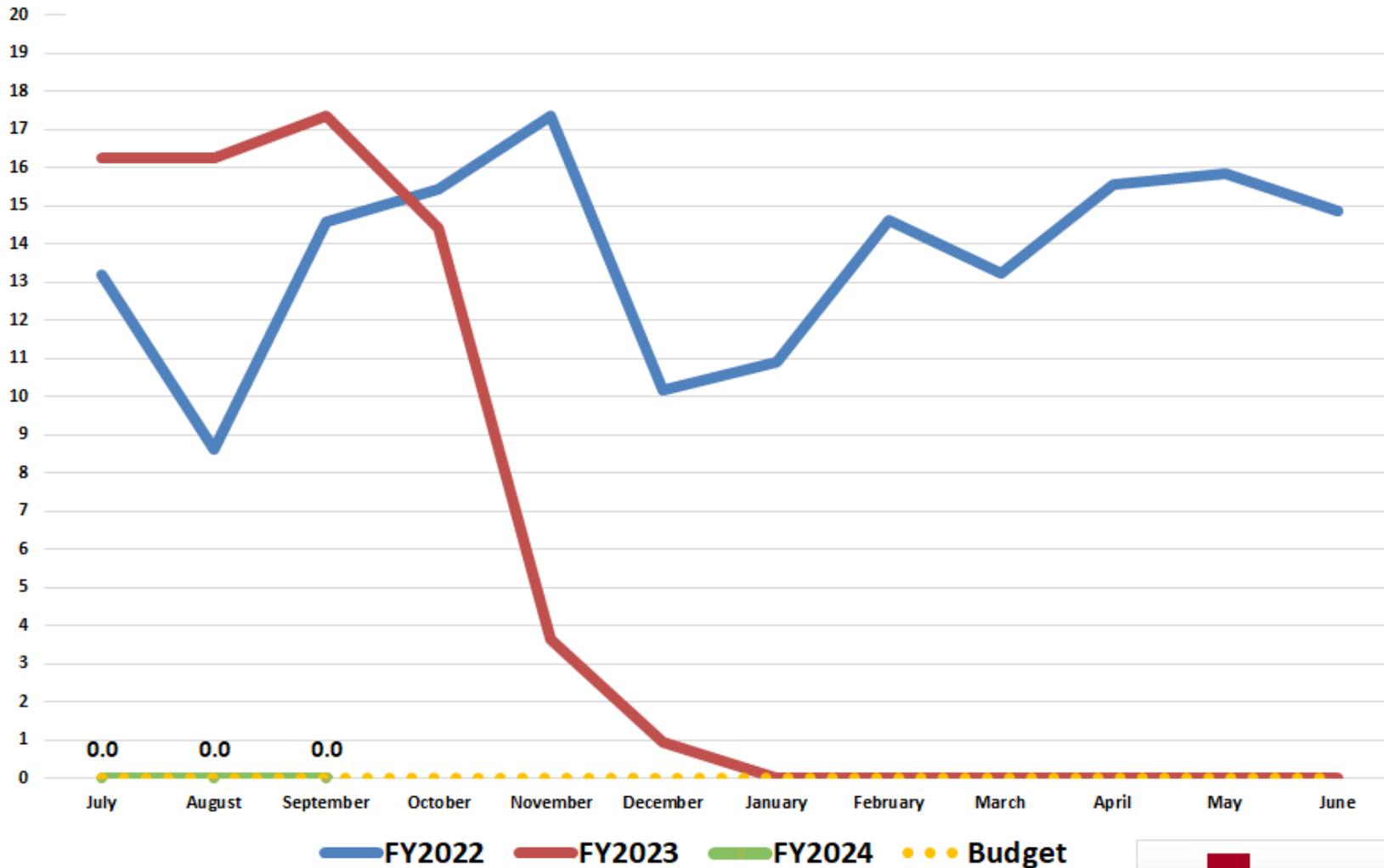
# Sub-Acute - Avg Patients Per Day



# Rehabilitation Hospital - Avg Patients Per Day

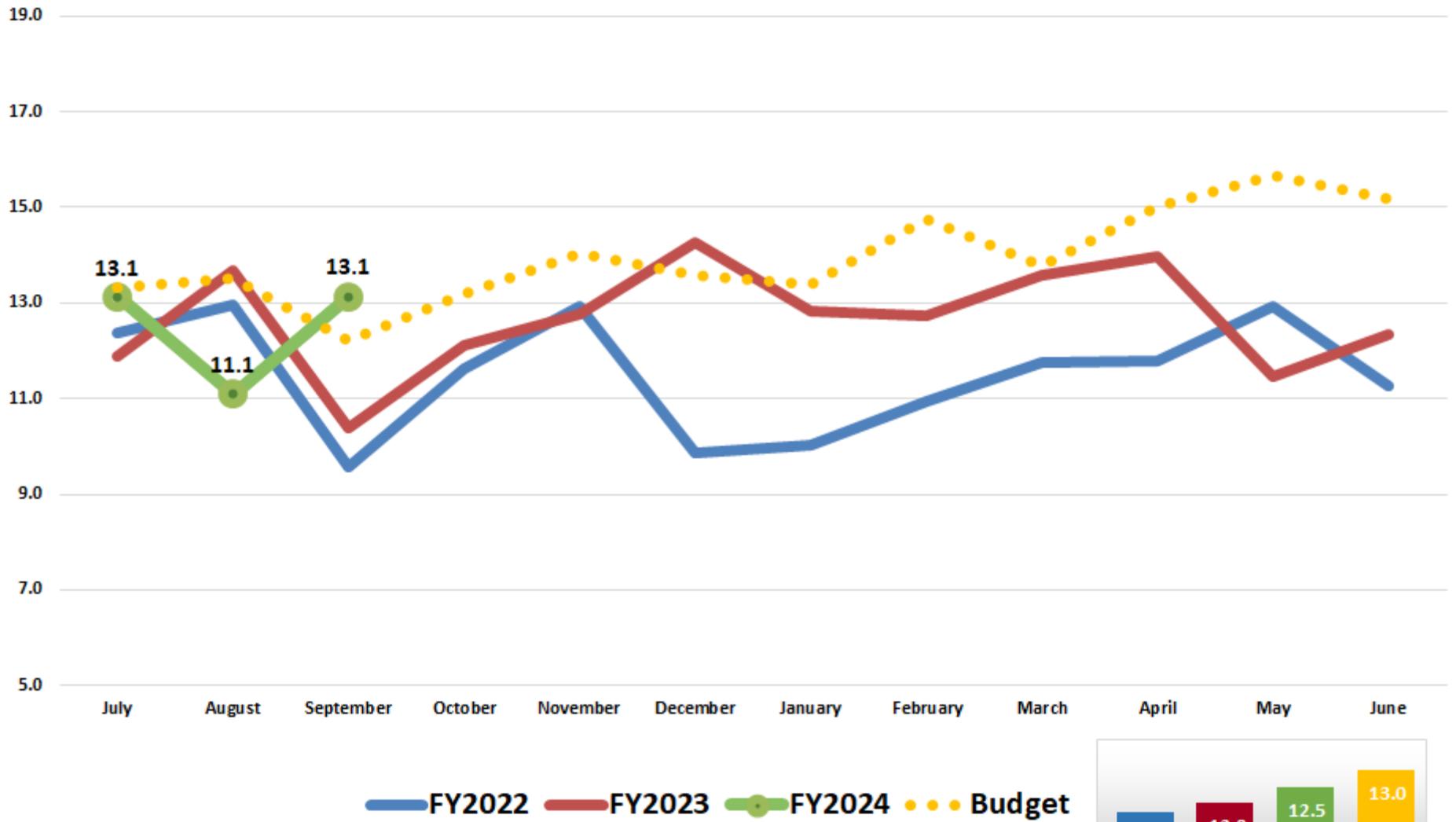


# Transitional Care Services (TCS) - Avg Patients Per Day

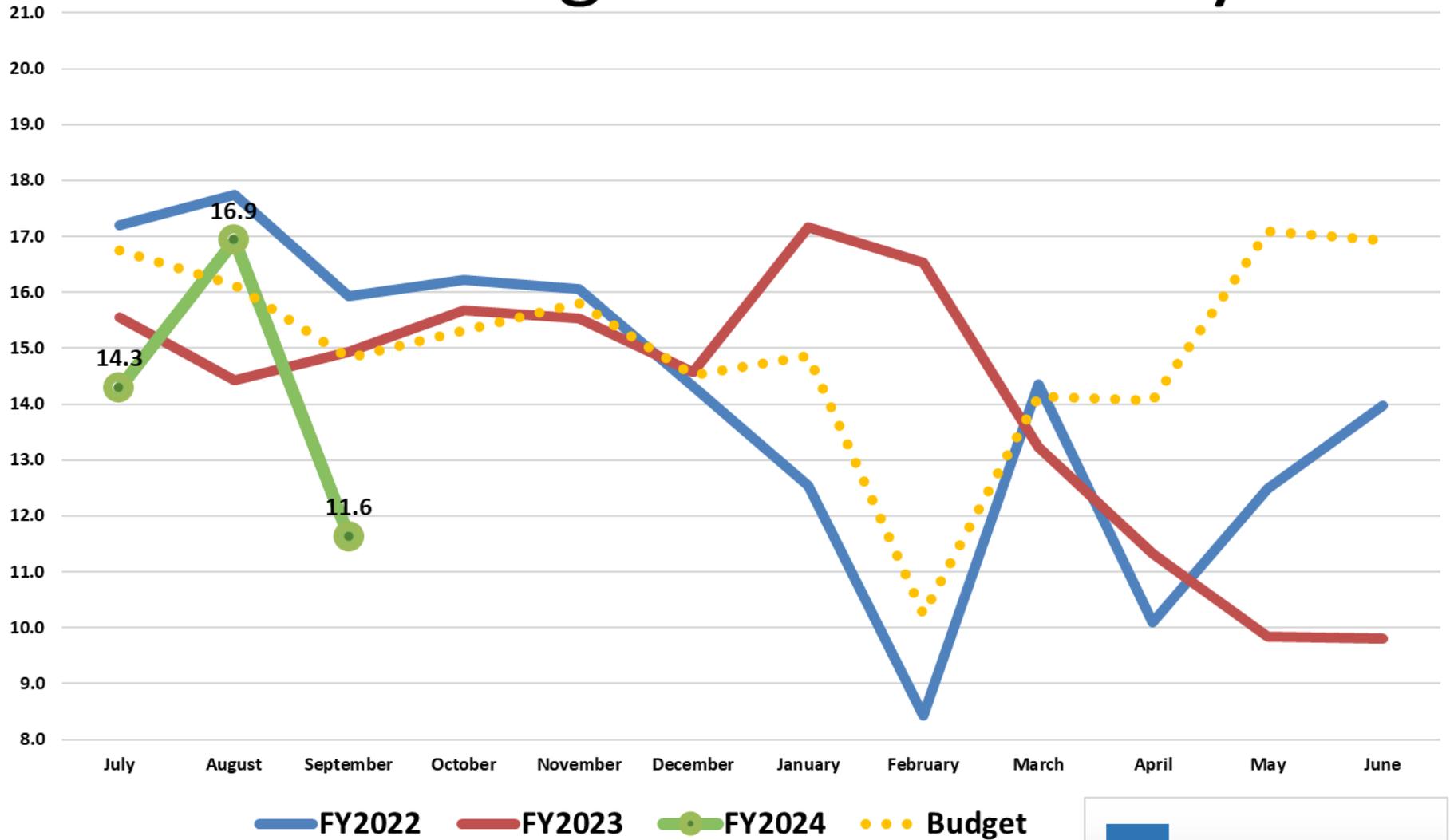


|          |          |          |            |
|----------|----------|----------|------------|
| 12.1     | 16.6     | -        | -          |
| YTD FY22 | YTD FY23 | YTD FY24 | YTD Budget |

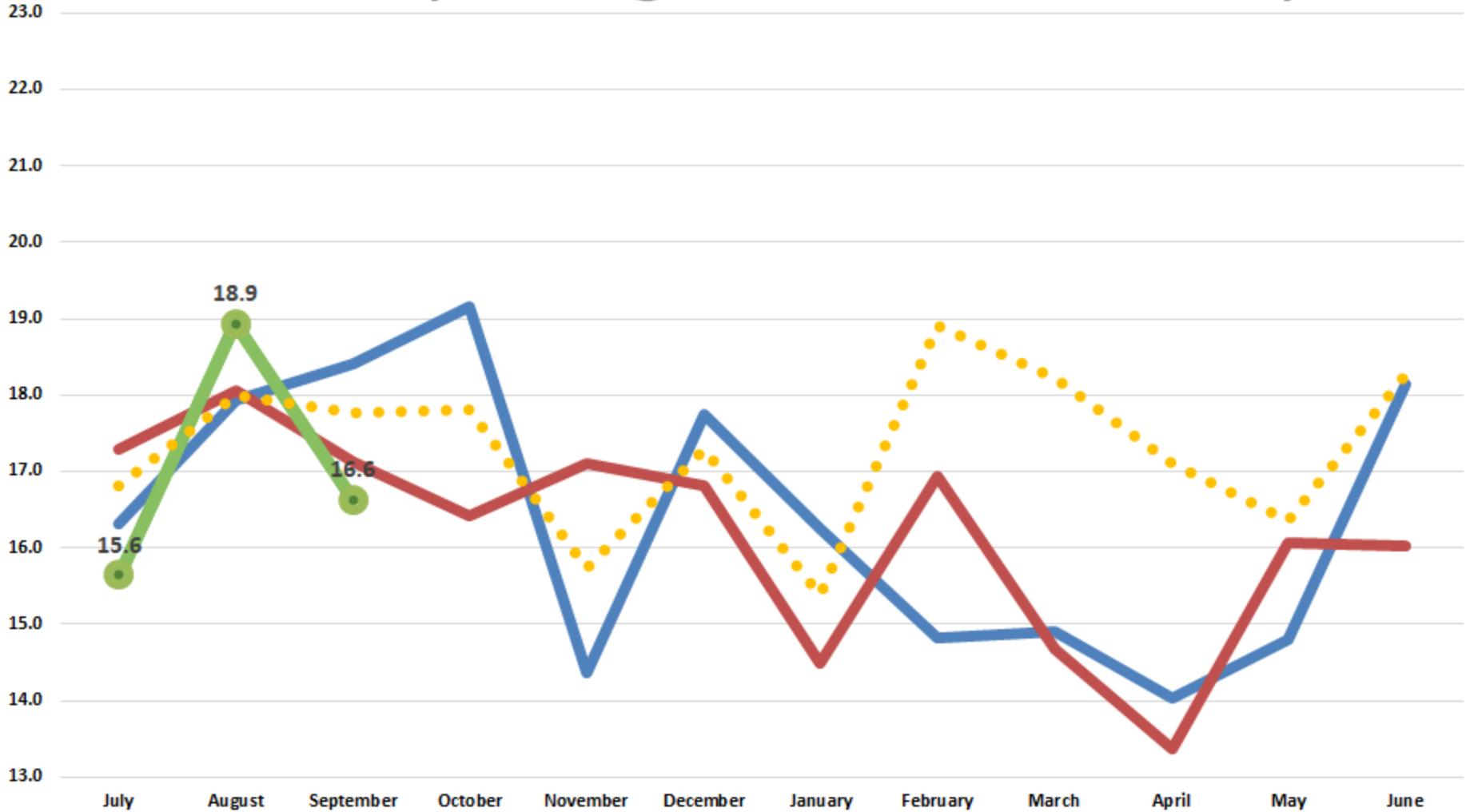
# TCS Ortho - Avg Patients Per Day



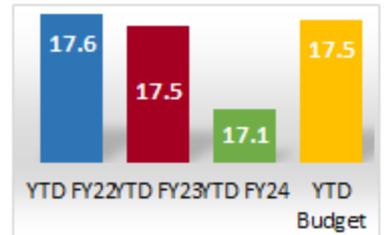
# NICU - Avg Patients Per Day



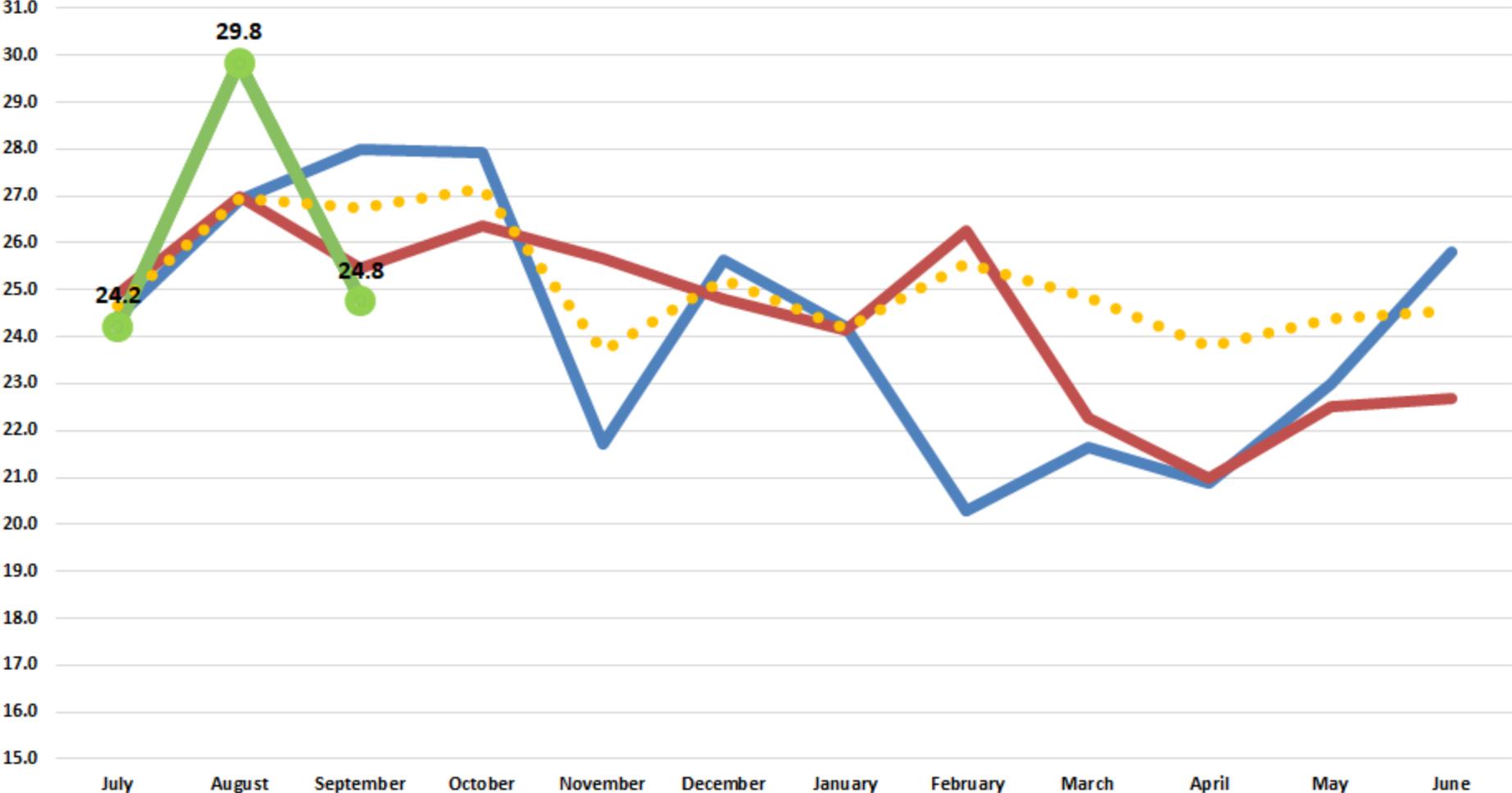
# Nursery - Avg Patients Per Day



—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



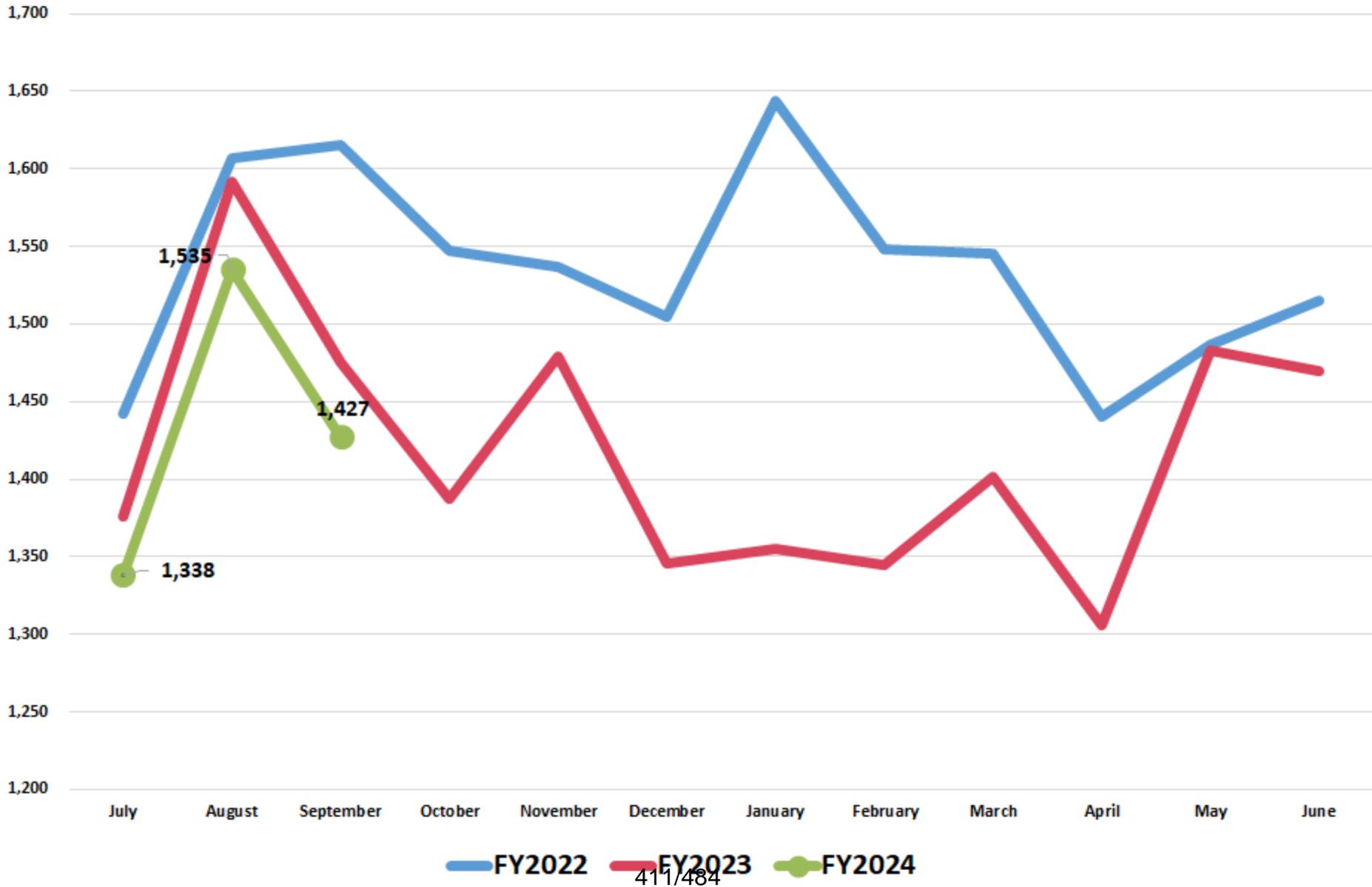
# Obstetrics - Avg Patients Per Day



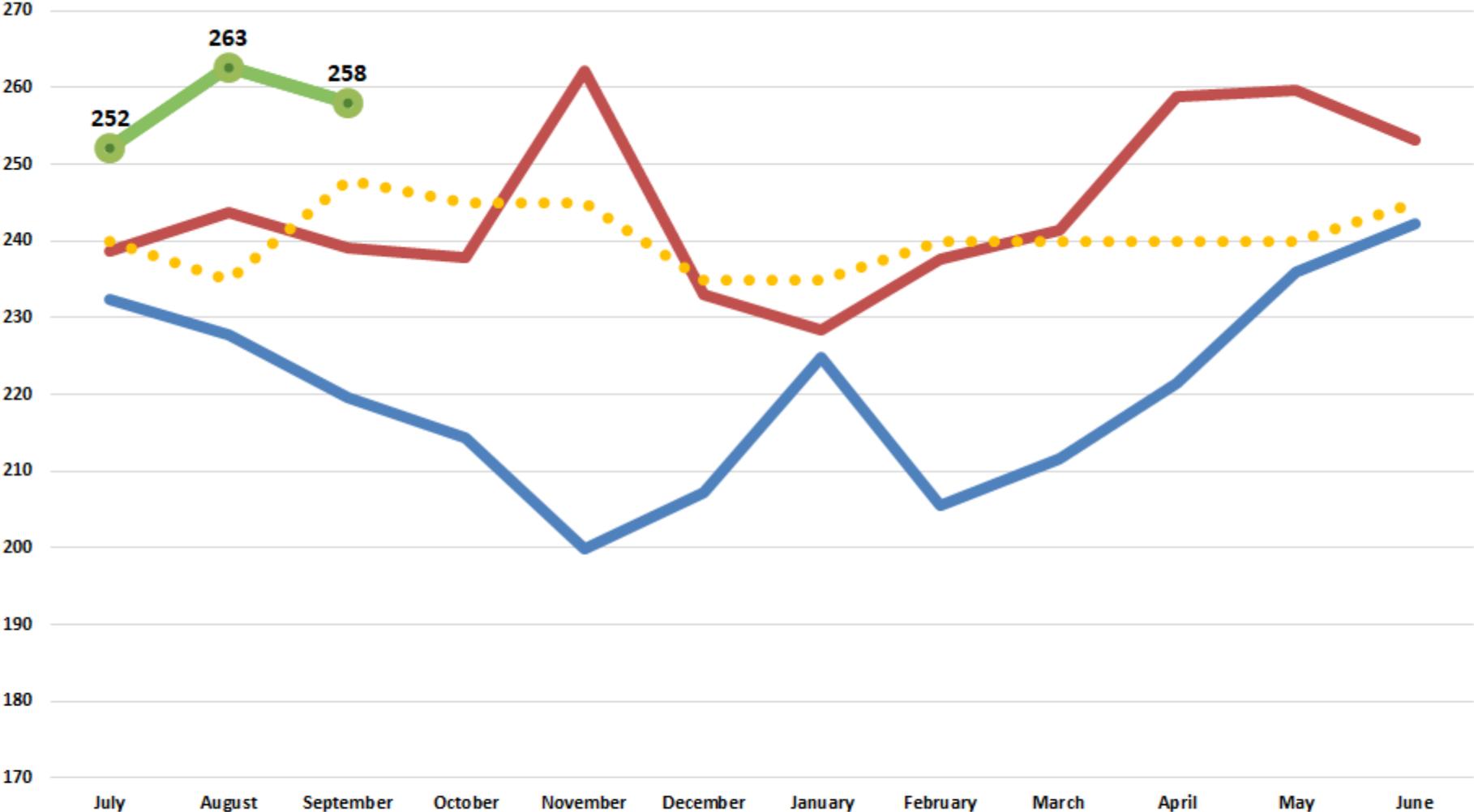
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



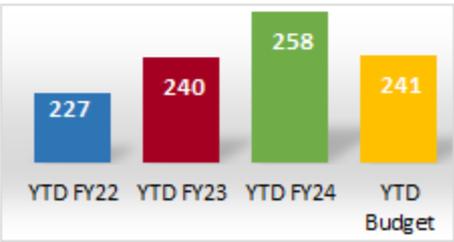
# Outpatient Registrations Per Day



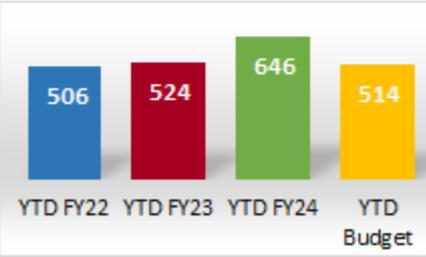
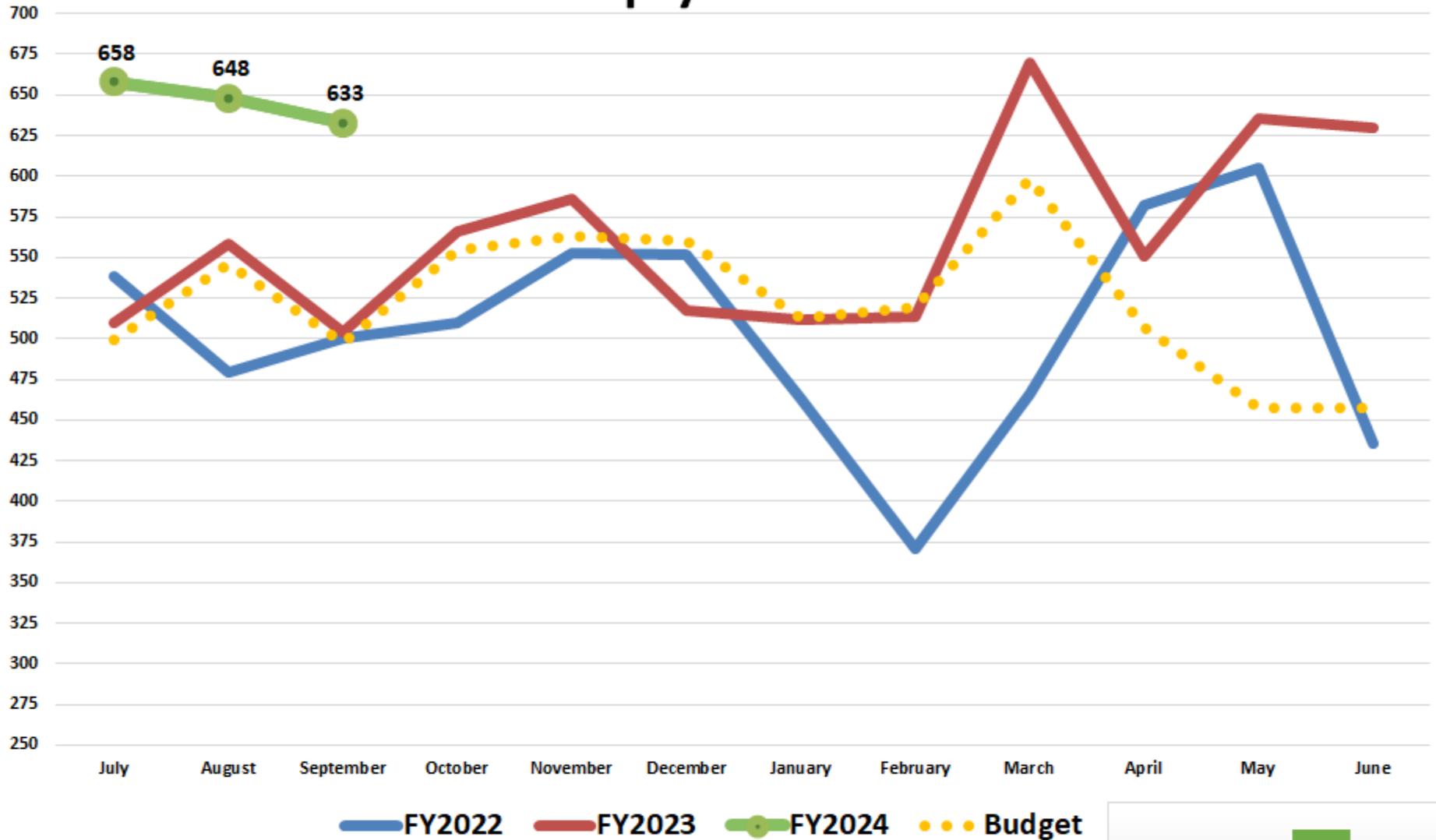
# ED - Avg Treated Per Day



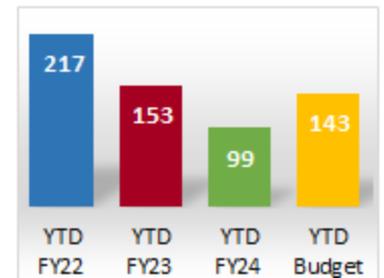
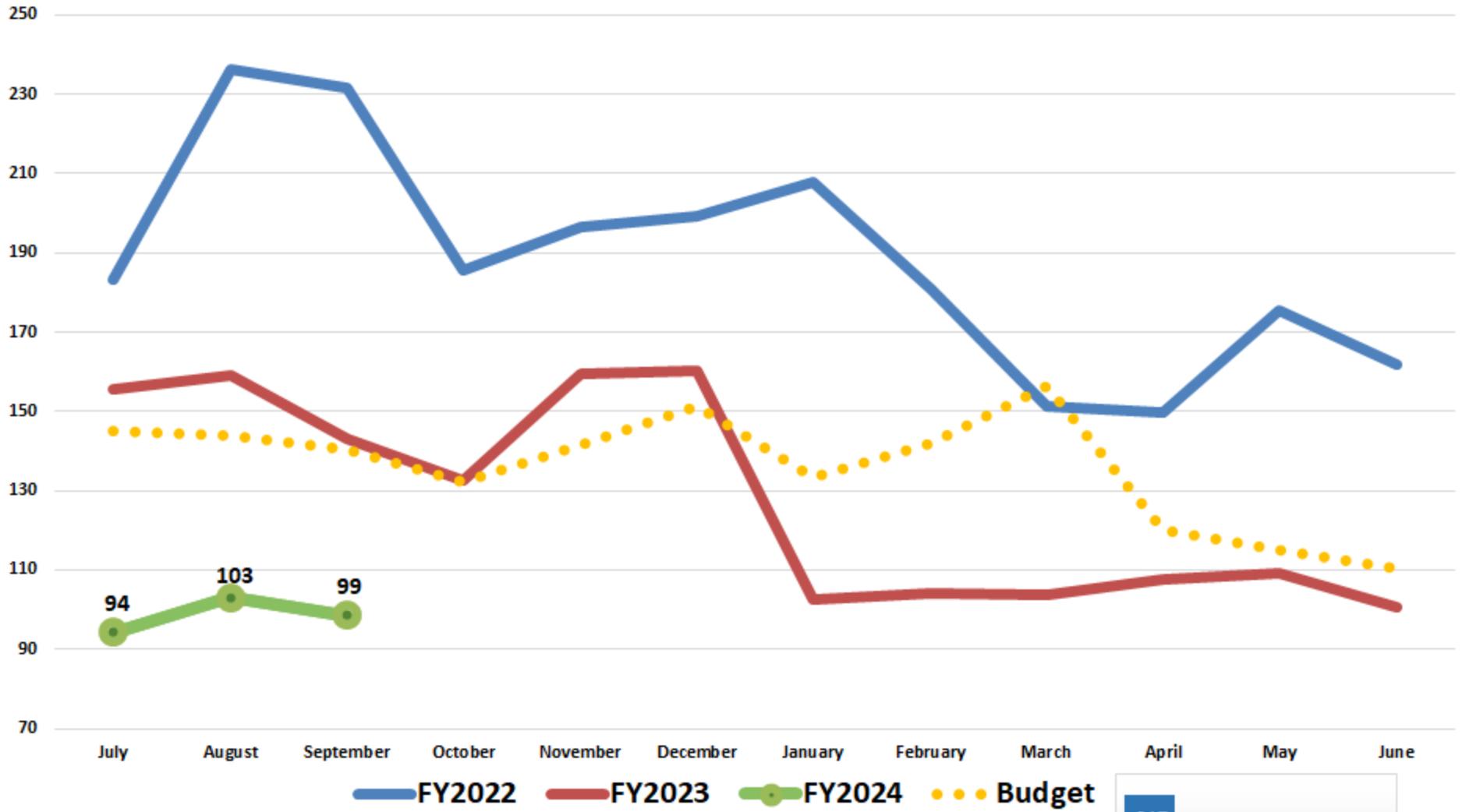
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



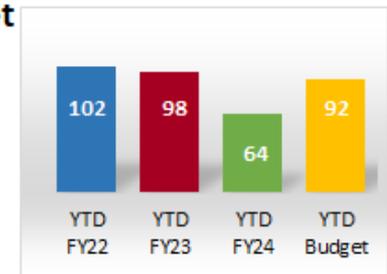
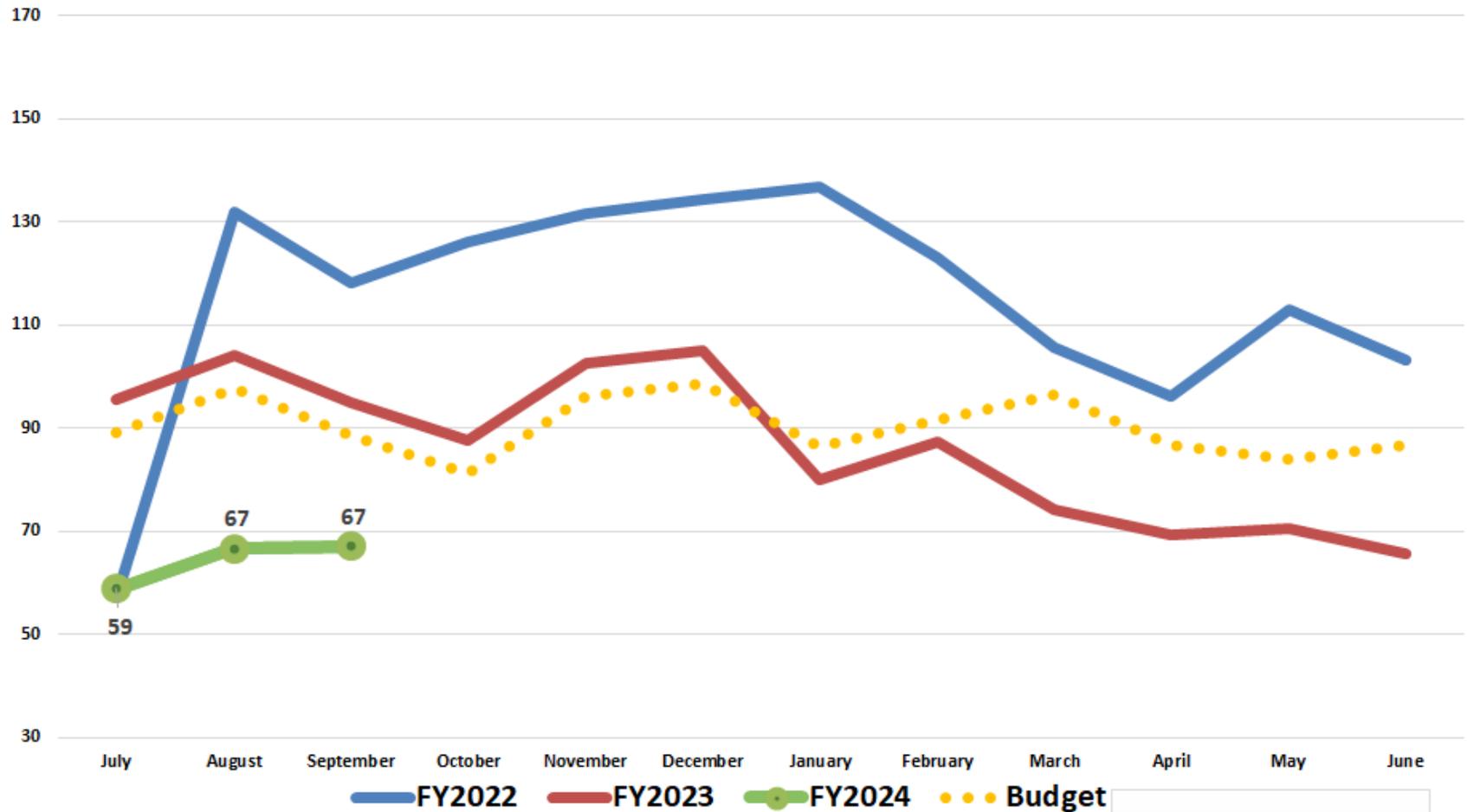
# Endoscopy Procedures



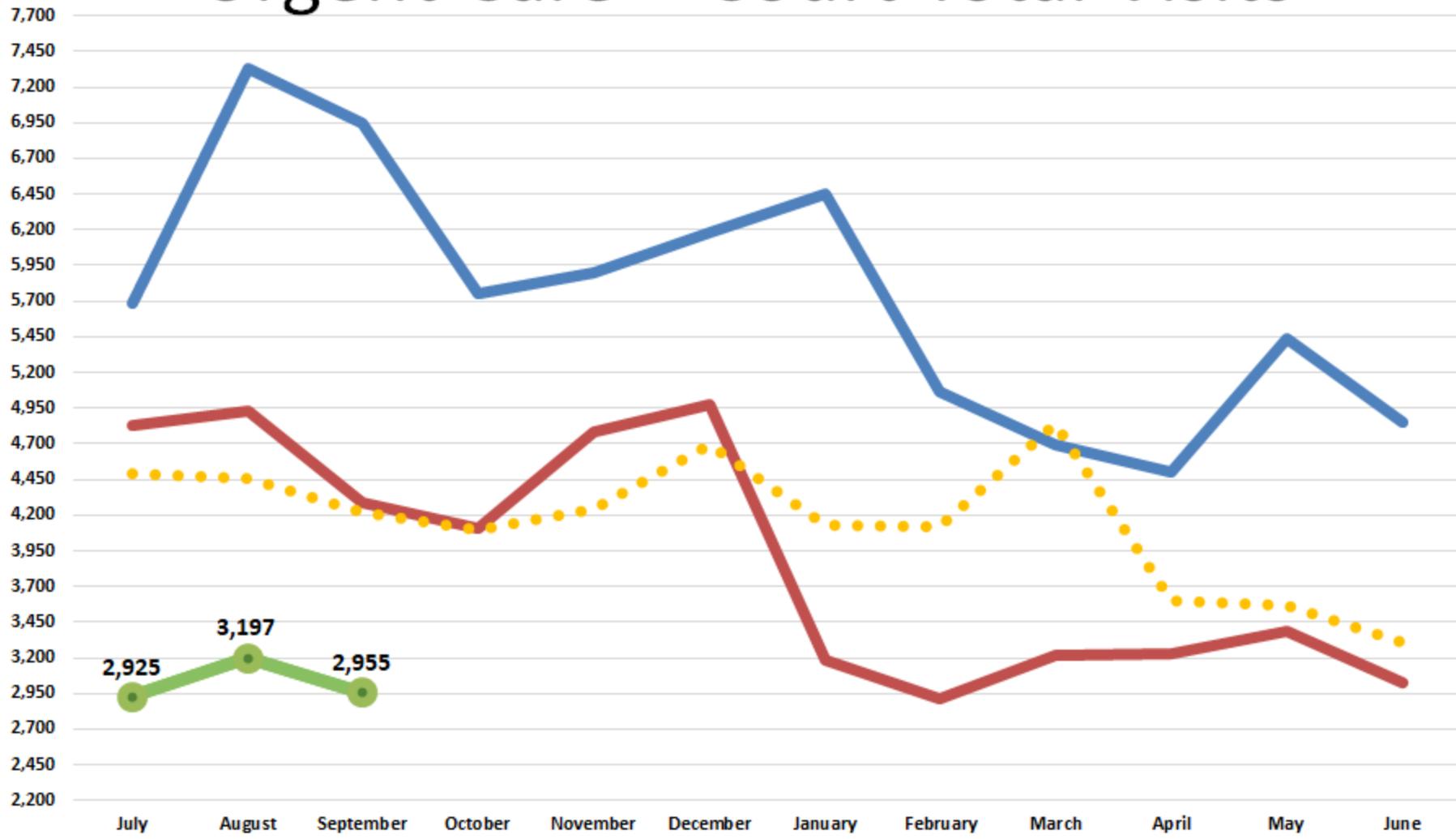
# Urgent Care – Court Avg Visits Per Day



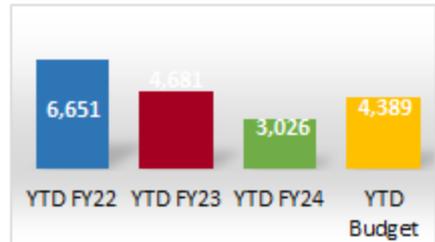
# Urgent Care – Demaree Avg Visits Per Day



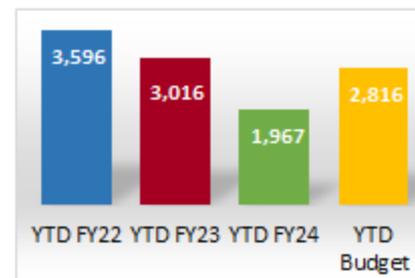
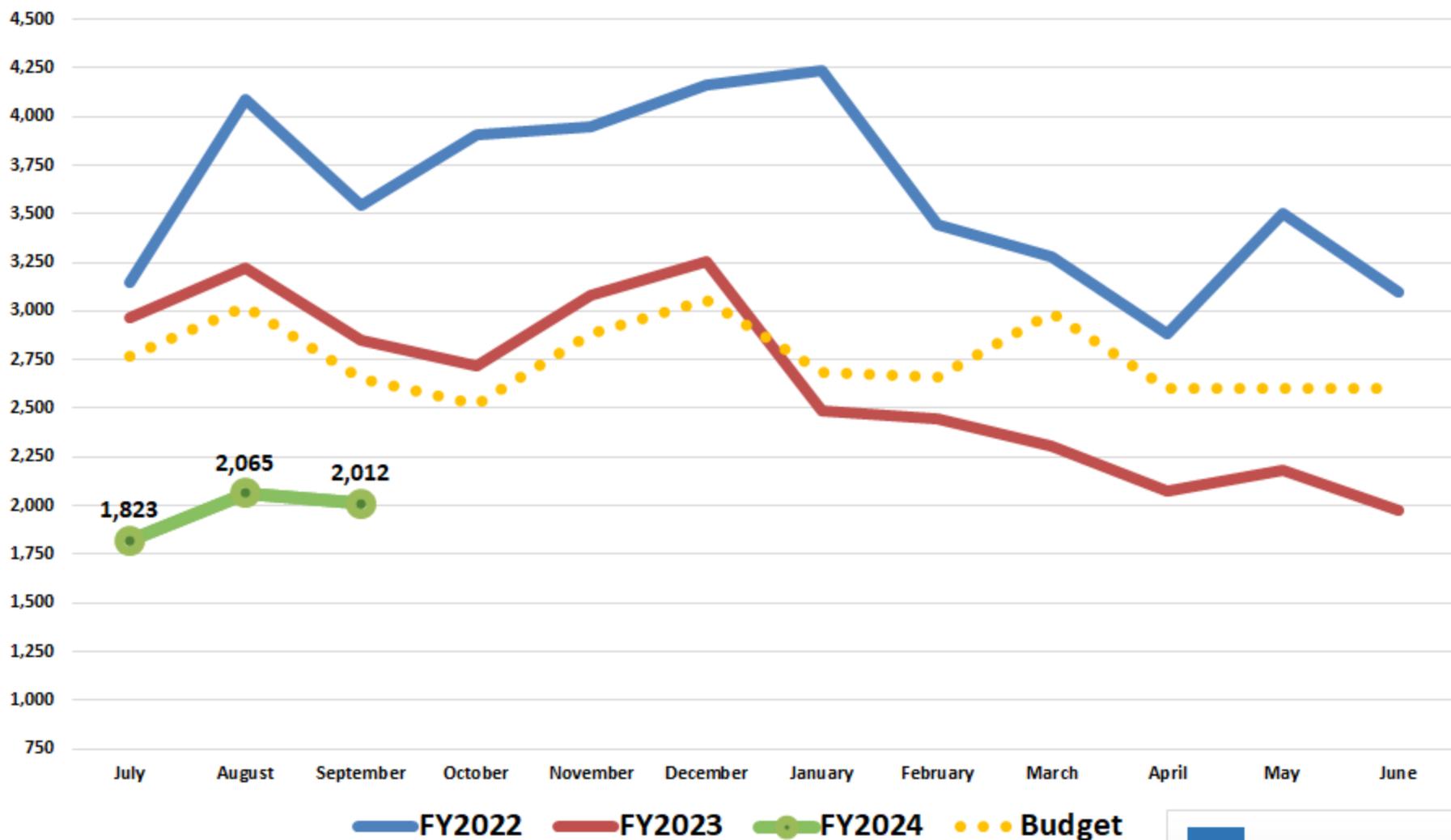
# Urgent Care – Court Total Visits



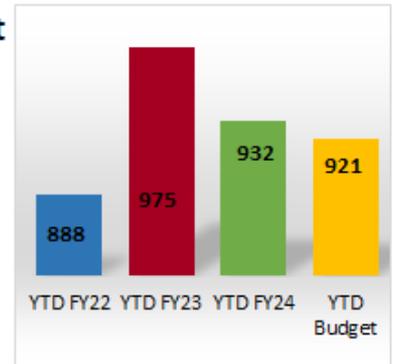
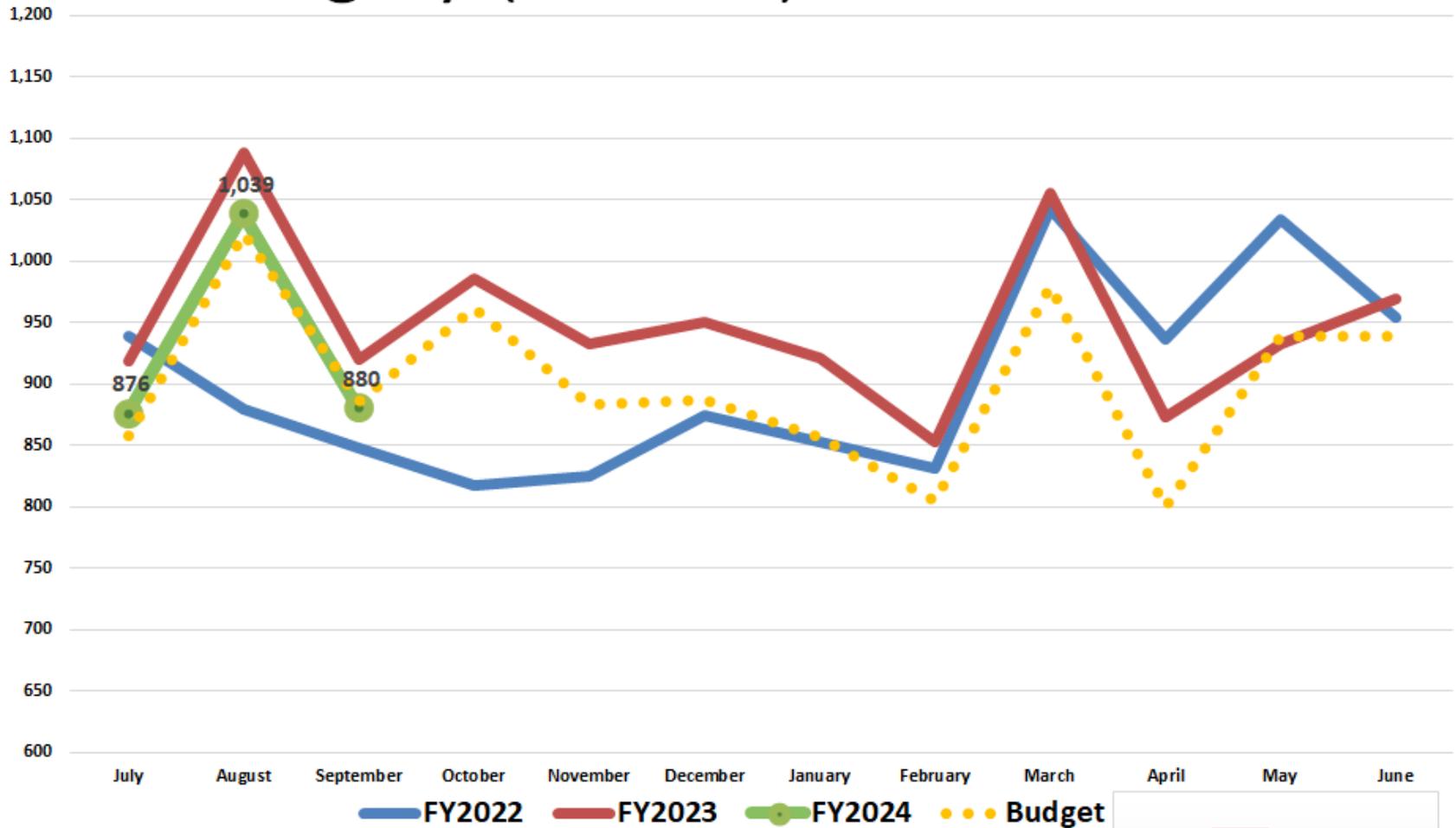
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



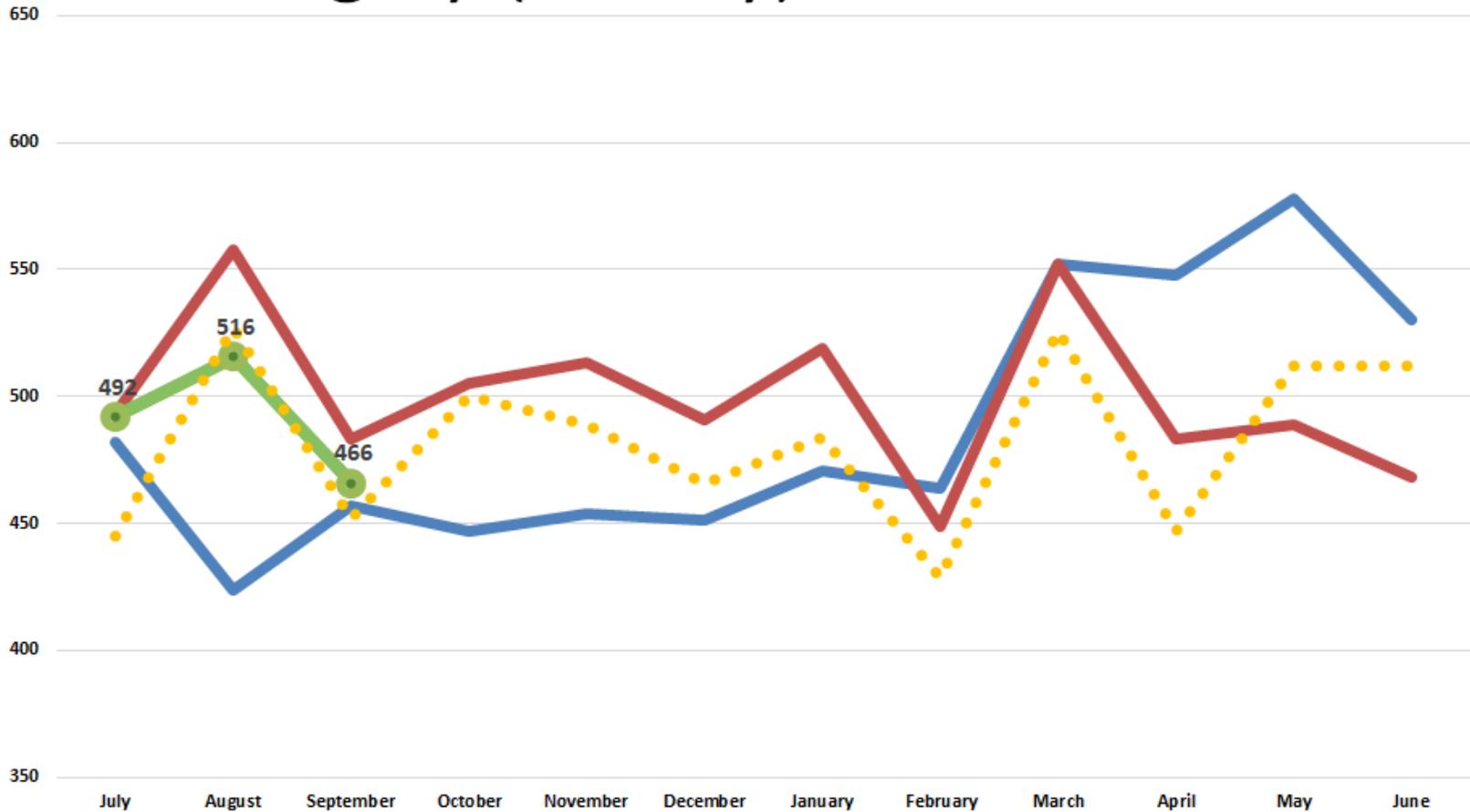
# Urgent Care – Demaree Total Visits



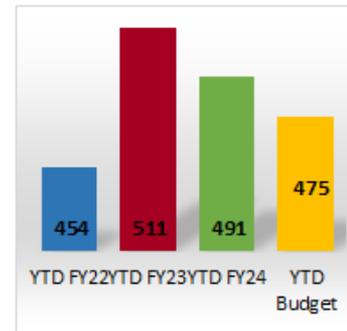
# Surgery (IP & OP) – 100 Min Units



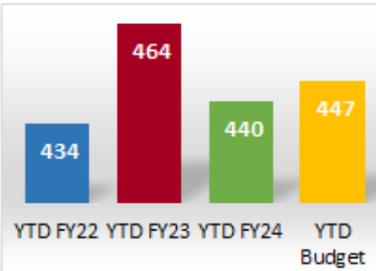
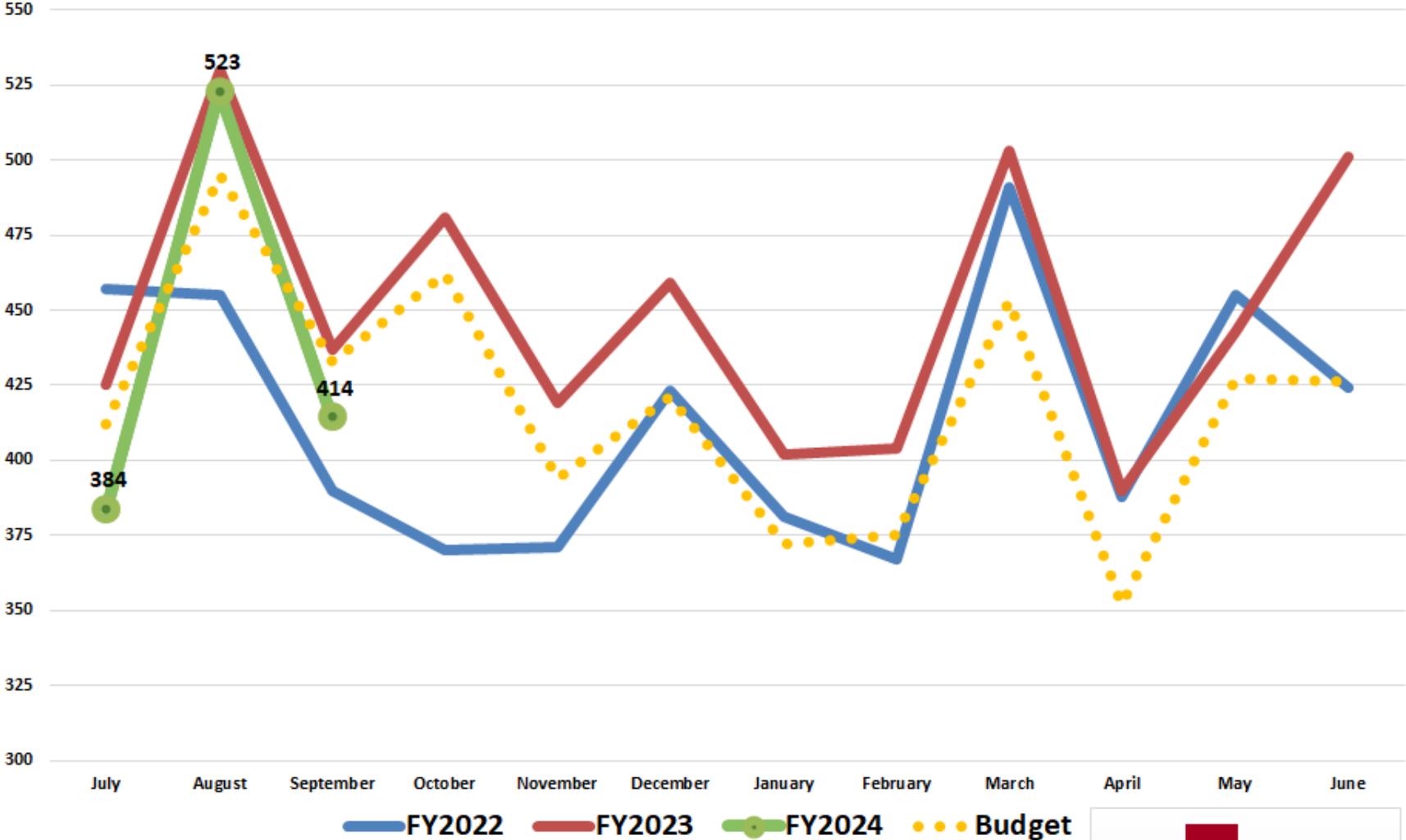
# Surgery (IP Only) - 100 Min Unit



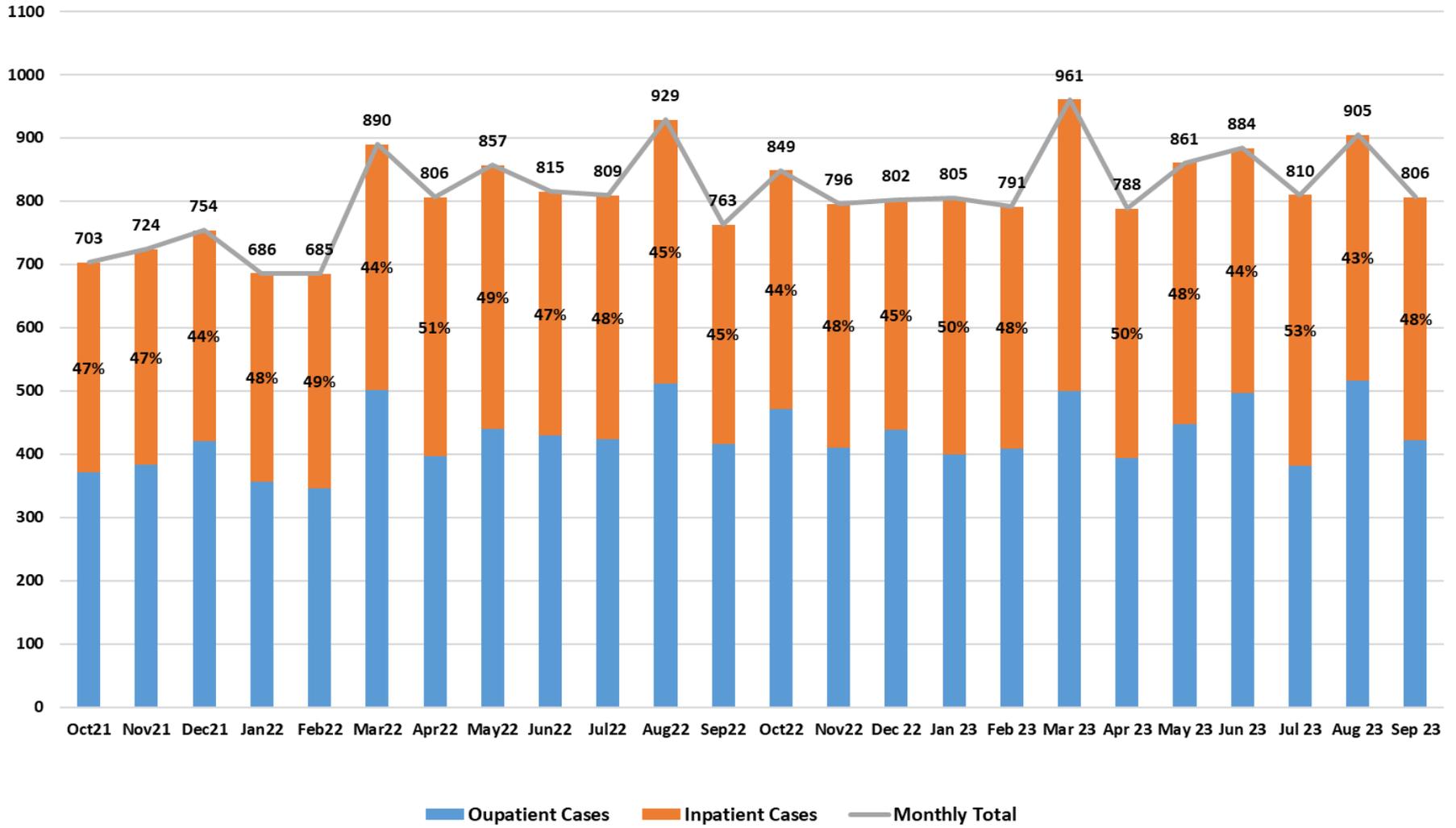
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



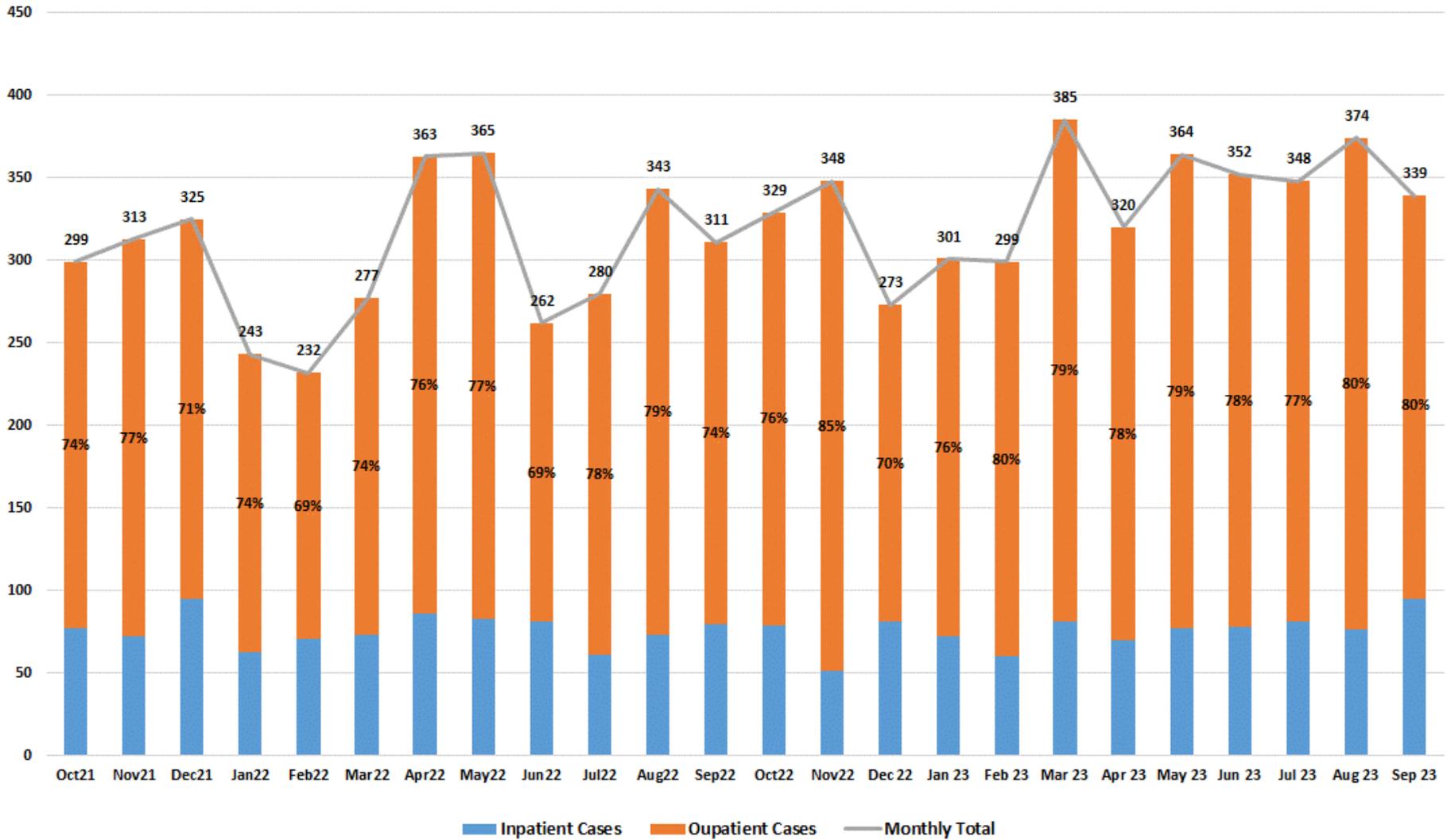
# Surgery (OP Only) - 100 Min Units



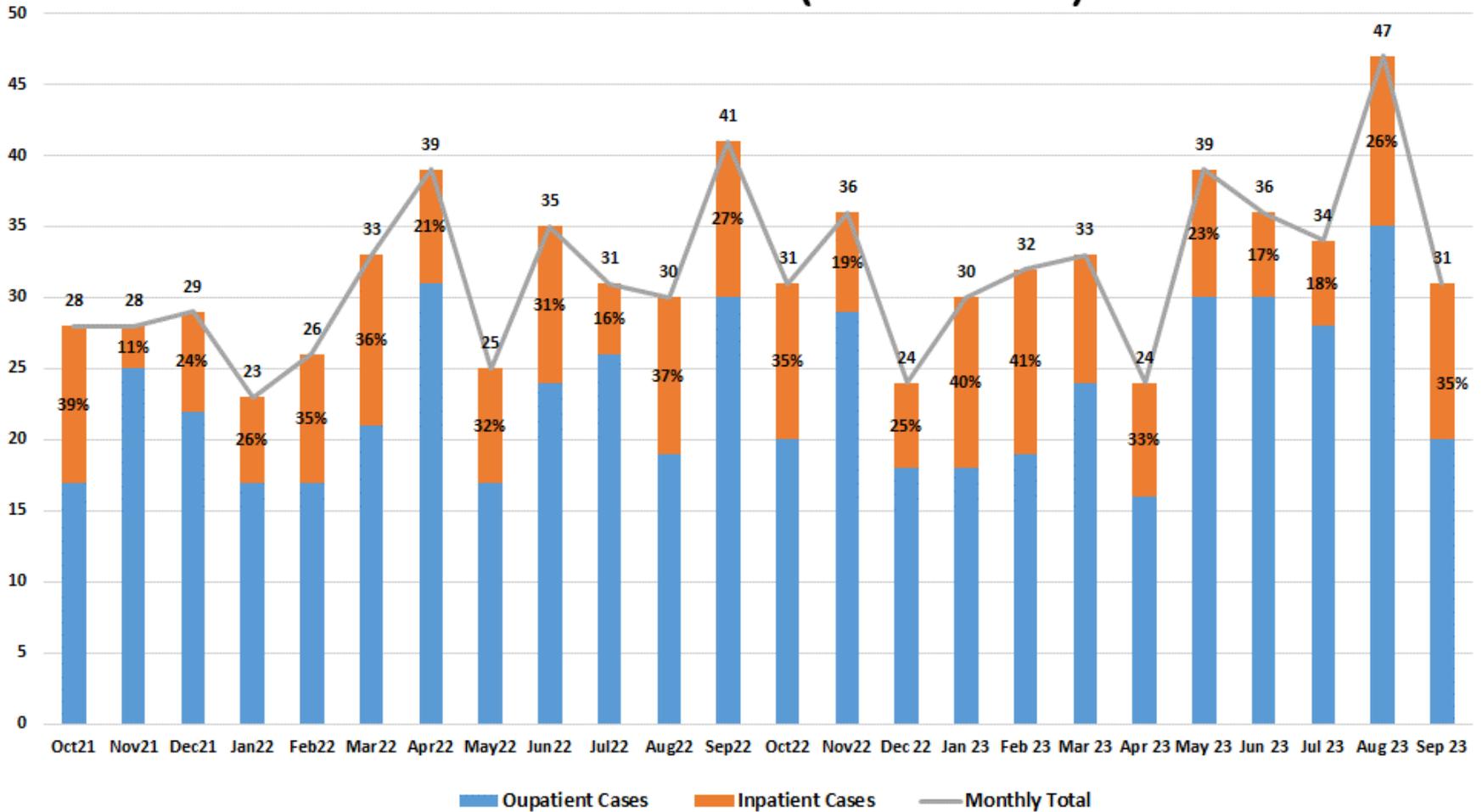
# Surgery Cases (IP & OP)



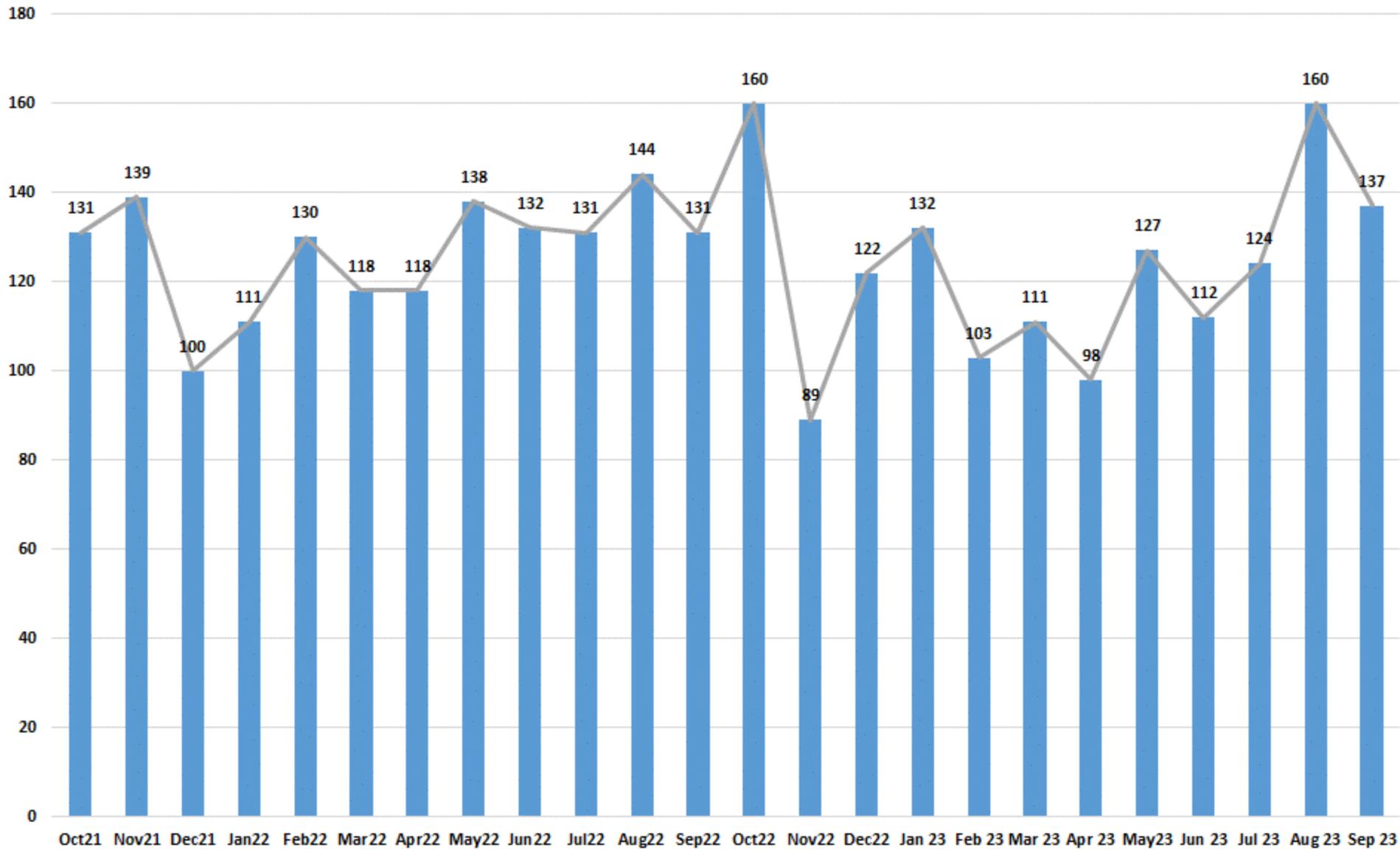
# Endo Cases (Endo Suites)



# Robotic Cases (IP & OP)

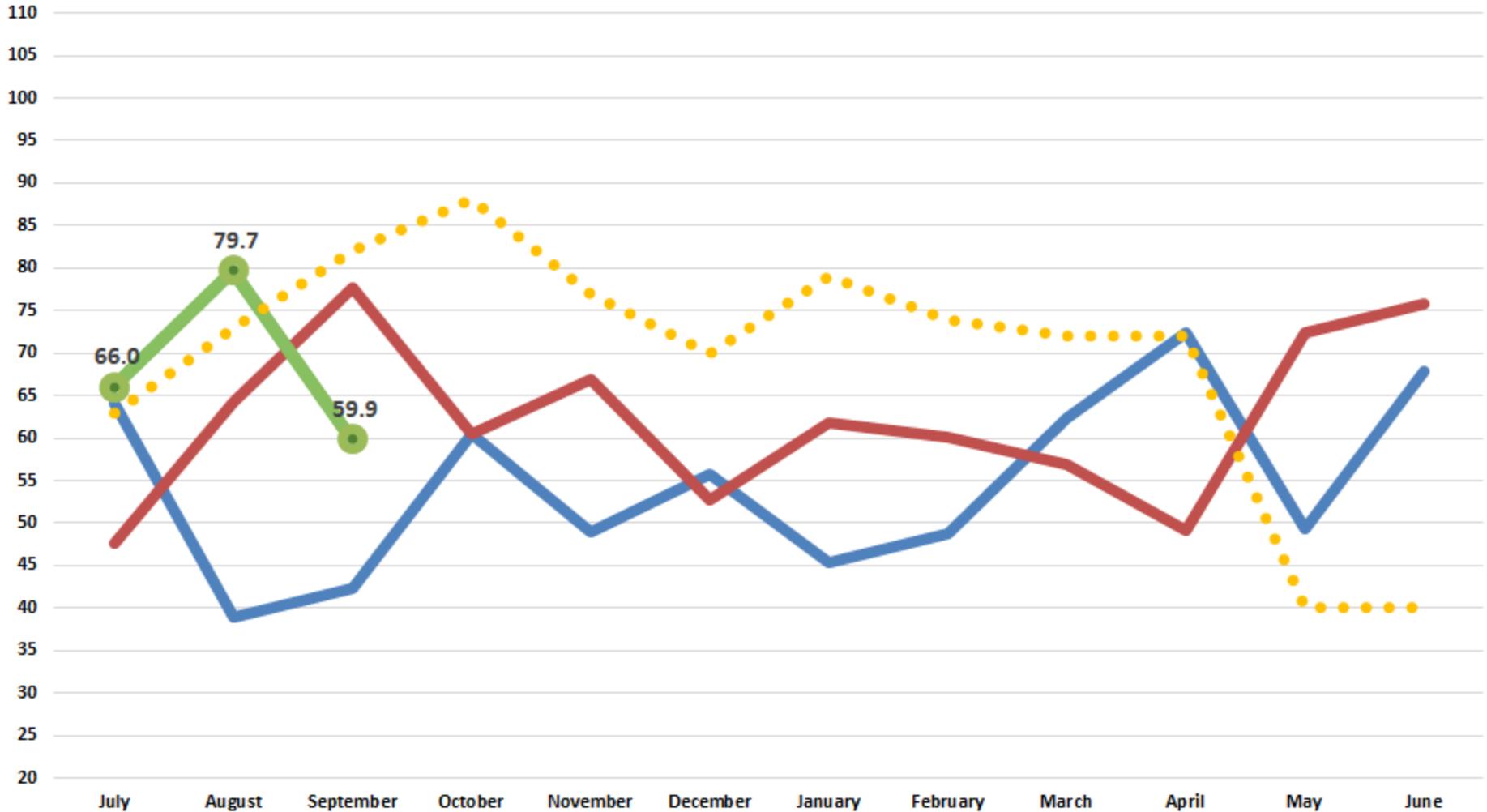


# OB Cases



■ Cases 424/484 Monthly Total

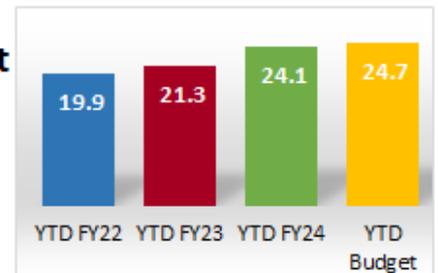
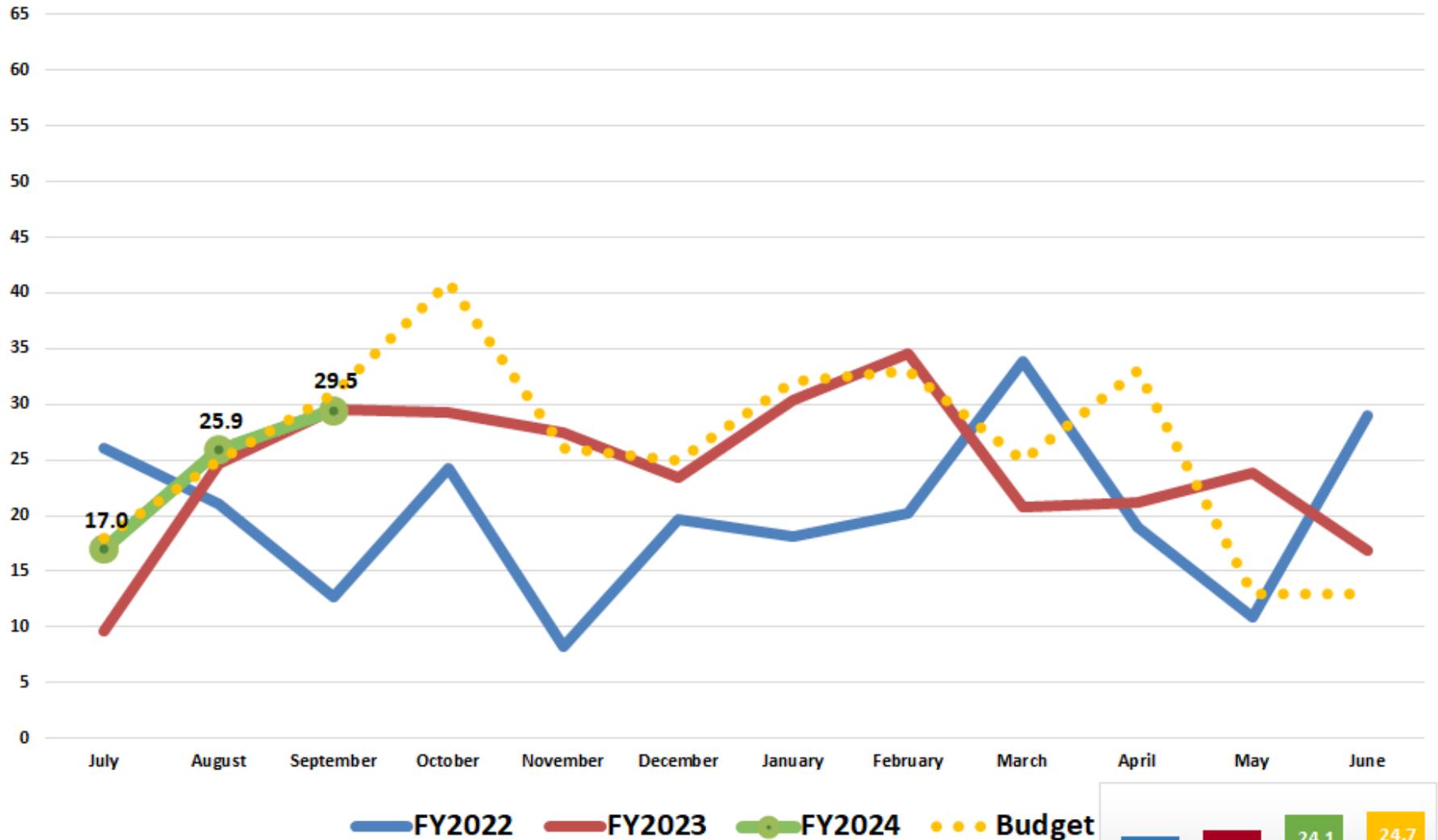
# Robotic Surgery (IP & OP) - 100 Min Units



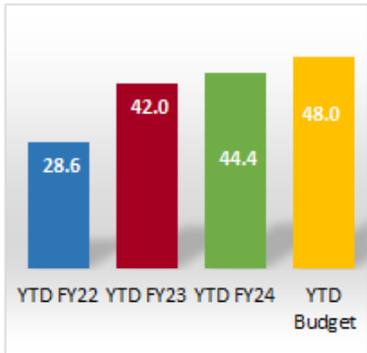
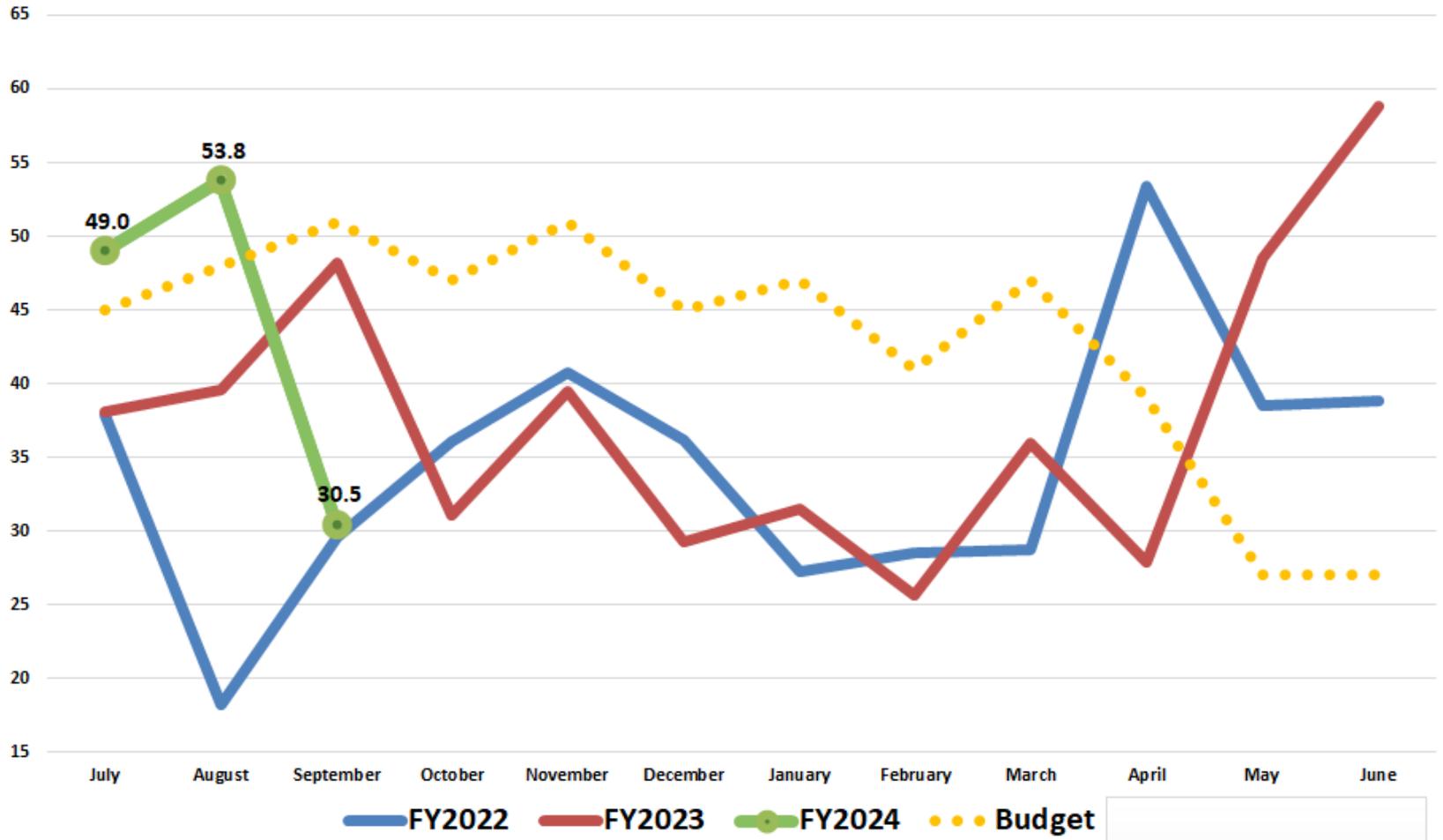
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



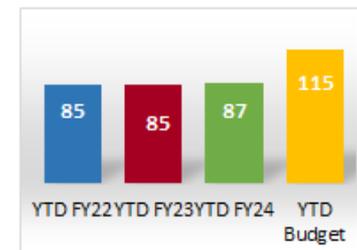
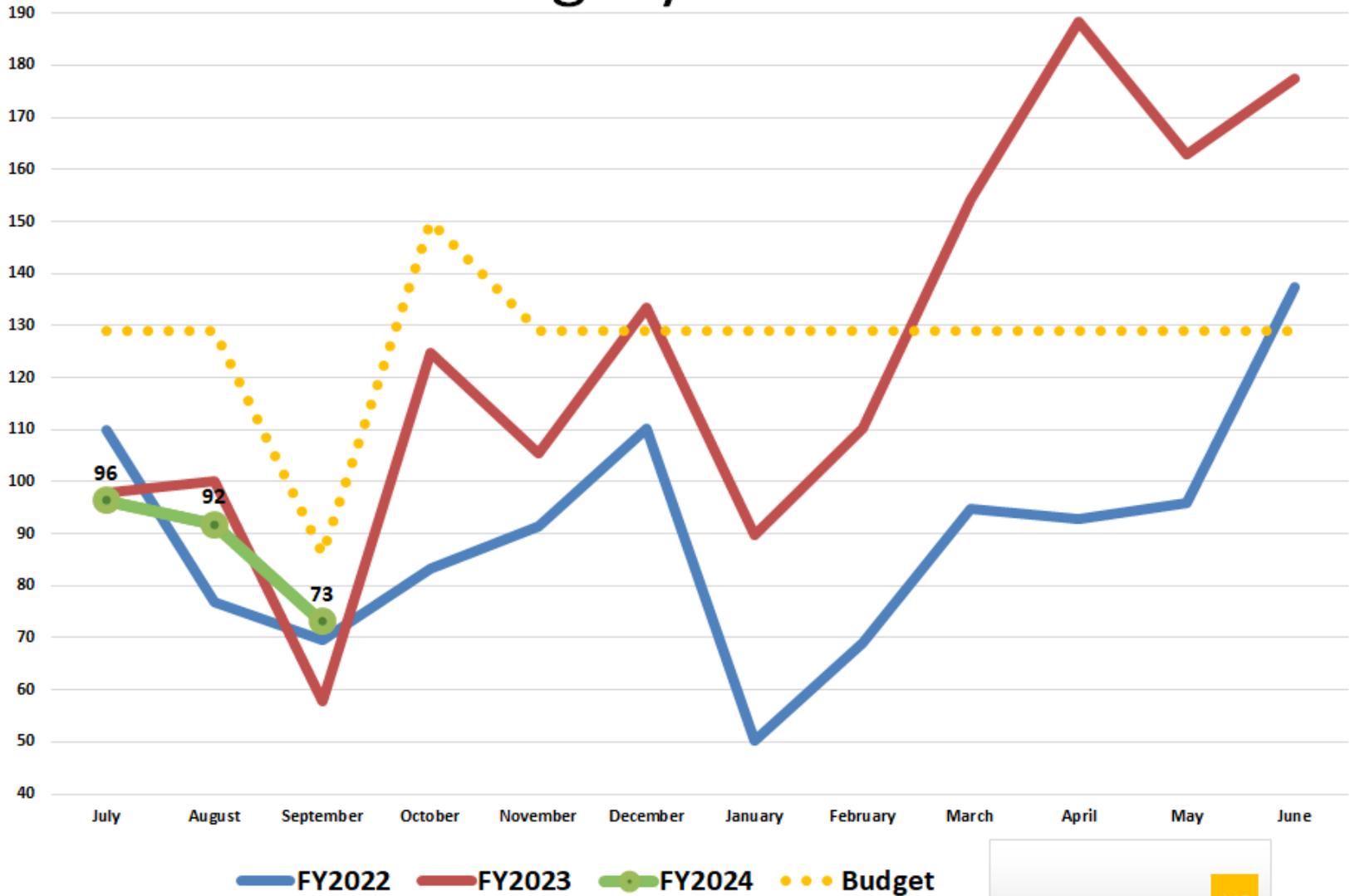
# Robotic Surgery Minutes (IP Only)



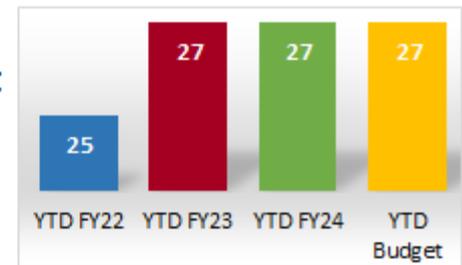
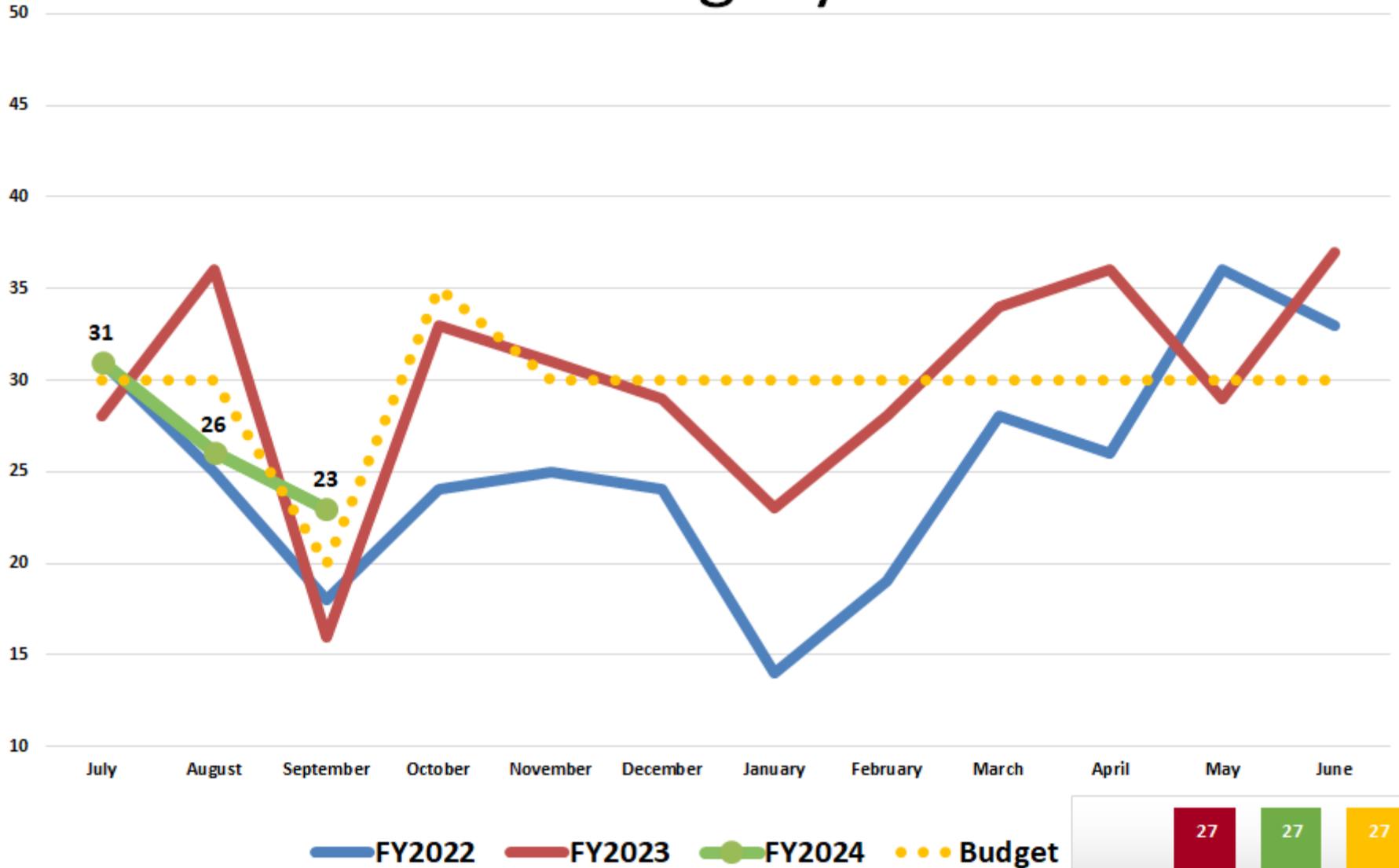
# Robotic Surgery Minutes (OP Only)



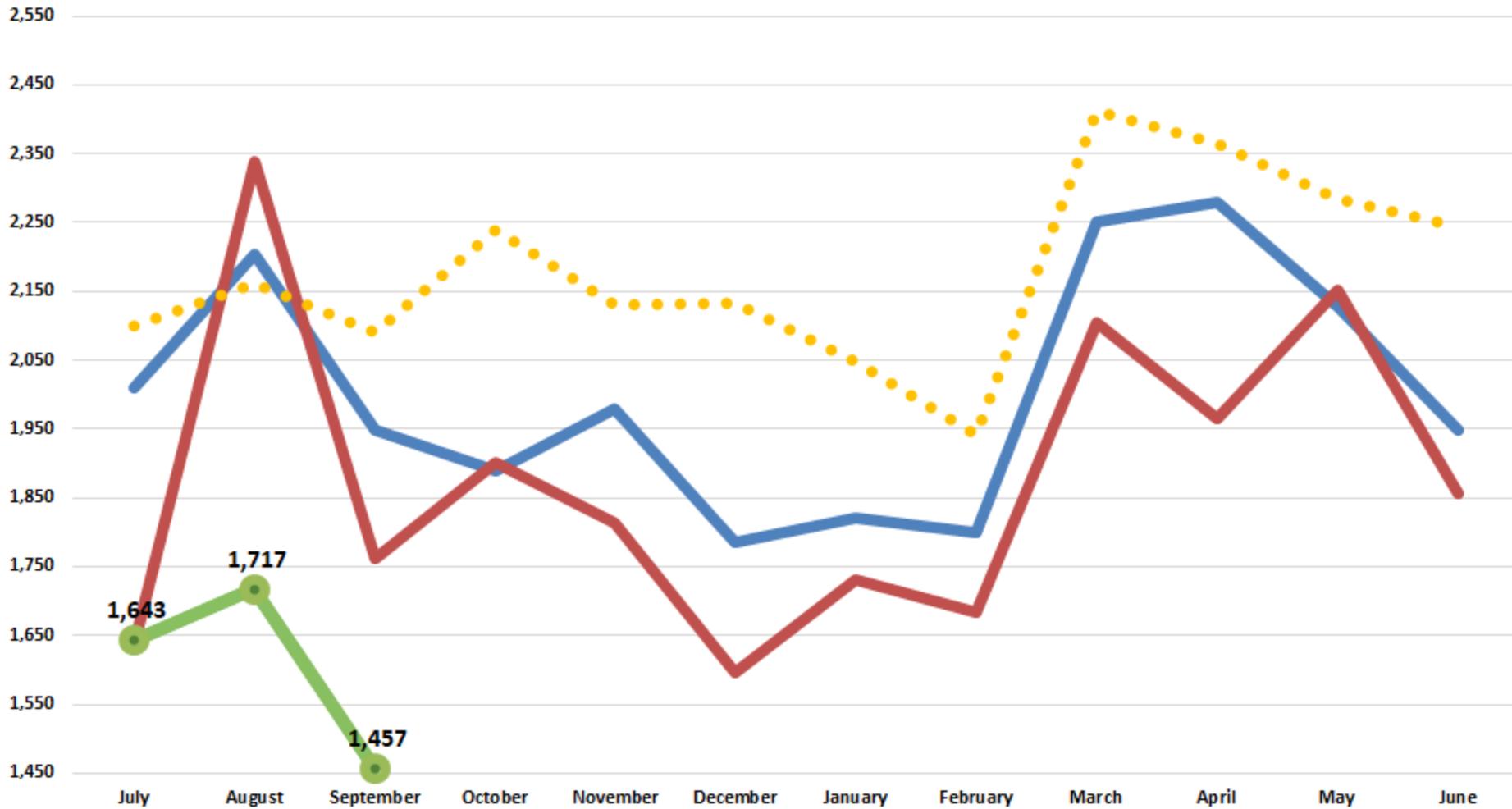
# Cardiac Surgery - 100 Min Units



# Cardiac Surgery Cases



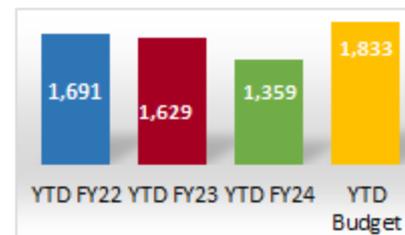
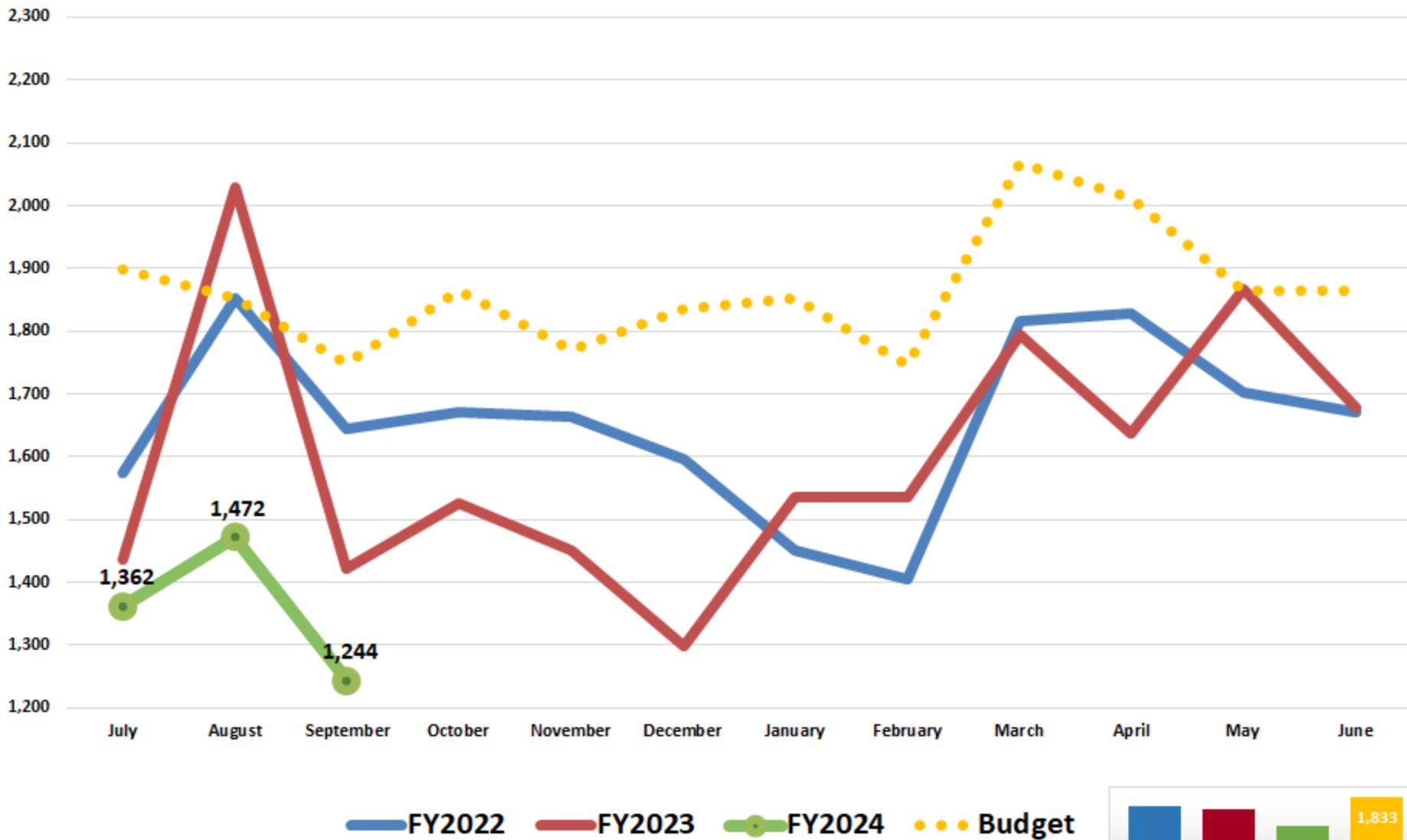
# Rad Onc Treatments (Vis. & Hanf.)



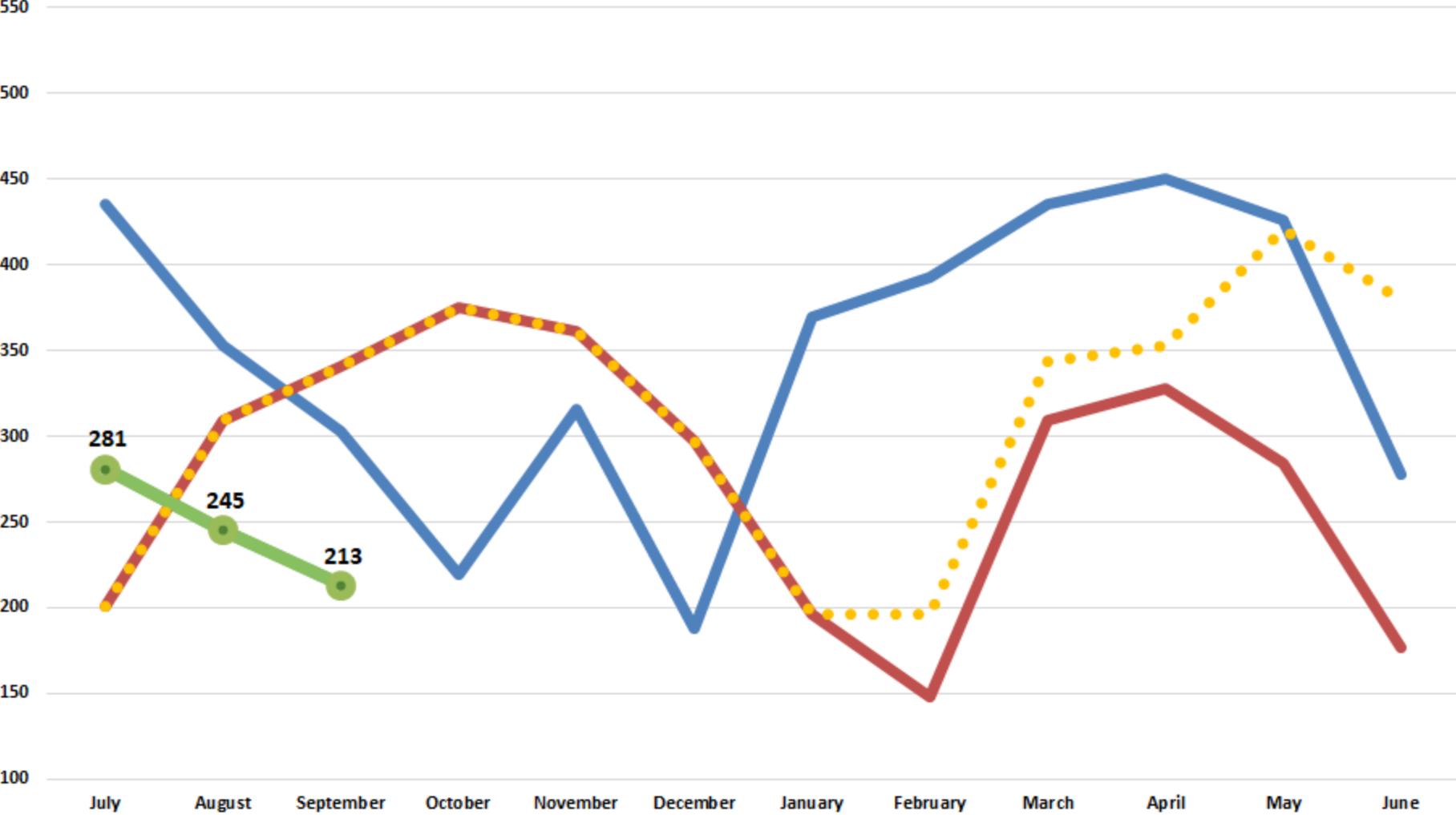
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



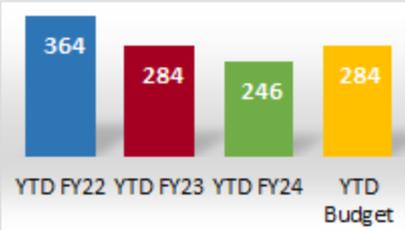
# Rad Onc Visalia



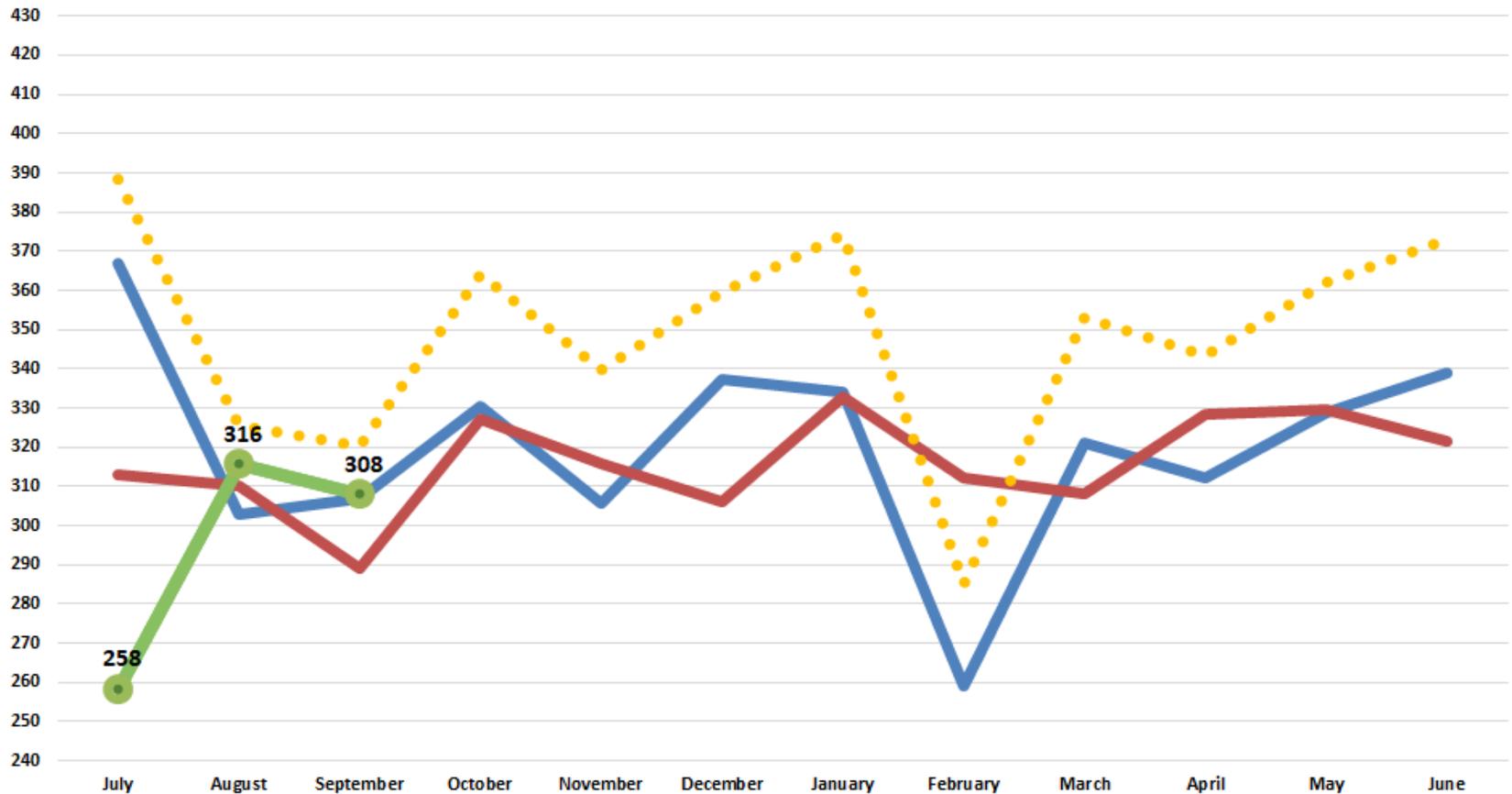
# Rad Onc Hanford



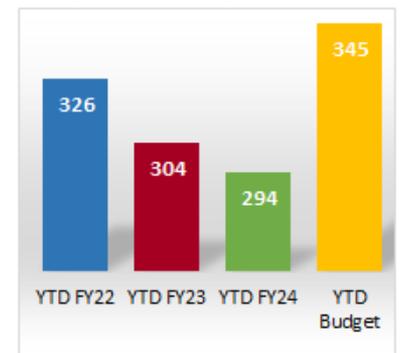
—● FY2022   
 —● FY2023   
 —● FY2024   
 ●●● Budget



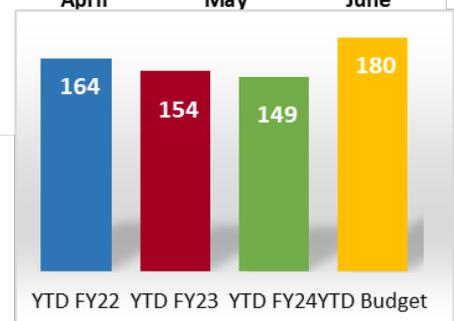
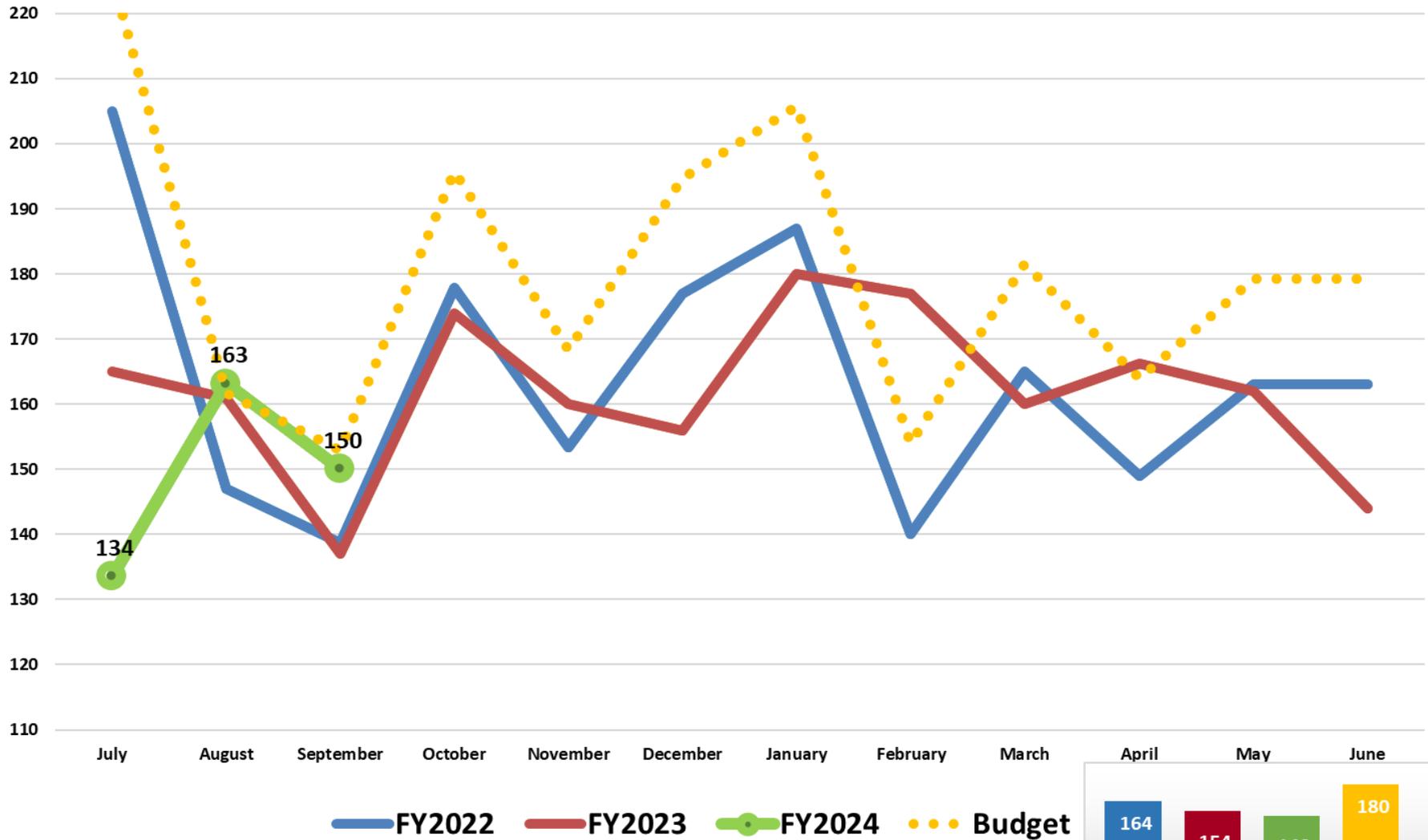
# Cath Lab (IP & OP) – 100 Min Units



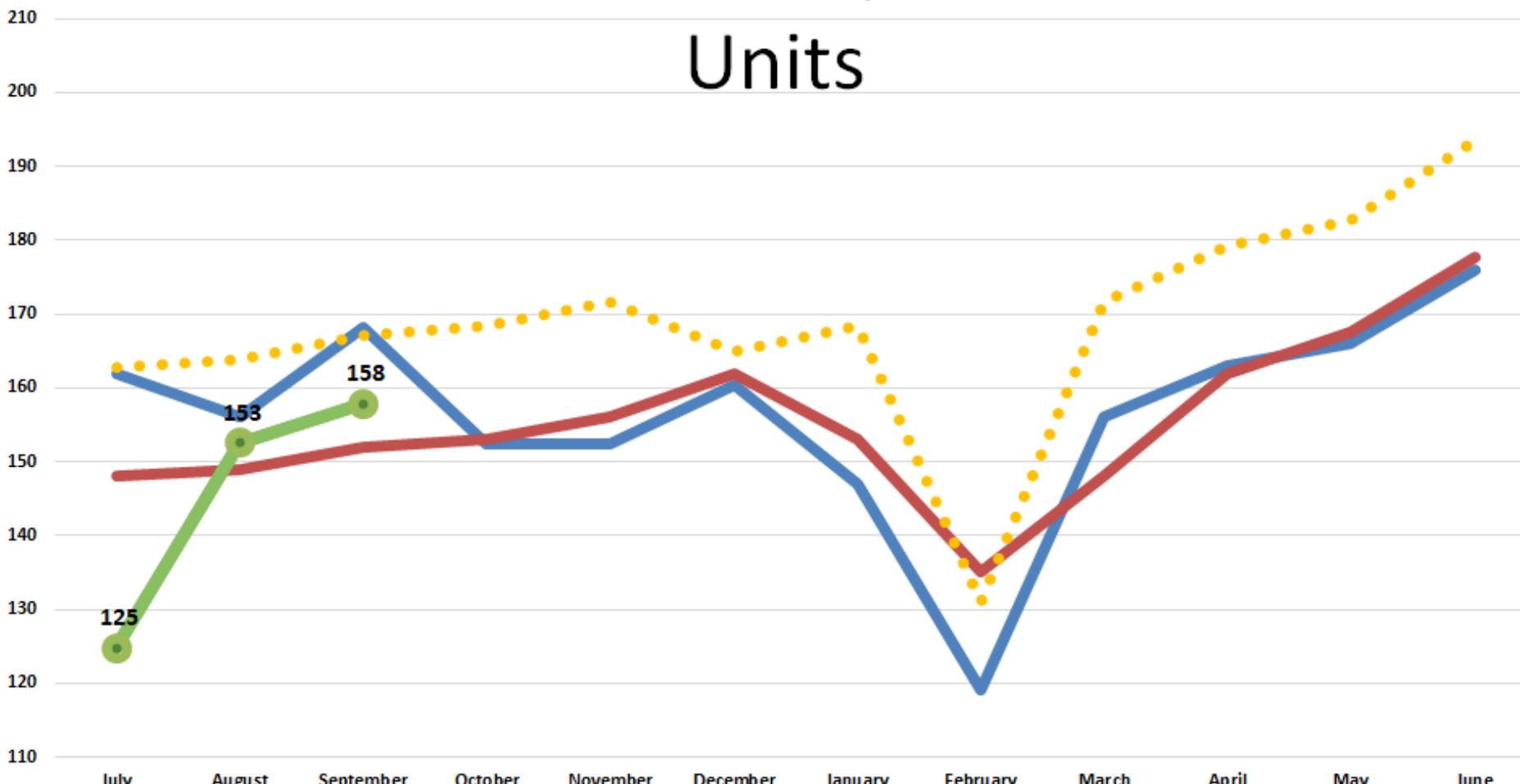
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



# Cath Lab (IP Only) – 100 Min Units



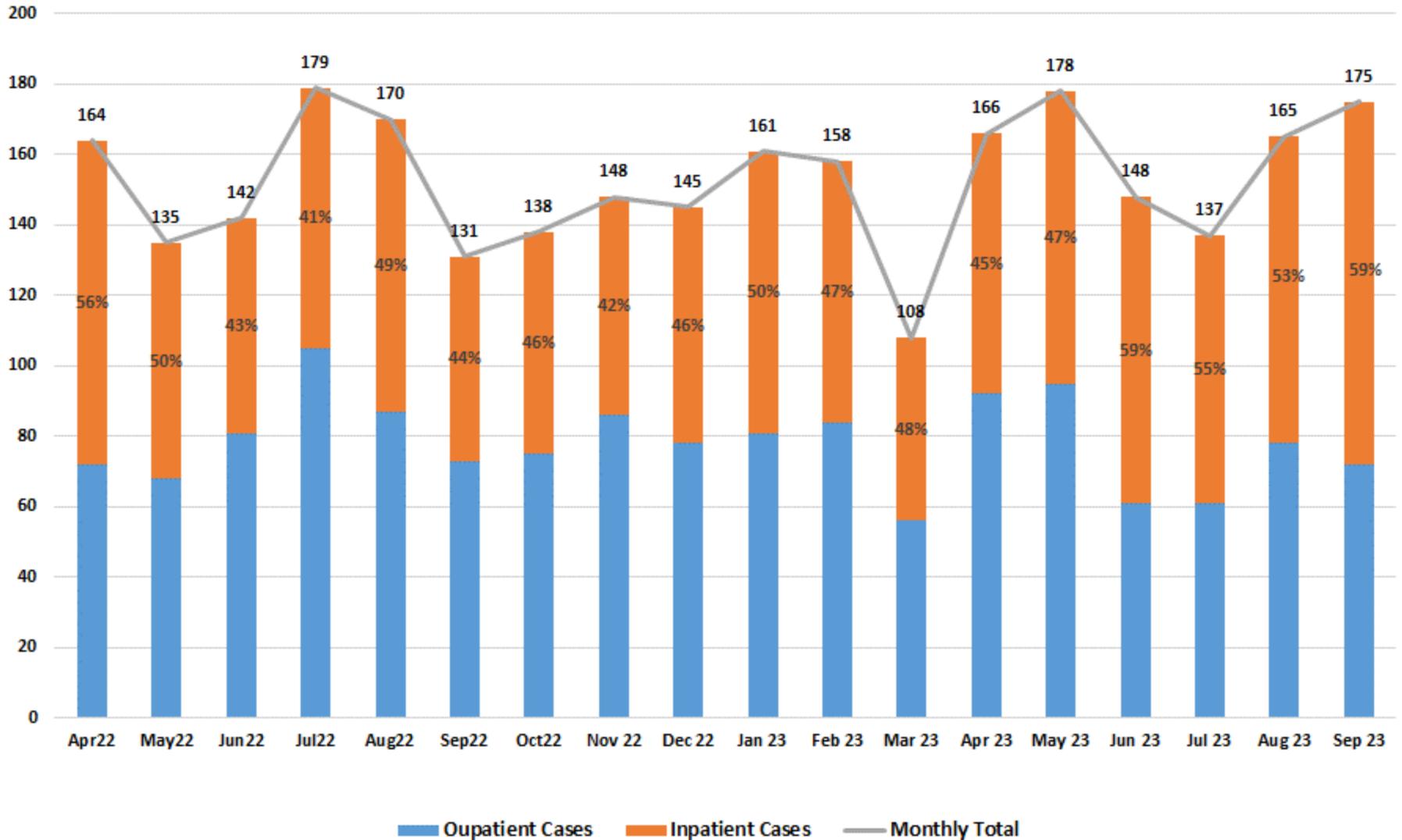
# Cath Lab (OP Only) – 100 Min Units



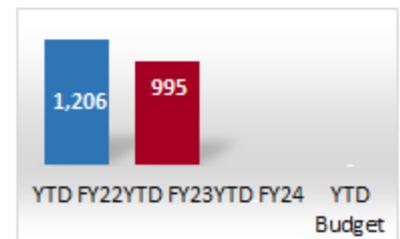
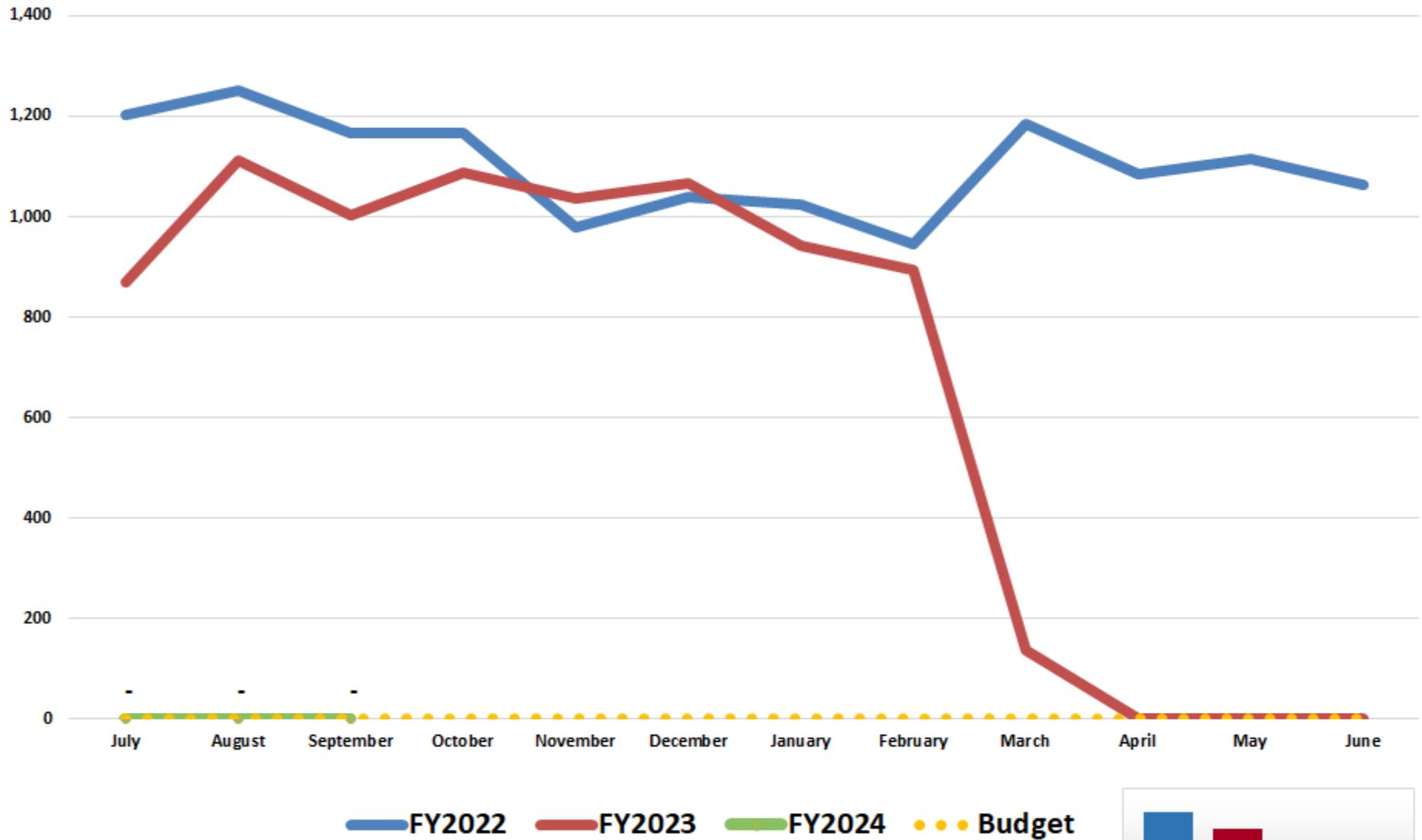
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



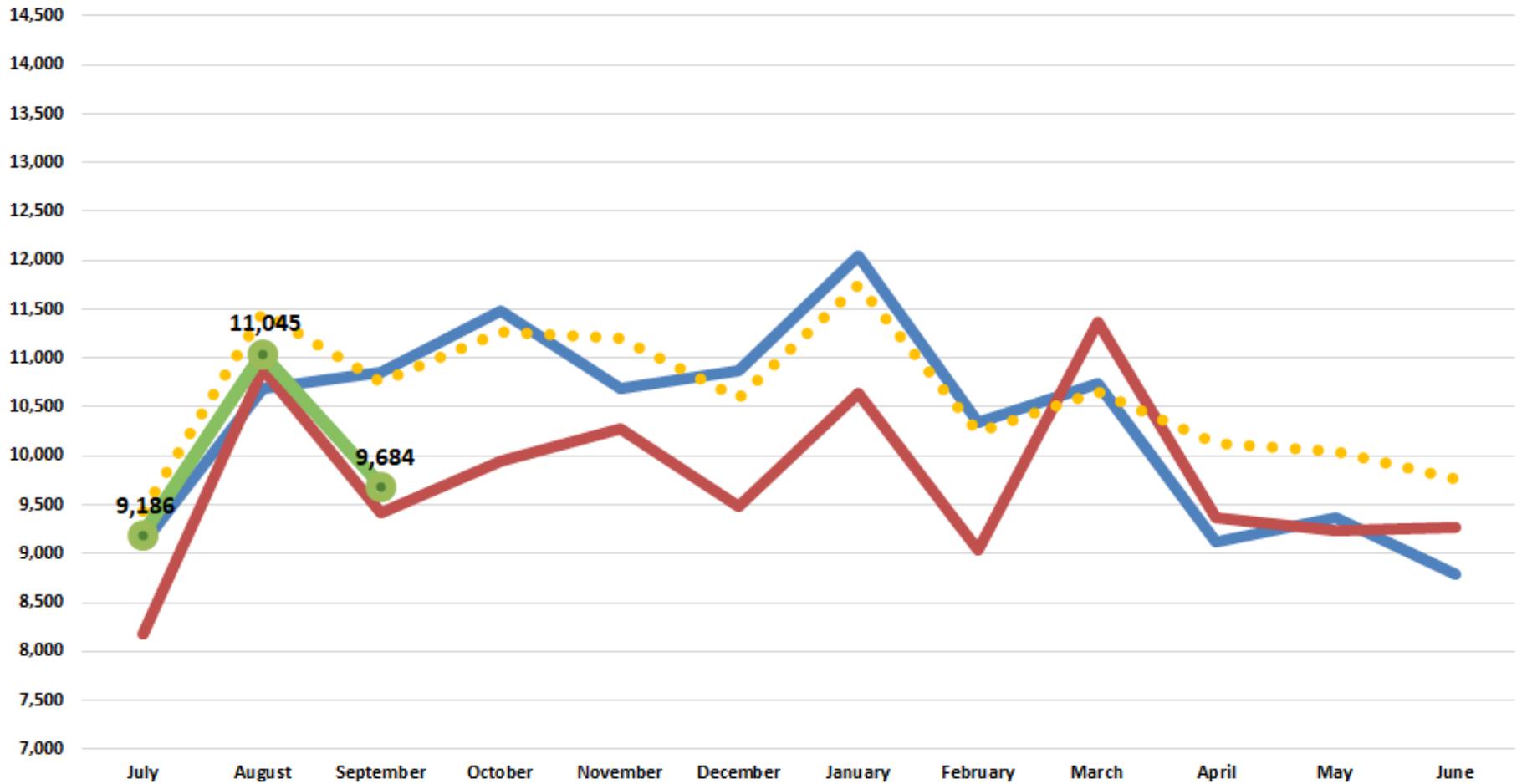
# Cath Lab Patients (IP & OP)



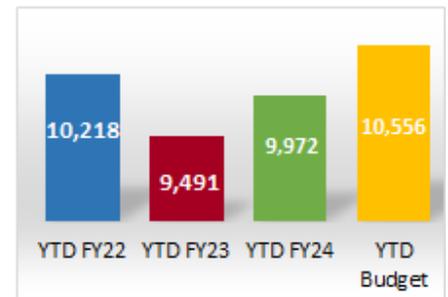
# GME Family Medicine Clinic Visits



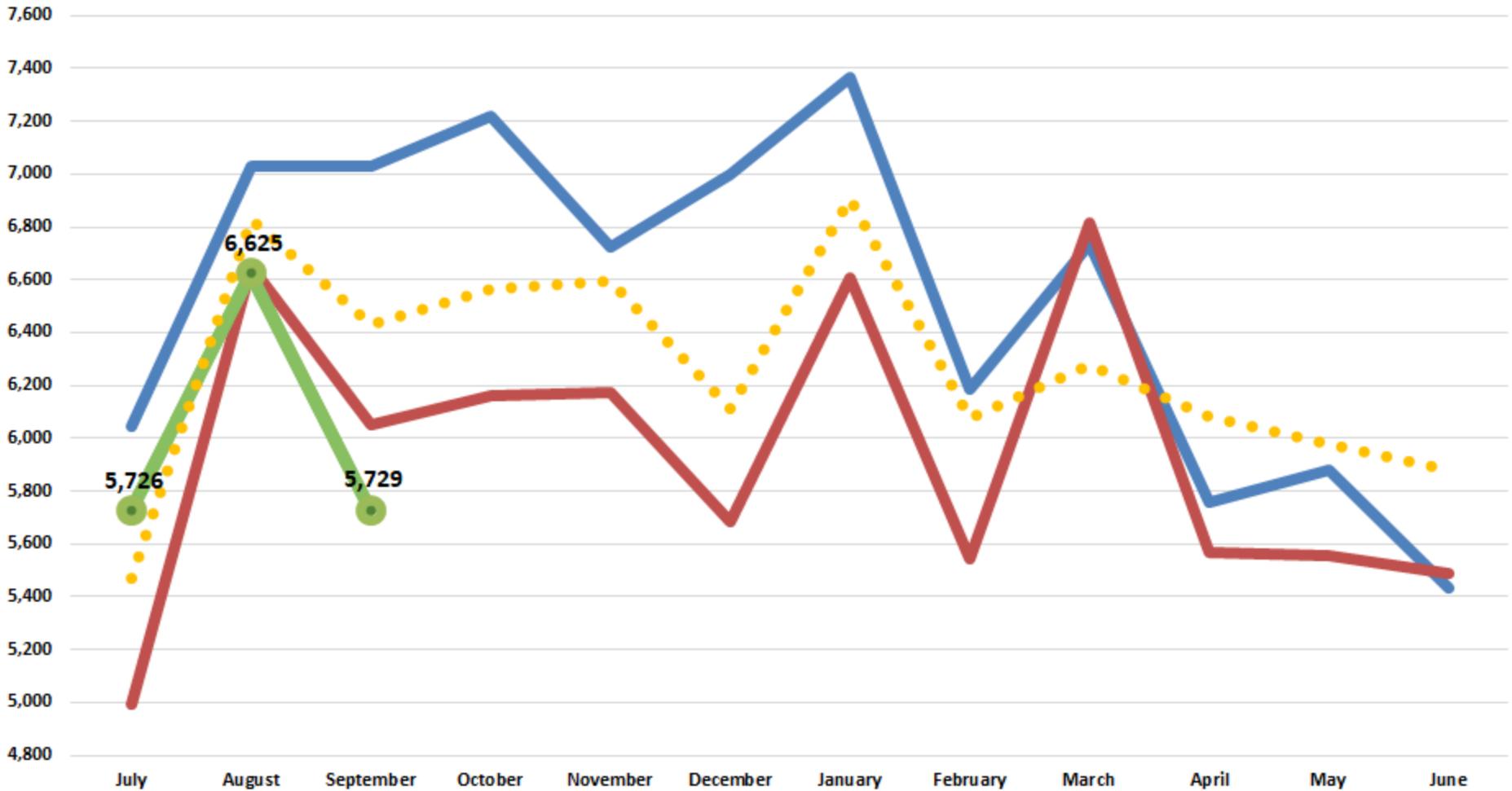
# Rural Health Clinics Registrations



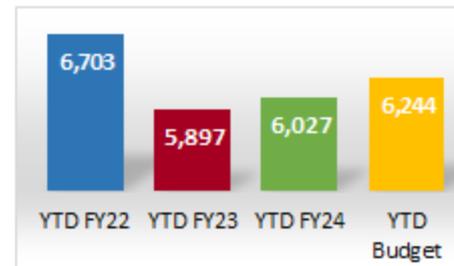
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



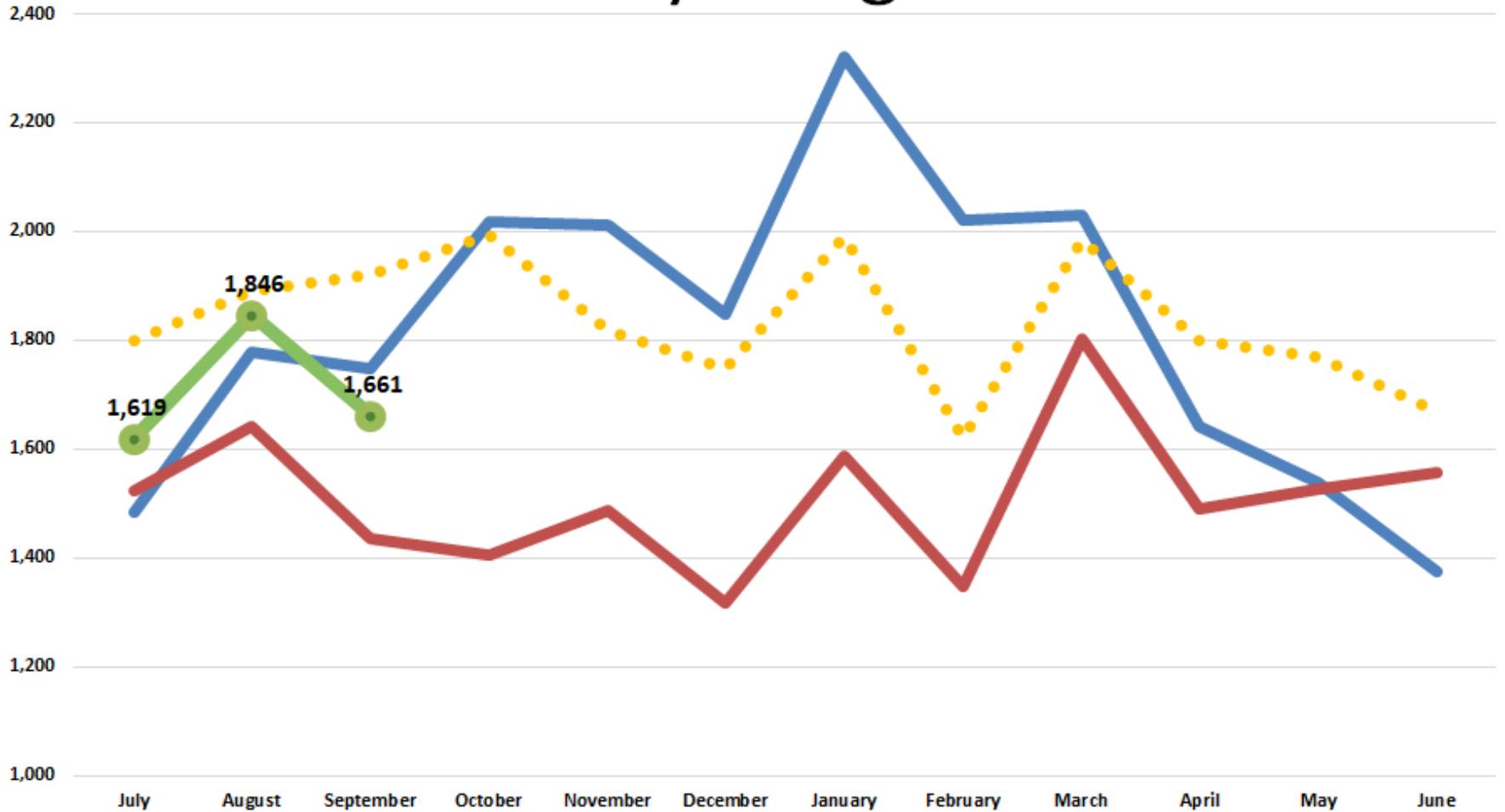
# RHC Exeter - Registrations



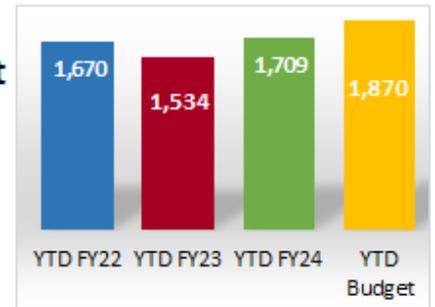
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



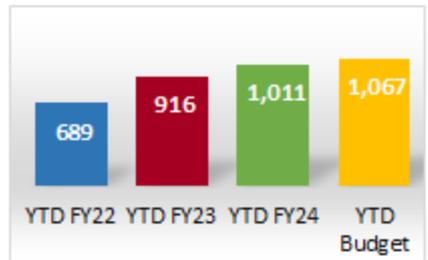
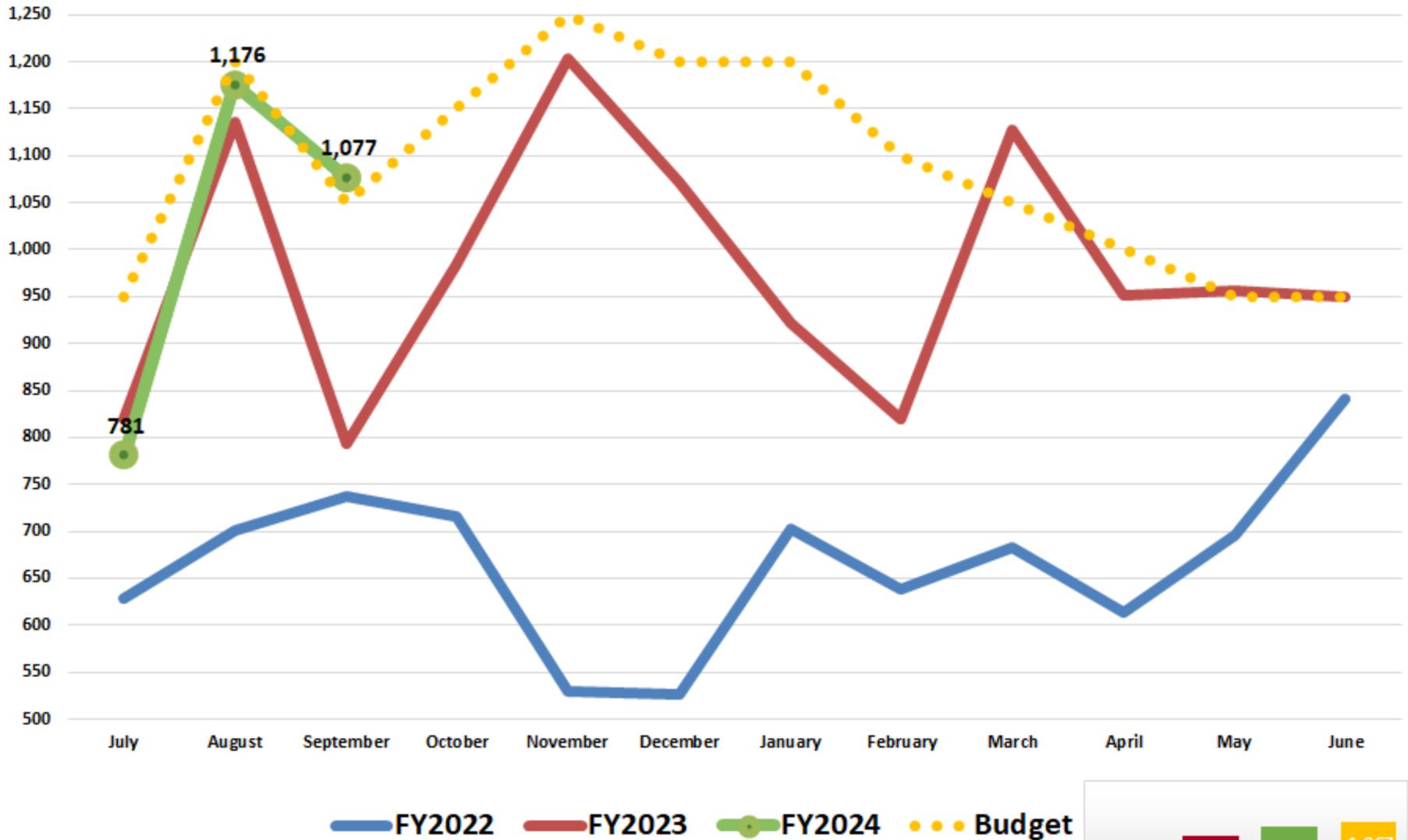
# RHC Lindsay - Registrations



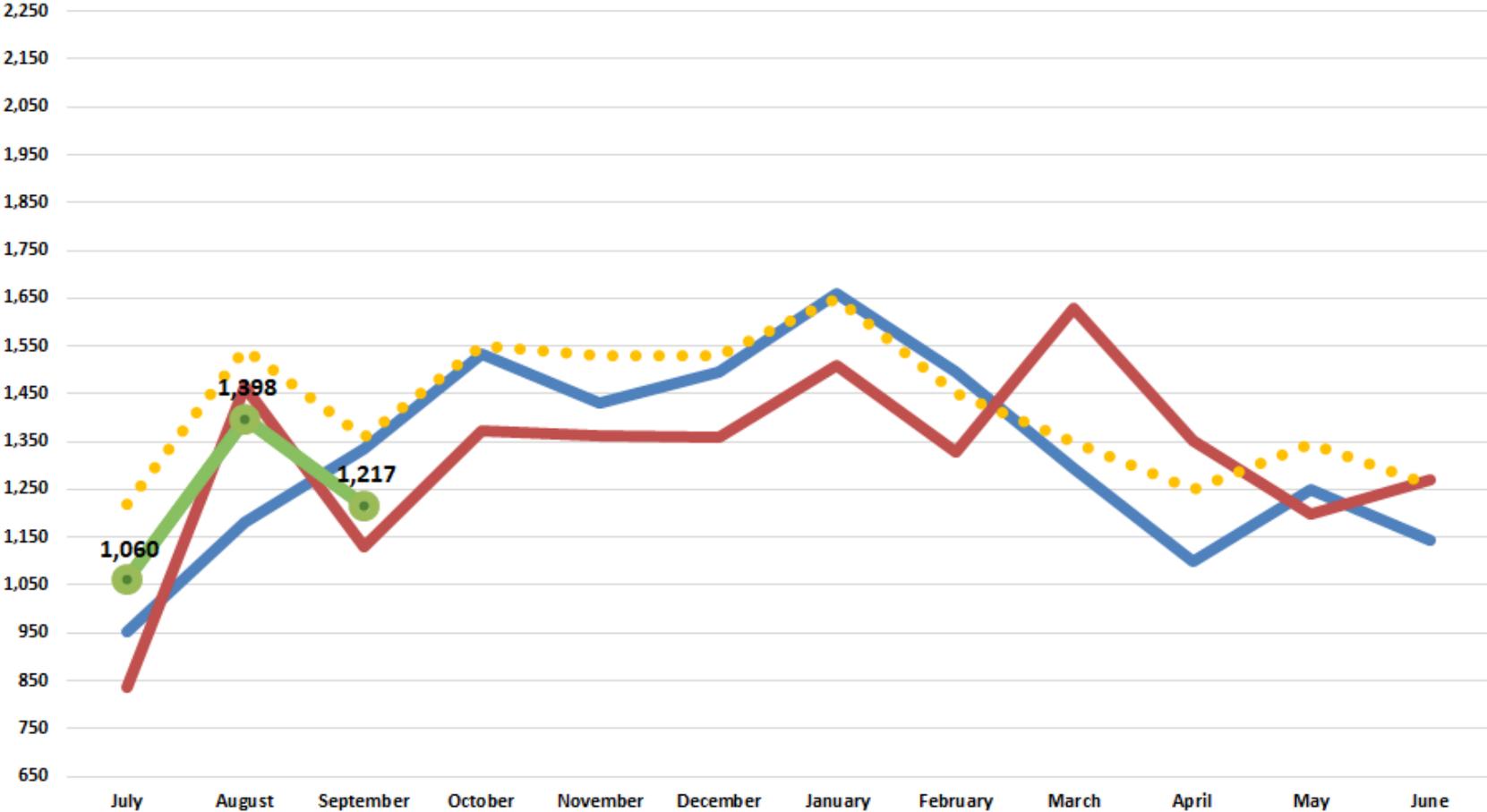
—●— FY2022   
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 —●— FY2024   
 ●●● Budget



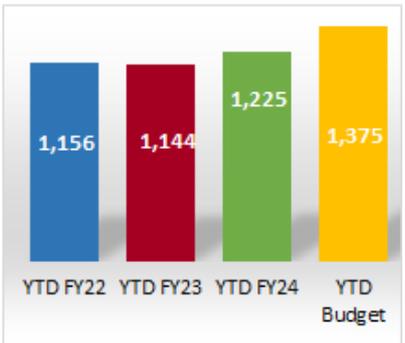
# RHC Woodlake - Registrations



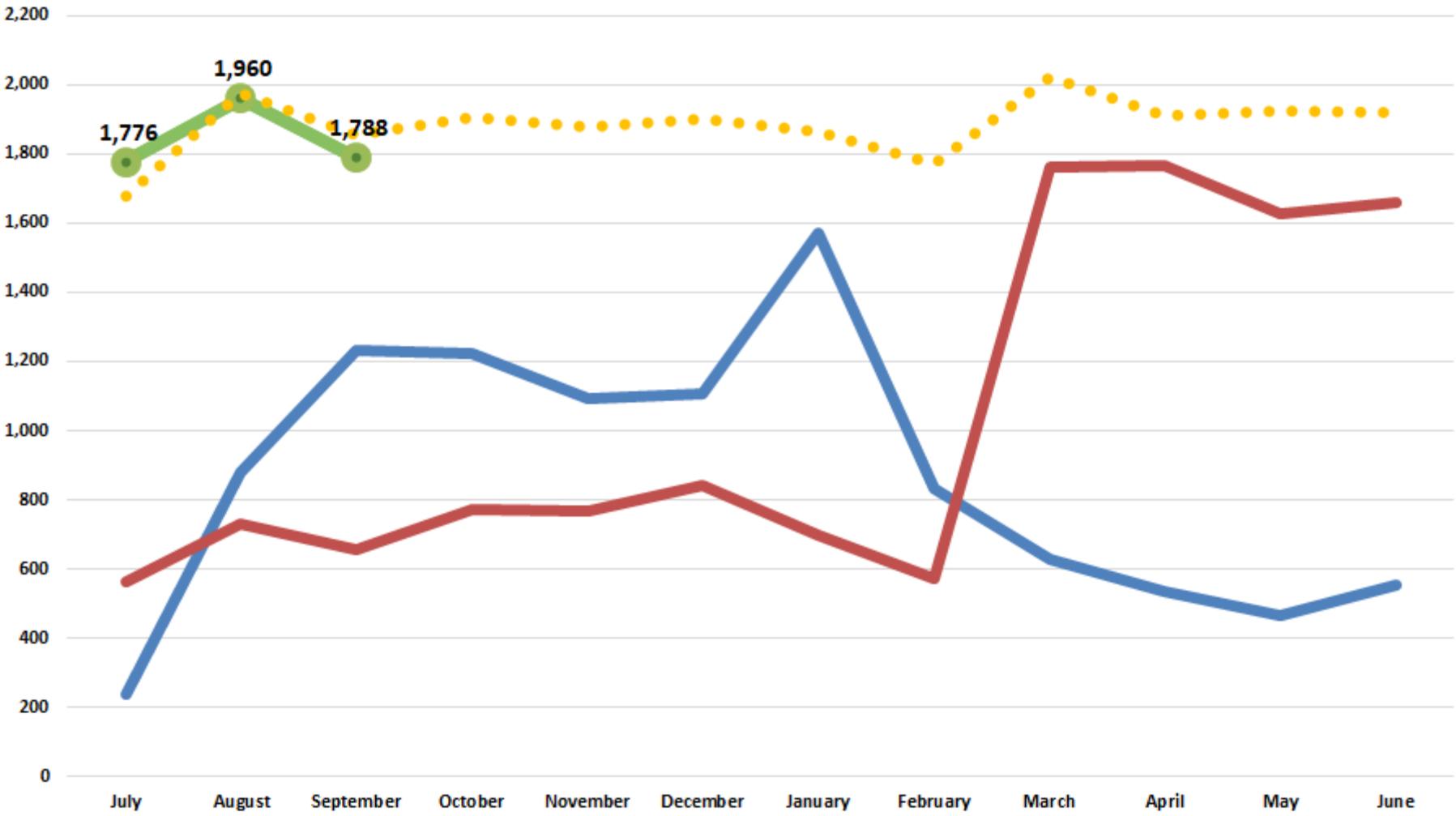
# RHC Dinuba - Registrations



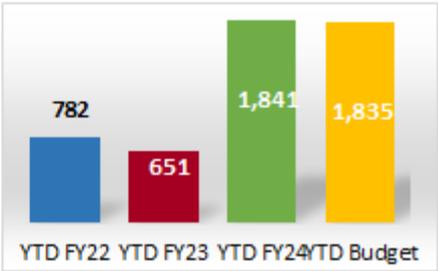
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



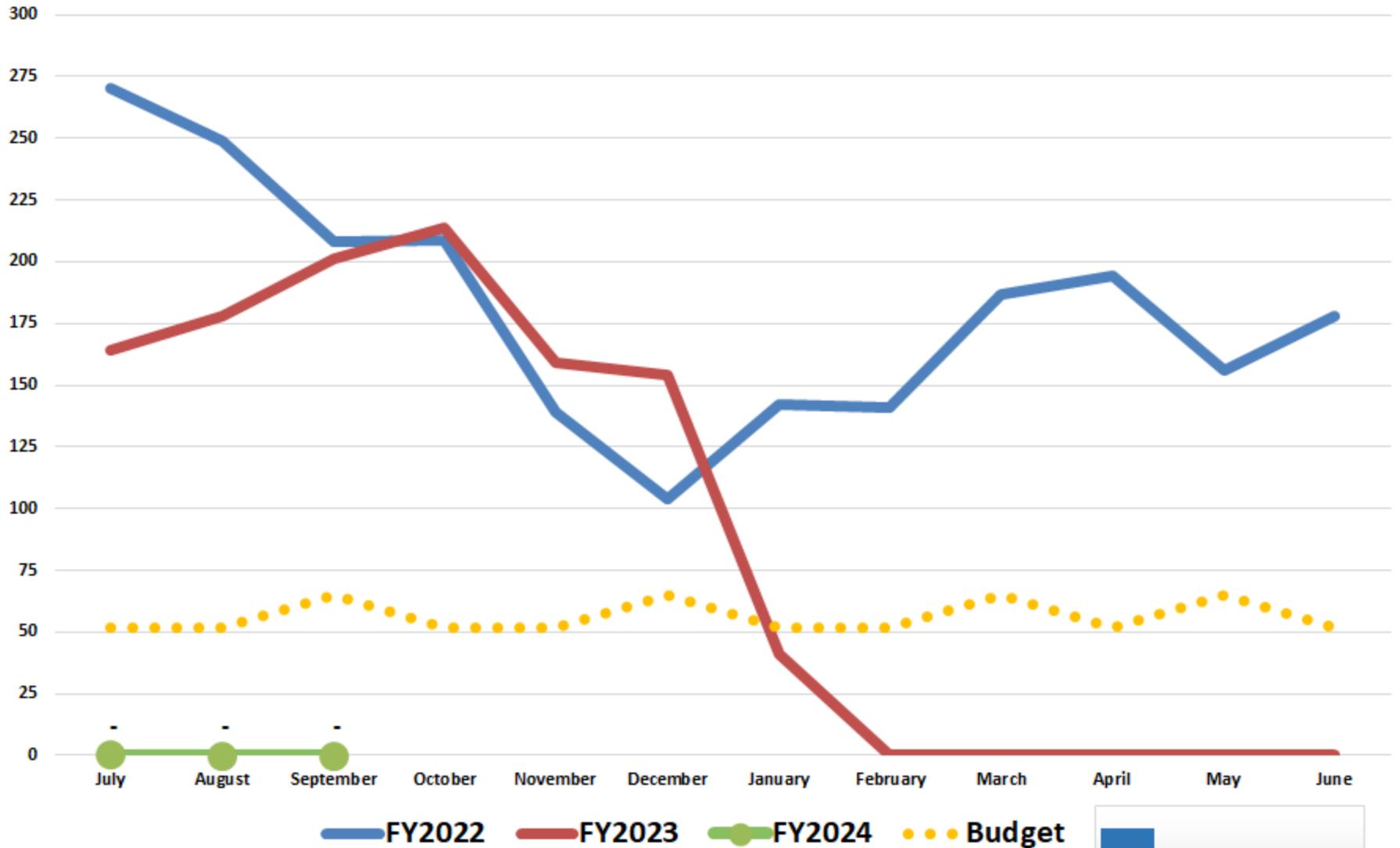
# RHC Tulare - Registrations



—● FY2022   
 —● FY2023   
 —● FY2024   
 ●●● Budget

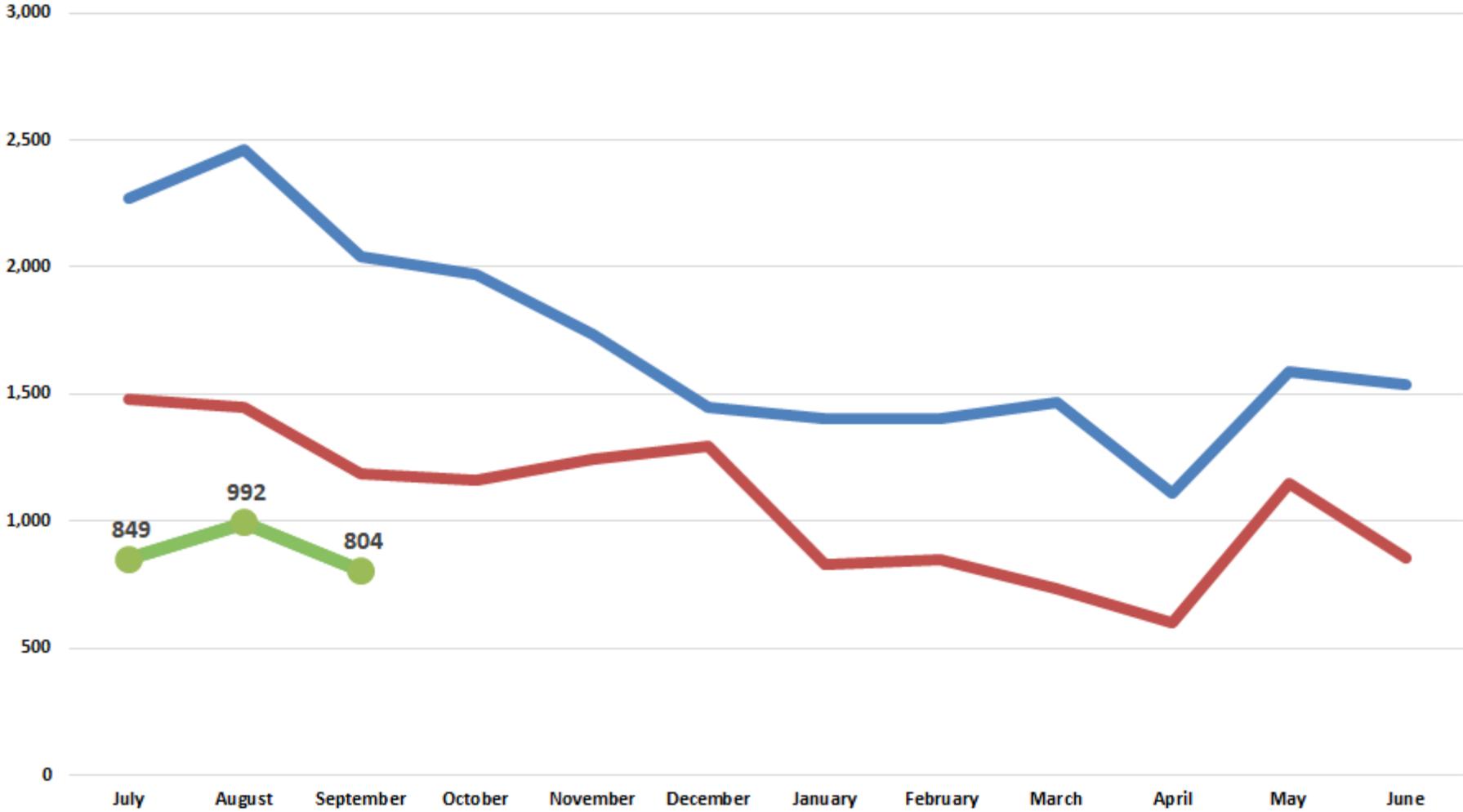


# Neurosurgery Clinic Registrations

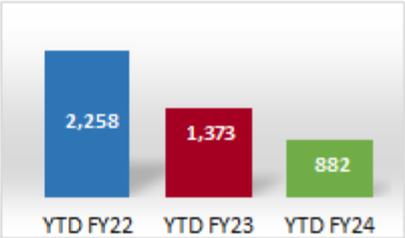


|          |          |          |            |
|----------|----------|----------|------------|
| 242      | 181      | -        | 56         |
| YTD FY22 | YTD FY23 | YTD FY24 | YTD Budget |

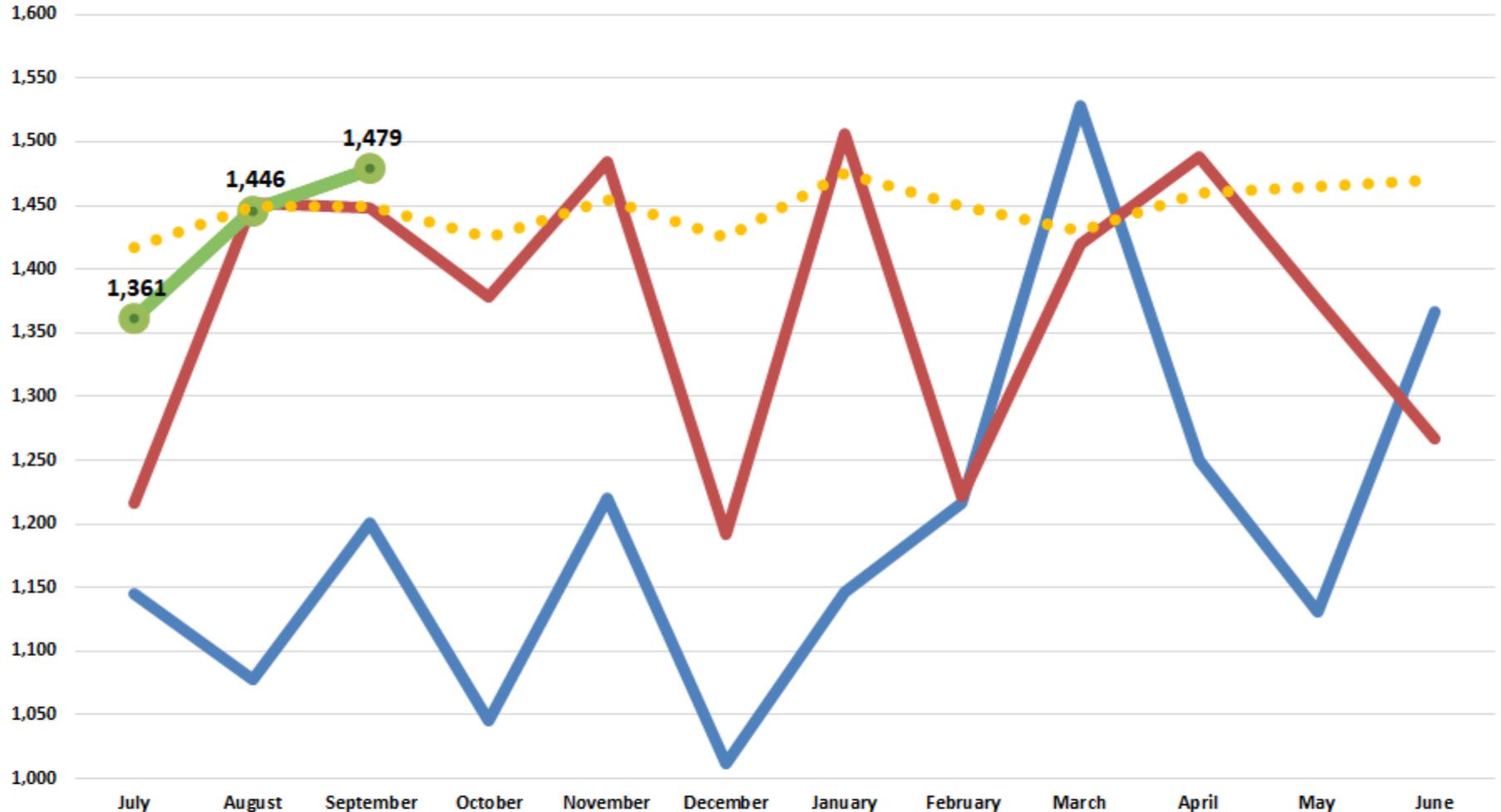
# Neurosurgery Clinic - wRVU's



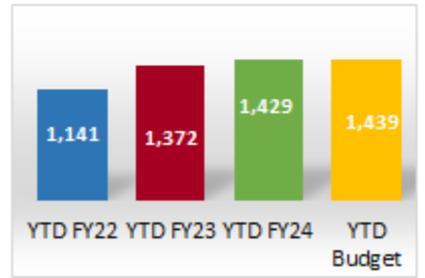
FY2022 FY2023 FY2024



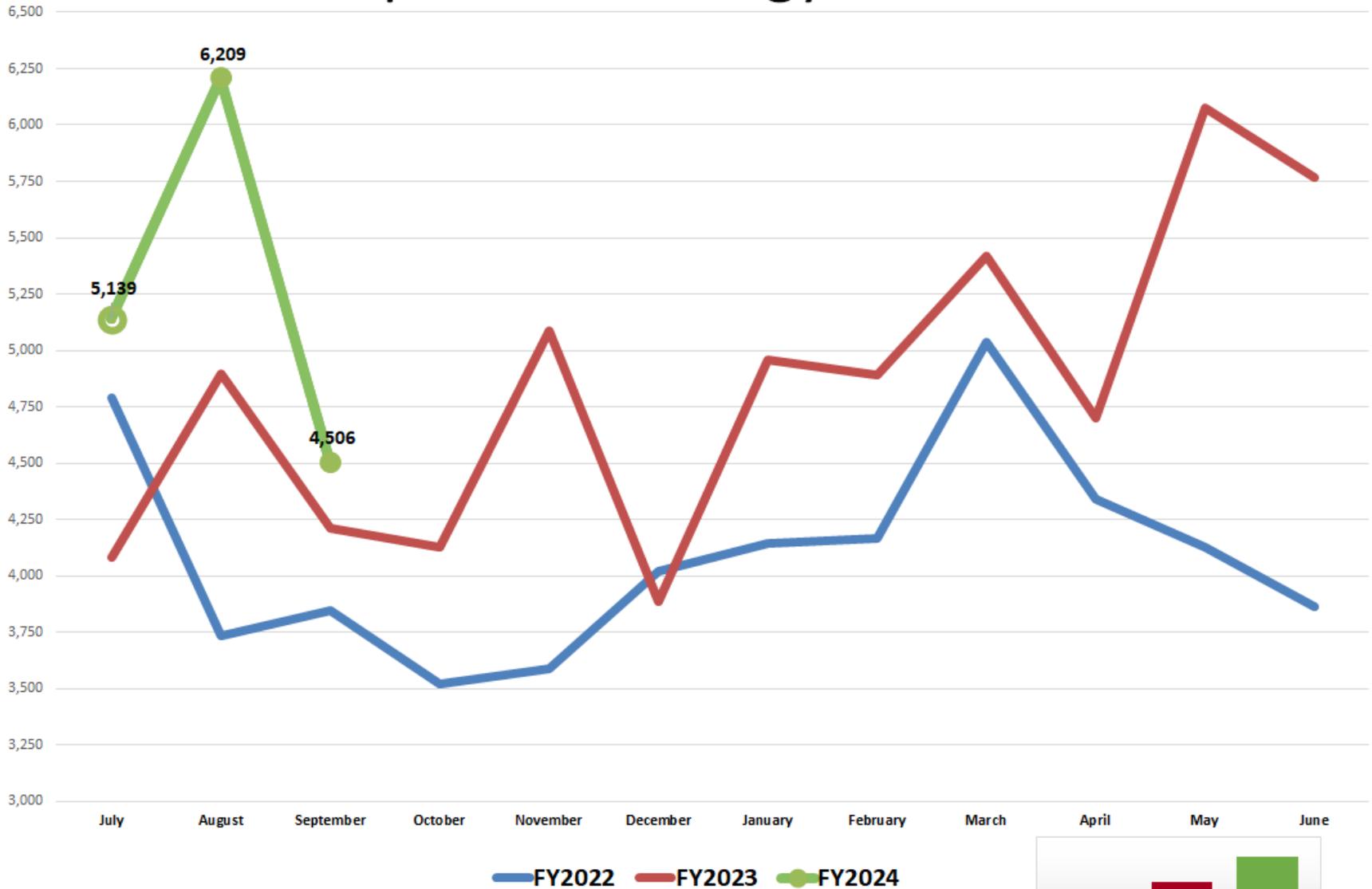
# Sequoia Cardiology Registrations



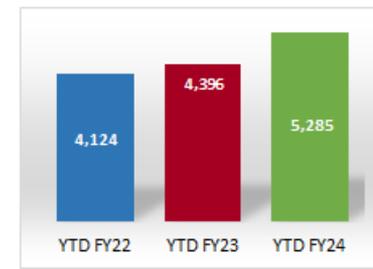
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



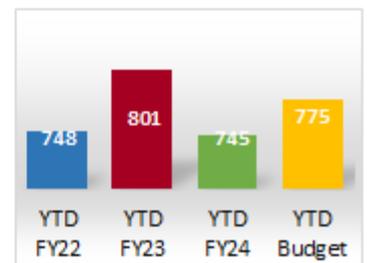
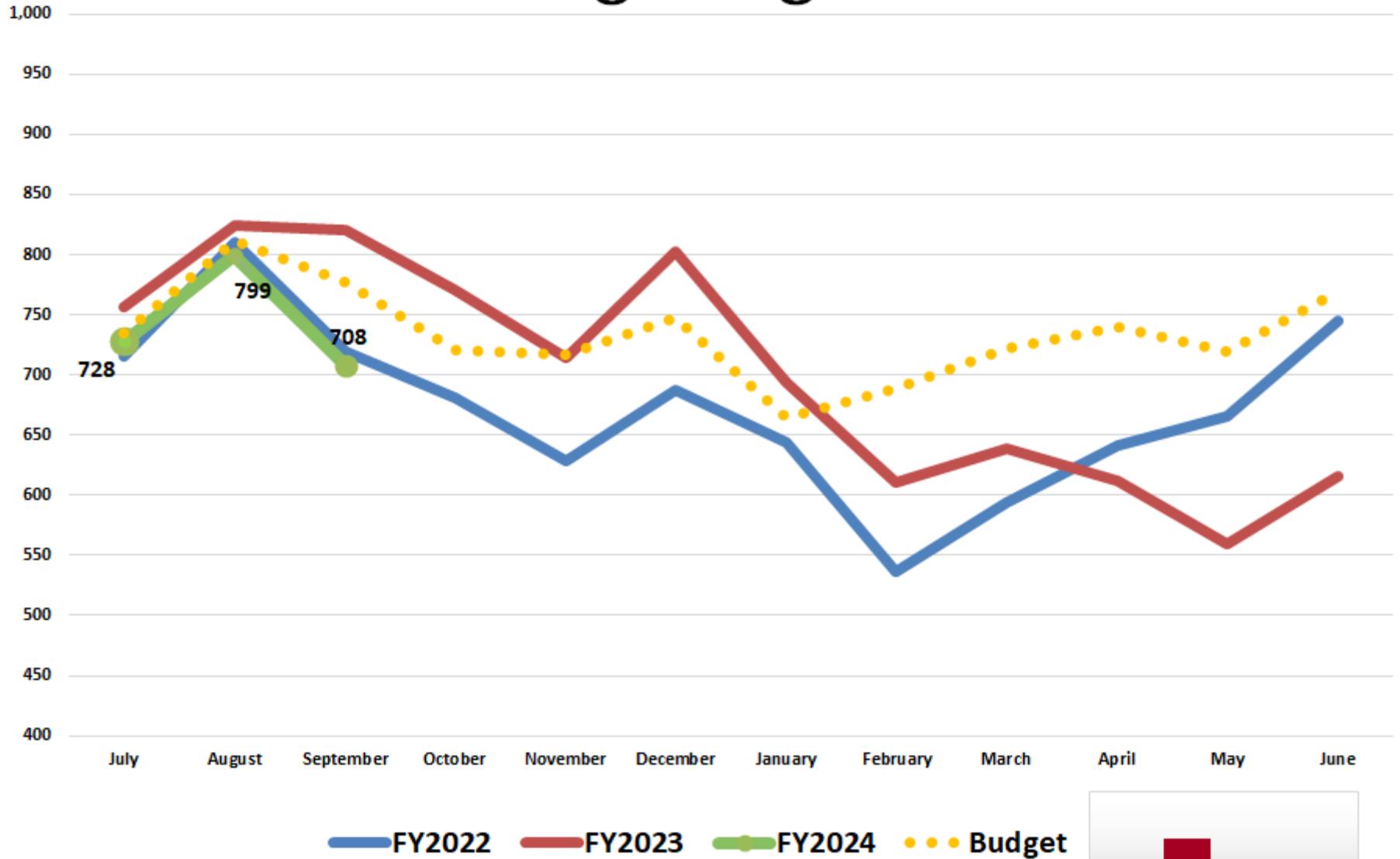
# Sequoia Cardiology - wRVU's



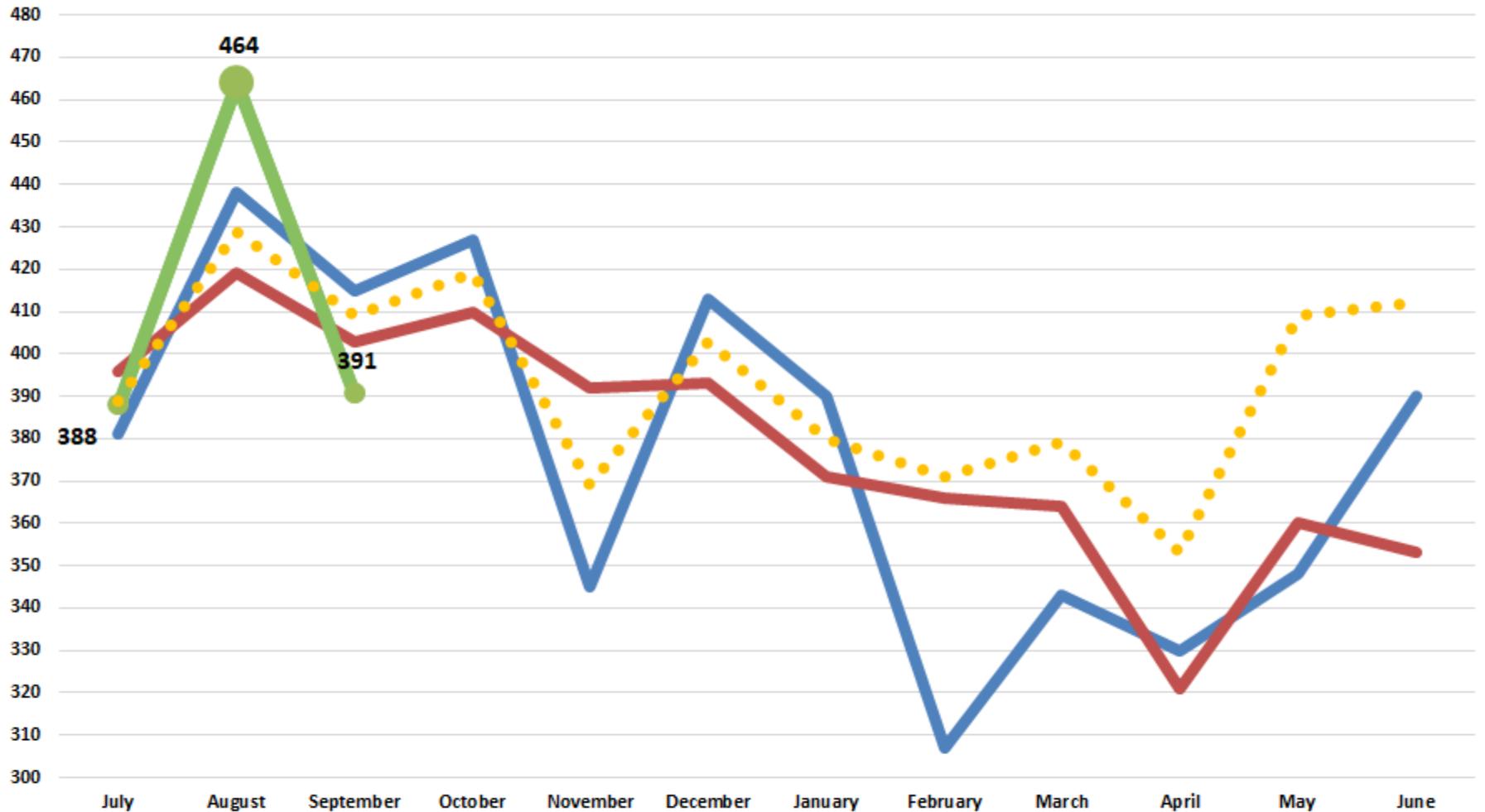
447/484



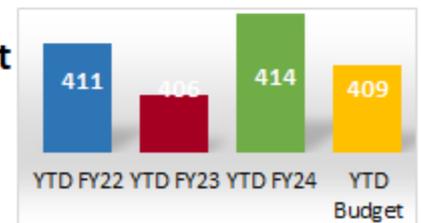
# Labor Triage Registrations



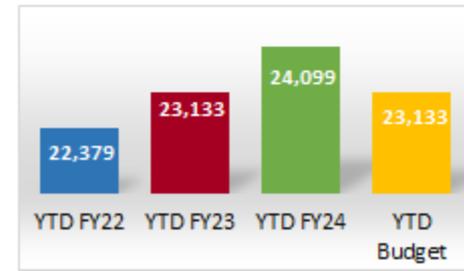
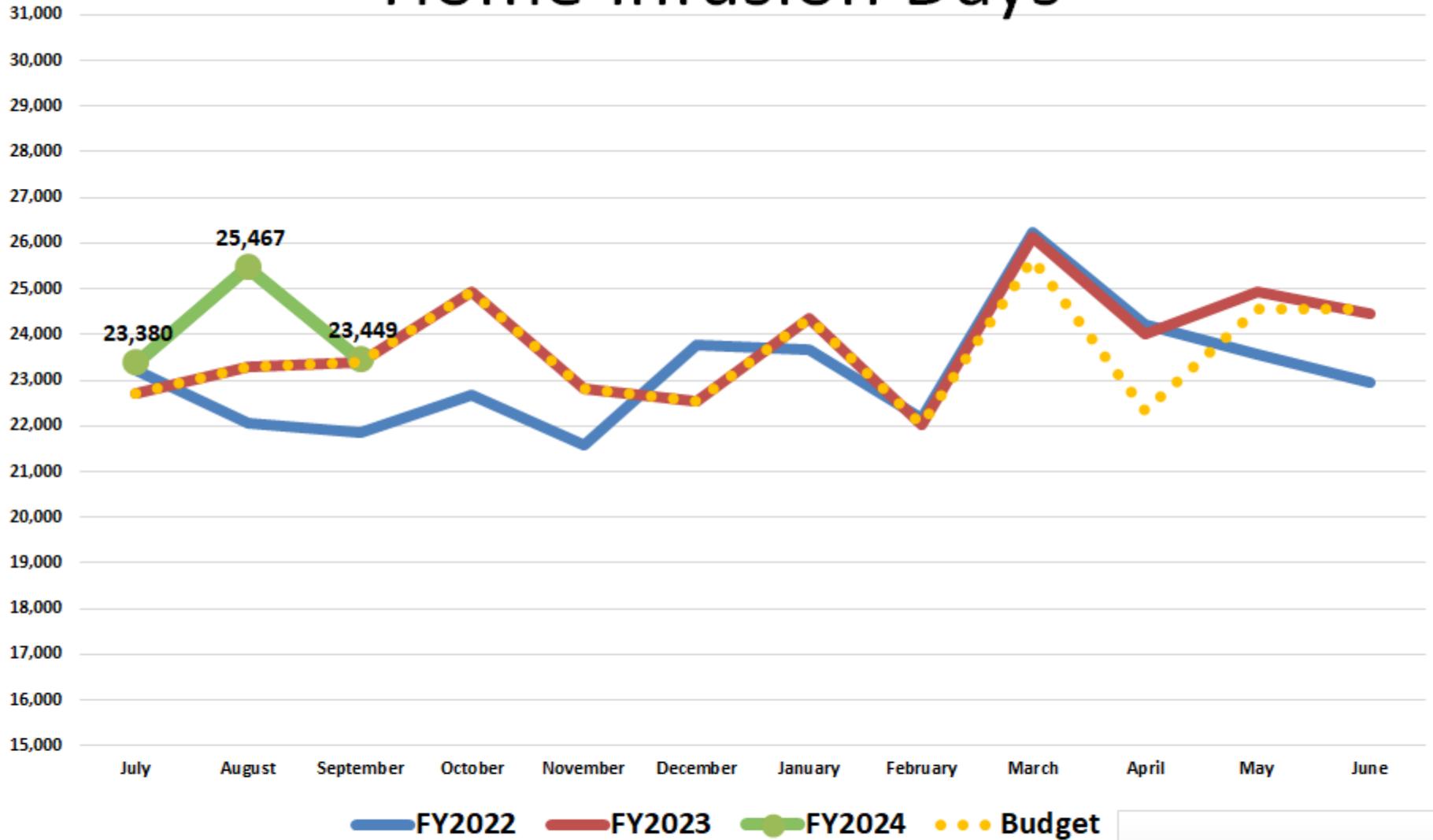
# Deliveries



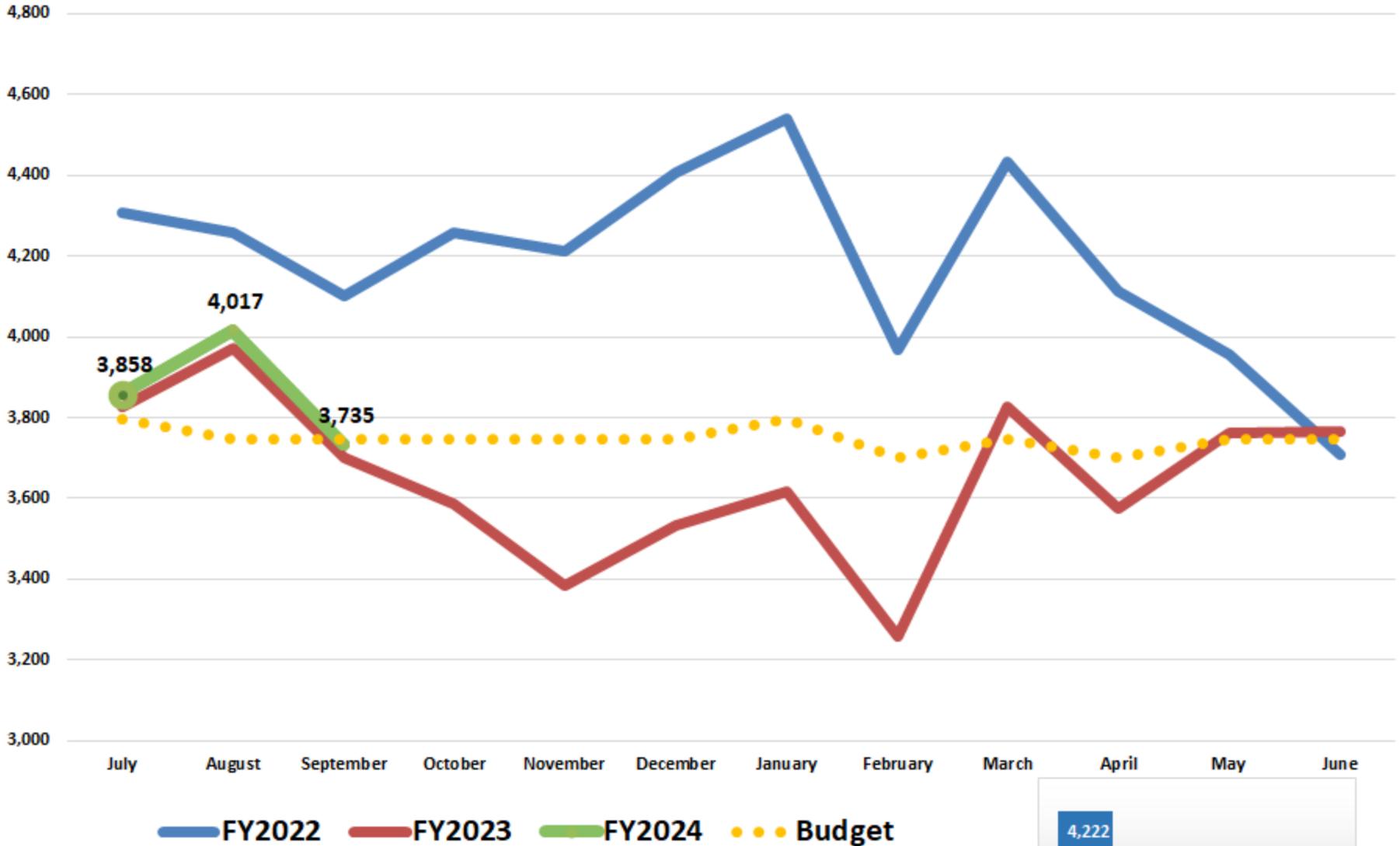
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



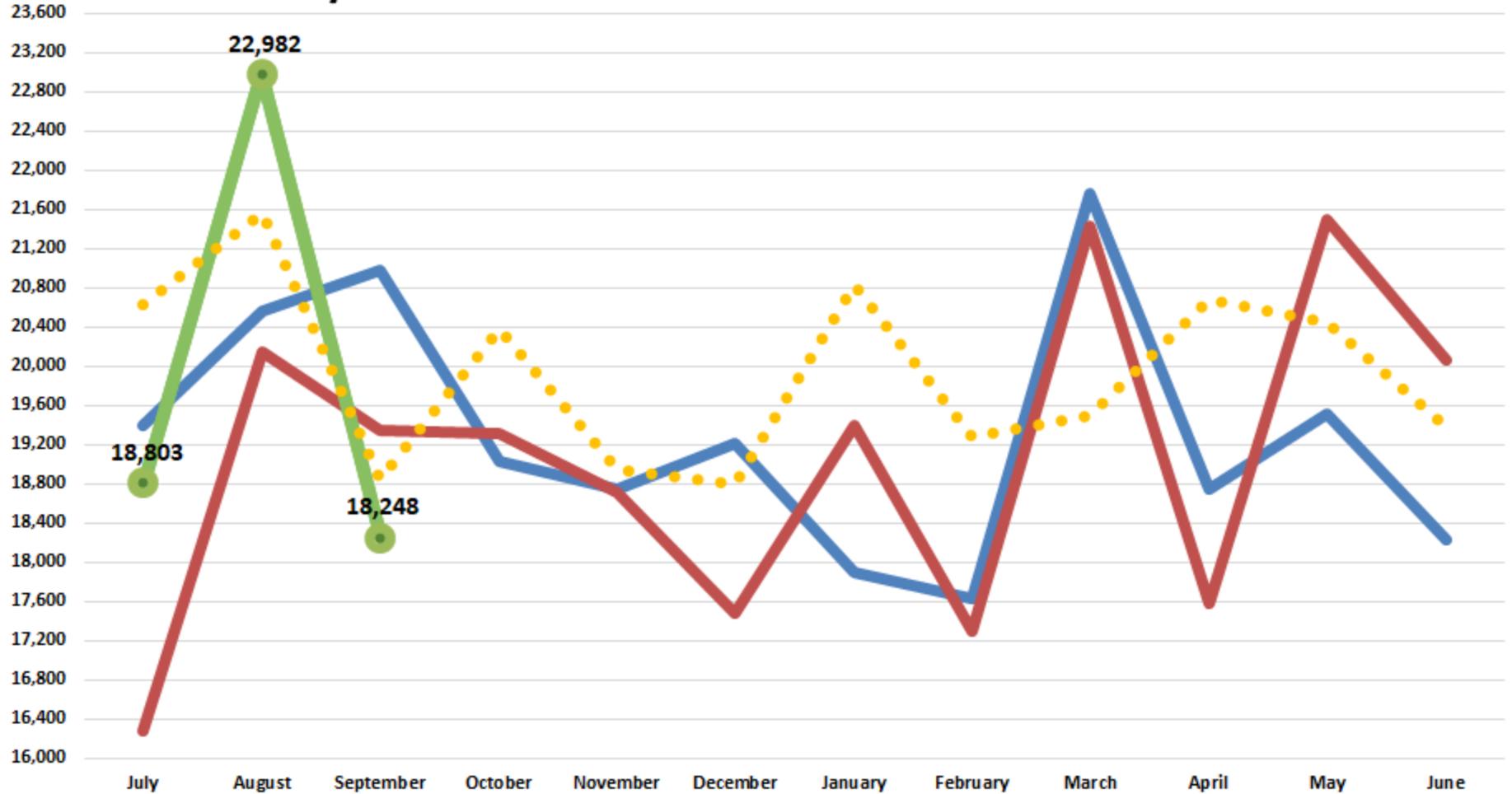
# Home Infusion Days



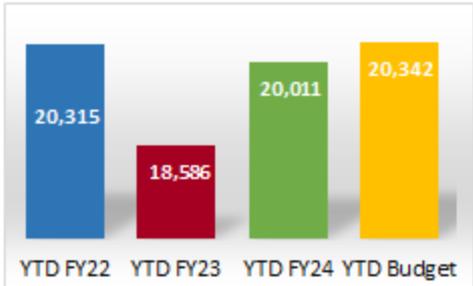
# Hospice Days



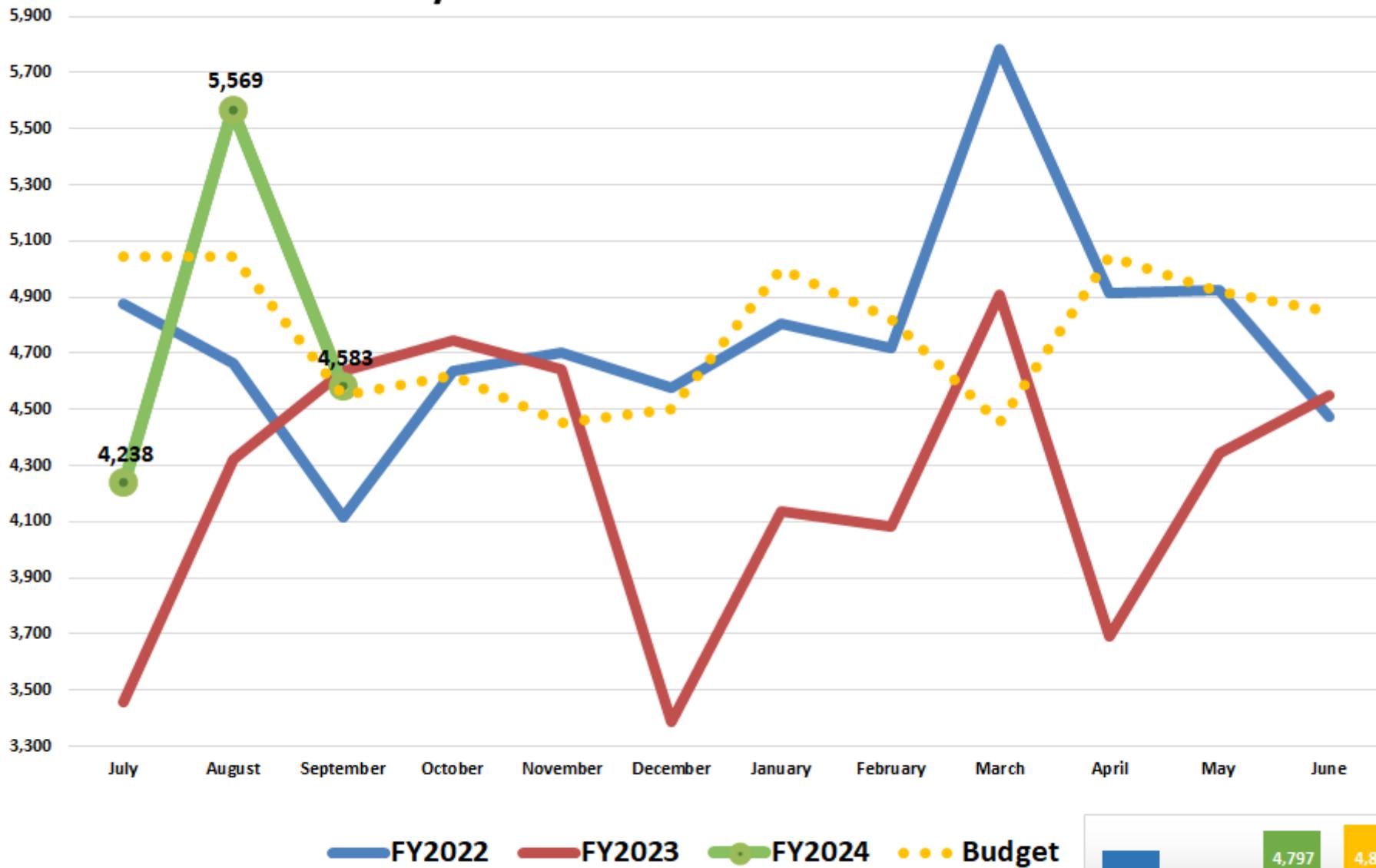
# All O/P Rehab Svcs Across District



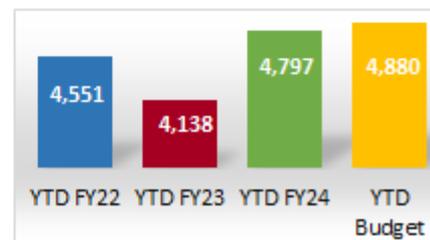
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



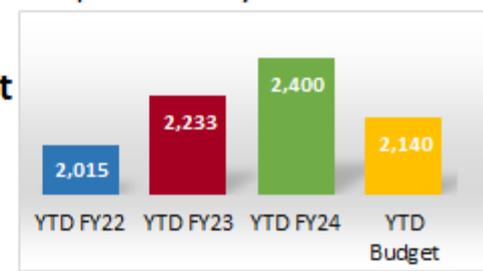
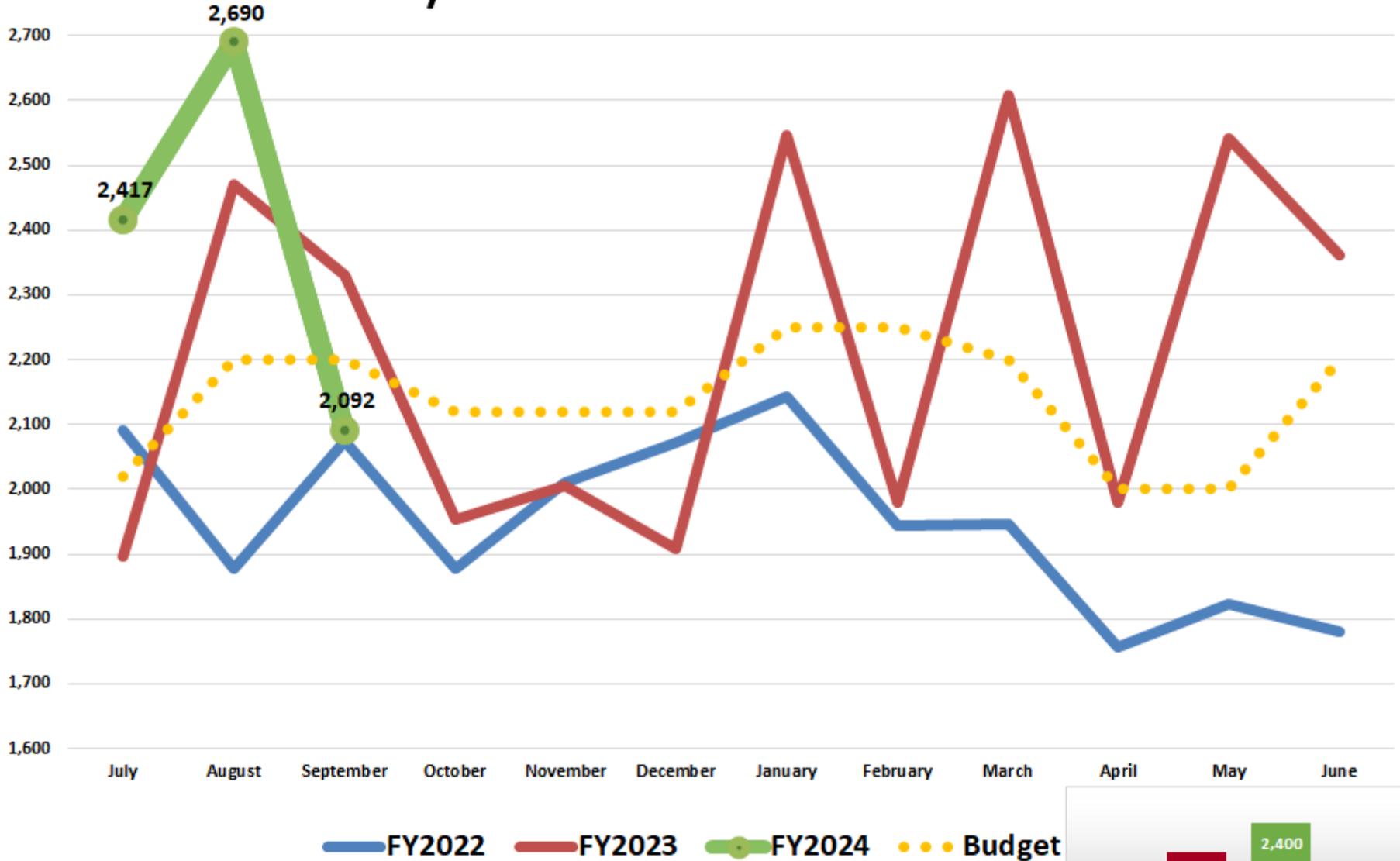
# O/P Rehab Services



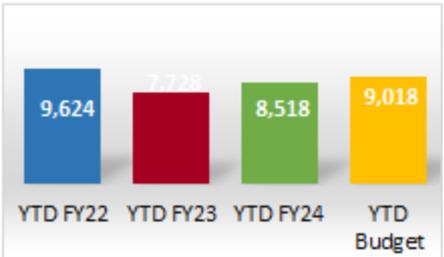
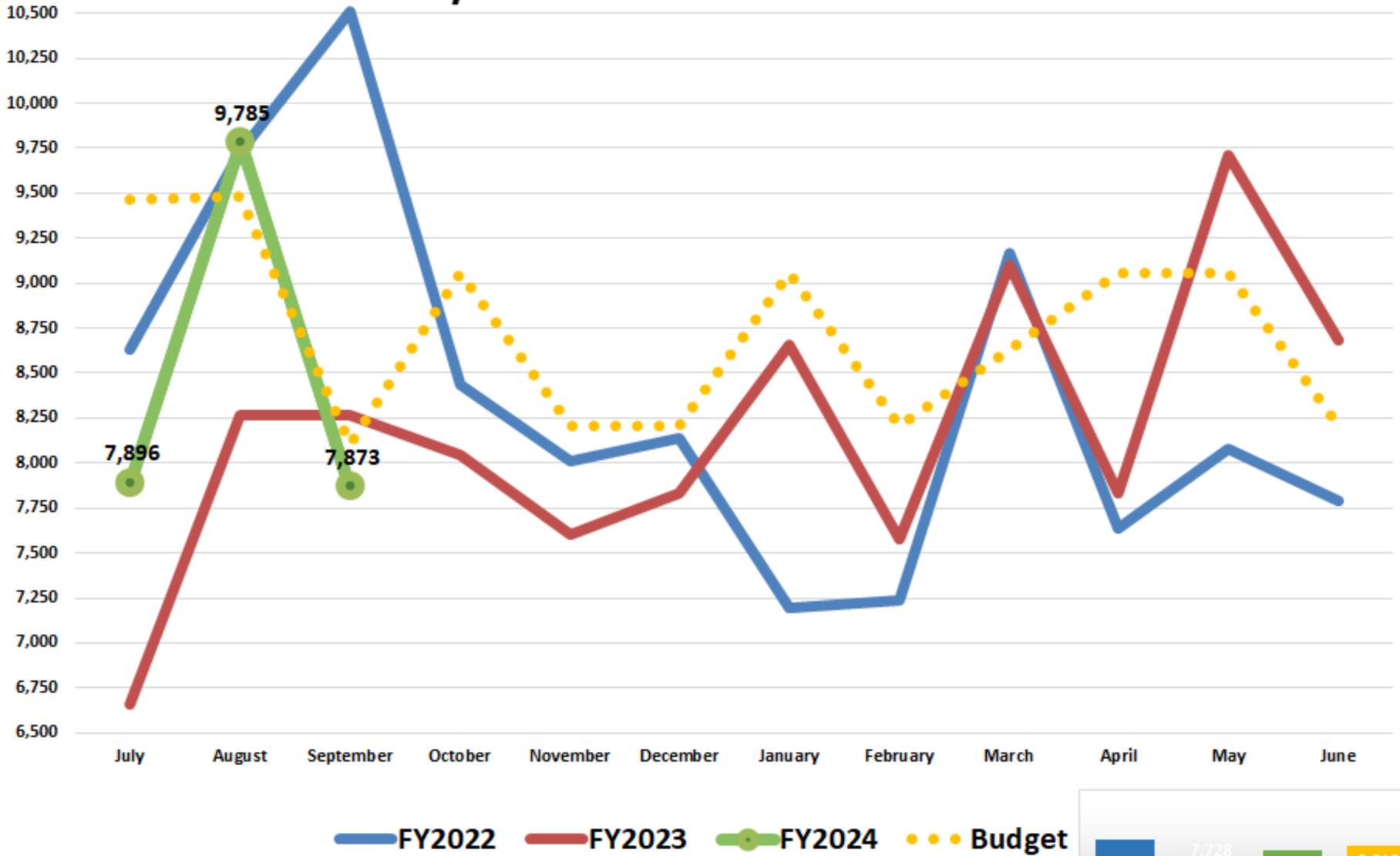
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



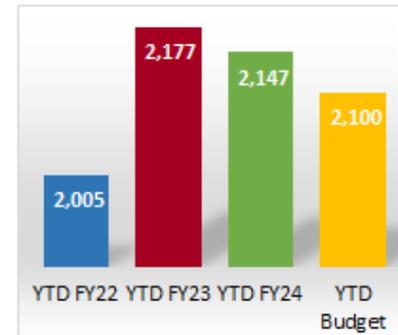
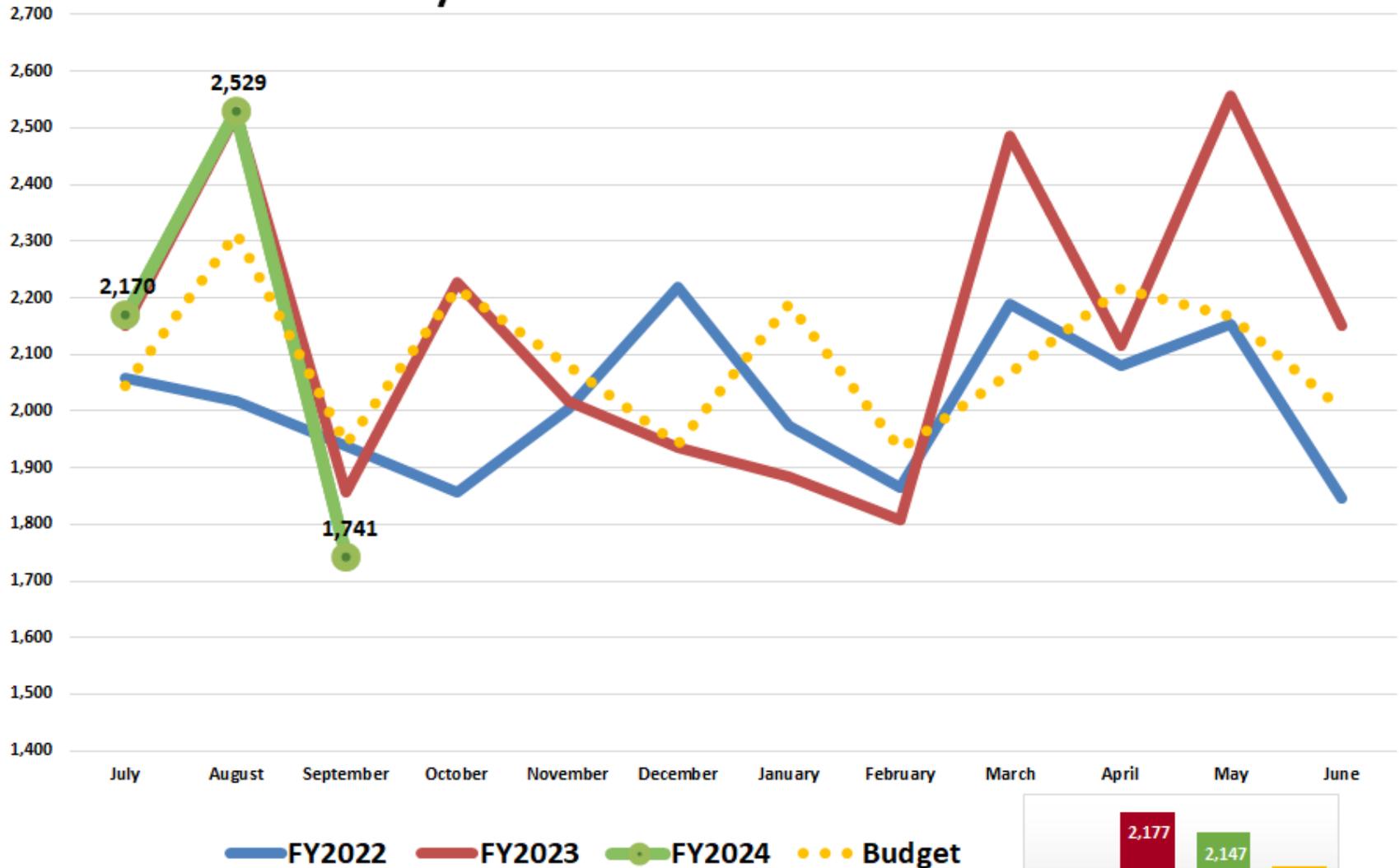
# O/P Rehab - Exeter



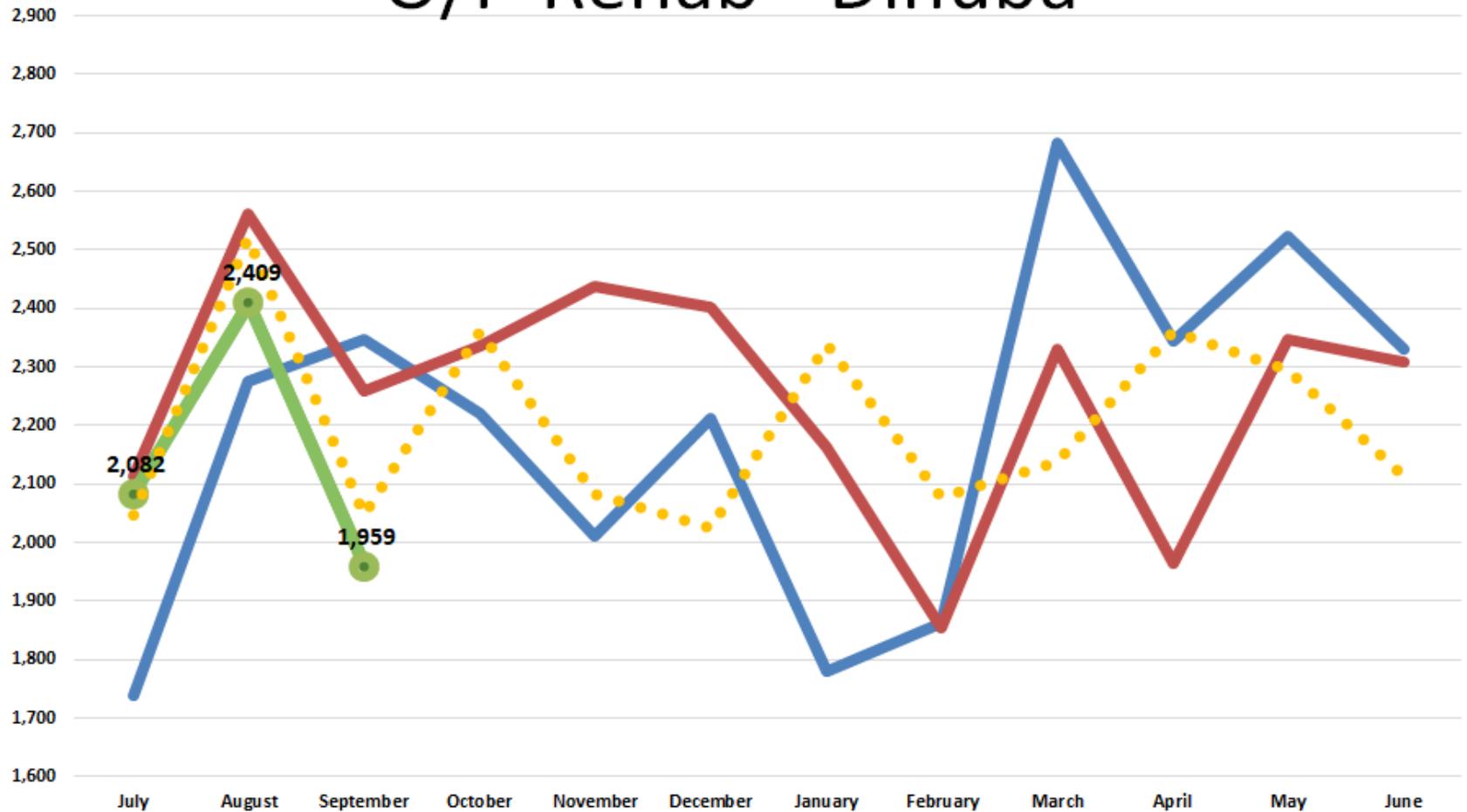
# O/P Rehab - Akers



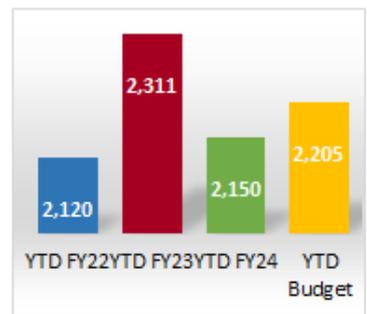
# O/P Rehab - LLOPT



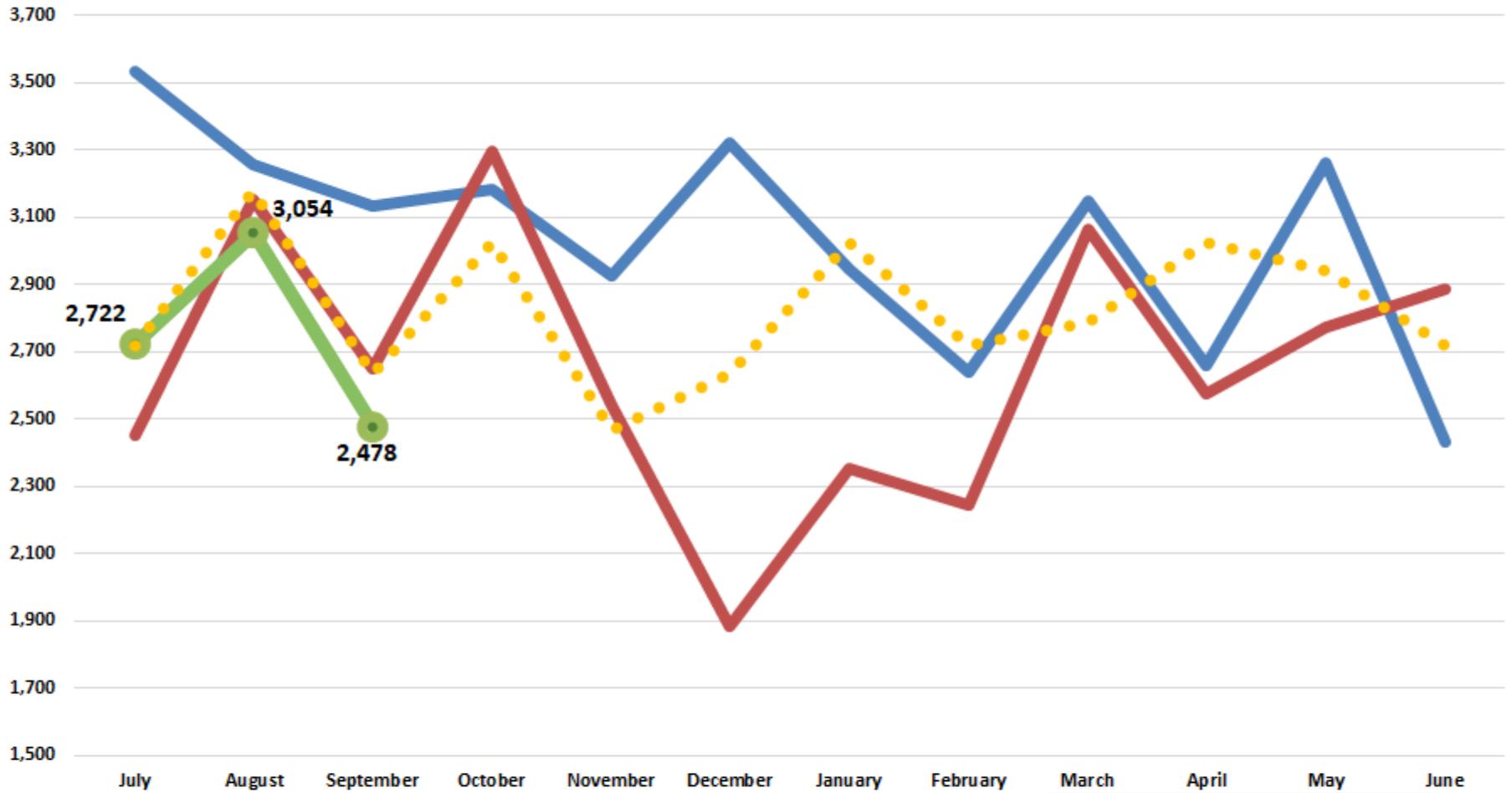
# O/P Rehab - Dinuba



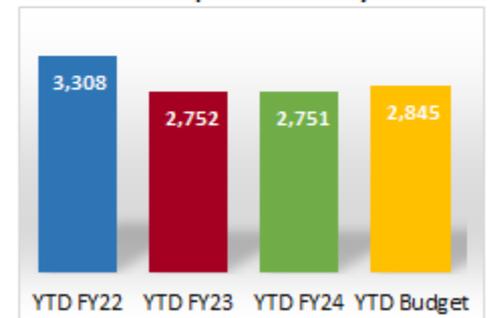
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



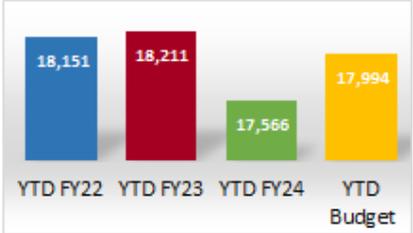
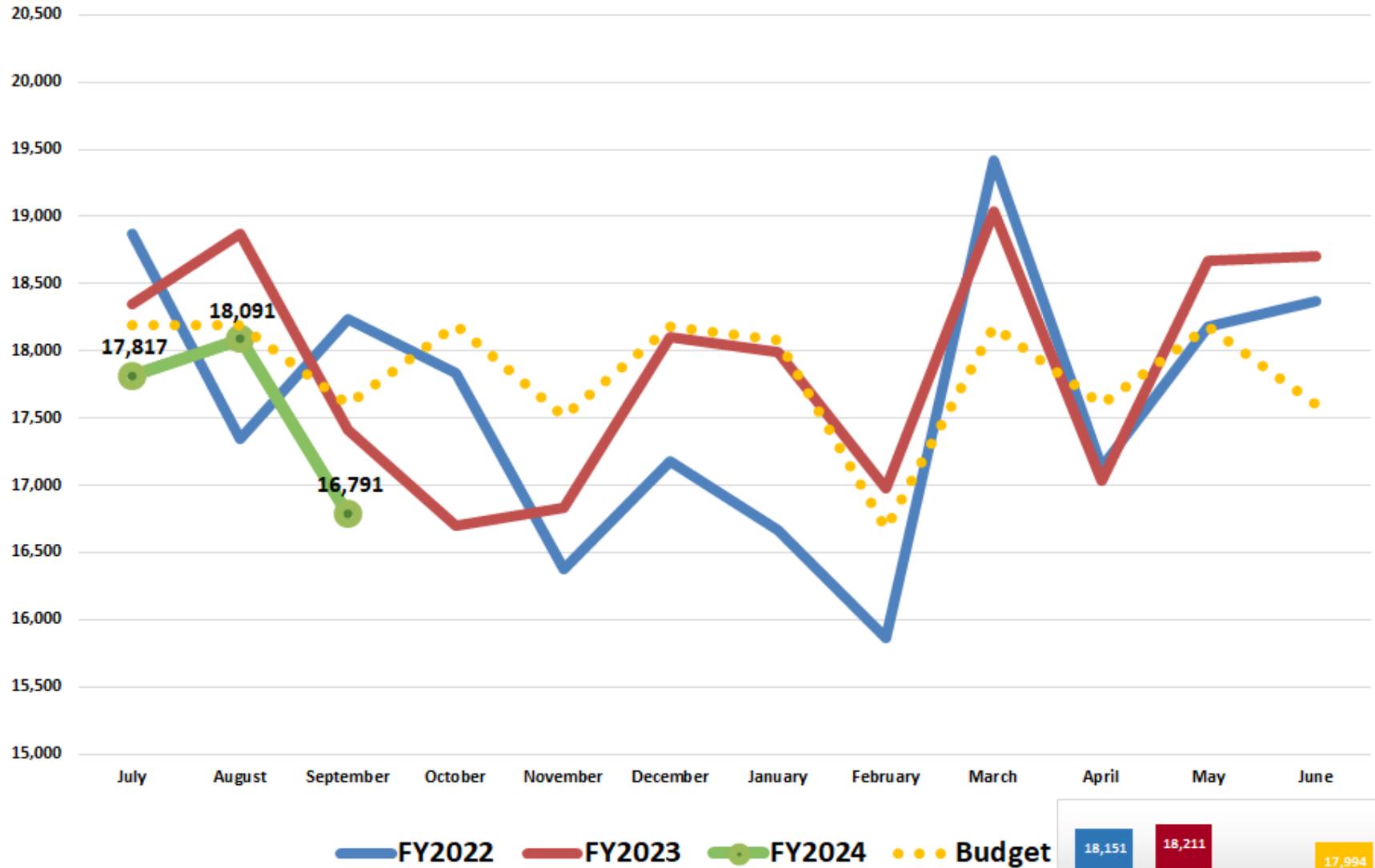
# Therapy - Cypress Hand Center



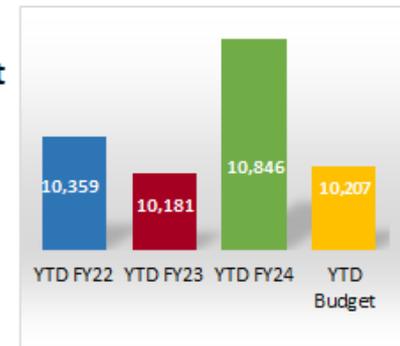
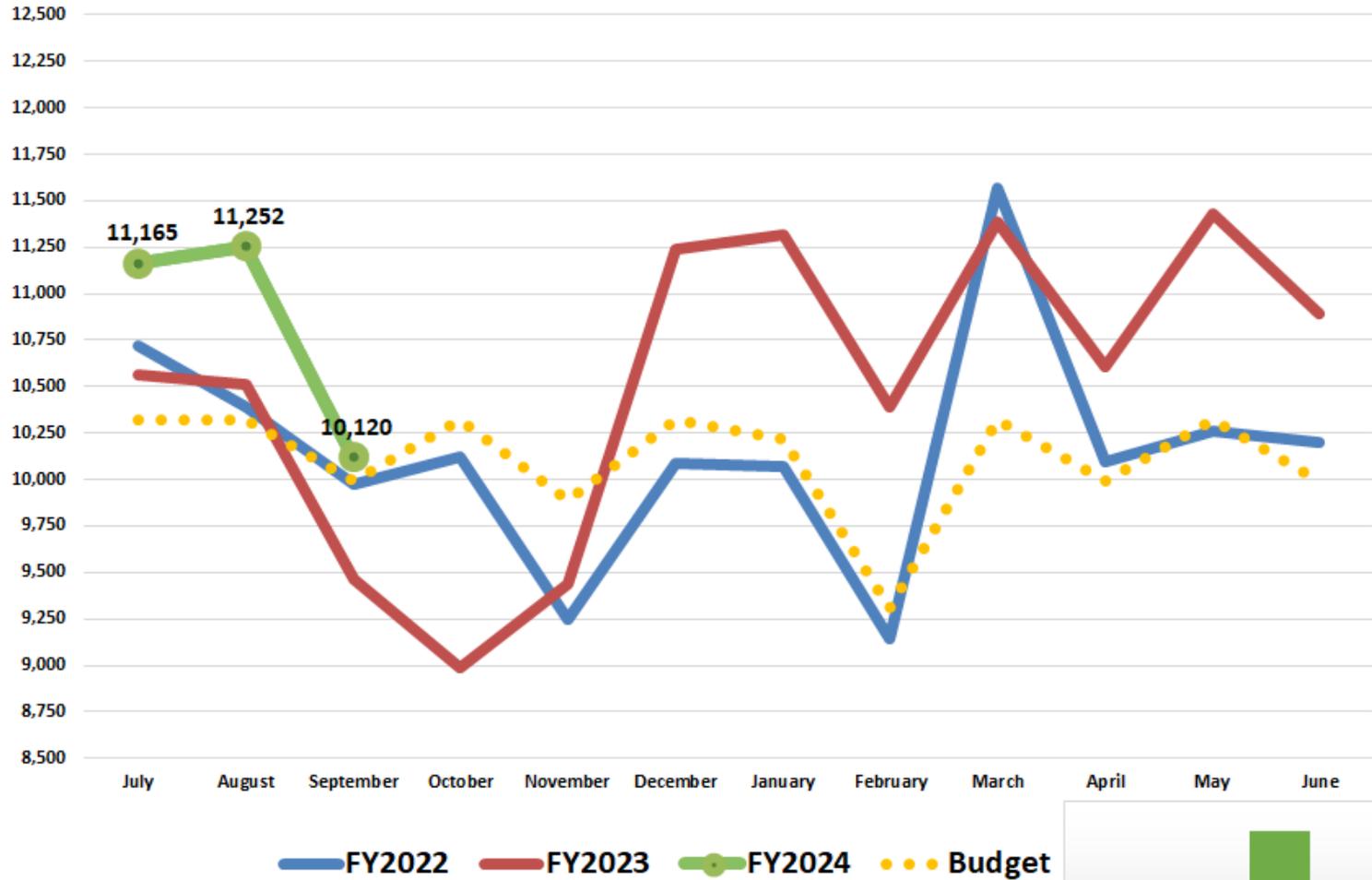
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



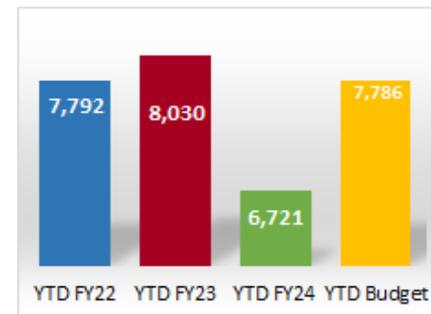
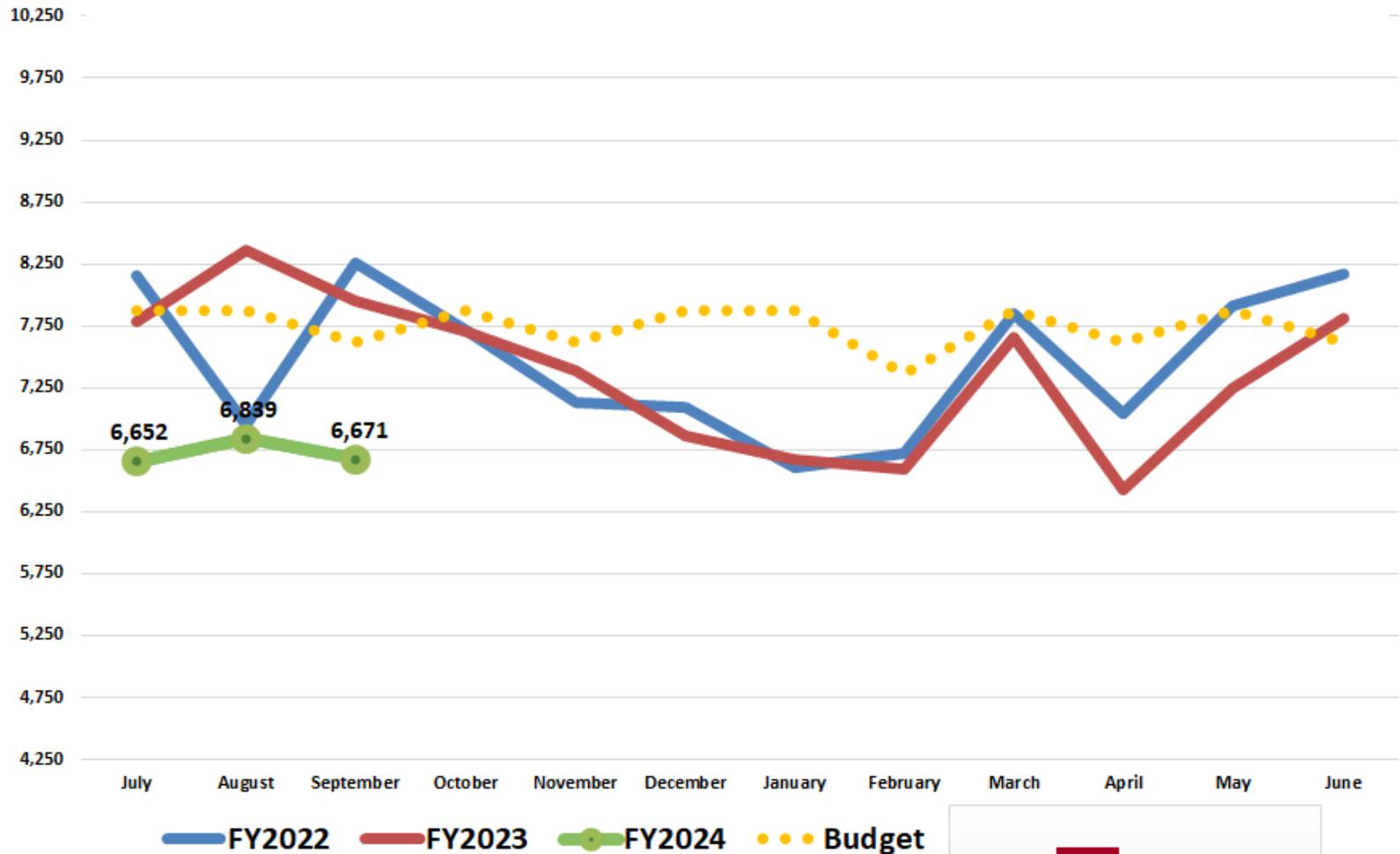
# Physical & Other Therapy Units (I/P & O/P)



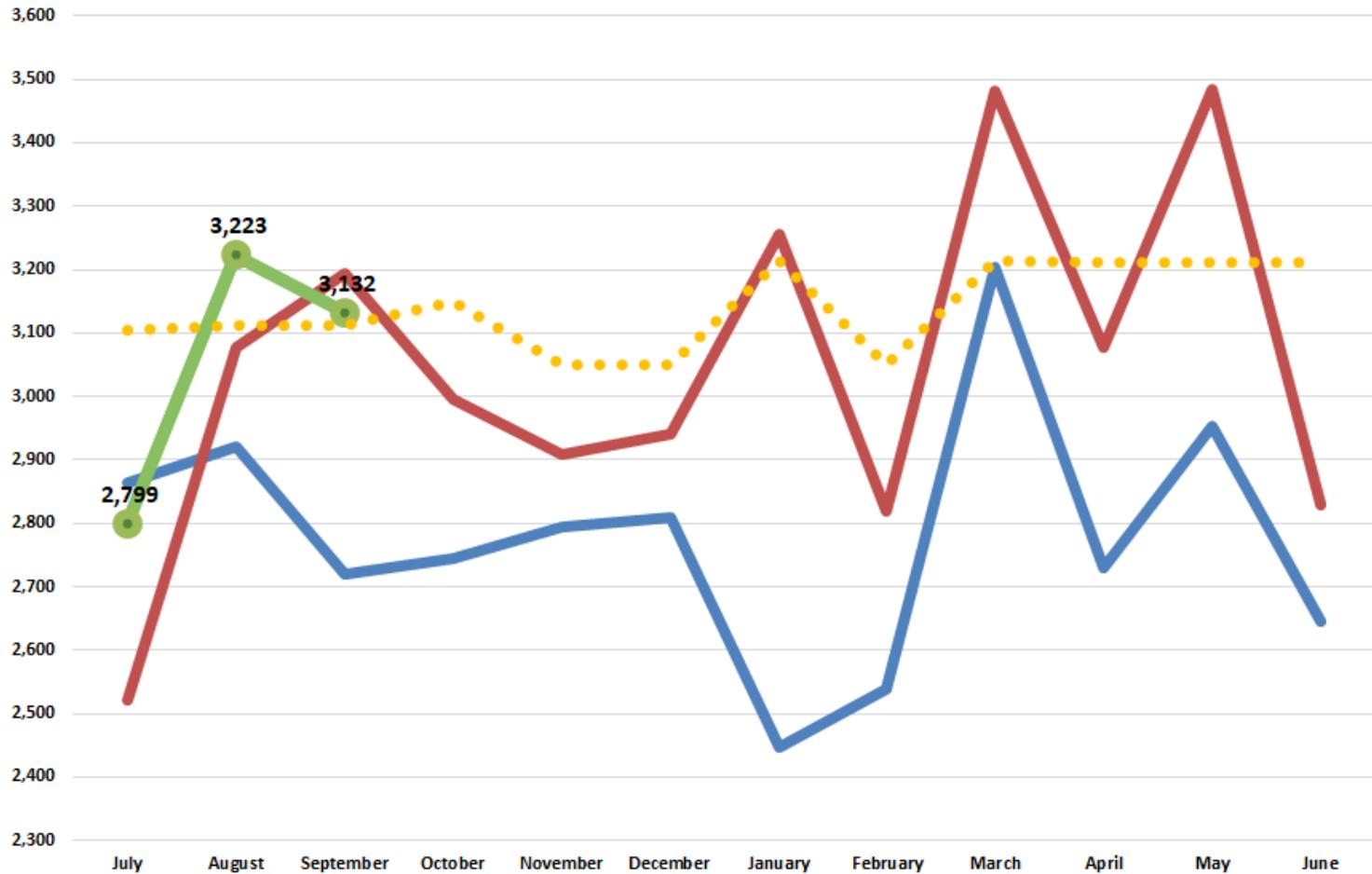
# Physical & Other Therapy Units (I/P & O/P)-Main Campus



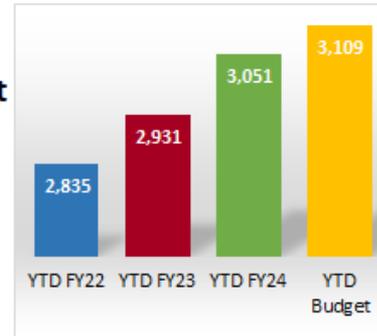
# Physical & Other Therapy Units (I/P & O/P)- KDRH & South Campus



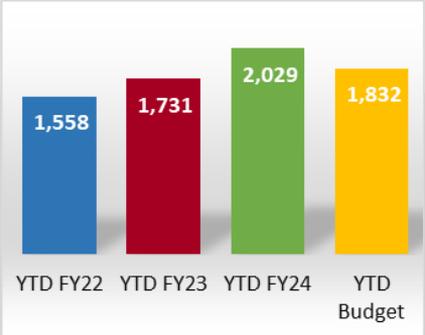
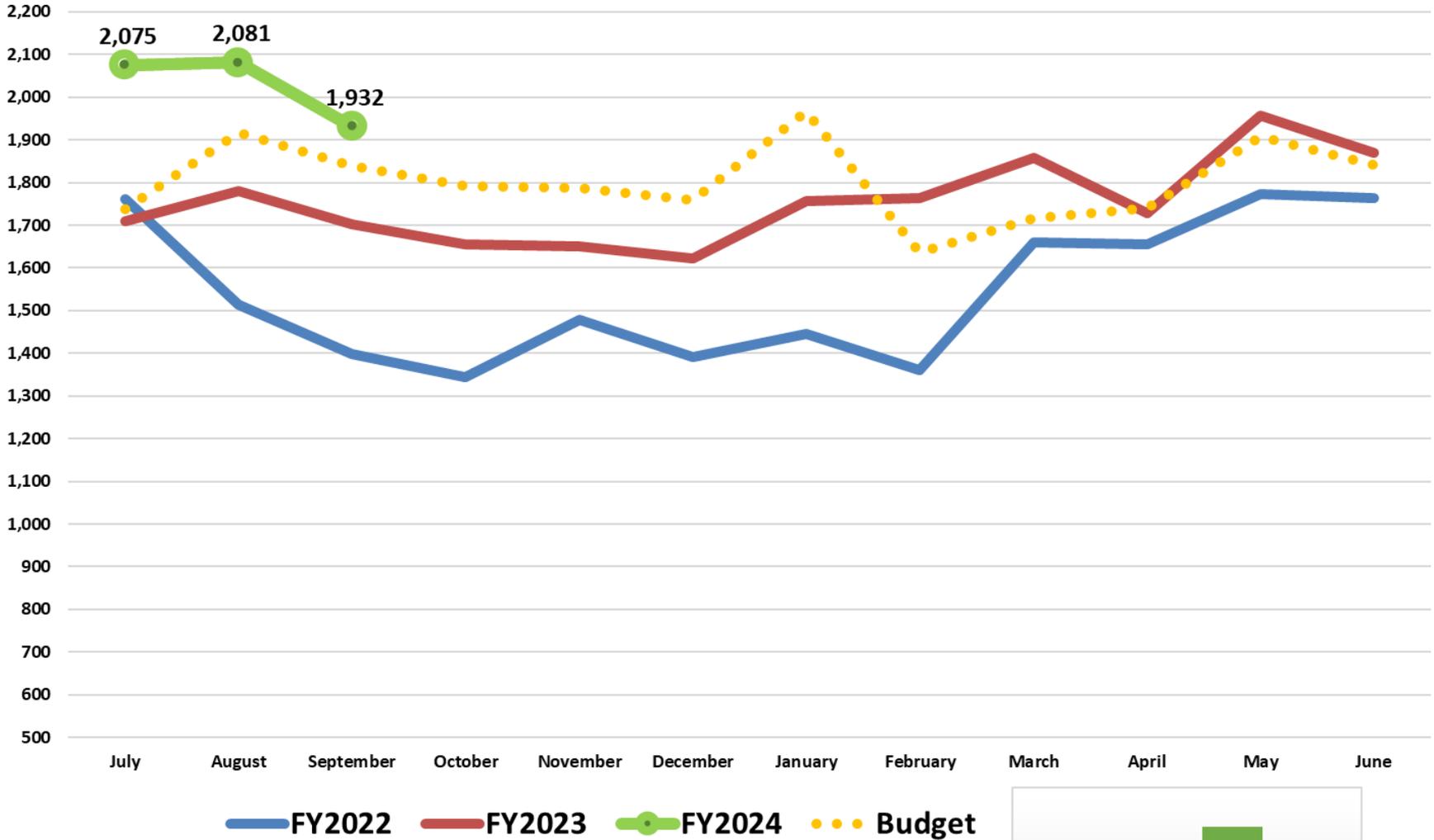
# Home Health Visits



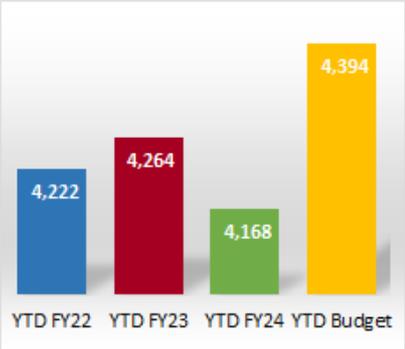
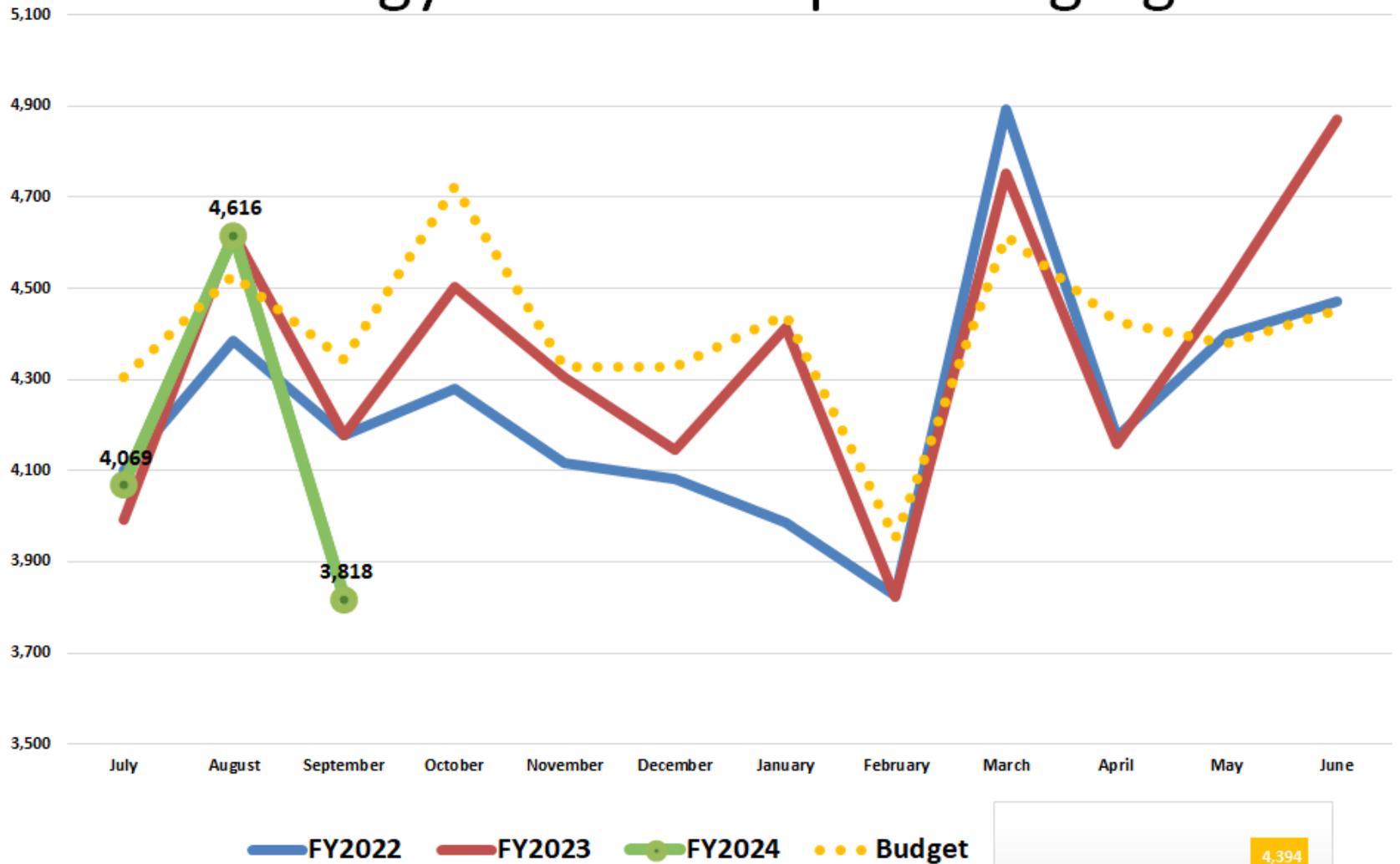
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



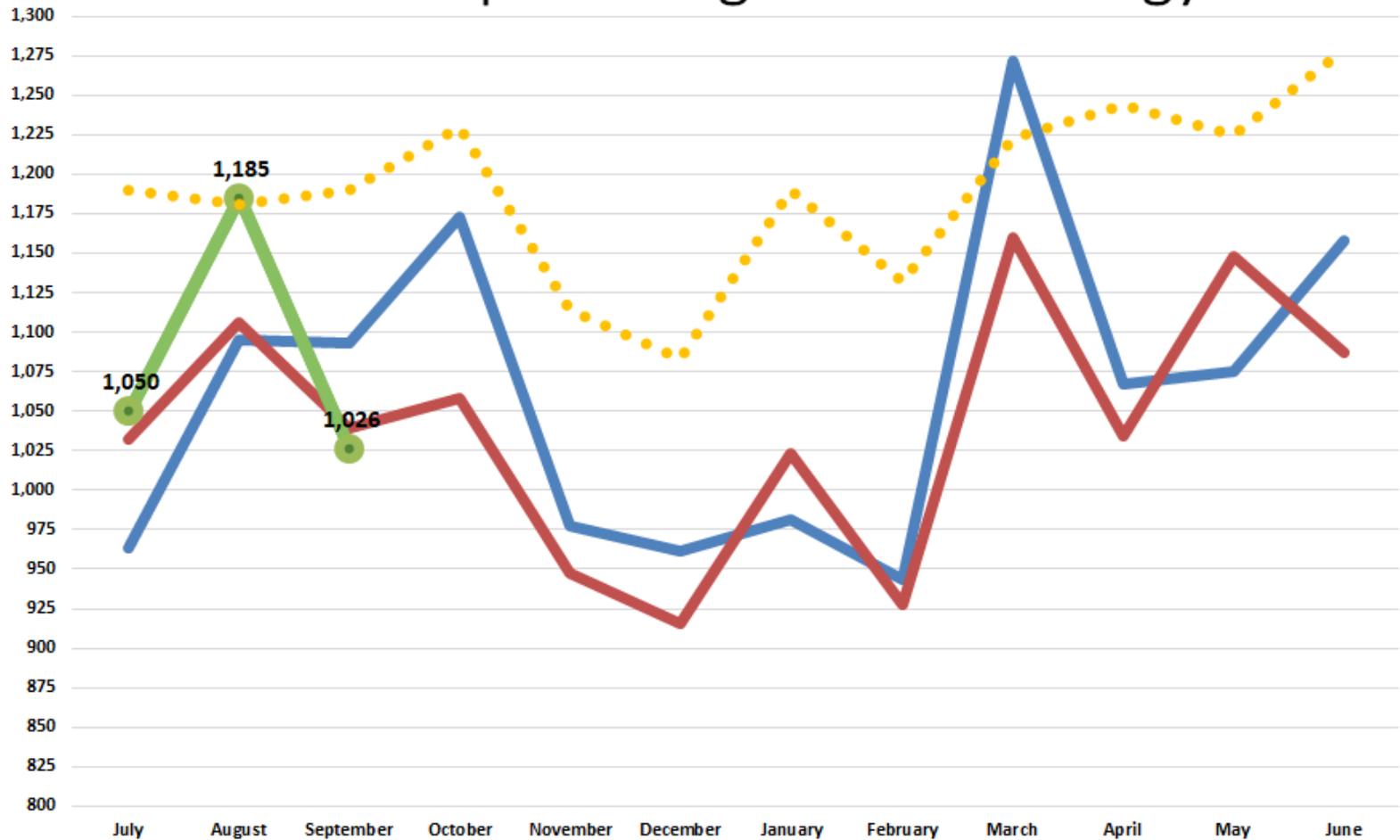
# Radiology - Ultrasound - Main Campus



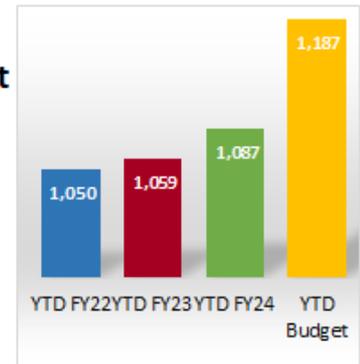
# Radiology - West Campus Imaging



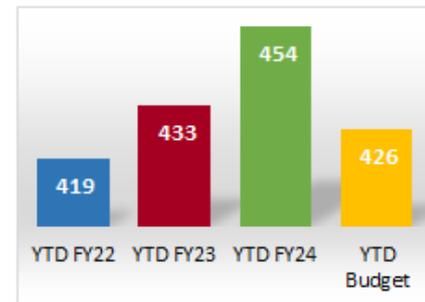
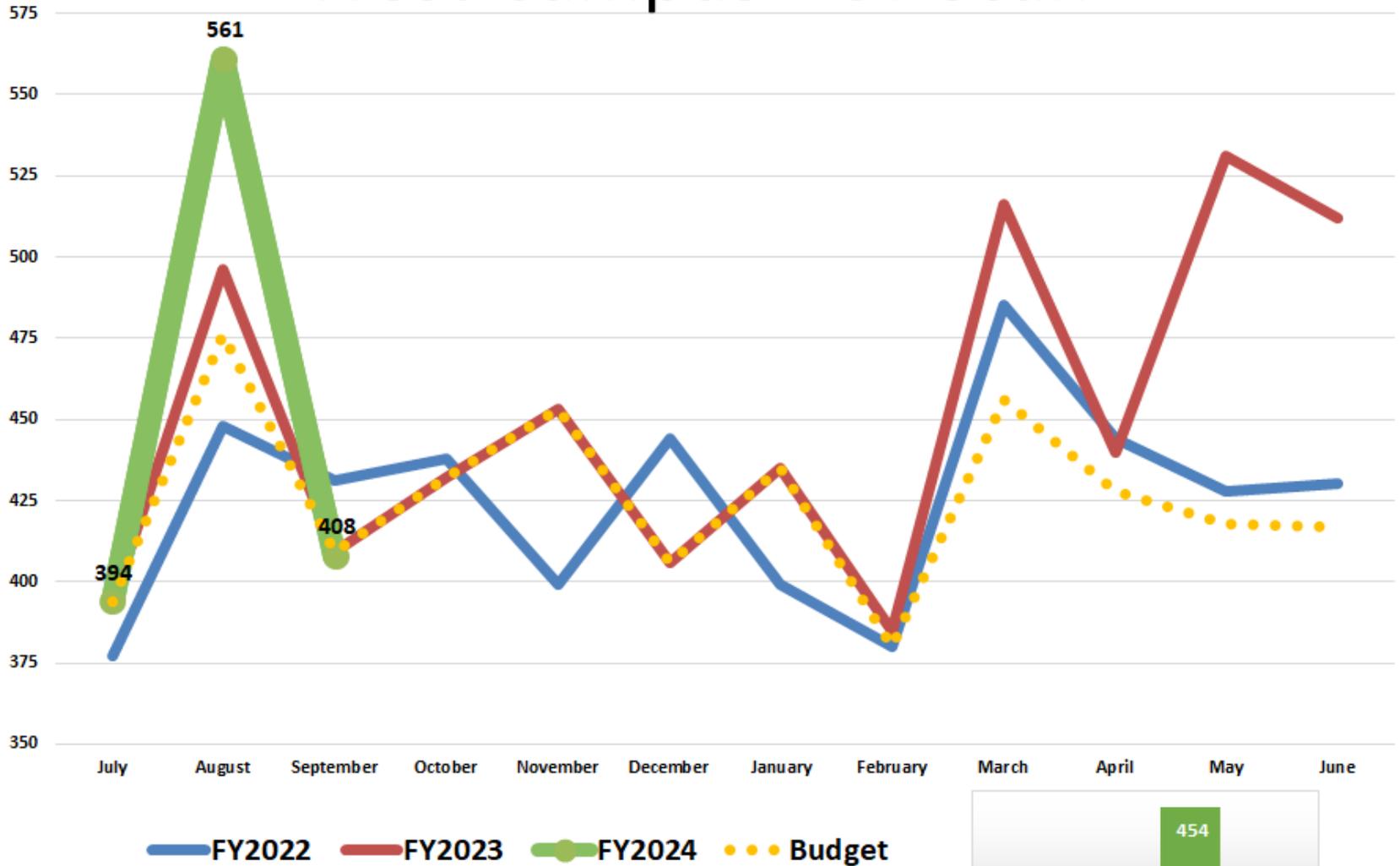
# West Campus - Diagnostic Radiology



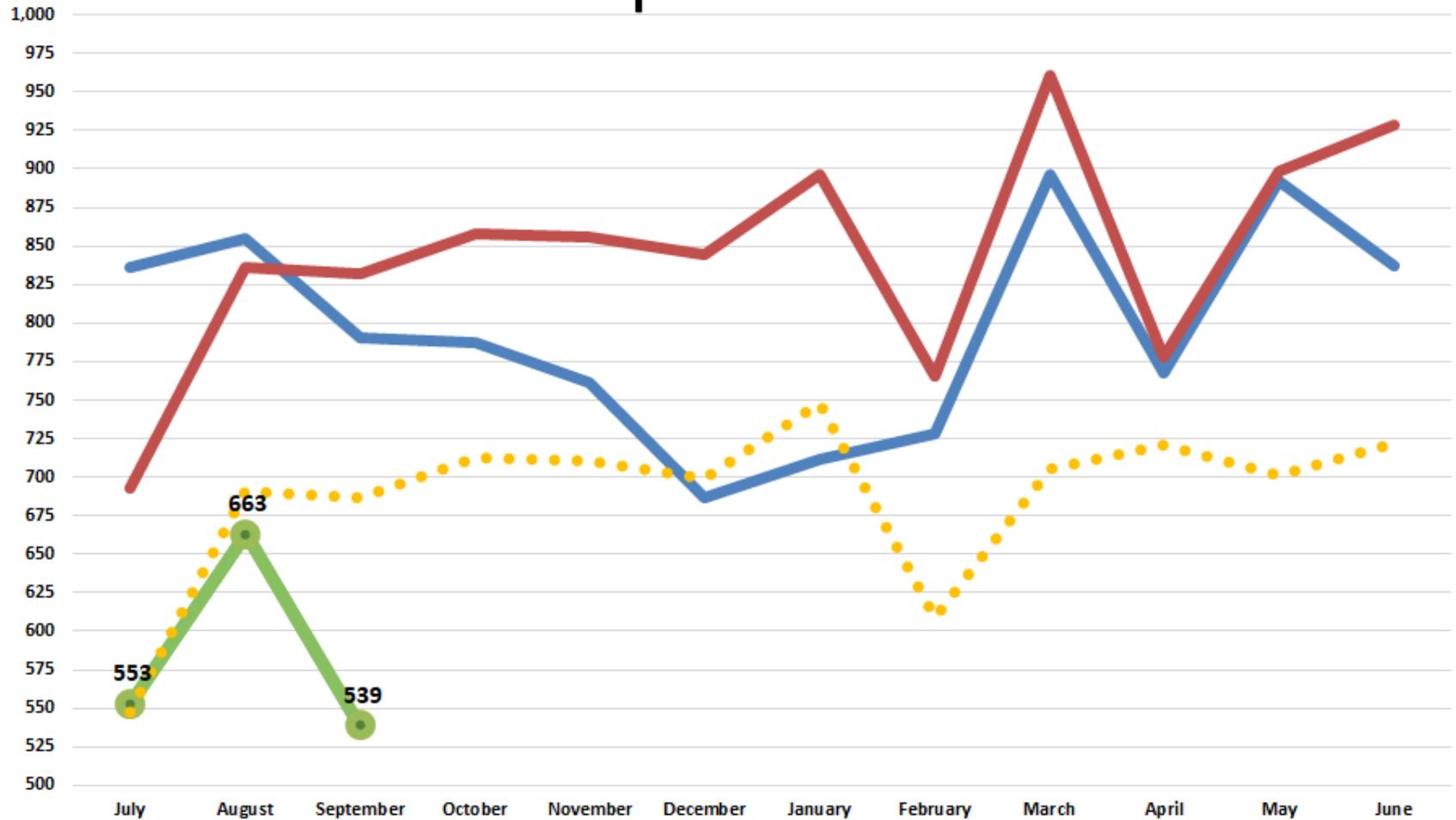
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



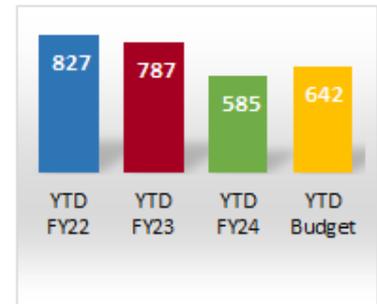
# West Campus - CT Scan



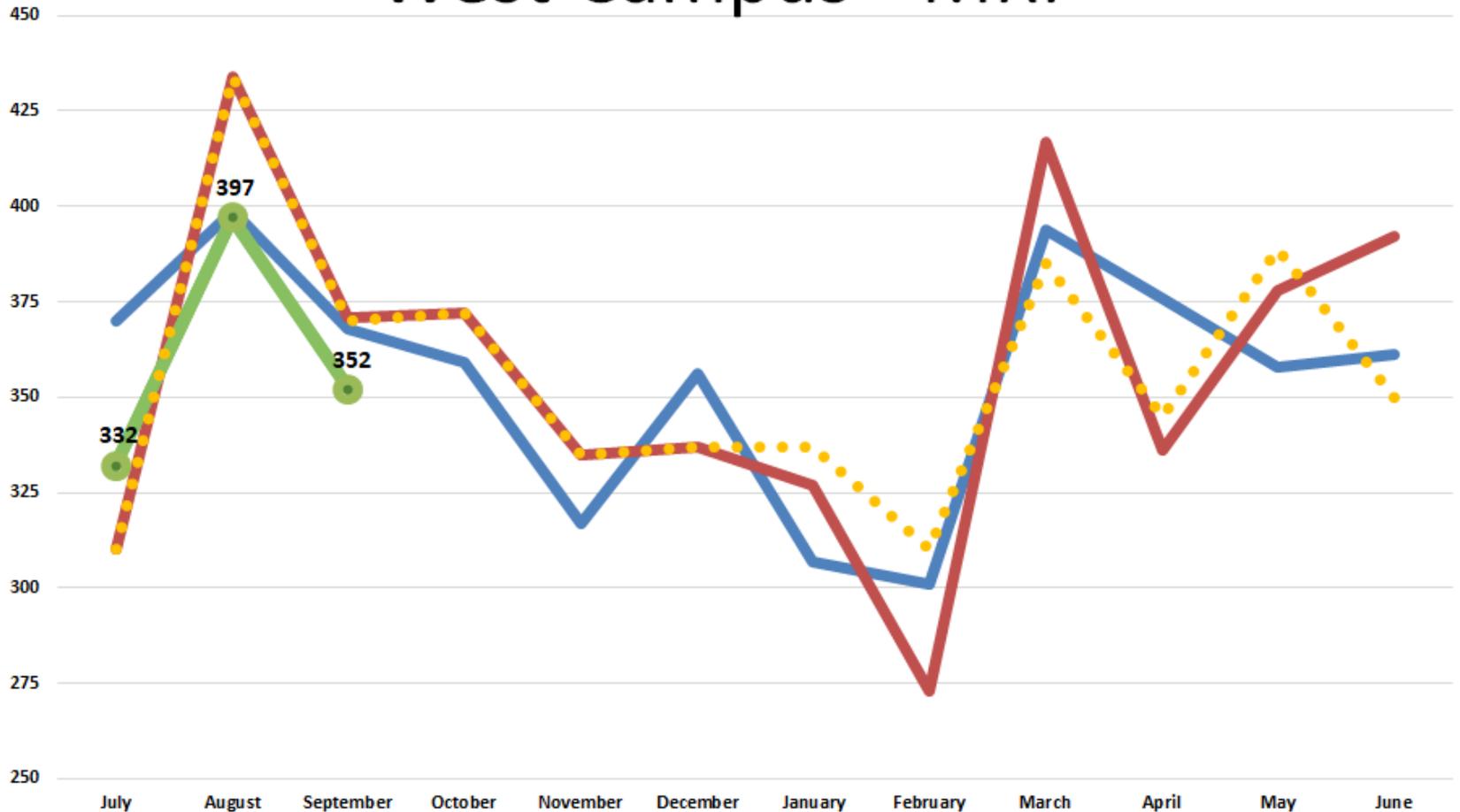
# West Campus - Ultrasound



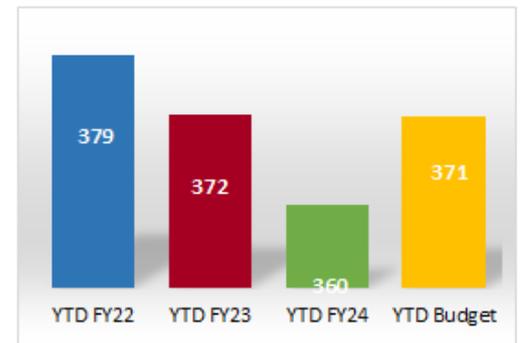
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



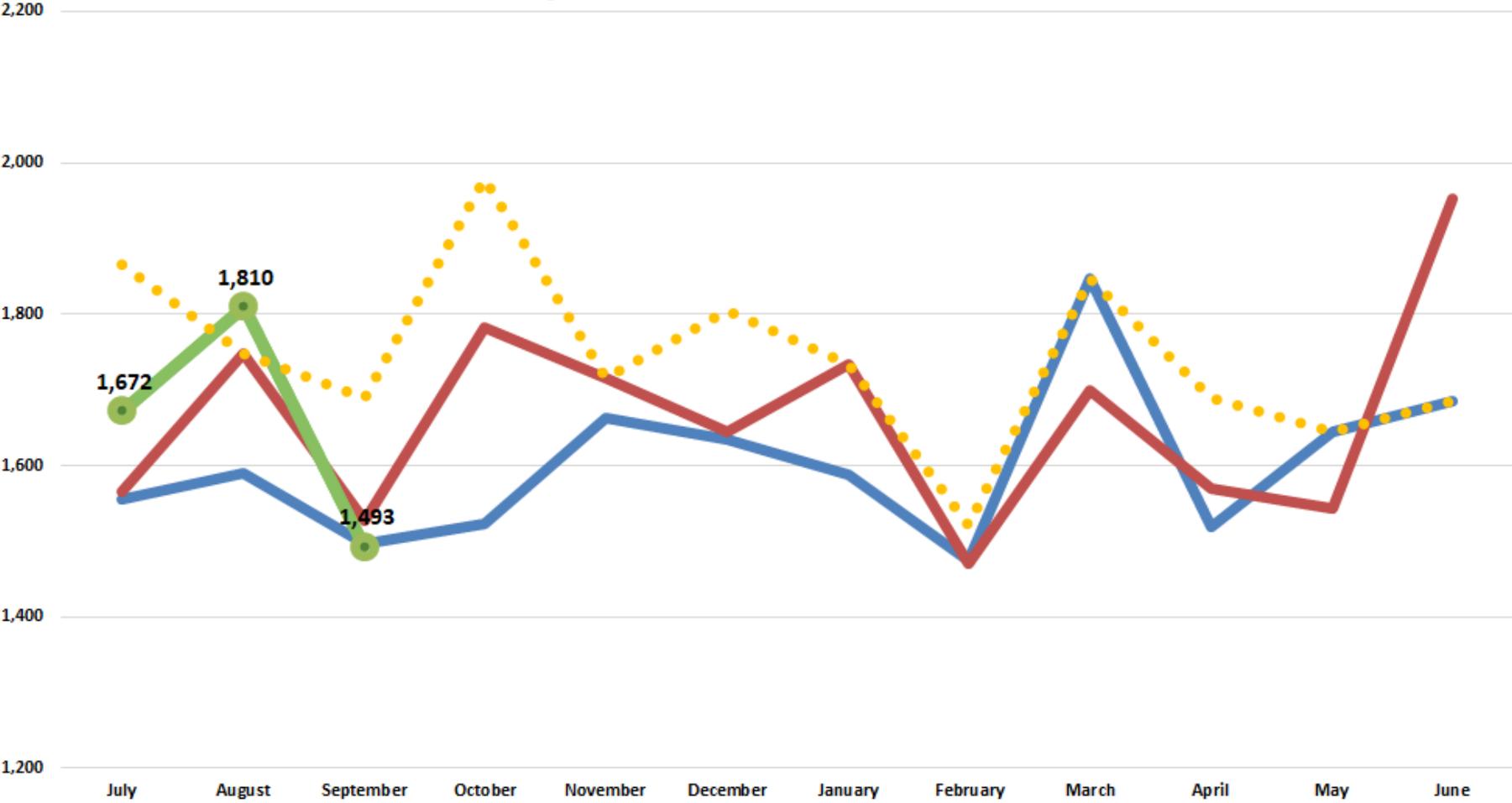
# West Campus - MRI



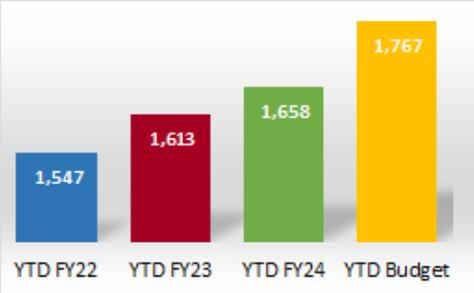
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



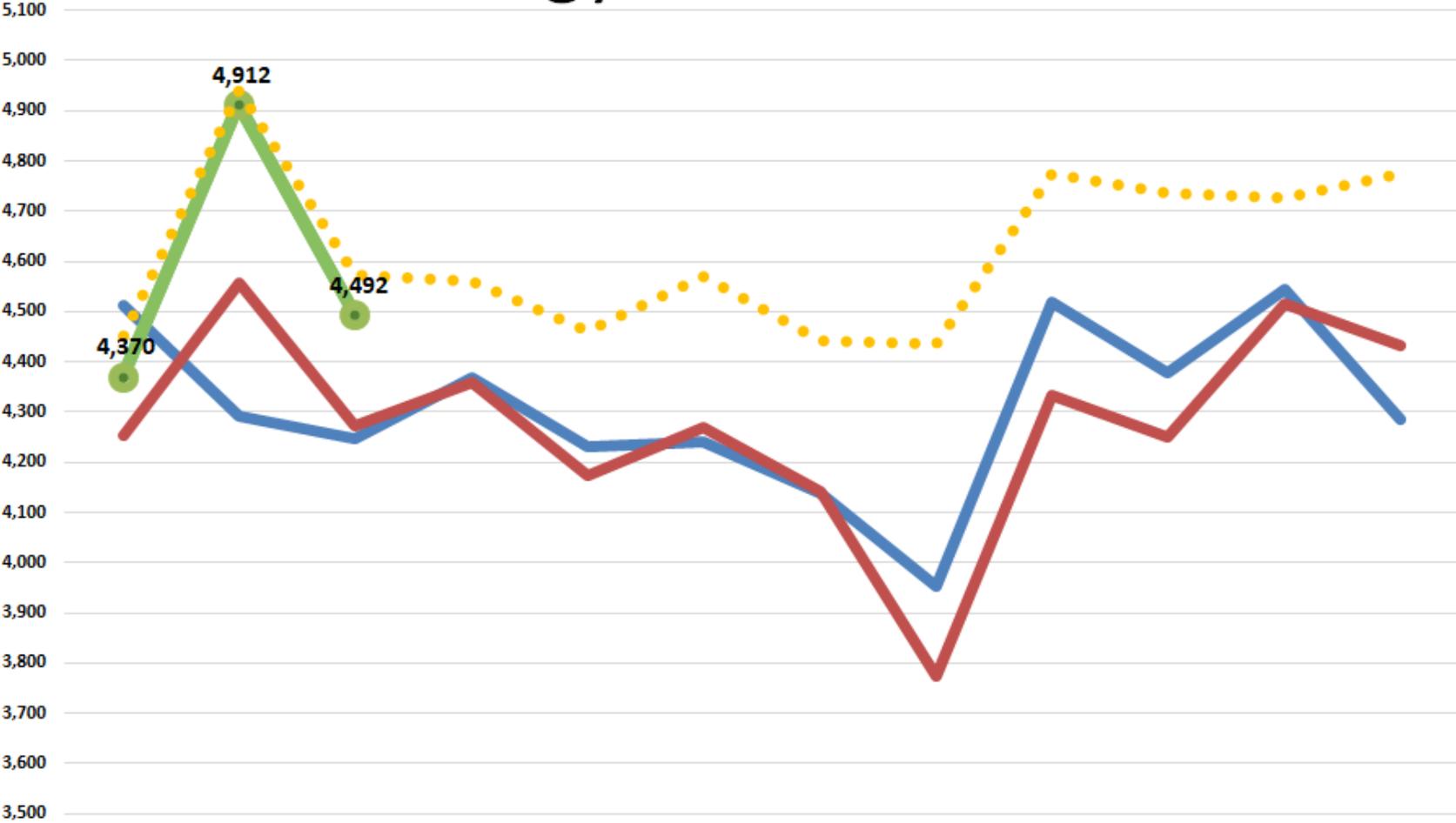
# West Campus - Breast Center



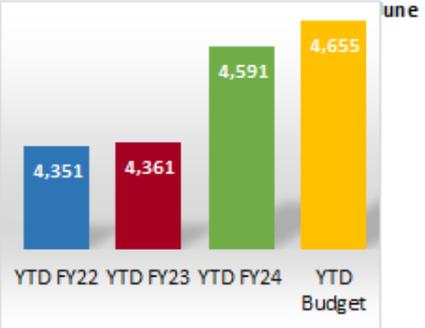
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



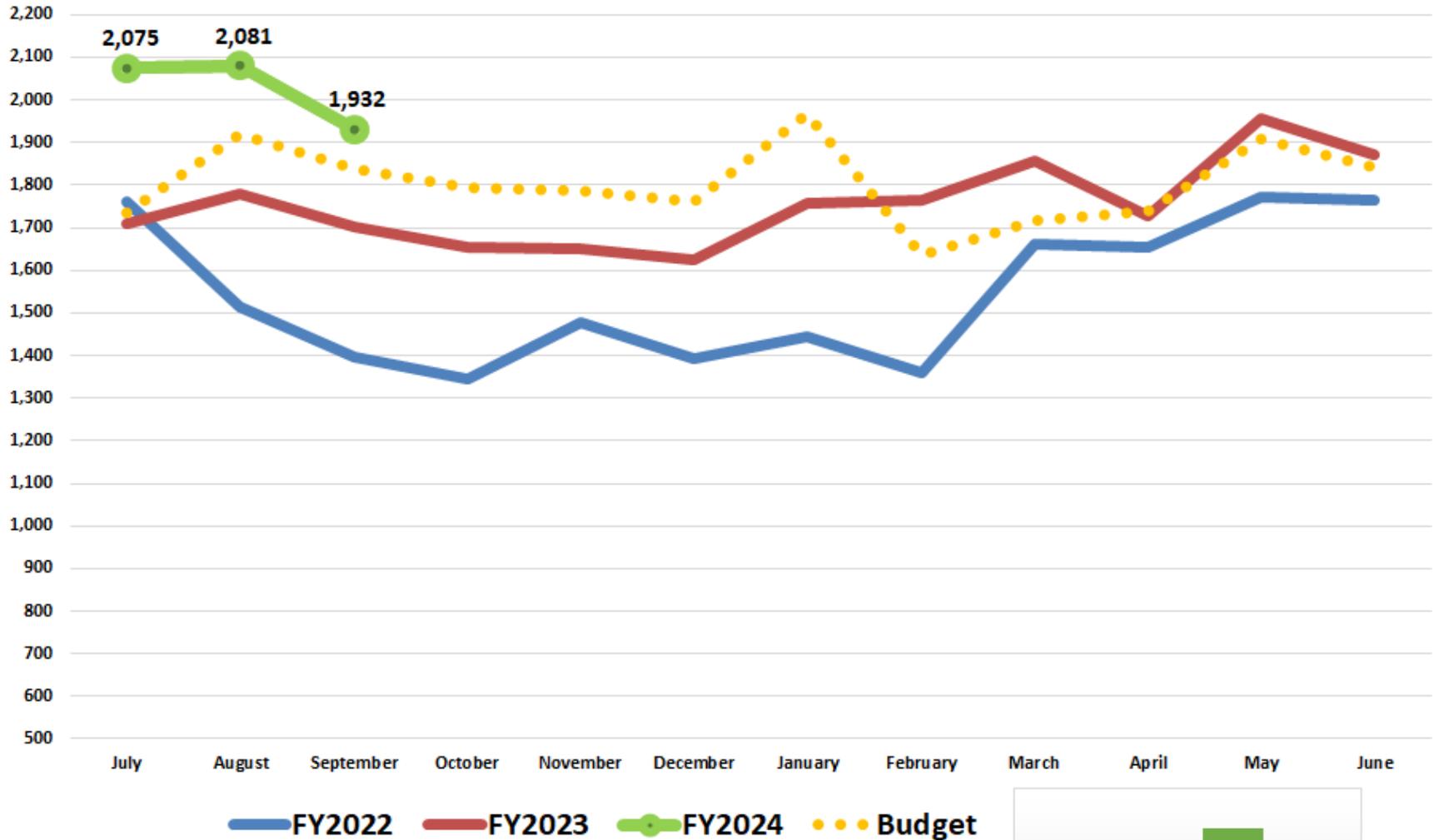
# Radiology - CT - All Areas



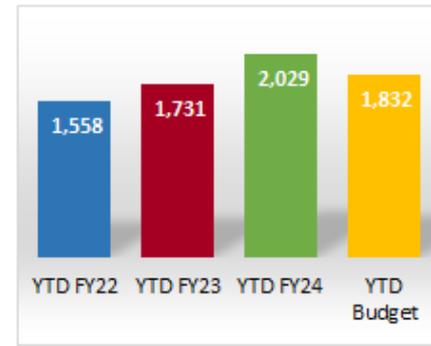
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



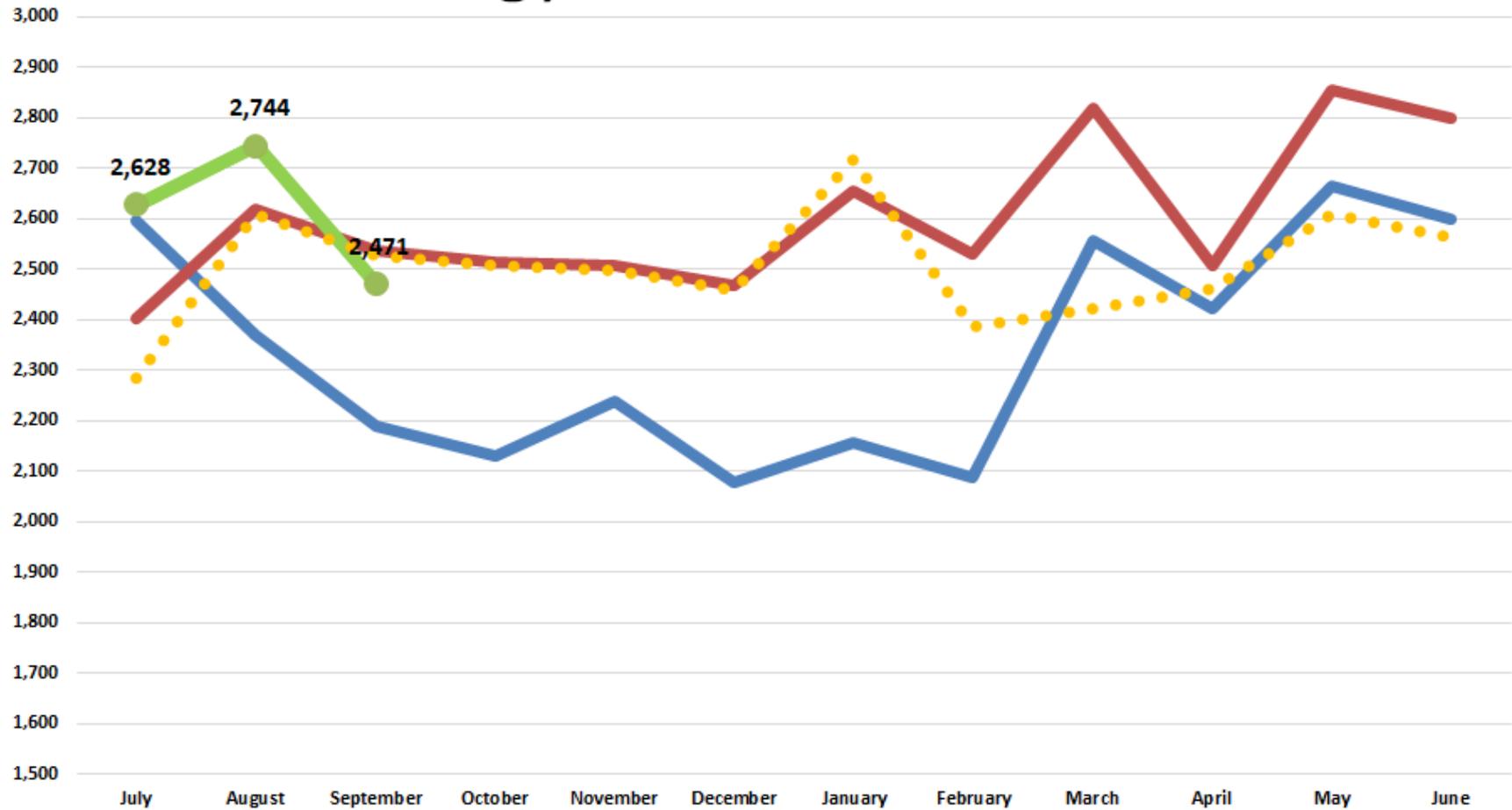
# Radiology - Ultrasound - Main Campus



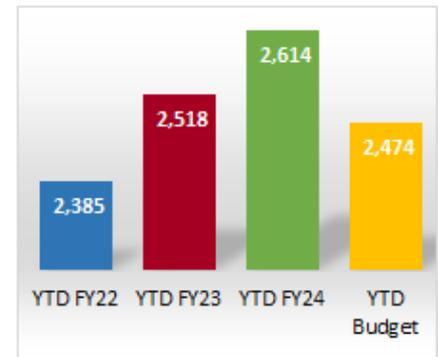
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



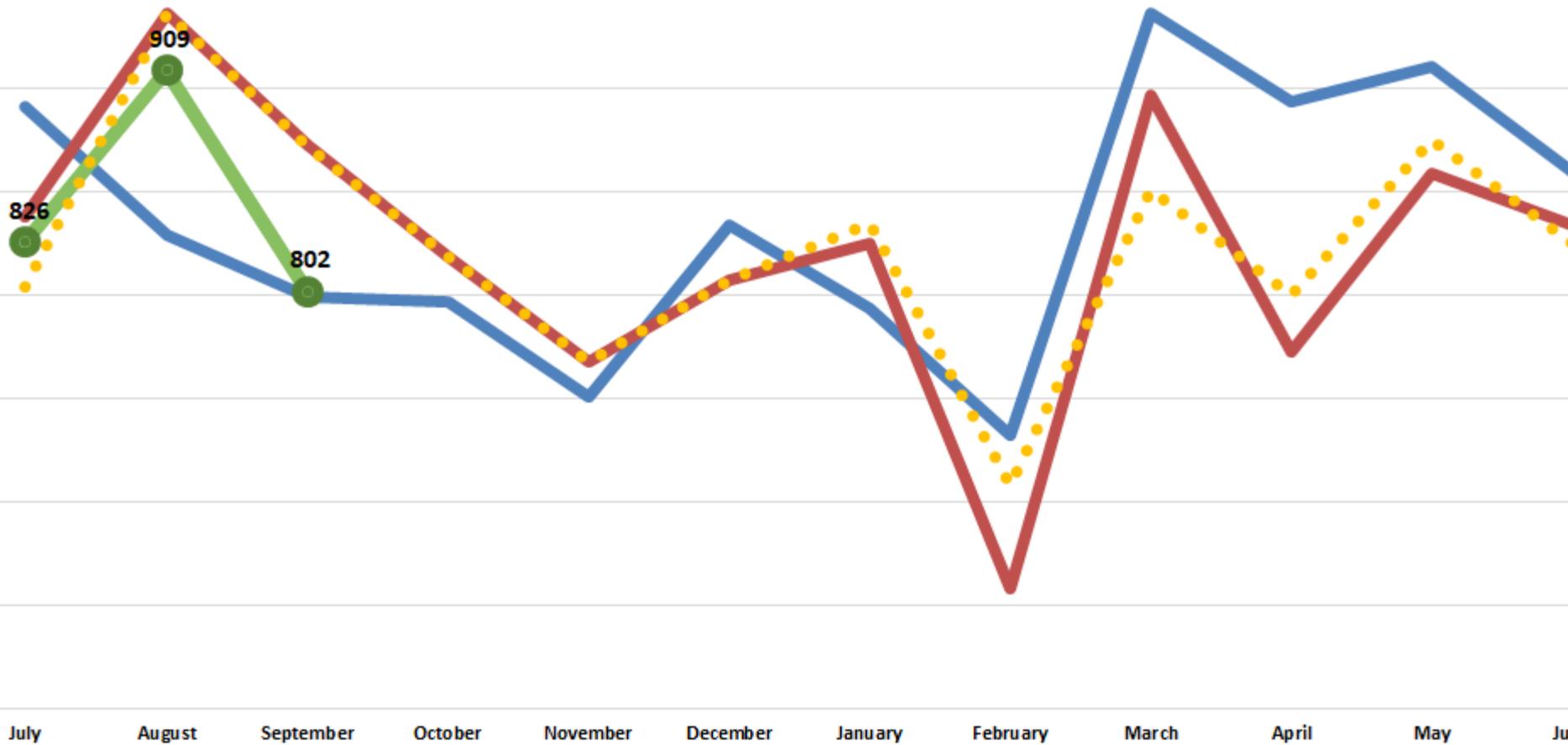
# Radiology - Ultrasound - All Areas



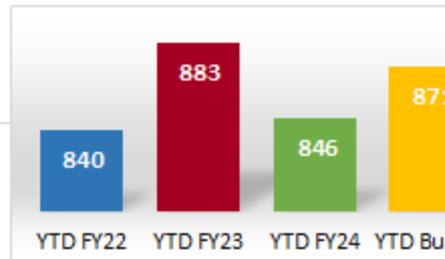
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



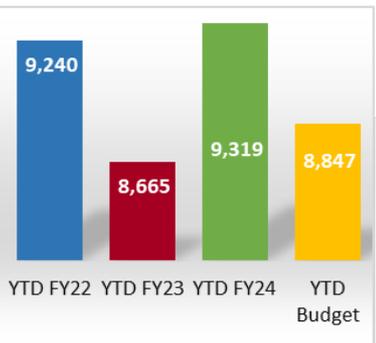
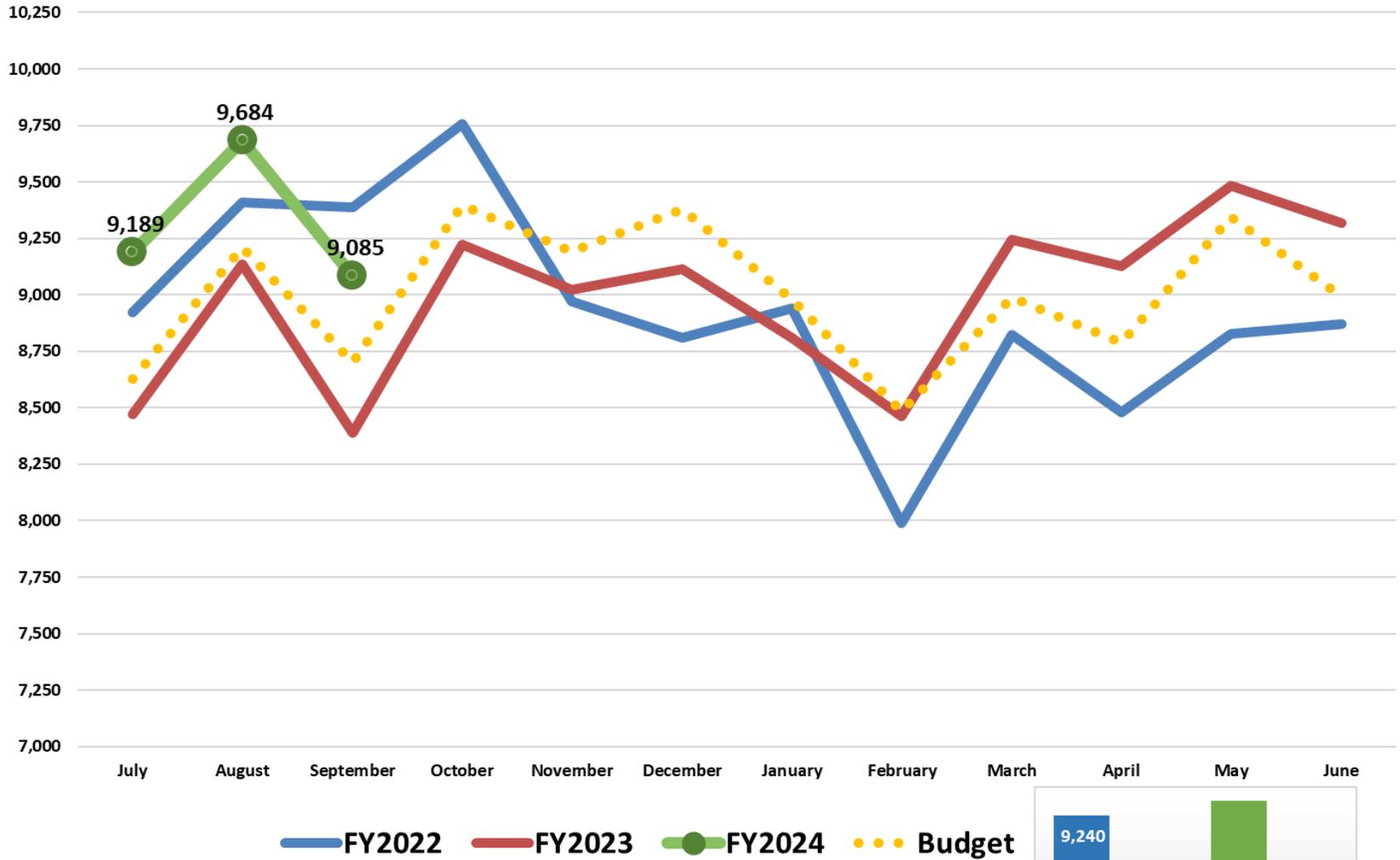
# Radiology - MRI - All Areas



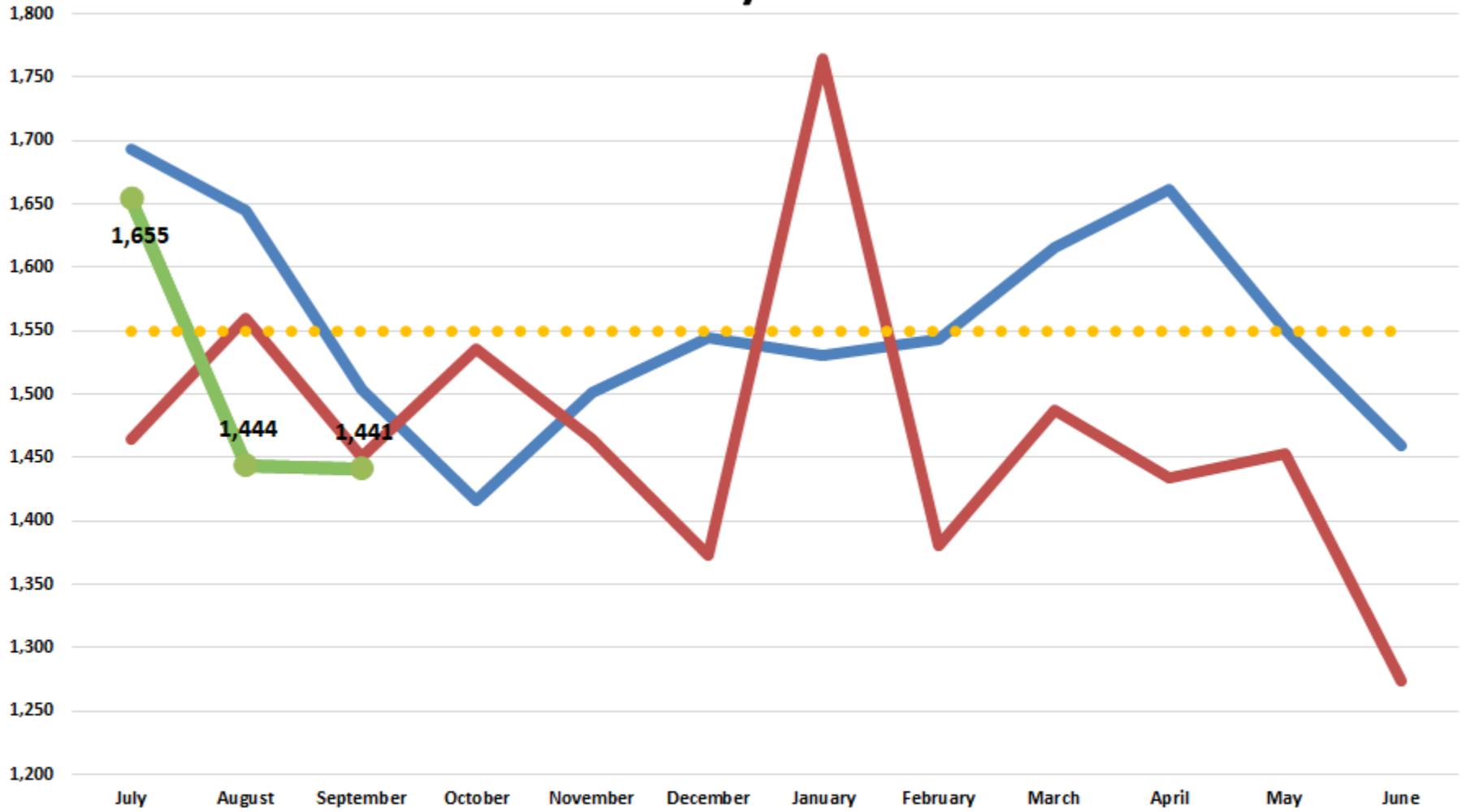
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



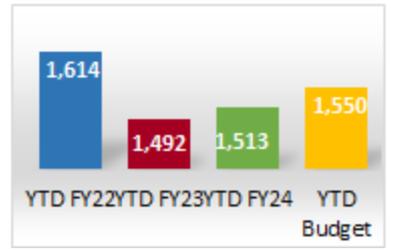
# Radiology Modality - Diagnostic



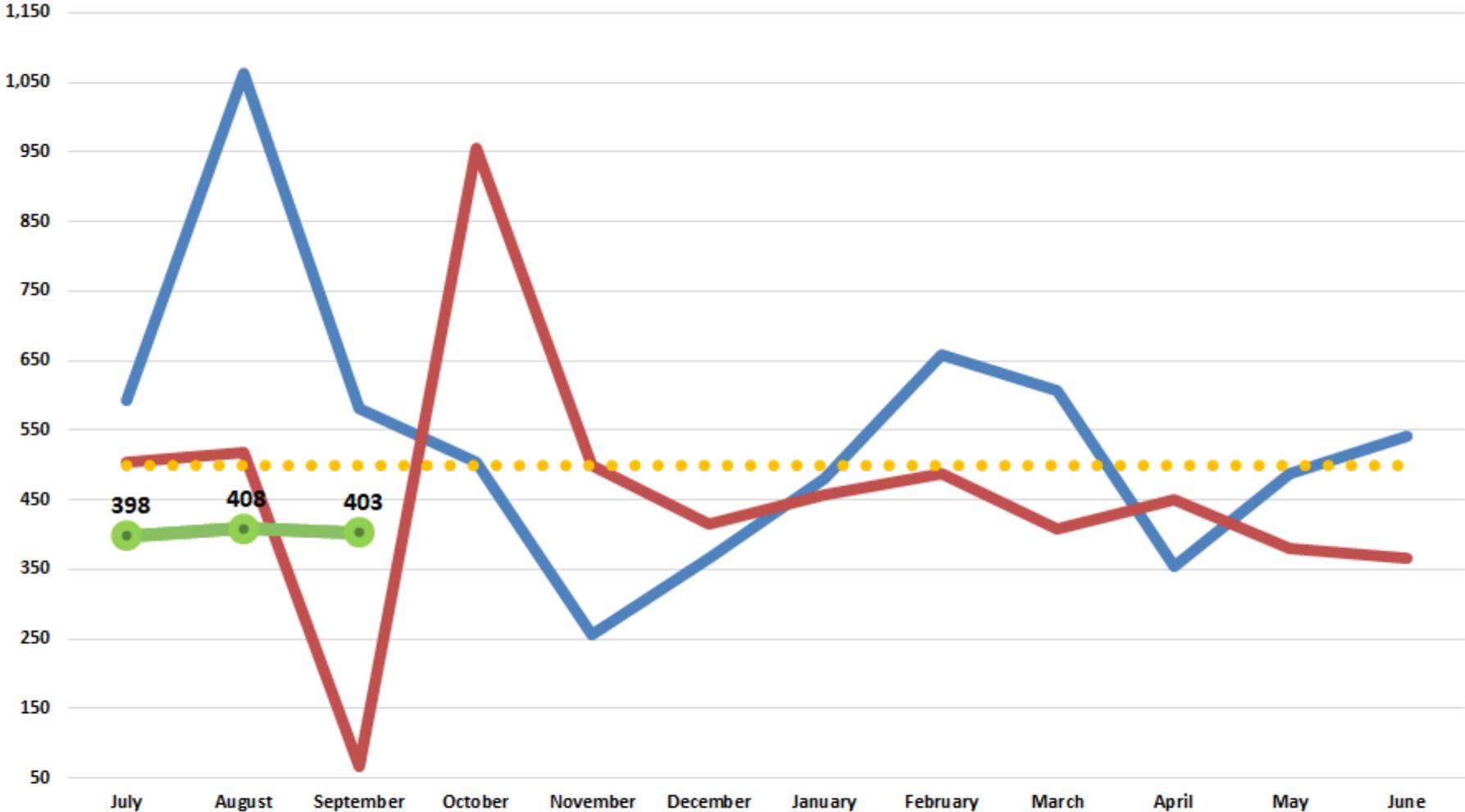
# Chronic Dialysis - Visalia



—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



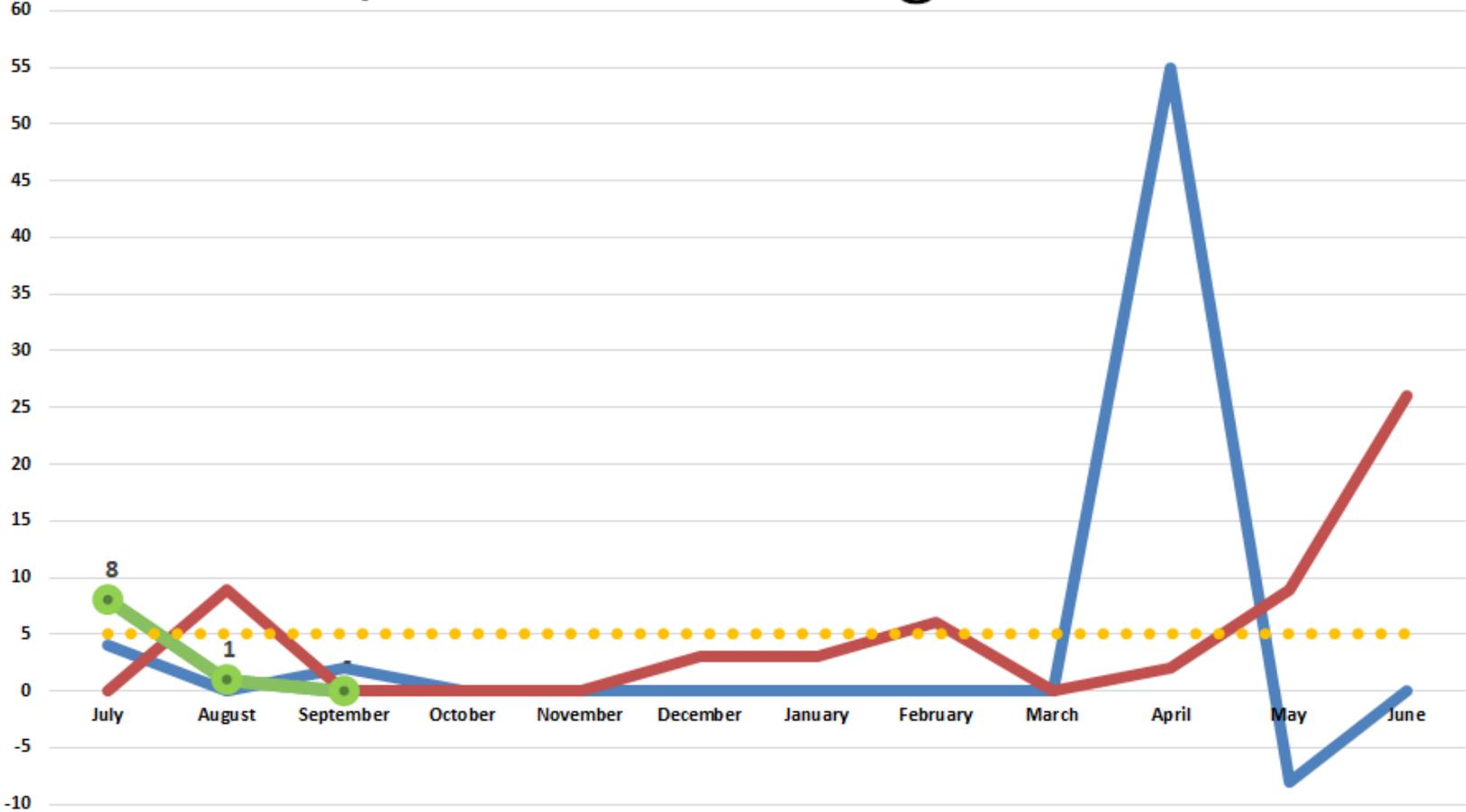
# CAPD/CCPD - Maintenance Sessions



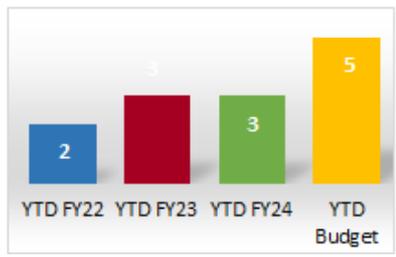
—●— **FY2022**  
 —●— **FY2023**  
 —●— **FY2024**  
 ●●● **Budget**



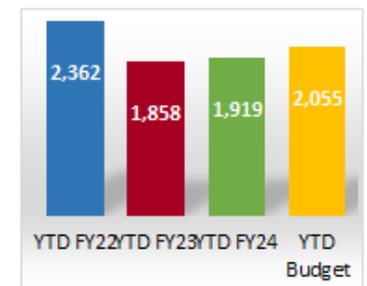
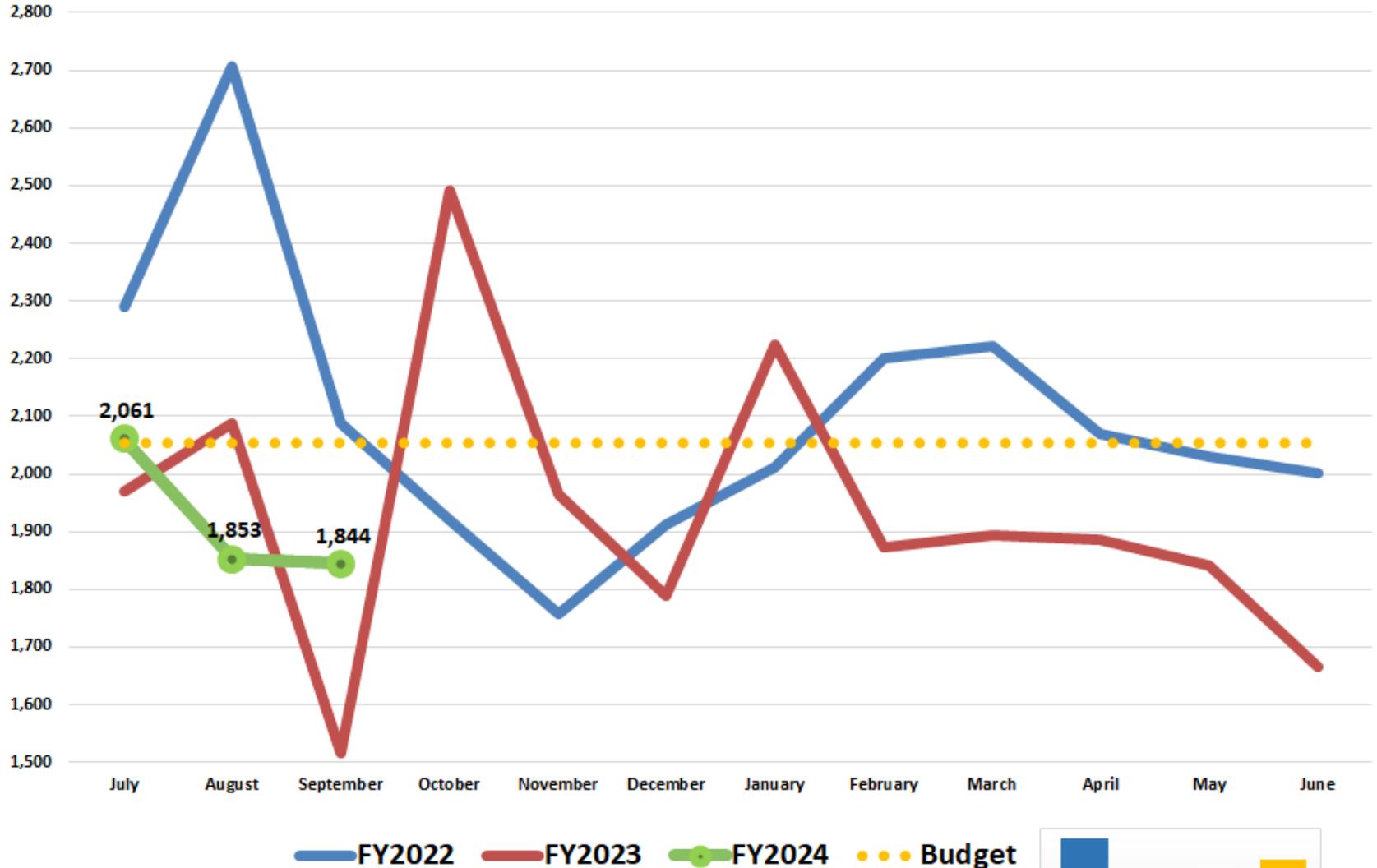
# CAPD/CCPD - Training Sessions



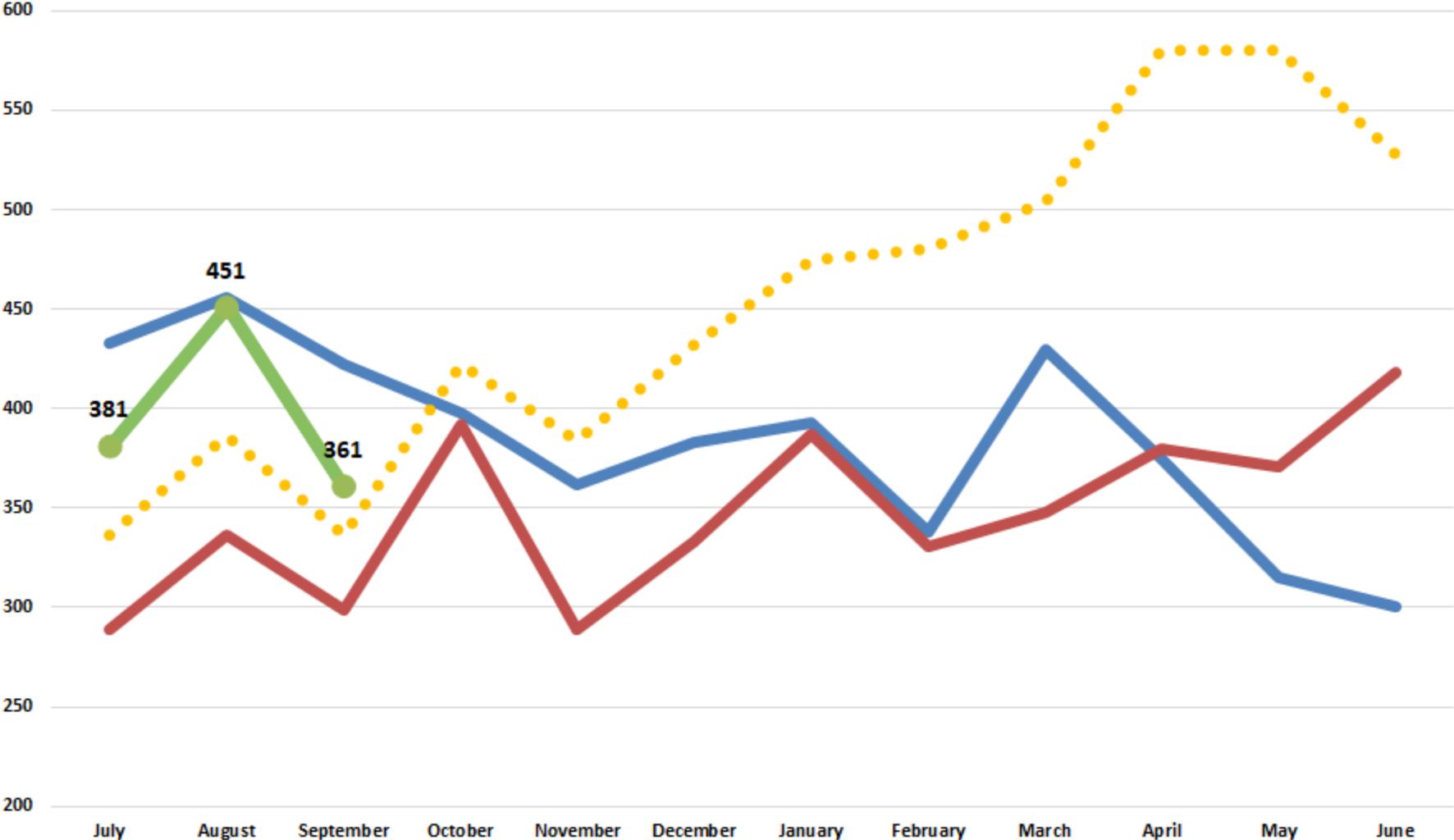
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget



# All CAPD & CCPD



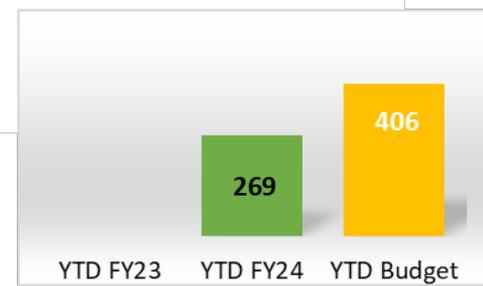
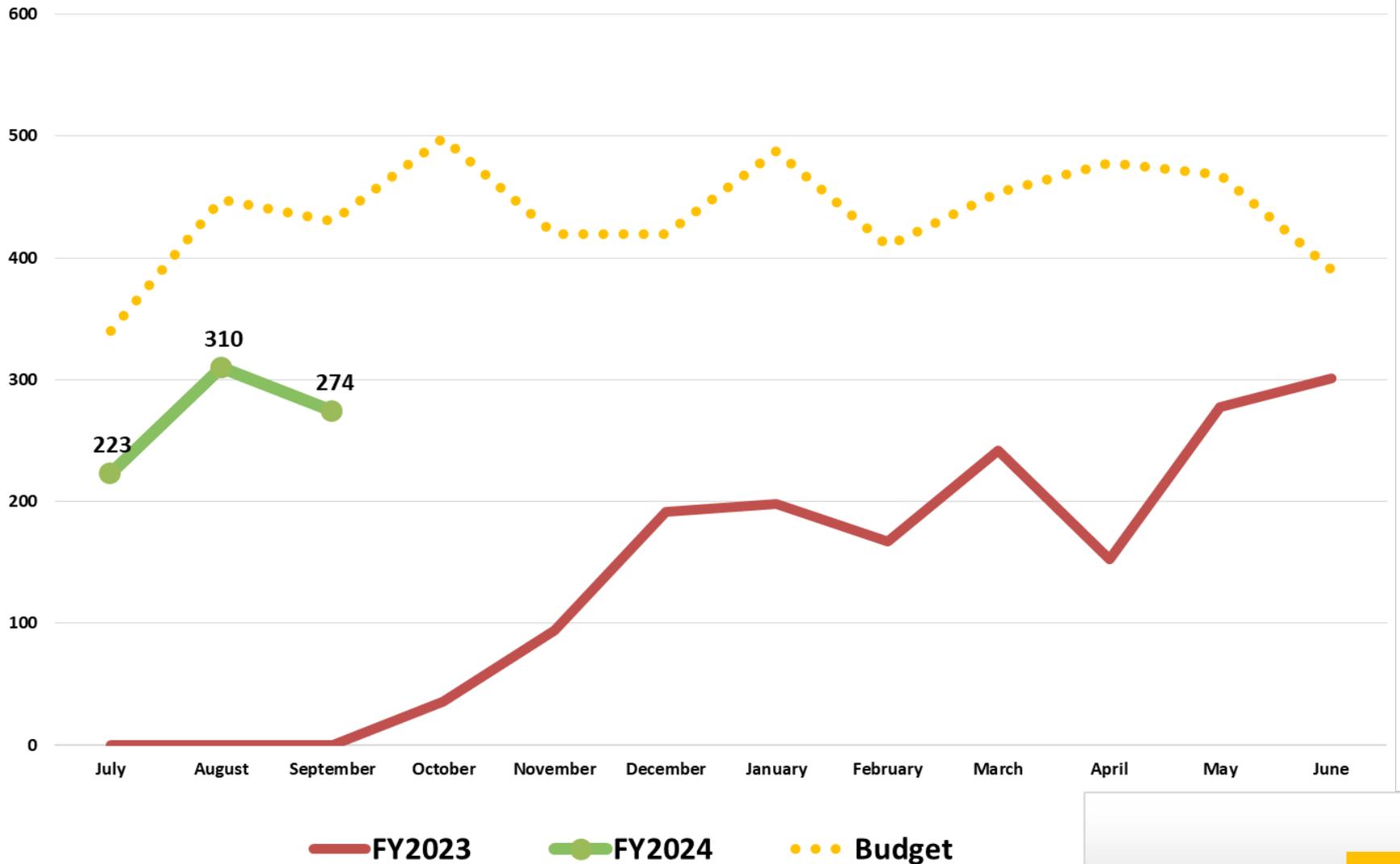
# Infusion Center - Outpatient Visits



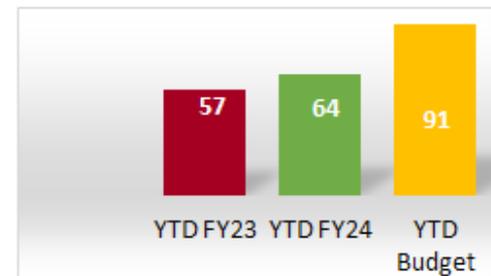
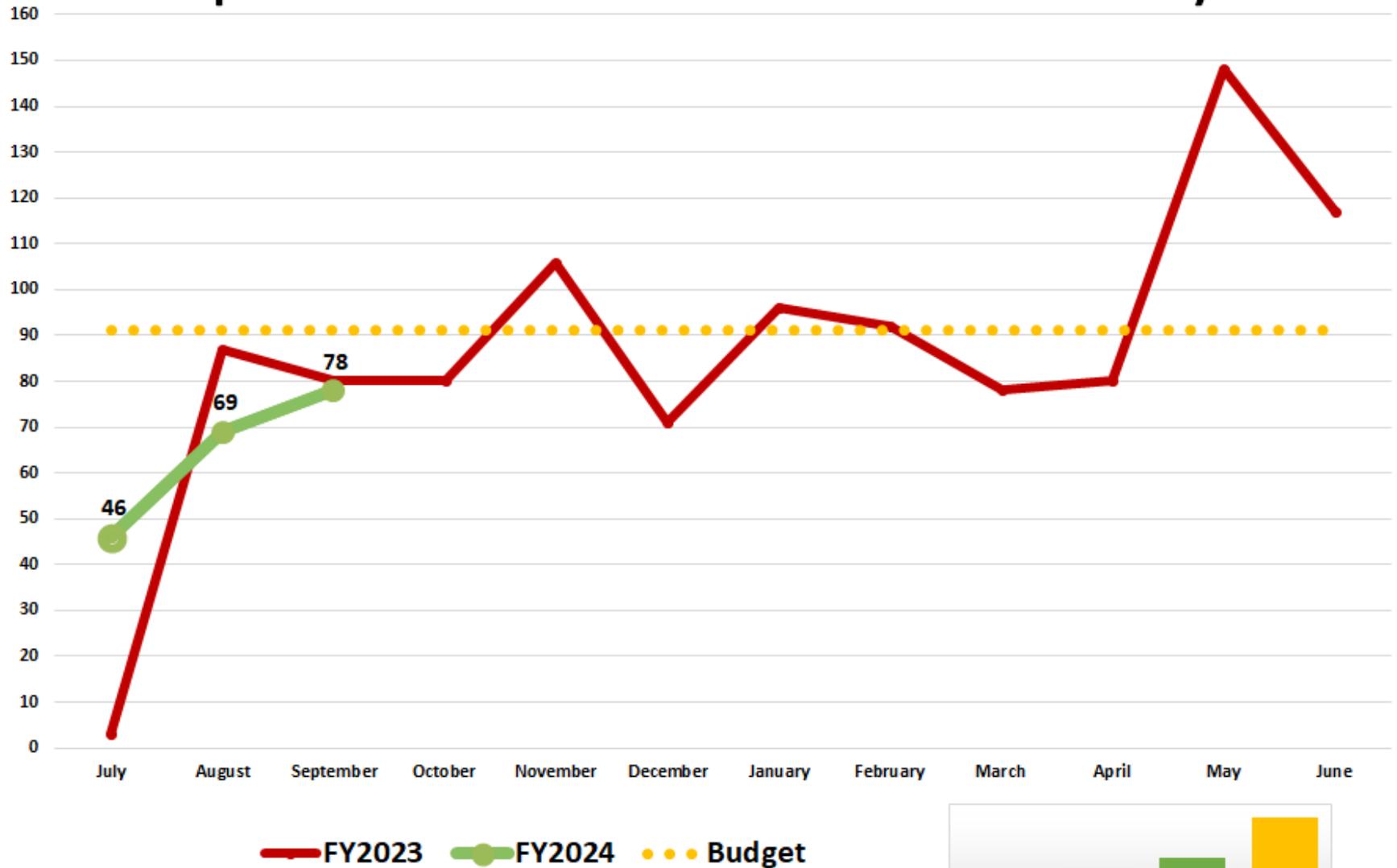
—●— FY2022   
 —●— FY2023   
 —●— FY2024   
 ●●● Budget

|          |          |          |            |
|----------|----------|----------|------------|
| 437      | 308      | 398      | 353        |
| YTD FY22 | YTD FY23 | YTD FY24 | YTD Budget |

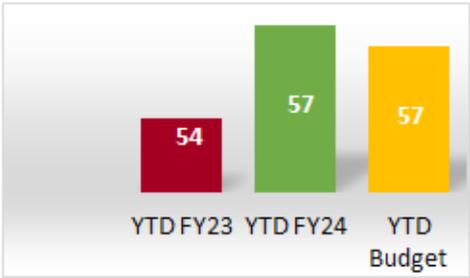
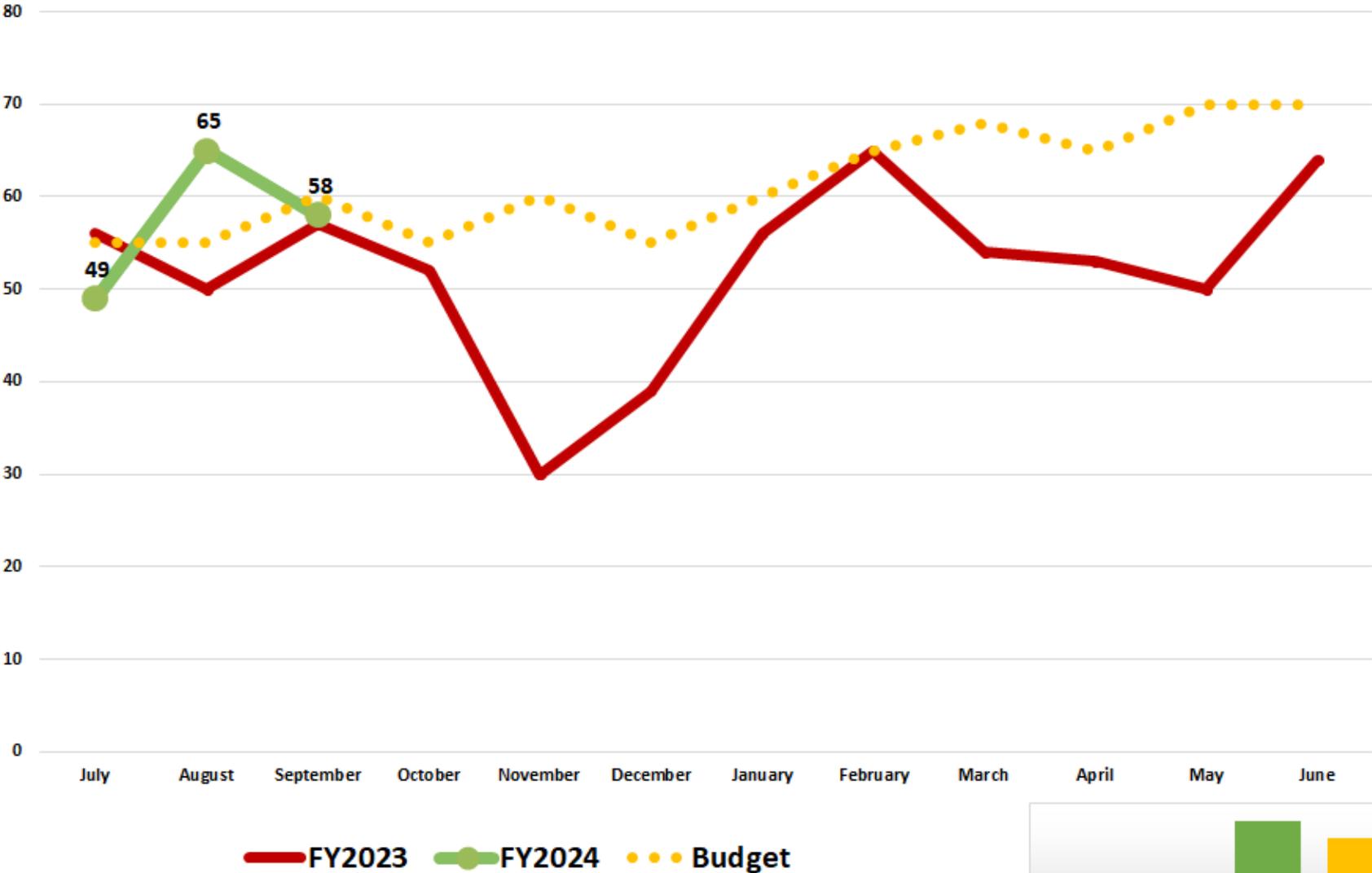
# Urology Clinic Visits



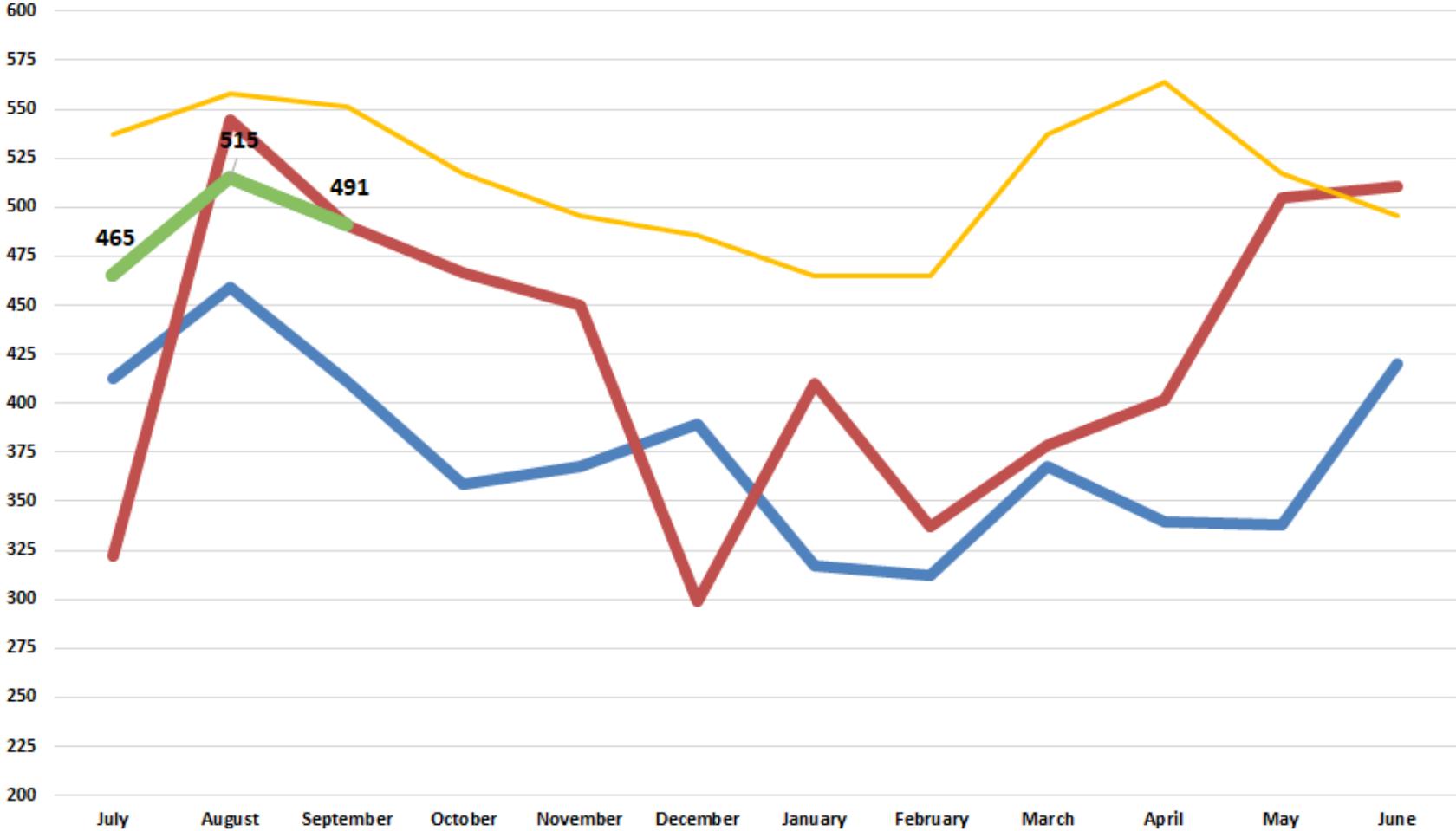
# Open Arms House - Patient Days



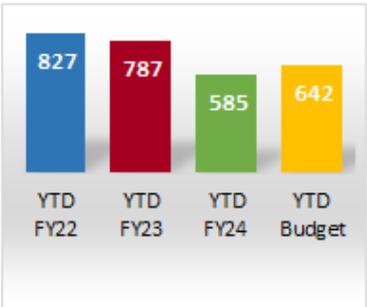
# Cardiothoracic Surgery Clinic - Visits



# Cardiac Rehabilitation



— FY2022   
 — FY2023   
 — FY2024   
 — Budget



# Therapy-Wound Care

