



August 18, 2023

TO: Legal Counsel

News Media

Salinas Californian  
El Sol  
Monterey County Herald  
Monterey County Weekly  
KION-TV  
KSBW-TV/ABC Central Coast  
KSMS/Entravision-TV

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE** of the **SALINAS VALLEY HEALTH<sup>1</sup>** will be held **MONDAY, AUGUST 21, 2023, AT 12:00 P.M., DOWNING RESOURCCE CENTER ROOM A, B, & C, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA** or via **TELECONFERENCE** (*visit [SalinasValleyHealth.com/virtualboardmeeting](https://SalinasValleyHealth.com/virtualboardmeeting) for Access Information*).

A handwritten signature in black ink, appearing to read "Pete Delgado".

Pete Delgado  
President/Chief Executive Officer

Committee Members: Joel Hernandez Laguna, Chair; Juan Cabrera, Vice Chair; Pete Delgado, President/CEO; Augustine Lopez, Chief Financial Officer; Clement Miller, Chief Operating Officer; Tarun Bajaj, M.D. Medical Staff Member; Sanjeev Tandon, Community Member Harry; Wardwell, Community Member

**FINANCE COMMITTEE  
COMMITTEE OF THE WHOLE  
SALINAS VALLEY HEALTH<sup>1</sup>**

**MONDAY, AUGUST 21, 2023, 12:00 P.M.  
DOWNING RESOURCE CENTER, ROOMS A, B & C**

**Salinas Valley Health Medical Center  
450 E. Romie Lane, Salinas, California  
or via Teleconference**

**(Visit [SalinasValleyHealth.com/virtualboardmeeting](https://www.salinasvalleyhealth.com/virtualboardmeeting) for Access Information)**

**AGENDA**

1. Call to Order / Roll Call
2. Approve Minutes of the Finance Committee Meeting of July 24, 2023 (DELGADO)
  - Motion/Second
  - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of the Purchase of Internet Connectivity Services Fees from CENIC as Sole Source Justification and Contract Award (PARKS/LOPEZ)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board Approval of the MetTel Addendum to Transfer Select Existing AT&T Carrier as Sole Source Justification and Contract Award (PARKS/LOPEZ)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
5. Financial Performance Review (LOPEZ)
6. Public Input  
This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board, which are not otherwise covered under an item on this agenda.

7. Adjournment

The next Finance Committee Meeting is scheduled for **Monday, September 25, 2023 at 12:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at [www.SalinasValleyHealth.com](http://www.SalinasValleyHealth.com), and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Board Clerk during regular business hours at 831-759-3050. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

*CALL TO ORDER*  
*ROLL CALL*

*(Chair to call the meeting to order)*

**SALINAS VALLEY HEALTH<sup>1</sup>**  
**FINANCE COMMITTEE**  
**COMMITTEE OF THE WHOLE**  
**MEETING MINUTES JULY 24, 2023**

Committee Members Present:

In-person:, Vice Chair Juan Cabrera, Tarun Bajaj, MD., Pete Delgado, Augustine Lopez, Clement Miller, and Harry Wardwell

Via teleconference:

Committee Members Absent: Chair Joel Hernandez Laguna and Sanjeev Tandon

Other Board Members Present, Constituting Committee of the Whole: Catherine Carson, Rolando Cabrera, MD., Victor Rey Jr. (via teleconference)

**1. CALL TO ORDER/ROLL CALL**

A quorum was present and Vice Chair Juan Cabrera called the meeting to order at 12:07 p.m. in the Downing Resource Center, CEO Conference Room.

**2. APPROVE MINUTES OF THE FINANCE COMMITTEE MAY 22, 2023**

The Finance Committee meeting minutes of June 19, 2023 were included in the Committee packet.

**PUBLIC COMMENT:**

None

**MOTION:**

Upon motion by Committee member Delgado, and second by Committee member Bajaj, MD., the minutes of June 19, 2023 of the Finance Committee were approved as presented.

**ROLL CALL VOTE:**

Ayes: Vice-Chair Cabrera, Bajaj, MD., Delgado, Lopez, Miller, and Wardwell;

Noes: None;

Abstentions: None;

Absent: Chair Hernandez Laguna, and Tandon

**Motion Carried**

<sup>1</sup>Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

**3. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF 3M 360 ENCOMPASS CODING SOFTWARE AS SOLE SOURCE AND CONTRACT AWARD**

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the approval of 3M 360 Encompass Coding Software as Sole Source and Contract Award.

**MOTION:**

Upon motion by Committee member Delgado, and second by Committee member Miller, the Finance Committee recommends the Board of Directors consider approval of 3M 360 Encompass Coding Software as Sole Source and Contract Award in the amount of \$1,787,773.65 over a 5-year term.

**ROLL CALL VOTE:**

Ayes: Vice-Chair Cabrera, Bajaj, MD., Delgado, Lopez, Miller, and Wardwell;

Noes: None;

Abstentions: None;

Absent: Chair Hernandez Laguna, and Tandon

**Motion Carried**

**4. CONSIDER RECOMMENDATION FOR BOARD TO AWARD THE CONSTRUCTION CONTRACT TO FTG BUILDERS, INC. FOR THE CT SCANNER AND NUCLEAR MEDICINE EQUIPMENT REPLACEMENT PROJECTS**

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the approval of 3M 360 Encompass Coding Software as Sole Source and Contract Award.

**MOTION:**

Upon motion by Committee member Bajaj, MD., and second, by Committee member Delgado, the Finance Committee recommends the Board of Directors to award the Construction Contract to FTG Builders, Inc. for the CT scanner and Nuclear Medicine Equipment Replacement Projects for the terms and conditions in the proposed agreement in the total amount of \$2,451,551.

**ROLL CALL VOTE:**

Ayes: Vice-Chair Cabrera, Bajaj, MD., Delgado, Lopez, Miller, and Wardwell;

Noes: None;

Abstentions: None;

Absent: Chair Hernandez Laguna, and Tandon

**Motion Carried**

## **5. REVIEW BALANCED SCORECARD**

Augustine Lopez, Chief Financial Officer and team, reviewed the Balanced Scorecard for year to date June 2023, which provided an overview of the following metrics and performances of the Salinas Valley Health organizational goals: Service, People, Quality & Safety Processes, Finance, Growth, and Community. A full report was included in the Committee packet.

## **6. FINANCIAL PERFORMANCE REVIEW**

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the Financial Performance Review. It included a Patient Statistical Report, Schedules of Net Patient Revenue, Statement of Revenue and Expenses, and Summary Income Statement for June 2023. Salinas Valley Health as a system had a positive financial performance with income from operations of \$1.6 million or a 2.6% operating margin, after adjusting for the normalizing items totaling \$11.1 million. Non-operating income was favorable by \$7.7 million mostly due to recognition of \$8.1 million in CARES Act Provider Relief Funds, which was normalized for the month. A full report was included in the packet.

## **7. FY23 CAPITAL SPENDING UPDATE**

Received a presentation from Augustine Lopez, Chief Financial Officer regarding the capital spending update active projects approved by the Board fiscal year 2023 June year to date. Projects included are parking garage annex, surgery addition plus seismic retrofit, 212 San Jose renovation/development, renovations to 559 Abbot Street or urology services, pharmacy automation upgrade & services, CT equipment replacement project, Nuclear Medicine equipment replacement, elevator modernization, and the bulk oxygen tank replacement project. All nine projects have a Board approved amount of \$70,867,276.

## **8. PUBLIC INPUT**

No public comment

## **9. ADJOURNMENT**

There being no other business, the meeting was adjourned at 12:40 p.m. The next Finance Committee Meeting is scheduled for **Monday, August 21, 2023 at 12:00 p.m.**

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Joel Hernandez Laguna, Chair

# Board Paper: Review and Approval by Board

Agenda Item: Consider Recommendation for Board Approval of the Purchase of Internet Connectivity Services Fees from CENIC as Sole Source Justification and Contract Award

Executive Sponsor: Augustine Lopez, Chief Financial Officer  
Audrey Parks, Chief Information Officer

Date: August 9, 2023

## Executive Summary

Salinas Valley Health currently uses CENIC for primary internet access. CENIC, the Corporation for Education Network Initiatives in California, is a non-profit corporation that provides a world-class computing network essential for innovation, and collaboration throughout the state of California. The CENIC network is faster and more protected than commercial internet providers and has extended its services to Salinas Valley Health as part of a wider initiative to provide better internet access to under-served areas like Salinas and Monterey County.

We are requesting to upgrade the existing 1GB internet connection to 10GB to better support the growing need for cloud-based solutions and demand for wi-fi to serve our patients, providers, visitors and others who use wi-fi while at any of our Salinas Valley Health locations.

Key Contract Terms		CENIC				
1. Proposed contract signing date	August 25, 2023					
2. Term of agreement	September 1, 2023 – August 30, 2028					
3. Renewal terms	Auto-renewal; one-year term					
4. Termination provision(s)	90 days' written notice to term; no refund of one-time fees					
5. Payment Terms	Net 30					
6. Annual cost(s)	\$93,452.63 (maintenance and support) \$26,424.73 (one-time fees; equipment, deployment fee)					
Fees	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	
	Year 1	Year 2	Year 3	Year 4	Year 5	
one-time deployment fee	6,333.33					
equipment, installation, maintenance	20,091.40					
annual	93,452.63	93,452.63	93,452.63	93,452.63	93,452.63	
	<b>\$ 119,877.36</b>	<b>\$ 93,452.63</b>	<b>\$ 93,452.63</b>	<b>\$ 93,452.63</b>	<b>\$ 93,452.63</b>	
			<b>Total during contract term:</b>		<b>\$ 493,687.88</b>	
7. Cost over life of agreement	\$493,687.88					
8. Budgeted (yes or no)	Yes					
9. Contract	<a href="#">1001.2460</a>					



## Recommendation

Request Board of Directors approve the purchase of internet connectivity services fees from CENIC as sole source justification and contract award in the amount of \$493,687.88 over a five-year term.

## Attachments

- Sole Source Justification Form
- Master Services Agreement (displaces previous agreements)
- Evidence of legal review

## MASTER AGREEMENT BETWEEN CENIC AND SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

This Master Agreement (“Agreement”) is entered into as of \_\_\_\_\_ by and between the Corporation for Education Network Initiatives in California (“CENIC”), a California public benefit corporation, and the Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, operating as Salinas Valley Health (“SVMHS”). This Agreement supersedes any previous Agreements between the Parties. All written communications between the parties shall be addressed as follows unless and until amended in writing by the respective party.

CENIC  
Louis Fox  
16700 Valley View Ave., Suite 400  
La Mirada, CA 90638

Salinas Valley Memorial Healthcare System  
Attn: Office of the President/CEO  
450 E Romie Ln  
Salinas, CA 93901

### 1. Relationship between the Parties

CENIC operates advanced network services to support the research and education community in California. SVMHS requires use of CENIC advanced services to enable communications with educators and researchers in California and nationally.

It is the purpose of this Agreement to set forth the terms and conditions applicable to the provision of communications and related network services by CENIC.

### 2. Services to be Provided

The primary communications infrastructure developed, owned, or controlled by CENIC is the California Research and Education Network - CalREN. Among the services that CENIC shall offer to SVMHS are those provided through or related to CalREN.

Specific services and the specifications of those services are as defined in the attached Addenda to this Master Agreement and incorporated fully herein. Each party shall be responsible for providing the other party with accurate information that might be required to install and maintain the service. SVMHS shall at its expense undertake all necessary preparations required to comply with CENIC's reasonable installation and maintenance instructions. CENIC shall not be responsible for operating or maintaining software, equipment or cabling that connects equipment not provided by CENIC for the services unless specifically agreed to in writing by CENIC.

### 3. Quality of the Services Provided

All services provided under this Agreement shall be operated and supported in a professional and reliable manner in accordance with the service specifications developed by CENIC and implemented after consultation with appropriate CENIC advisory groups. CENIC service specifications are documented on the CENIC Web site.

### 4. Term and Termination of this Agreement

TERMINATION FOR CONVENIENCE. This Master Agreement is effective as of the last signature date below (“Effective Date”) and shall remain in effect until terminated by either Party. Either party may

terminate this Master Agreement upon ninety (90) days advance written notice to the other party. CENIC cannot issue refunds for backbone services or circuits cancelled in the middle of a contract year (July 1 through June 30). Similarly, SVMHS will be obligated for the costs of any circuit contracts CENIC enters into in order to fulfill CENIC's obligations to SVMHS under this Agreement, provided CENIC notifies SVMHS of the contract and its terms before CENIC enters into the contract, and specifies that SVMHS will be responsible for payment of the costs of the contract even if SVMHS terminates this Agreement.

## **5. Costs and Payment for the Services**

The Addenda and/or attachments to this Master Agreement define the costs for services. The costs for services are set by the CENIC Board of Directors and may be changed from time to time. SVMHS shall have ninety (90) days from the date of written notification of any change of the costs for a service to terminate the service without penalty if such costs are unacceptable.

Payment for services shall be due upon the dates specified in the Addenda or as otherwise agreed to by SVMHS and CENIC. SVMHS shall pay for services within forty-five 45 days of receipt of a CENIC invoice, subject to the payment not being due before the dates specified in the Addenda.

## **6. Miscellaneous**

(a) **WORK BY SUBCONTRACTORS.** CENIC shall make every reasonable effort to ensure that work or services provided by subcontractors meets the requirements specified in the Addenda.

(b) **CONDITIONS OF USE.** SVMHS agrees to conform to the CENIC Appropriate Use Policy and to any specific conditions of use imposed by subcontractors providing communications services to CENIC as may be in force at the time such services are made available to SVMHS per an Addendum to this Agreement.

(c) **CONFLICTING CLAUSES.** If any clause in this Master Agreement is in conflict with a clause in an Addendum to this Agreement, the language in the Addendum shall take precedence.

(d) **FORCE MAJEURE.**

Neither party will be held responsible for any delay or failure in performance of any part of this agreement to the extent such delay or failure is caused by: fire; flood; lightning; explosion; war; acts of terrorism; strike; labor disputes; government requirements; acts of god; or acts or failure to act by any governmental authority.

## **7. Entire Agreement**

This Agreement and any Addenda contemporaneously or subsequently executed by the parties constitute the entire Agreement between the parties regarding the subject matter of this Agreement and supersede all prior written or oral agreements with respect to such. This Agreement may not be modified orally, and no modification shall be binding unless in writing and signed by authorized representatives of both parties.

## **8. Indemnification**

CENIC agrees to defend, indemnify and hold SVMHS and its employees and agents harmless from any and all liability, claims, demands, suits, costs, charges and expenses, including, but without limitation, attorneys' fees, including but not limited to any claim, loss, damage, or injury any way connected with

the performance of this Agreement that is caused by the acts or omissions, willful misconduct or negligent conduct of CENIC or CENIC's agents, employees, or other persons acting on CENIC's behalf. Similarly, SVMHS agrees to defend, indemnify and hold CENIC and its employees and agents harmless from any and all liability, claims, demands, suits, costs, charges and expenses, including, but without limitation, attorneys' fees, including but not limited to any claim, loss, damage, or injury any way connected with the performance of this Agreement that is caused by the acts or omissions, willful misconduct or negligent conduct of SVMHS or SVMHS's agents, employees, or other persons acting on SVMHS's behalf.

**9. Use of SVMHS's Trademarks and Logos.**

CENIC shall not use SVMHS's logo, or the name "SVMHS" or any other trademarks, logos, insignia, or other identification of SVMHS in any form of publicity, disclosure or sale without the advance written permission of SVMHS. Written permission is hereby granted to use the name SVMHS as a CalREN Auxiliary Associate on CENIC's web site and on printed materials.

**10. Independent Contractor.**

It is expressly understood and agreed that, in the performance of the activities contemplated by this Agreement, the parties and their employees and agents will at all times act as independent contractors of one another, and not as employees or agents of one another. This Agreement does not constitute and shall not be construed as constituting a partnership, joint venture association, or other affiliation or like relationship between parties. Neither party shall have the right to obligate or bind the other in any manner whatsoever with respect to any third party, and nothing herein contained shall give or is intended to give any right to a third party. In no event will either party be liable for the debts or obligations of the other party, except as specifically provided herein.

**11. Amendment/Severability**

This Agreement may not be amended, except through a writing signed by authorized representatives of SVMHS and CENIC. If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Agreement are severable.

**12. Dispute Resolution.**

Any dispute arising out of or relating to this Agreement shall be resolved through binding arbitration under the applicable rules of JAMS. Should there be any dispute arising out of or in connection to this Agreement, the parties agree to make every effort to resolve such dispute informally, such as through mediation and/or arbitration, prior to the initiation of any legal action in a court of competent jurisdiction. Both parties agree that should either party reasonably retain an attorney to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, including fees and costs or corporate staff counsel.

*IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.*

**For CENIC**

DocuSigned by:  
*Louis Fox*  
DEFF34CE032E41F...

\_\_\_\_\_  
Signature

Louis Fox  
Name

President & Chief Executive Officer  
Title

7/6/2023

\_\_\_\_\_  
Date

**For SVMHS**

\_\_\_\_\_  
Signature

Pete Delgado  
Name

President/CEO, Salinas Valley Health  
Title

\_\_\_\_\_  
Date

**CENIC Communications Services Contract**  
**Addendum 1: CalREN Core Network Services**  
**SVMHS**

This Addendum is incorporated by reference into the Master Agreement between CENIC and SVMHS for Provision, Installation and Maintenance of Data Communications Services (“Agreement”). This Addendum is effective when signed by both parties (“Effective Date”).

**1. Scope of Service**

The service to be provided to SVMHS is transit across the CalREN infrastructure by means of connections to the CalREN core routers and switches. This service will enable high capacity Internet data transport among the SVMHS campus and CalREN member institutions connected to that same CalREN infrastructure. Access to higher educational institutions nationally is also available, via peering arrangements or use of other networks such as Abilene or NLR.

**2. Term of Service**

The service period covered by this Addendum begins on the Effective Date and shall continue for five (5) years from that date. The on-going services covered by this Addendum shall be renewed automatically annually on July 1 unless intention not to renew is delivered by either party to the other at least ninety (90) days prior to the anniversary date.

**3. Description of Service**

This Addendum assumes connection to the Soledad CalREN backbone network hub site from SVMHS via use of a leased data circuit and routers or appropriate equipment. The data circuit and routers or other equipment are included under a separate addendum. This Addendum covers the use of the CalREN backbone to reach other educational sites in California and nationally.

**4. Maintenance of Service**

CENIC shall maintain the service in good working condition in accordance with best common practices and as defined in the CENIC Network Operations Center ("NOC") Procedures on the CENIC web site. The CENIC NOC shall be available to respond to service problems seven (7) days a week, and twenty-four (24) hours per day.

**5. Costs and Payment for Service**

Fees for this service are due initially within 45 days of the availability of service to SVMHS and annually on July 1, or not less than forty-five (45) days after receipt of the invoice from CENIC, whichever is later. This payment schedule may be changed by mutual agreement of the parties. All costs are detailed in Appendix A attached to Addendum 3 of the agreement.

These fees are subject to change by the CENIC Board of Directors. SVMHS will be given ninety (90) days to accept any such increases or terminate services without penalty.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date shown below by their respective duly authorized representatives.

**For CENIC**

**For SVMHS**

DocuSigned by:  
*Louis Fox*  
DEFF34CE032E41F...  
\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Louis Fox  
Name

Pete Delgado  
Name

President and Chief Executive Officer  
Title

President/CEO, Salinas Valley Health  
Title

7/6/2023  
Date

\_\_\_\_\_  
Date

**Addendum 2:**  
**CENIC Provision, Installation and Maintenance**  
**Of Advanced Network (Data) Services:**  
**General Internet Access**

This Addendum is incorporated by reference into the Master Agreement, hereinafter referred to as “Agreement”, between CENIC and SVMHS, for Provision, Installation and Maintenance of Advanced Network (Data) Services. This Addendum is effective when signed by both parties, hereinafter referred to as “Effective Date”.

**1. Scope of Service**

This service (“Service”) provides access to sites on the commercial internet accessible to SVMHS via the CENIC CalREN backbone.

**2. Term of Service**

The service period covered by this Addendum begins upon implementation of the service and is renewed annually each July 1 unless intention not to renew is delivered at least 90 days in advance of the renewal.

**3. Location and Description of Service**

The Service is provided to SVMHS over the CalREN network.

In support of the Service, CENIC shall maintain high capacity connections between the CalREN network and the commercial Internet and shall make these connections available for use by SVMHS. These connections shall be provided by at least two (2) different Internet service providers (“ISPs”) and through various peering arrangements.

**4. Maintenance of Service**

CENIC will undertake all reasonable measures to ensure that data transport between SVMHS and the commercial Internet is available 100% of the time, 24 hours per day, 7 days per week. CENIC shall serve as SVMHS’s agent in resolving service problems with commercial Internet service providers.

CENIC shall maintain the ISP connections in good working condition in accordance with best common practices and as defined in the on the CENIC Network Operations Center (“NOC”) Services portion of CENIC’s web site. The CENIC NOC shall be available to respond to service problems seven (7) days a week, and twenty-four (24) hours per day.

**5. Cost of Service**

CENIC shall provide this service to SVMHS at no cost.

Costs are subject to change by the CENIC Board of Directors at any time. CENIC will notify SVMHS of any fee increases, and SVMHS will be given ninety (90) days from date of notice to accept any increases or terminate services without penalty.



**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date shown below by their respective duly authorized representatives.

**For CENIC**

DocuSigned by:  
*Louis Fox*  
DEFF34CE032E41F...

\_\_\_\_\_  
Signature

Louis Fox  
Name

President and Chief Executive Officer  
Title

7/6/2023

Date

**SVMHS**

\_\_\_\_\_  
Signature

Pete Delgado  
Name

President/CEO, Salinas Valley Health  
Title

\_\_\_\_\_  
Date

## **Addendum No. 3:**

### **Connection to the CENIC CalREN Backbone**

This Addendum is incorporated by reference into the Master Agreement between CENIC and SVMHS for Provision, Installation and Maintenance of Data Communications Services (“Agreement”). This Addendum is effective when signed by both parties (“Effective Date”). Should SVMHS cancel one or more of the services provided pursuant to this Addendum, SVMHS shall be obligated to reimburse CENIC for the cost of any circuit contracts CENIC enters into in order to fulfill CENIC’s obligations to SVMHS under this Addendum; provided CENIC notifies SVMHS of the contract and its terms before CENIC enters into the contract, and specifies that SVMHS will be responsible for payment of the costs of the contract even if SVMHS terminates this Agreement. Any such cost shall not exceed CENIC's direct third-party cost obligation for the services to be cancelled and shall be subject to section 4 of the Master Agreement.

#### **1 Scope of Service**

The Services provided under this Addendum include the planning, design, ordering, installation, acceptance testing, and operation of a leased circuit and associated equipment from SVMHS location to the CENIC hub site in Soledad. SVMHS currently has a 1G Service provided under contract number C45-335 Add 3. That service will be upgraded to a 10G service upon execution of the Agreement and Addendum 3. Until such time as the new 10G Service is fully deployed, SVMHS will continue to be obligated to pay any monthly recurring costs on the existing service. SVMHS understands there may be a period of time during which both the 1G Service and the 10G service will be billed until full deployment is completed. CENIC will work as efficiently as possible to make any overlap as short as possible.

#### **2 Term of Service**

The service period contemplated by this Addendum begins upon installation of the service and continues for five (5) years from that date (“Initial Term”). The on-going services covered by this Addendum shall be renewed automatically annually on July 1 unless intention not to renew is delivered by either party to the other at least ninety (90) days prior to the anniversary date.

#### **3 Locations, Cost and Payment for Service**

Fees for this service are due initially within 45 days of the availability of service to SVMHS and annually on July 1, or not less than forty-five (45) days after receipt of the invoice from CENIC, whichever is later. This payment schedule may be changed by mutual agreement of the parties. All costs are detailed in Appendix A attached to Addendum 3 of the Agreement.

These fees are subject to change by the CENIC Board of Directors. SVMHS will be given ninety (90) days to accept any such increases or terminate services without penalty.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date shown below by their respective duly authorized representatives.

**For CENIC**

DocuSigned by:  
*Louis Fox*  
DEFF34CE032E41F...

**SVMHS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Louis Fox

Pete Delgado

Name

Name

President and Chief Executive Officer

President/CEO, Salinas Valley Health

Title

Title

7/6/2023

Date

\_\_\_\_\_  
Date

## Appendix A

CalREN connection point: Level3 Soledad

Estimated installation time: 90 to 120 days from contract execution

	<b>One-Time Costs</b>	<b>Monthly Recurring Costs</b>	<b>Annual Recurring Costs</b>
Circuit Deployment Fee (“CDF”)	\$6,333.33		\$0.00
Equipment, Installation and on-going maintenance	\$20,091.40		\$1,332.63
10 Gigabit Ethernet connection to CalREN at L3 Soledad	\$0.00	\$2,310.00	
1MB line for remote management of router		\$50.00	
Discounted Annual 10 Gigabit CalREN Support Fee	\$0.00		\$63,800.00
<b>Totals:</b>	<b>\$26,424.71</b>	<b>\$2,360.00</b>	<b>\$65,132.63</b>

One-time fees shall be invoiced upon installation of the Service and are due within forty-five (45) days of receipt of invoice. Monthly fees will be billed monthly in arrears and are due within forty-five (45) days of receipt of invoice. Annual fees for this service are due annually within forty-five (45) days after receipt of the invoice from CENIC.

The above costs are exclusive of taxes and surcharges which shall be invoiced to SVMHS.

These fees are subject to change by the CENIC Board of Directors. SVMHS will be given ninety (90) days to accept any such increases or terminate services without penalty.

## Justification for Sole Source Form

To: Proposal Evaluation Panel

From: Audrey Parks

Type of Purchase: (check one)

- Materials/Supplies
- Data Processing/Telecommunication Goods > \$25,000
- Medical/Surgical – Supplies/Equipment > \$25,000
- Purchased Services

Cost Estimate (\$):	\$493,687.88
Vendor Name:	CENIC
Item Title:	CENIC Internet Services: 2023 - 2028

**Statement of Need:** My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the SVMHS. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

**Describe how this selection results in the best value to SVMHS. See typical examples below.**

- Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe why it is mandatory to use this licensed or patented product or service:**
- Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.).**  
Existing, proprietary internet services available through CENIC to healthcare providers such as Salinas Valley Health. Requesting to upgrade the existing 1GB internet connection to 10GB to better support the growing need for cloud-based solutions and demand for wi-fi to server our patients, providers, visitors and others who need wi-fi while at any of our Salinas Valley Health locations.
- Uniqueness of the service. **Describe.**
- SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Attach documentation from manufacturer to confirm that only one dealer provides the product.**
- Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**
- Used item with bargain price (describe what a new item would cost). **Describe.**
- Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, **Describe:**

**By signing below, I am attesting to the accuracy and completeness of this form.**

Submitter Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Board or CEO – Packet Submission Checklist

### MetTel: Telecommunications Aggregation – Additional Lines, 2023 - 2026

*The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to Assistant to CFO by 4:00 p.m. on the Tuesday that falls three (3) weeks before Board week.*

- BOARD/CEO PAPER** – required for all submissions; see attached instructions/sample
- KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper
- CONTRACT** – negotiated final with vendor signature 1001.3884
- PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):
  - If for **data processing/telecommunications goods/services** of more than \$25,000, check applicable option and include documentation: CIO must review.
    - RFP documentation
    - If sole source – provide detailed justification (see attachment)
    - If GPO, submit qualifying verification from Materials Management
  - If for **professional/other services or medical/surgical equipment and supplies** more than \$350,000, check applicable option and include documentation:
    - RFP documentation
    - If GPO, submit qualifying verification from Materials Management
    - If emergency – as designated by Board
  - If for **non-medical materials/supplies** more than \$25,000, check applicable option and include documentation:
    - Invitation for bids documentation
    - If sole source – provide detailed justification (see Attachment 3B)
    - If GPO, submit qualifying verification from Materials Management

Legal counsel/Contract Administrator reviewed:  No or  Yes, By Whom: No changes to MSA.

**SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:**

Signature	Title/Department	Date
-----------	------------------	------

**REVIEWED BY:**

CIO (if applicable): _____	Date: _____
Director of MM, in lieu of Audit/Compliance: _____	Date: _____

## Board or CEO – Packet Submission Checklist

### CENIC Internet Services: 2023 - 2028

*The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to Assistant to CFO by 4:00 p.m. on the Tuesday that falls three (3) weeks before Board week.*

- BOARD/CEO PAPER** – required for all submissions; see attached instructions/sample
- KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper
- CONTRACT** – negotiated final with vendor signature [1001.2460](#)
- PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):
  - If for **data processing/telecommunications goods/services** of more than \$25,000, check applicable option and include documentation: **CIO must review.**
    - RFP documentation
    - If sole source – provide detailed justification (see attachment)
    - If GPO, submit qualifying verification from Materials Management
  - If for **professional/other services or medical/surgical equipment and supplies** more than \$350,000, check applicable option and include documentation:
    - RFP documentation
    - If GPO, submit qualifying verification from Materials Management
    - If emergency – as designated by Board
  - If for **non-medical materials/supplies** more than \$25,000, check applicable option and include documentation:
    - Invitation for bids documentation
    - If sole source – provide detailed justification (see Attachment 3B)
    - If GPO, submit qualifying verification from Materials Management

Legal counsel/Contract Administrator reviewed:  No or  Yes, By Whom: [Natalie James](#)

**SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:**

Signature	Title/Department	Date
-----------	------------------	------

**REVIEWED BY:**

CIO (if applicable): _____	Date: _____
Director of MM, in lieu of Audit/Compliance: _____	Date: _____

**From:** [Natalie A. James](#)  
**To:** [Audrey Parks](#)  
**Subject:** RE: New Contract Auxiliary Associate with CENIC  
**Date:** Friday, June 2, 2023 4:21:05 PM  
**Attachments:** [redline C45-551 Salinas Valley MHS Auxiliary Associate DRAFT 5-22-23.docx](#)

---

Hi Audrey,

Please find attached my suggested redlines. They opted to remain silent on choice of law, which is fine by us.

These redlines represent SVMHS' preferences, but I don't think anything here is a hill to die on.

Kind regards,  
Natalie

---

**NATALIE ANN JAMES, JD**  
**Contract Administrator | Salinas Valley Health**  
321 E. Romie Lane, 2<sup>nd</sup> Floor | Salinas, CA 93901  
(831) 759-3054 | [njames@salinasvalleyhealth.com](mailto:njames@salinasvalleyhealth.com)

**From:** Cassandra Patrizio <cpatrizio@cenic.org>  
**Sent:** Tuesday, May 23, 2023 8:05 AM  
**To:** Natalie A. James <njames@salinasvalleyhealth.com>  
**Cc:** Audrey Parks <aparks@salinasvalleyhealth.com>; John M. Hornyak <jhornyak@salinasvalleyhealth.com>; Kiten Meena <kmeena@cenic.org>; Timothy Chia <tchia@cenic.org>; Thomas Bokuniewicz <tbokuniewicz@cenic.org>  
**Subject:** New Contract Auxiliary Associate with CENIC

**CAUTION: This email came from an external sender. Do not click on links or open attachments unless you are sure you recognize the sender and you know the contents are safe.**

Hello Natalie,

Attached is the agreement for SVMHS to review. Since the request was to change membership from Associate to Auxiliary Associate we are doing a brand new agreement. For review all pieces of the Agreement are in one word document, however once we are ready to sign it will split up into separate documents. Attached as one document are the following:

Master Service Agreement for Auxiliary Associate (very similar to the Associate document SVMHS previously signed)  
Addendum 1 which covers the CalREN Support Fee (all fees are in the Appendix A. This is how we did it originally, if SVMHS would like the costs to be split out into the corresponding Addenda we can do that)  
Addendum 2 which covers General Internet Access (no fee here)  
Addendum 3 which details the connection to be provided (in this case upgrading the



current 1G to 10G, fees in Appendix A)  
Appendix A where all fees are detailed

I have locked the document for track changes so feel free to make any edits or comments directly in the document for CENIC review. If you have any questions do not hesitate to contact any of us here at CENIC. We look forward to hearing from you.

Regards,

Cassandra

--

*Cassandra L. Patrizio*  
*Senior Manager of Contracts*  
*CENIC*

## MASTER AGREEMENT BETWEEN CENIC AND SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

This Master Agreement (“Agreement”) is entered into as of <Date> by and between the Corporation for Education Network Initiatives in California (“CENIC”), a California public benefit corporation, and the Salinas Valley Memorial Healthcare System, [a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, operating as Salinas Valley Health](#) (“SVMHS”). This Agreement supersedes any previous Agreements between the Parties. All written communications between the parties shall be addressed as follows unless and until amended in writing by the respective party.

CENIC	Salinas Valley Memorial Healthcare System
Louis Fox	<ENTER NAME> <a href="#">Attn: Office of the President/CEO</a>
16700 Valley View Ave., Suite 400	450 E Romie Ln
La Mirada, CA 90638	Salinas, CA 93901

### 1. Relationship between the Parties

CENIC operates advanced network services to support the research and education community in California. SVMHS requires use of CENIC advanced services to enable communications with educators and researchers in California and nationally.

It is the purpose of this Agreement to set forth the terms and conditions applicable to the provision of communications and related network services by CENIC.

### 2. Services to be Provided

The primary communications infrastructure developed, owned, or controlled by CENIC is the California Research and Education Network - CalREN. Among the services that CENIC shall offer to SVMHS are those provided through or related to CalREN.

Specific services and the specifications of those services are as defined in the attached Addenda to this Master Agreement and incorporated fully herein. Each party shall be responsible for providing the other party with accurate information that might be required to install and maintain the service. SVMHS shall at its expense undertake all necessary preparations required to comply with CENIC's reasonable installation and maintenance instructions. CENIC shall not be responsible for operating or maintaining software, equipment or cabling that connects equipment not provided by CENIC for the services unless specifically agreed to in writing by CENIC.

### 3. Quality of the Services Provided

All services provided under this Agreement shall be operated and supported in a professional and reliable manner in accordance with the service specifications developed by CENIC and implemented after consultation with appropriate CENIC advisory groups. CENIC service specifications are documented on the CENIC Web site.

### 4. Term and Termination of this Agreement

TERMINATION FOR CONVENIENCE. This Master Agreement is effective as of the last signature date below (“Effective Date”) and shall remain in effect until terminated by either Party. Either party may terminate this Master Agreement upon ninety (90) days advance written notice to the other party. CENIC

cannot issue refunds for backbone services or circuits cancelled in the middle of a contract year (July 1 through June 30). Similarly, SVMHS will be obligated for the costs of any circuit contracts CENIC enters into in order to fulfill CENIC's obligations to SVMHS under this Agreement, provided CENIC notifies SVMHS of the contract and its terms before CENIC enters into the contract, and specifies that SVMHS will be responsible for payment of the costs of the contract even if SVMHS terminates this Agreement.

**5. Costs and Payment for the Services**

The Addenda and/or attachments to this Master Agreement define the costs for services. The costs for services are set by the CENIC Board of Directors and may be changed from time to time. SVMHS shall have ninety (90) days from the date of written notification of any change of the costs for a service to terminate the service without penalty if such costs are unacceptable.

Payment for services shall be due upon the dates specified in the Addenda or as otherwise agreed to by SVMHS and CENIC. SVMHS shall pay for services within ~~30-45~~ days of receipt of a CENIC invoice, subject to the payment not being due before the dates specified in the Addenda.

**6. Miscellaneous**

- (a) **WORK BY SUBCONTRACTORS.** CENIC shall make every reasonable effort to ensure that work or services provided by subcontractors meets the requirements specified in the Addenda.
- (b) **CONDITIONS OF USE.** SVMHS agrees to conform to the CENIC Appropriate Use Policy and to any specific conditions of use imposed by subcontractors providing communications services to CENIC as may be in force at the time such services are made available to SVMHS per an Addendum to this Agreement.
- (c) **CONFLICTING CLAUSES.** If any clause in this Master Agreement is in conflict with a clause in an Addendum to this Agreement, the language in the Addendum shall take precedence.
- (d) **FORCE MAJEURE.**  
Neither party will be held responsible for any delay or failure in performance of any part of this agreement to the extent such delay or failure is caused by: fire; flood; lightning; explosion; war; acts of terrorism; strike; labor disputes; government requirements; acts of god; or acts or failure to act by any governmental authority.

**7. Entire Agreement**

This Agreement and any Addenda contemporaneously or subsequently executed by the parties constitute the entire Agreement between the parties regarding the subject matter of this Agreement and supersede all prior written or oral agreements with respect to such. This Agreement may not be modified orally, and no modification shall be binding unless in writing and signed by authorized representatives of both parties.

**8. Indemnification**

CENIC agrees to defend, indemnify and hold SVMHS and its employees and agents harmless from any and all liability, claims, demands, suits, costs, charges and expenses, including, but without limitation, attorneys' fees, including but not limited to any claim, loss, damage, or injury any way connected with the performance of this Agreement that is caused by the acts or omissions, willful misconduct or

negligent conduct of CENIC or CENIC's agents, employees, or other persons acting on CENIC's behalf. Similarly, SVMHS agrees to defend, indemnify and hold CENIC and its employees and agents harmless from any and all liability, claims, demands, suits, costs, charges and expenses, including, but without limitation, attorneys' fees, including but not limited to any claim, loss, damage, or injury any way connected with the performance of this Agreement that is caused by the acts or omissions, willful misconduct or negligent conduct of SVMHS or SVMHS's agents, employees, or other persons acting on SVMHS's behalf.

**9. Use of SVMHS's Trademarks and Logos.**

CENIC shall not use SVMHS's logo, or the name "SVMHS" or any other trademarks, logos, insignia, or other identification of SVMHS in any form of publicity, disclosure or sale without the advance written permission of SVMHS. Written permission is hereby granted to use the name SVMHS as a CalREN Auxiliary Associate on CENIC's web site and on printed materials.

**10. Independent Contractor.**

It is expressly understood and agreed that, in the performance of the activities contemplated by this Agreement, the parties and their employees and agents will at all times act as independent contractors of one another, and not as employees or agents of one another. This Agreement does not constitute and shall not be construed as constituting a partnership, joint venture association, or other affiliation or like relationship between parties. Neither party shall have the right to obligate or bind the other in any manner whatsoever with respect to any third party, and nothing herein contained shall give or is intended to give any right to a third party. In no event will either party be liable for the debts or obligations of the other party, except as specifically provided herein.

**11. Amendment/Severability**

This Agreement may not be amended, except through a writing signed by authorized representatives of SVMHS and CENIC. If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions, and parts thereof, of this Agreement are severable.

**12. Dispute Resolution.**

Any dispute arising out of or relating to this Agreement shall be resolved through binding arbitration under the applicable rules of JAMS. Should there be any dispute arising out of or in connection to this Agreement, the parties agree to make every effort to resolve such dispute informally, such as through mediation and/or arbitration, prior to the initiation of any legal action in a court of competent jurisdiction. Both parties agree that should either party reasonably retain an attorney to enforce the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs, including fees and costs or corporate staff counsel.

**13. Miscellaneous Terms.**

- a. CENIC shall provide services in strict accordance with all applicable state and federal laws and regulations.
- b. CENIC warrants that, to its knowledge, neither CENIC nor its employees or agents performing services under this Agreement have been excluded from participation in federal or state healthcare programs. If an employee/agent performing services under this Agreement is

Formatted: List Paragraph, Outline numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0" + Indent at: 0.25"

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excluded, CENIC will replace that employee/agent within a reasonable time. If CENIC is excluded, SVMHS may terminate this Agreement, without penalty and with applicable refund, upon written notice to CENIC.

- c. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980, CENIC agrees that the books and records of CENIC related to this Agreement will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of CENIC at a value or cost of \$10,000 or more over a twelve (12) month period, CENIC shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. This Section shall be of no force and effect if it is not required by law.

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*IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.*

**For CENIC**

**For SVMHS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Louis Fox  
Name

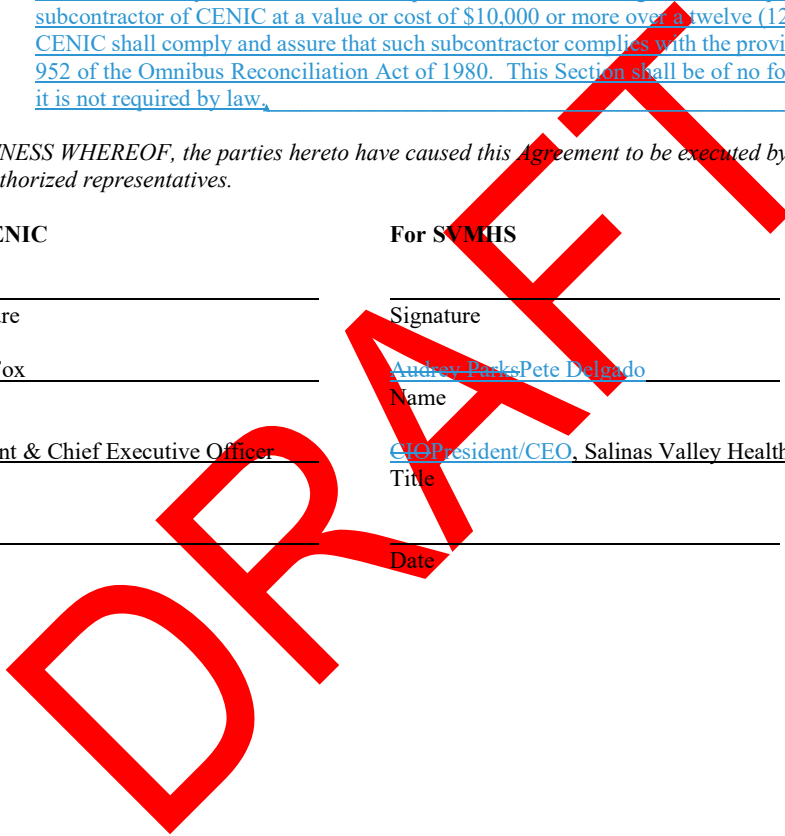
~~Audrey Parks~~Pete Delgado  
Name

President & Chief Executive Officer  
Title

CEO President/CEO, Salinas Valley Health  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



**CENIC Communications Services Contract  
Addendum 1: CalREN Core Network Services  
SVMHS**

This Addendum is incorporated by reference into the Master Agreement between CENIC and SVMHS for Provision, Installation and Maintenance of Data Communications Services ("Agreement"). This Addendum is effective when signed by both parties ("Effective Date").

**1. Scope of Service**

The service to be provided to SVMHS is transit across the CalREN infrastructure by means of connections to the CalREN core routers and switches. This service will enable high capacity Internet data transport among the SVMHS campus and CalREN member institutions connected to that same CalREN infrastructure. Access to higher educational institutions nationally is also available, via peering arrangements or use of other networks such as Abilene or NLR.

**2. Term of Service**

The service period covered by this Addendum begins on the Effective Date and shall continue for five (5) years from that date. The on-going services covered by this Addendum shall be renewed automatically annually on July 1 unless intention not to renew is delivered by either party to the other at least ninety (90) days prior to the anniversary date.

**3. Description of Service**

This Addendum assumes connection to the Soledad CalREN backbone network hub site from SVMHS via use of a leased data circuit and routers or appropriate equipment. The data circuit and routers or other equipment are included under a separate addendum. This Addendum covers the use of the CalREN backbone to reach other educational sites in California and nationally.

**4. Maintenance of Service**

CENIC shall maintain the service in good working condition in accordance with best common practices and as defined in the CENIC Network Operations Center ("NOC") Procedures on the CENIC web site. The CENIC NOC shall be available to respond to service problems seven (7) days a week, and twenty-four (24) hours per day.

**5. Costs and Payment for Service**

Fees for this service are due initially within 30 days of the availability of service to SVMHS and annually on July 1, or not less than thirty (30) days after receipt of the invoice from CENIC, whichever is later. This payment schedule may be changed by mutual agreement of the parties. All costs are detailed in Appendix A attached to Addendum 3 of the agreement.

These fees are subject to change by the CENIC Board of Directors. SVMHS will be given ninety (90) days to accept any such increases or terminate services without penalty.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date shown below by their respective duly authorized representatives.

**For CENIC**

**For SVMHS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Louis Fox  
Name

Audrey Parks  
Name

President and Chief Executive Officer  
Title

CIO, Salinas Valley Health  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**DRAFT**

**Addendum 2:**  
**CENIC Provision, Installation and Maintenance**  
**Of Advanced Network (Data) Services:**  
**General Internet Access**

This Addendum is incorporated by reference into the Master Agreement, hereinafter referred to as “Agreement”, between CENIC and SVMHS, for Provision, Installation and Maintenance of Advanced Network (Data) Services. This Addendum is effective when signed by both parties, hereinafter referred to as “Effective Date”.

**1. Scope of Service**

This service (“Service”) provides access to sites on the commercial internet accessible to SVMHS via the CENIC CalREN backbone.

**2. Term of Service**

The service period covered by this Addendum begins upon implementation of the service and is renewed annually each July 1 unless intention not to renew is delivered at least 90 days in advance of the renewal.

**3. Location and Description of Service**

The Service is provided to SVMHS over the CalREN network.

In support of the Service, CENIC shall maintain high capacity connections between the CalREN network and the commercial Internet and shall make these connections available for use by SVMHS. These connections shall be provided by at least two (2) different Internet service providers (“ISPs”) and through various peering arrangements.

**4. Maintenance of Service**

CENIC will undertake all reasonable measures to ensure that data transport between SVMHS and the commercial Internet is available 100% of the time, 24 hours per day, 7 days per week. CENIC shall serve as SVMHS’s agent in resolving service problems with commercial Internet service providers.

CENIC shall maintain the ISP connections in good working condition in accordance with best common practices and as defined in the on the CENIC Network Operations Center (“NOC”) Services portion of CENIC’s web site. The CENIC NOC shall be available to respond to service problems seven (7) days a week, and twenty-four (24) hours per day.

**5. Cost of Service**

CENIC shall provide this service to SVMHS at no cost.

Costs are subject to change by the CENIC Board of Directors at any time. CENIC will notify SVMHS of any fee increases, and SVMHS will be given ninety (90) days from date of notice to accept any increases or terminate services without penalty.



**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date shown below by their respective duly authorized representatives.

**For CENIC**

**SVMHS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Louis Fox  
Name

Audrey Parks  
Name

President and Chief Executive Officer  
Title

CIO, Salinas Valley Health  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**DRAFT**

**Addendum No. 3:**  
**Connection to the CENIC CalREN Backbone**

This Addendum is incorporated by reference into the Master Agreement between CENIC and SVMHS for Provision, Installation and Maintenance of Data Communications Services (“Agreement”). This Addendum is effective when signed by both parties (“Effective Date”). Should SVMHS cancel one or more of the services provided pursuant to this Addendum, SVMHS shall be obligated to reimburse CENIC for the cost of any circuit contracts CENIC enters into in order to fulfill CENIC’s obligations to SVMHS under this Addendum; provided CENIC notifies SVMHS of the contract and its terms before CENIC enters into the contract, and specifies that SVMHS will be responsible for payment of the costs of the contract even if SVMHS terminates this Agreement. Any such cost shall not exceed CENIC’s direct third-party cost obligation for the services to be cancelled and shall be subject to section 4 of the Master Agreement.

**1 Scope of Service**

The Services provided under this Addendum include the planning, design, ordering, installation, acceptance testing, and operation of a leased circuit and associated equipment from SVMHS location to the CENIC hub site in Soledad. SVMHS currently has a 1G Service provided under contract number C45-335 Add 3. That service will be upgraded to a 10G service upon execution of the Agreement and Addendum 3. Until such time as the new 10G Service is fully deployed, SVMHS will continue to be obligated to pay any monthly recurring costs on the existing service. SVMHS understands there may be a period of time during which both the 1G Service and the 10G service will be billed until full deployment is completed. CENIC will work as efficiently as possible to make any overlap as short as possible.

**2 Term of Service**

The service period contemplated by this Addendum begins upon installation of the service and continues for five (5) years from that date (“Initial Term”). The on-going services covered by this Addendum shall be renewed automatically annually on July 1 unless intention not to renew is delivered by either party to the other at least ninety (90) days prior to the anniversary date.

**3 Locations, Cost and Payment for Service**

Fees for this service are due initially within 30 days of the availability of service to SVMHS and annually on July 1, or not less than thirty (30) days after receipt of the invoice from CENIC, whichever is later. This payment schedule may be changed by mutual agreement of the parties. All costs are detailed in Appendix A attached to Addendum 3 of the Agreement.

These fees are subject to change by the CENIC Board of Directors. SVMHS will be given ninety (90) days to accept any such increases or terminate services without penalty.

**IN WITNESS WHEREOF**, the parties hereto have caused this Addendum to be executed on the date shown below by their respective duly authorized representatives.

**For CENIC**

**SVMHS**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Louis Fox  
\_\_\_\_\_  
Name

Audrey Parks  
\_\_\_\_\_  
Name

President and Chief Executive Officer  
\_\_\_\_\_  
Title

CIO, Salinas Valley Health  
\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**DRAFT**

### Appendix A

CalREN connection point: Level3 Soledad

Estimated installation time: 90 to 120 days from contract execution

	<b>One-Time Costs</b>	<b>Monthly Recurring Costs</b>	<b>Annual Recurring Costs</b>
Circuit Deployment Fee ("CDF")	\$6,333.33		\$0.00
Equipment, Installation and on-going maintenance	\$20,091.40		\$1,332.63
10 Gigabit Ethernet connection to CalREN at L3 Soledad	\$0.00	\$2,310.00	
1MB line for remote management of router		\$50.00	
Discounted Annual 10 Gigabit CalREN Support Fee	\$0.00		\$63,800.00
<b>Totals:</b>	<b>\$26,424.71</b>	<b>\$2,360.00</b>	<b>\$65,132.63</b>

One-time fees shall be invoiced upon installation of the Service and are due within thirty (30) days of receipt of invoice. Monthly fees will be billed monthly in arrears and are due within thirty (30) days of receipt of invoice. Annual fees for this service are due annually within thirty (30) days after receipt of the invoice from CENIC.

The above costs are exclusive of taxes and surcharges which shall be invoiced to SVMHS.

These fees are subject to change by the CENIC Board of Directors. SVMHS will be given ninety (90) days to accept any such increases or terminate services without penalty.

# Board Paper: Review and Approval by Board

Agenda Item: Consider Recommendation for Board Approval of the MetTel Addendum to Transfer Select Existing AT&T Carrier as Sole Source Justification and Contract Award



Executive Sponsor: Augustine Lopez, CFO  
Audrey Parks, CIO

Date: August 9, 2023

## Executive Summary

Salinas Valley Health receives telecommunications services predominantly from AT&T and Comcast. Due to our existing, large AT&T carrier environment, we moved to MetTel last year to aggregate our AT&T voice services at lower cost and improved management through a proprietary utilization management portal, Bruin, by MetTel.

MetTel is a leading wholesale carrier aggregator. MetTel is ranked #1 in Gartner’s alternative Wide Area Network (WAN) solution providers and have five years of Stevie Awards and American Business Awards for their customer service. MetTel’s unique contract management software, the Bruin Portal, will reduce overhead costs for my team used to manage our carrier contracts, track our service tickets, and monitor our expenses.

		 AT&T	
Location Name	Count	Current rate/month	New MetTel rate
Salinas Valley Memorial Hospital - Soledad	1	1,365	546
Salinas Valley Memorial Hospital	198	83,284	8,007
<b>Monthly Total</b>		<b>\$ 84,649</b>	<b>\$ 8,553</b>
<b>Annual</b>		<b>\$ 1,015,787</b>	<b>\$ 102,639</b>
<b>Total Cost Over 3-Year Term</b>		<b>\$ 3,047,360</b>	<b>\$ 307,916</b>
<b>Total SAVINGS Over 3-year Term</b>			<b>\$ 2,739,445</b>
			90%

The change order as quoted is to move additional lines off of AT&T direct over to MetTel at a cost of \$8,553.21/month over 36 months or \$307,915.56.

The current estimated spend with AT&T for these same lines is \$84,649/month so the savings over the 3-year term is approximately \$2.74 million or 90%.

Key Contract Terms	Vendor: Carousel Industries
1. Proposed contract signing date	August 25, 2023
2. Term of agreement	Three-year term (3-years)
3. Renewal terms	Auto one-year terms

4. Termination provision(s)	Early termination possible, but fiscal liability for contract value remains
5. Payment Terms	\$2,739,445 over three years, \$102,639/year Paid monthly in the amount of \$8,553.21 Net 30 per master agreement.
6. Annual cost(s)	\$307,915.56 over the 3-year term
7. Cost over life of agreement	September 1, 2020
8. Budgeted (yes or no)	Yes. Net savings of \$2.74M over three years
9. Contract	<a href="#">1001.3884</a>

### Recommendation

Consider recommendation for Board approval of the MetTel Addendum to Transfer Select Existing AT&T Carrier as Sole Source Justification and Contract Award in the amount of \$307,915.56 over a three-year term.

### Attachments

- Quote, dated June 27, 2023, ID: SQ-00124504

## Justification for Sole Source Form

**Item Request:** Telecommunications Aggregator

**To:** Proposal Evaluation Panel

**From:** Audrey Parks, IT

**Type of Purchase:**

- Materials/Supplies
- Data Processing/Telecommunication Goods > \$25,000
- Medical/Surgical – Supplies/Equipment > \$25,000
- Purchased Services
- Other – Describe: \_\_\_\_\_

<i>Cost Estimate \$</i>	\$ 307,915.56
<i>Business Name</i>	MetTel Communications
<i>Vendor/Consultant Information</i>	Carousel Industries
<i>Contact Name and Position</i>	Matthew Bridgen
<i>Contact Email</i>	<a href="mailto:mbridgen@carouselindustries.com">mbridgen@carouselindustries.com</a>
<i>Contact Phone Number</i>	603-455-5933

**Statement of Need:** My department’s recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the SVMHS. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

**Describe how this selection results in the best value to SVMHS. See typical examples below.**

- Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe why it is mandatory to use this licensed or patented product or service:**
- Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.).**

Salinas Valley Health receives telecommunications services predominantly from AT&T and Comcast. Due to our existing, large AT&T carrier environment, we were looking for a AT&T voice aggregation partner for our voice services. Based on our business objectives to simplify our telecommunications carrier management and reduce total monthly telecommunication spend, we consolidated and switched procurement of select AT&T lines under MetTel Communications to provide voice wireline aggregation and reduce costs. MetTel is unique in that they have a proprietary communication management platform (the Bruin Portal) to assist with managing complex telecommunications carrier contracts. The platform delivers full transparency into our inventory, utilization and spend, and offers a robust platform for bill optimization, reporting, and help desk support.

Through a voice aggregator, we are able to simplify our telecommunications management, maintain the wirelines with AT&T on the backend, and avoid any interruptions to our services, while benefiting from the savings associated with moving to an aggregator. MetTel is AT&T’s

## Justification for Sole Source Form

number one voice aggregator. [This change order is to migrate additional AT&T lines over to MetTel, a services provider we are currently using.](#)

- Uniqueness of the service. **Describe.**
- SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Attach documentation from manufacturer to confirm that only one dealer provides the product.**
- Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**
- Used item with bargain price (describe what a new item would cost). **Describe.**
- Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, **Describe:**

**By signing below, I am attesting to the accuracy and completeness of this form.**

Submitter Signature: \_\_\_\_\_ Date: \_\_\_\_\_



# MetTel Communications Solution

**Prepared For**  
Salinas Valley Health

**Presented On**  
July 27, 2023

**Presented By**  
CAROUSEL INDUSTRIES

Dear Salinas Valley Health,

Thank you for the opportunity to propose a MetTel solution for your business communications needs. At MetTel, we strive to achieve the best value for our customers by providing a comprehensive suite of telecommunications solutions. From traditional voice services to software-defined networks and mobility solutions, MetTel is the preferred solution provider of enterprise and government customers.

We are committed to delivering immediate and sustainable cost and operational efficiencies to our customers:

- Significant hard and soft dollar savings
- Cloud-based communications management platform with detailed invoicing, reporting and help desk functionality
- Service availability for all communications solutions across the United States, Canada, and Puerto Rico
- Superior, 24/7/365 U.S.-based customer care

I look forward to reviewing the enclosed proposal with you and addressing any questions you may have.

Thank you.

CAROUSEL INDUSTRIES

**SOLUTION PORTFOLIO**

**Data & Network Solutions**

- Ethernet Services
- MPLS
- Data T1
- Cable Internet
- SD-WAN
- Business Fiber
- Managed Router
- Managed Firewall
- Managed Wi-Fi
- IPsec & SSL VPN

**Advanced Voice Solutions**

- Cloud PBX
- Unified Communications (UC)
- SIP Trunking
- SIP PRI
- Audio & Web Conferencing
- Digital Voice

**Cloud Managed Solutions**

- Hosted Exchange
- Online Backup
- IP Business
- Patching & Antivirus
- IT Management Services

**Mobility Solutions**

- Mobile Device Management (MDM)
- Nationwide Mobility
- Fixed Wireless/Mobility
- Push-to-Talk (PTT)
- Mobile Help Desk
- Internet of Things (IoT)
- Mobile POTS

**Professional & Consulting Solutions**

- Communications Management Platform (Bruin)
- Professional Services
- Managed Services

**Traditional Solutions**

- Business Lines
- Local & Long Distance
- Toll-Free
- High Speed Internet
- ISDN PRI
- PRI
- Point-to-Point Private Lines
- Centrex
- PBX Trunks

**Prepared For**  
Salinas Valley Health  
**Expiration Date**  
Aug 26, 2023  
**Authorized By**  
Ian Goldin

**Date**  
July 27, 2023  
**Agent**  
INTELISYS COMMUNICATIONS  
**Agent ID**  
AGTMASTJB154534

**Quote ID**  
SQ-00124504  
**Opportunity ID**  
0061T000016uAq0QAE  
**Term**  
36 Month

**Total**  
**Monthly Recurring Cost (MRC)**  
\$8,553.21

**Total**  
**Non Recurring Cost (NRC)**  
\$0.00

**Total**  
**Locations**  
2

**450 E Romie Ln, Salinas, CA 93901-4029 USA**

Product	Term	Qty.	Per Unit	MRC	NRC
Carrier Preference	36 Month	1	\$0.00	\$0.00	\$0.00
20Mb Ethernet DIA	36 Month	1	\$789.00	\$789.00	\$0.00
Carrier Preference	36 Month	1	\$0.00	\$0.00	\$0.00
SIP Trunking - Unltd Local and LD	36 Month	198	\$26.99	\$5,344.02	\$0.00
Total Care – Network Equipment (One Tech Visit)	36 Month	1	\$0.00	\$0.00	\$0.00
Rented Equipment - Adtran TA924 (3rd Gen) - Installed	36 Month	8	\$55.99	\$447.92	\$0.00
Rented Equipment - Analog Installation Kit for Adtran TA9xx	36 Month	9	\$4.50	\$40.50	\$0.00
Rented Equipment - FortiSwitch-224E - No PoE - Installed	36 Month	1	\$46.99	\$46.99	\$0.00
FortiLAN Cloud - FortiSwitch 200-400 Series and 24x7 Forticare	36 Month	1	\$9.99	\$9.99	\$0.00
Network Monitoring and Management Silver	36 Month	1	\$29.99	\$29.99	\$0.00
Total Care – Network Equipment	36 Month	1	\$19.99	\$19.99	\$0.00
Individual SIP DID	36 Month	198	\$0.49	\$97.02	\$0.00
On-Net Feature Pack - Call Forwarding	36 Month	198	\$2.99	\$592.02	\$0.00
Network Monitoring and Management Silver	36 Month	9	\$29.99	\$269.91	\$0.00
Total Care – Network Equipment	36 Month	9	\$19.99	\$179.91	\$0.00
Rented Equipment - Adtran TA908 (3rd Gen) - Installed	36 Month	1	\$39.99	\$39.99	\$0.00
DIA/MPLS/Ethernet/T1- 16 Static IPs (/28)	36 Month	1	\$99.99	\$99.99	\$0.00
<b>Site Total</b>				<b>\$8,007.24</b>	<b>\$0.00</b>

**600 Main St, Soledad, CA 93960-2533 USA**

Product	Term	Qty.	Per Unit	MRC	NRC
10Mb Ethernet DIA	36 Month	1	\$459.00	\$459.00	\$0.00
Carrier Preference	36 Month	1	\$0.00	\$0.00	\$0.00
Rented Equipment - Adtran NetVanta 3148 - Installed	36 Month	1	\$36.99	\$36.99	\$0.00
Network Monitoring and Management Silver	36 Month	1	\$29.99	\$29.99	\$0.00

Wireline Internet access not included in above. MetTel provided wireless service is intended as a back up to wireline Internet Service. The Edge 9010/9090 includes one Technician visit credit of up to 3 hours with up to \$500 applied towards installation charges. If number porting is required, the Edge 9090 includes a second, up to 3 hour Technician visit, with a credit of up to \$500 towards installation charges. Regular on-Site installation fees apply at \$250 for the 1st Hour and \$125.00 each additional hour during normal business hours; any amount of MetTel Technician time in addition to the Time Allotment as stated here, and in the Statement of Work, will be charged to the Customer at the rates stated above (during normal business hours of 9am-5pm, Monday through Friday). Wireless pooled plan overage rate is \$11.00 per GB. Shipping, taxes, regulatory fees and surcharges are not included above. The foregoing Products are being purchased in accordance with the terms and conditions of the Master Service Agreement entered into by and between Customer and MetTel ("MSA"). The effective date of the Initial Term for any Product will be the date that the applicable Product is installed, delivered and/or available for use, as applicable, or, for existing Products, the date this Schedule becomes effective. This document shall constitute a "Schedule" to the MSA and is subject to the terms and conditions of the MSA. Capitalized terms used but not defined have the meanings given to them in the MSA.

Initial here

DIA/MPLS/Ethernet/T1- 8 Static IPs (/29)	36 Month	1	\$19.99	\$19.99	\$0.00
<b>Site Total</b>				<b>\$545.97</b>	<b>\$0.00</b>



**Alarm Liability Waiver**

In connection with the Master Service Agreement (“MSA”) between Manhattan Telecommunications Corporation LLC (“MetTel”) and Customer identified below and the Products to be provided by MetTel thereunder, Customer agrees as follows (capitalized terms used but not defined in this waiver have the meanings given to them in the MSA):

Customer understands that alarm systems connected to POTS Transformation/PIAB Service (“PIAB Service”) using Internet, Voice over IP and other IP technologies will operate differently than traditional TDM voice service.

Customer acknowledges that MetTel is not an alarm service company and is not responsible for the functionality of Customer alarm and other systems connected to the PIAB Service. MetTel will configure and connect Customer’s equipment in accordance with Customer’s instructions, however, MetTel assumes no responsibility for compatibility or proper operation of Customer’s connected devices, which may include fire and burglar alarm systems.

MetTel recommends Customer regularly test the Products for proper operation with its alarm / monitoring provider. Without limiting the warranty disclaimers set forth in the MSA, Customer specifically acknowledges that MetTel does not represent or warrant that the transmission of alarm or other signals will not be interrupted, circumvented or compromised, or that Customer’s alarm or other system will be compatible with MetTel Products.

Customer understands that services may be disrupted or degraded by network congestion, atmospheric conditions, power failures or other conditions beyond MetTel’s control. Use of wireless interfaces as the sole or primary connection may result in a less reliable connection. The use of these services may prevent signal transmission and can interfere with the line-seizure and other features of customer’s alarm system. Customer is responsible for having these services tested by an authorized alarm inspection company or systems expert, as applicable, to ensure signal transmission and features are operating as expected. Customer accepts full responsibility for alarm, safety and monitoring system compliance with the authority having jurisdiction. Without limiting the other limitations of liability herein, IN NO EVENT SHALL METTEL OR ITS VENDORS BE LIABLE FOR ANY LOSSES, DAMAGES, CLAIMS OR EXPENSES OF ANY KIND ARISING OUT OF THE USE, ATTEMPTED USE, OR INABILITY TO ACCESS LIFE SUPPORT, ALARM OR MONITORING SYSTEMS OR DEVICES, 911 OR E911, OR OTHER EMERGENCY CALL OR SERVICE.

Agreed and accepted:

Customer: \_\_\_\_\_

By: \_\_\_\_\_

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Financial Performance Review*

*(VERBAL)*

*(CLEVELAND)*

# Financial Performance Review

## July 2023

**Augustine Lopez**  
**Chief Financial Officer**

# Consolidated Financial Summary For the Month of July 2023

\$ in Millions	For the Month of July 2023				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 58.8	\$ 59.9	\$ (1.1)	-1.8%	
Operating Expense	\$ 59.7	\$ 59.3	\$ (0.4)	-0.7%	
<b>Income from Operations *</b>	<b>\$ (0.9)</b>	<b>\$ 0.6</b>	<b>\$ (1.5)</b>	<b>-250.0%</b>	
<i>Operating Margin %</i>	<i>-1.5%</i>	<i>0.8%</i>	<i>-2.3%</i>	<i>-287.50%</i>	
Non Operating Income**	\$ 3.0	\$ 1.9	\$ 1.1	57.9%	
<b>Net Income</b>	<b>\$ 2.1</b>	<b>\$ 2.5</b>	<b>\$ (0.4)</b>	<b>-16.0%</b>	
<i>Net Income Margin %</i>	<i>3.6%</i>	<i>4.0%</i>	<i>-0.4%</i>	<i>-10.0%</i>	

There were no Normalizing items



# Executive Summary: Unfavorable Financial Performance

- *Salinas Valley Health as a system had an unfavorable financial performance with a loss from operations of \$900k or a <1.5%> operating margin. The \$1.5 million shortfall from budget expectations was attributable to the following:*
  - ✓ Average Daily Census was 6% below budget at 119
  - ✓ Total Admissions were 7% (65 admits) below budget at 895
  - ✓ The decline in volume resulted in below budgeted net patient revenue, including fewer than expected IP & OP surgeries, ER visits, outpatient infusion services and other areas
  - ✓ The Payor Mix was unfavorable due to higher than expected Medicare business (up 8% from budget) while Commercial insurance was lower than budget by 2%.
  - ✓ Labor Productivity - Worked FTEs on a unit by unit level basis were unfavorable by 39 FTEs or \$539,000, which was predominantly driven by a sharp decline in patient volume. This partially offset with continued improvement in contract labor and overtime utilization.

# SVHMC Revenue Highlights July 2023

Gross Revenues were 2% Unfavorable to budget

- IP Gross Revenues were 6% unfavorable to budget
- ED Gross Revenues were 2% unfavorable to budget
- OP Gross Revenues were 4% favorable to budget in the following areas:
  - CT
  - MRI

- Commercial: 2% below budget
- Medicaid: 11% below budget
- Medicare: 8% above budget

**Payor Mix – Unfavorable**

Total Normalized Net Patient Revenues were \$49.3M, which was unfavorable to budget by \$0.8M or 1.5%

# Financial Summary – July 2023

## ADC

Average daily census was at 119, 6% below budget of 127

## Admits

Total admissions were 7% (65 admits) below budget

## ER Visits

ER Outpatient visits were below budget by 11% at 4,305

## OP Business

Lower than expected  
Outpatient business:  
Total ER cases down 10%,  
Total OP Visits down 2%

## IP Surgeries

Inpatient Surgeries were down 1%, 2 cases below budget at 151

## ER Admits

ER admissions were 2% below budget (19 admits).  
ER admits as % of total admissions were 89%  
(Excludes OB ED)

## Cath Lab

Cath Lab procedures were 2% (7 cases) below budget at 318

## Deliveries

Deliveries were 8% (10 cases) below budget at 113

## OP Surgeries

Outpatient Surgeries were down 4%, 11 cases below budget at 240

## CT/MRI Procedures

MRI and CT procedures were 22 and 118 or 6% and 9% above budget, respectively

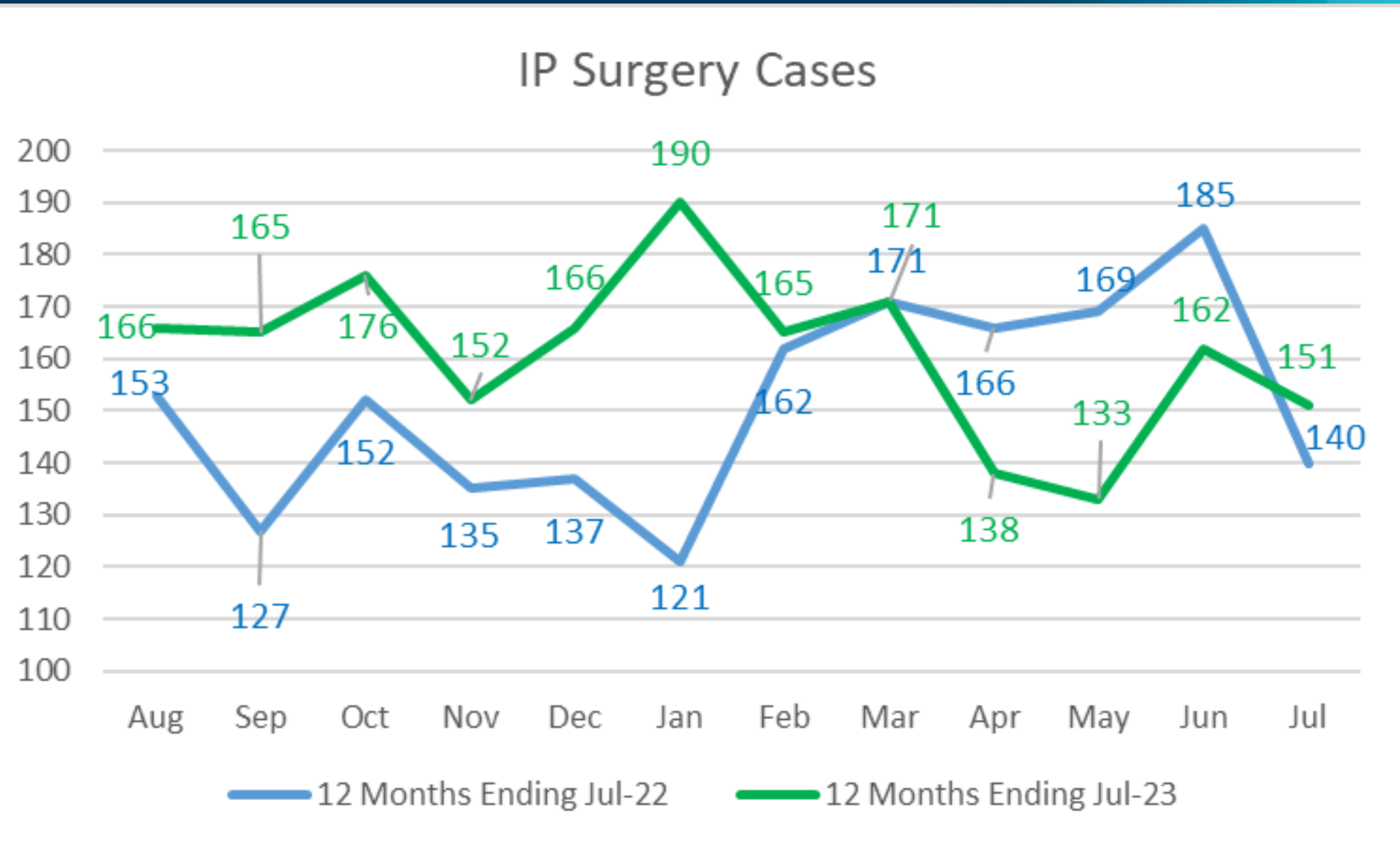
## Observation Cases

OP Observation cases of 160 were over budget 16% (23 cases) in July

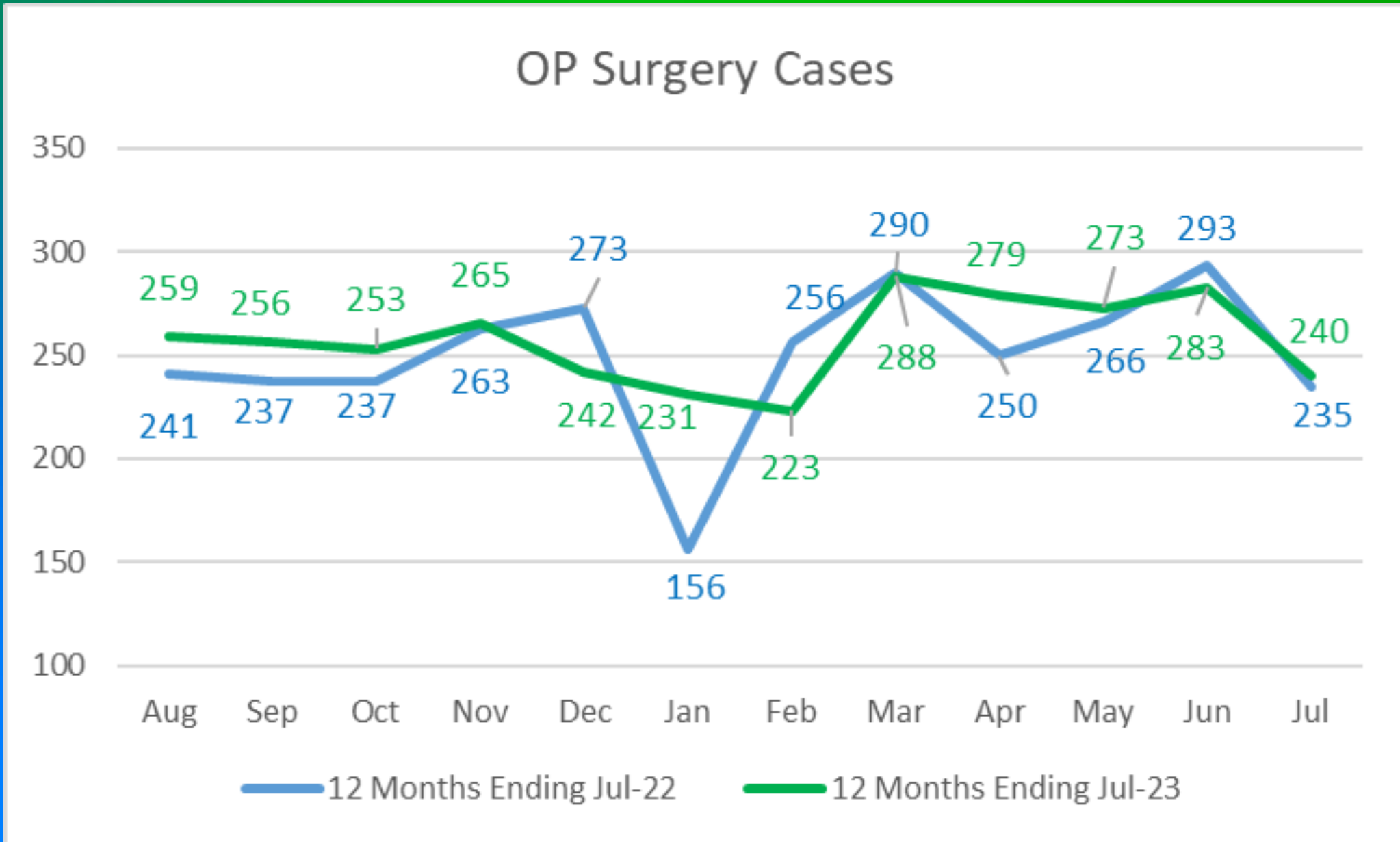
## Medicare ALOS

Medicare Traditional ALOS CMI adjusted was 14% favorable at 2.2 days with a Case Mix Index of 1.95

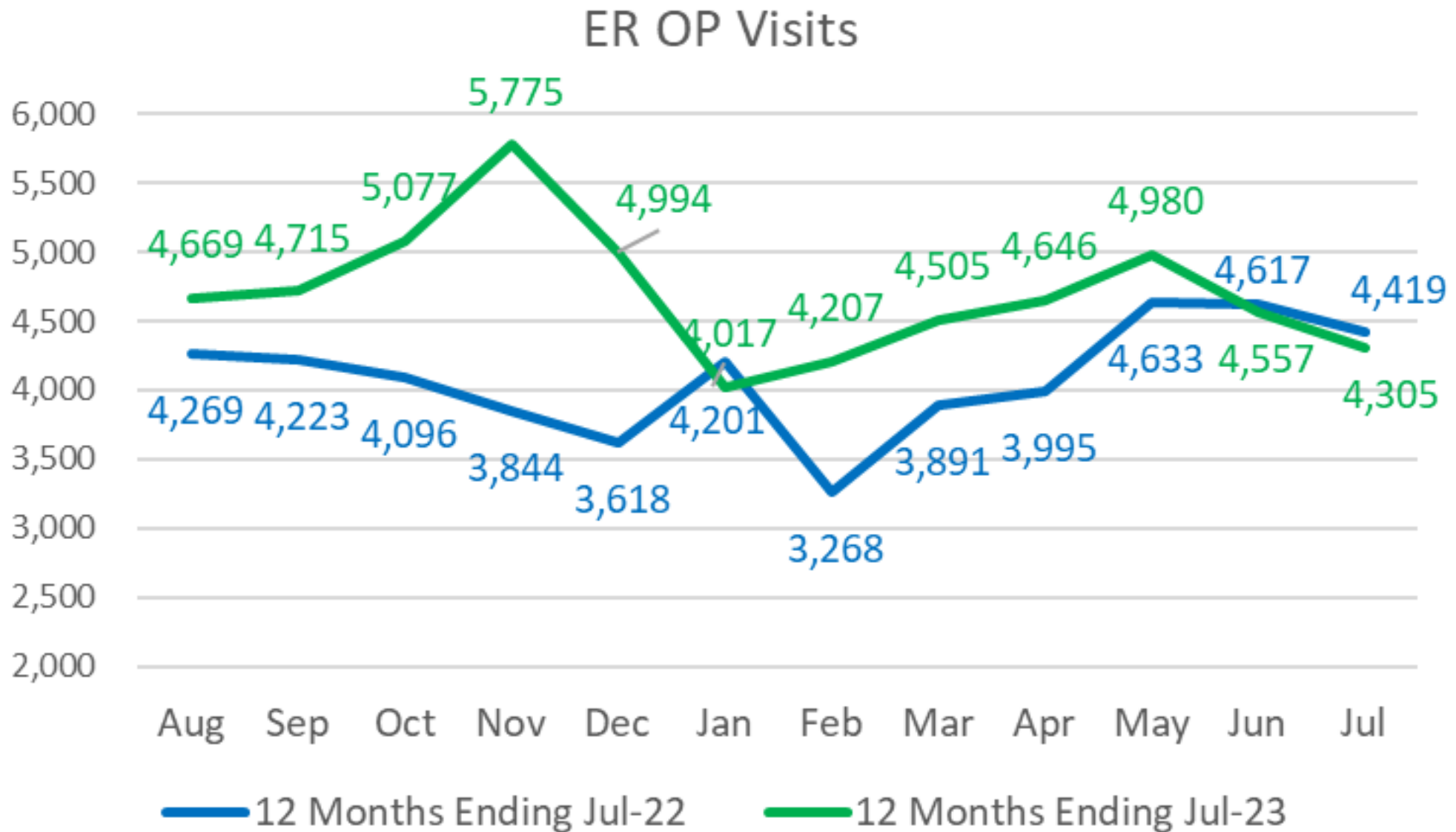
# IP Surgery Cases – July 2023



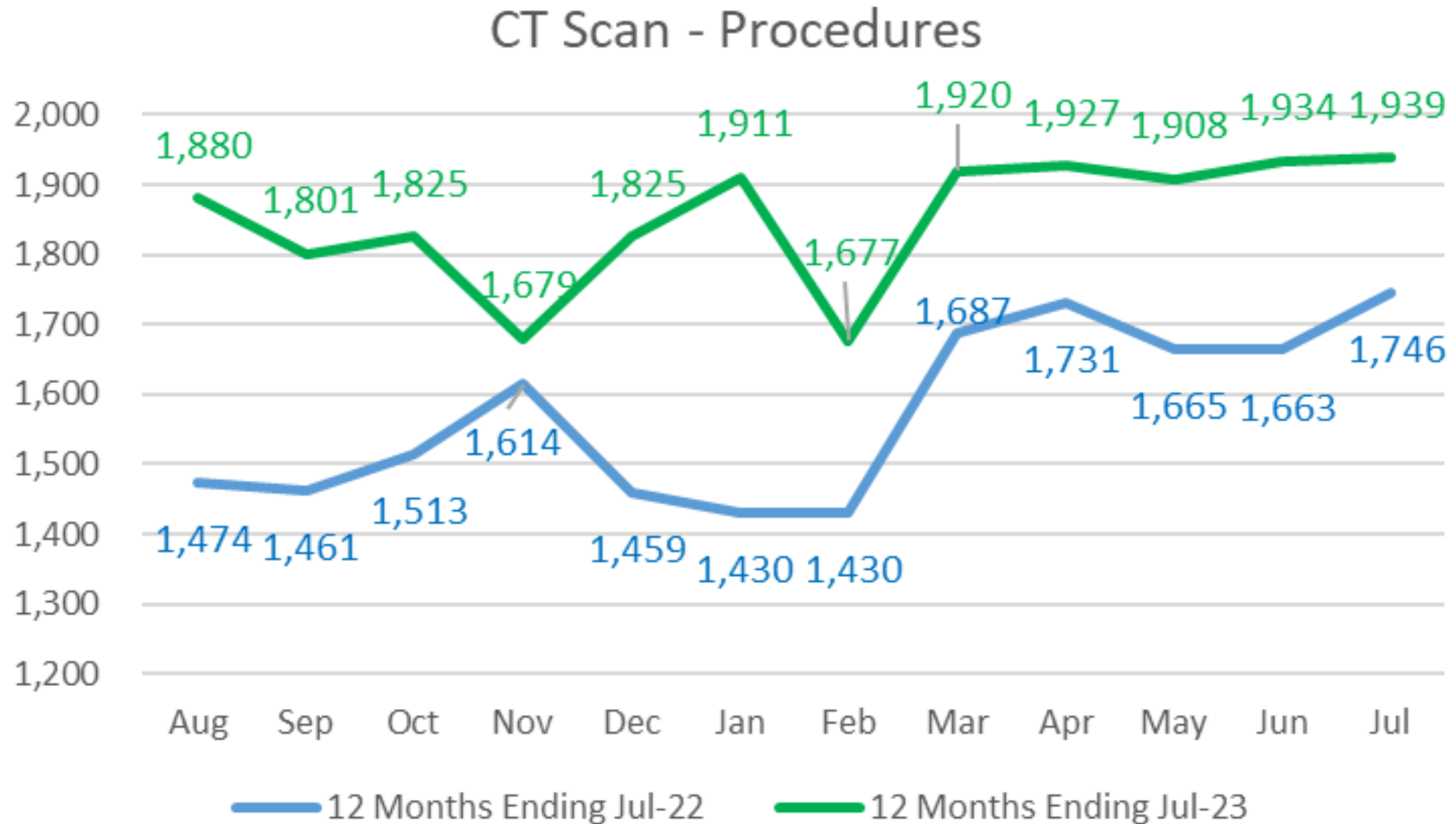
# OP Surgery Cases – July 2023



# ER OP Visits – July 2023

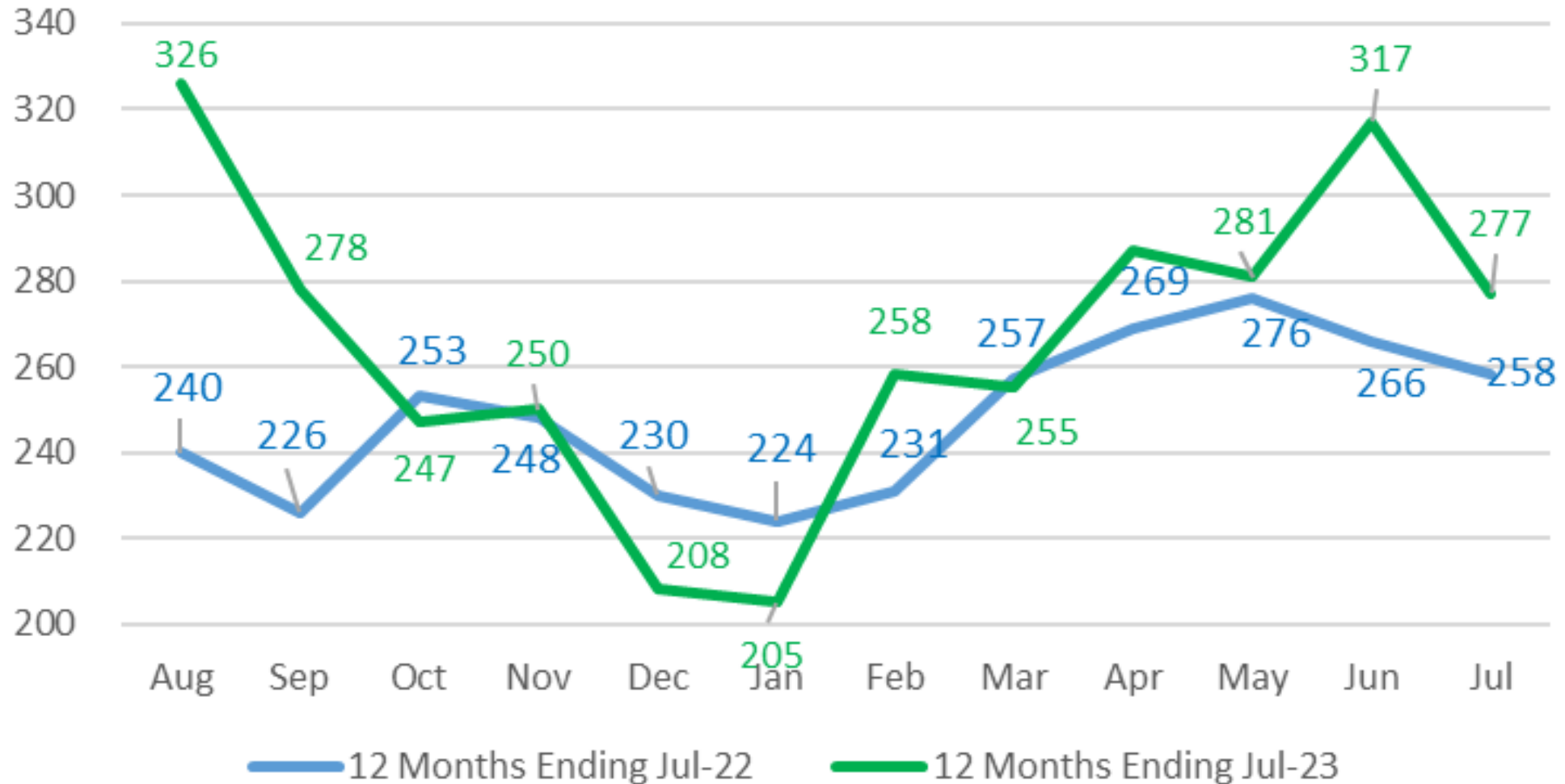


# CT Scans – July 2023



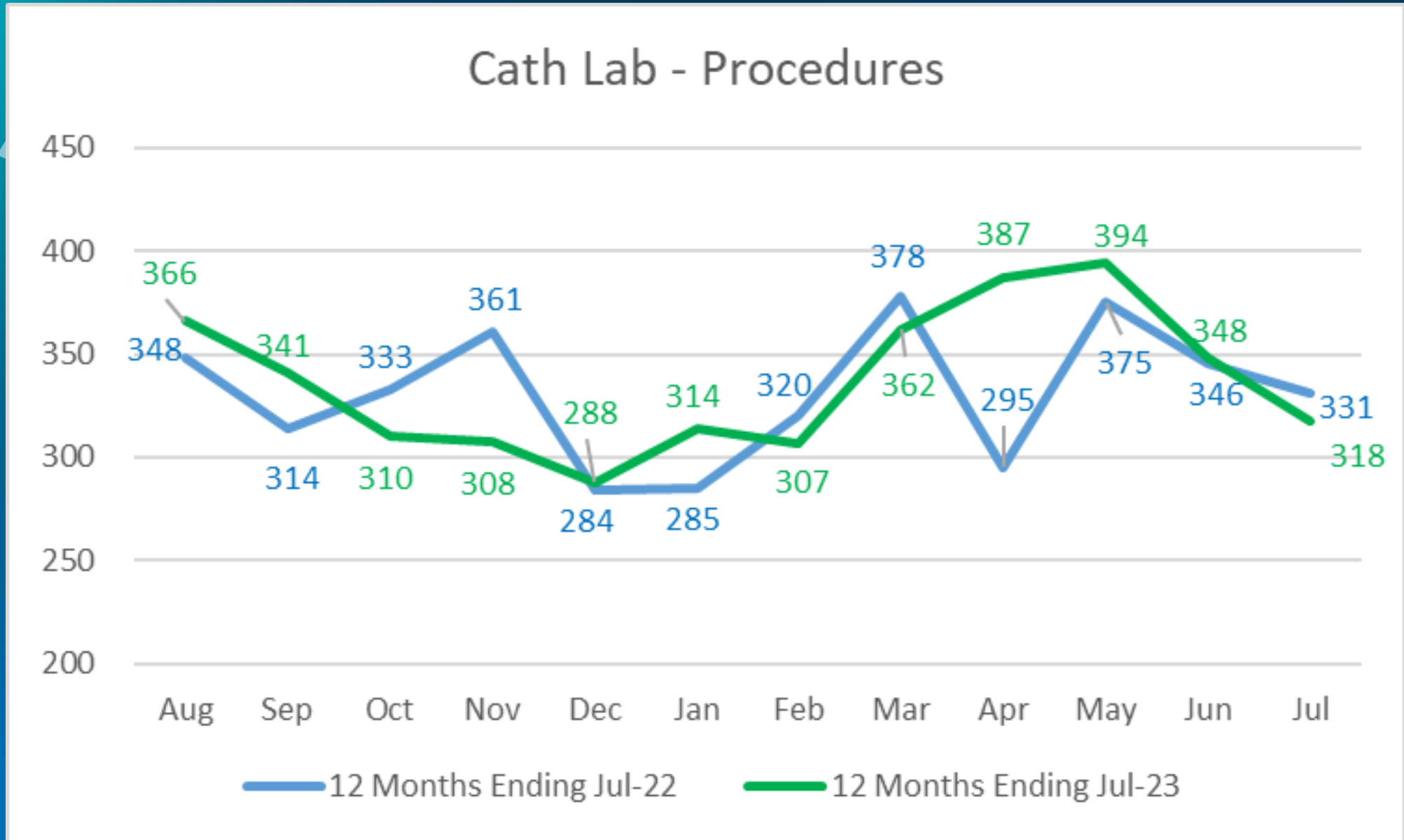
# MRI – July 2023

## MRI - Procedures

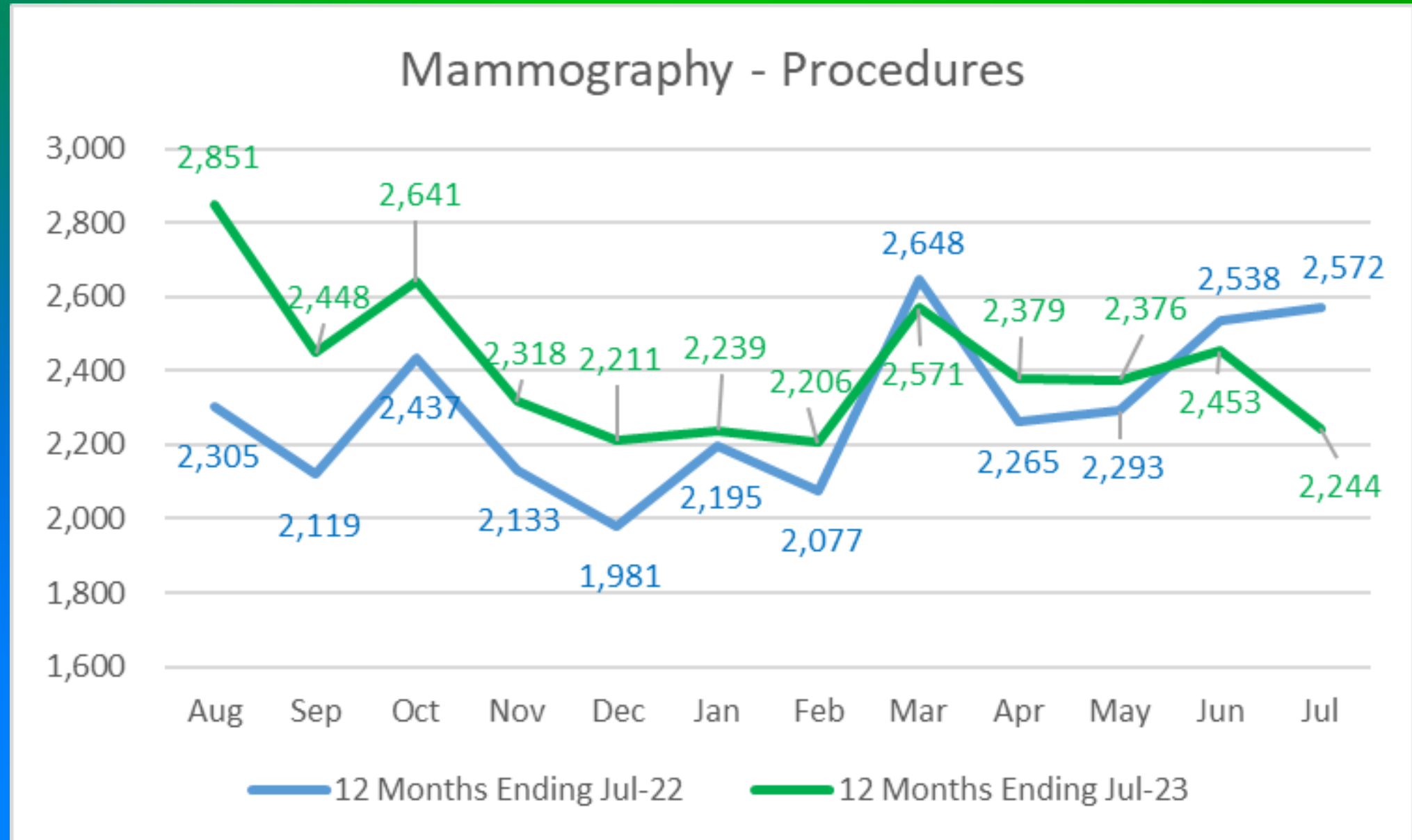




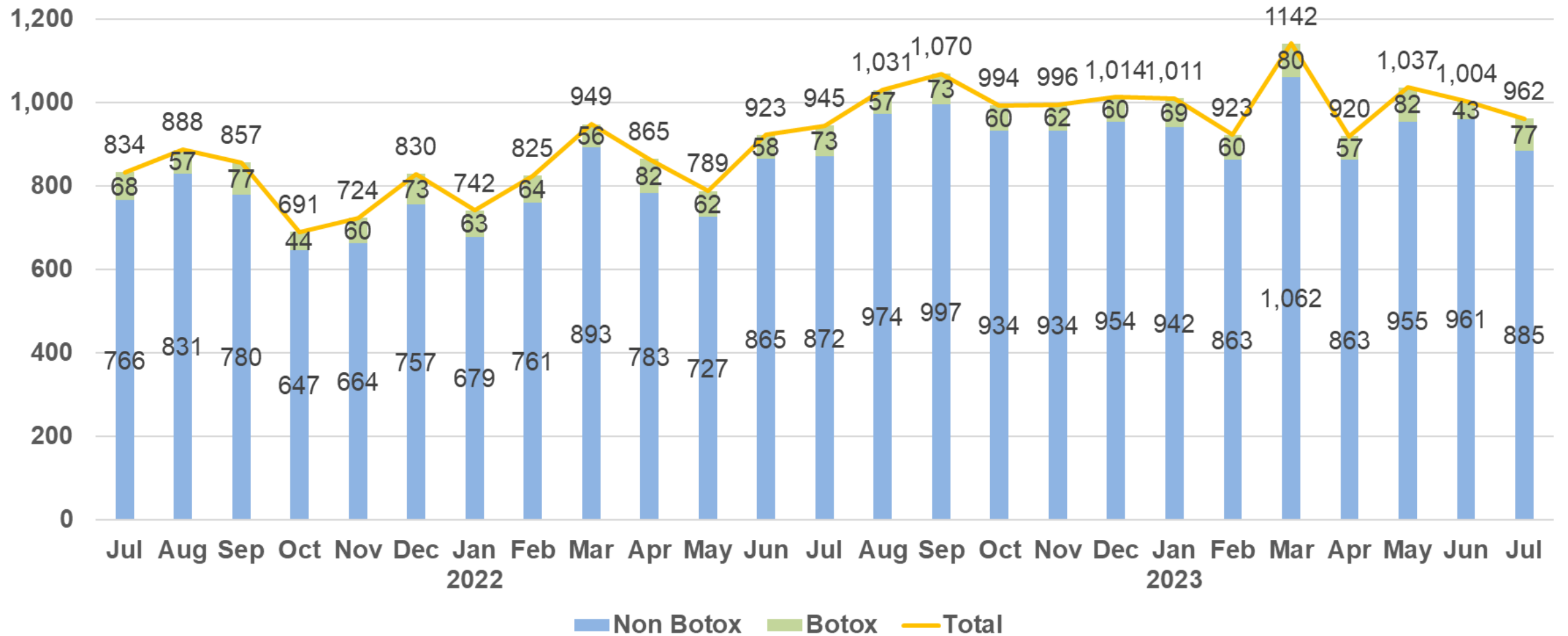
# Cath Lab – July 2023



# Mammography – July 2023

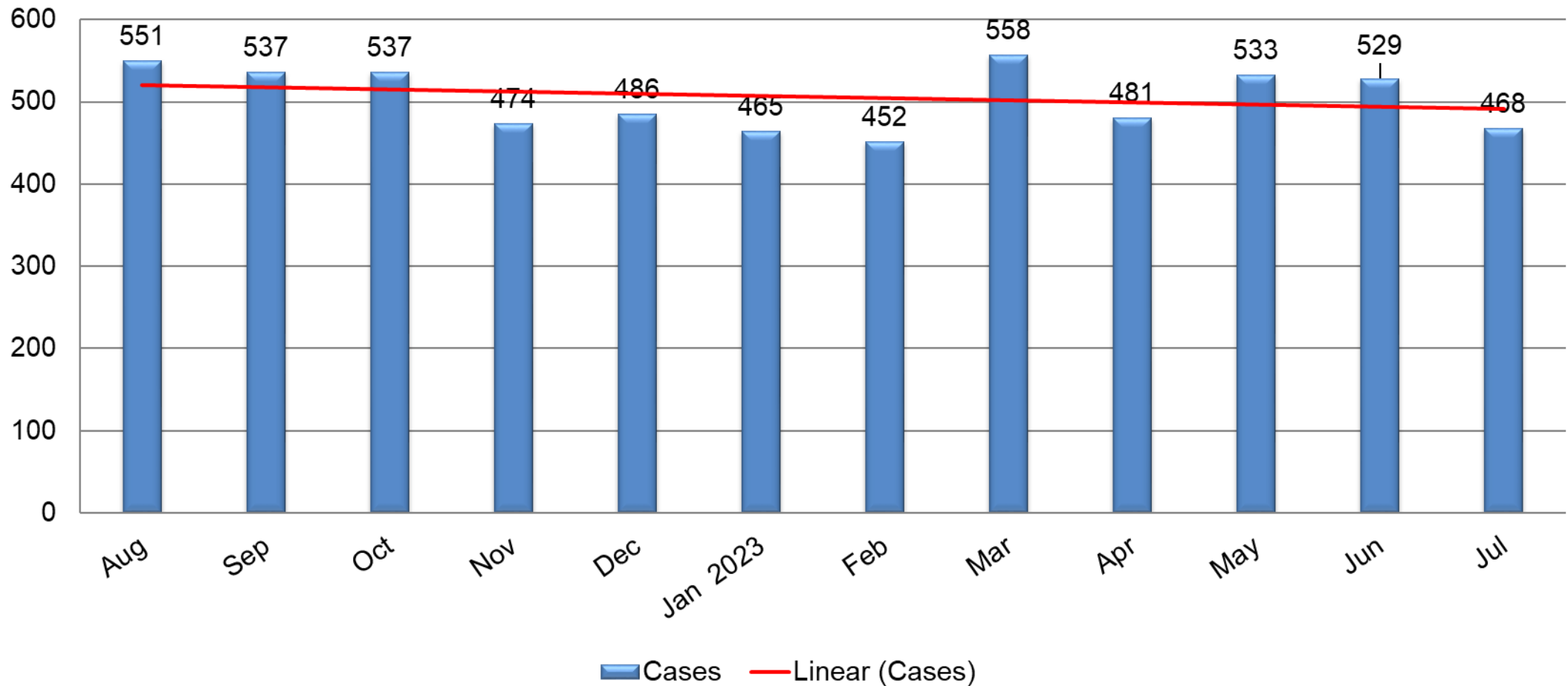


# OP Infusion Trend- (Includes Botox) July 2021 through – July 2023



# CDOC Cases - Rolling 12 Month Trend

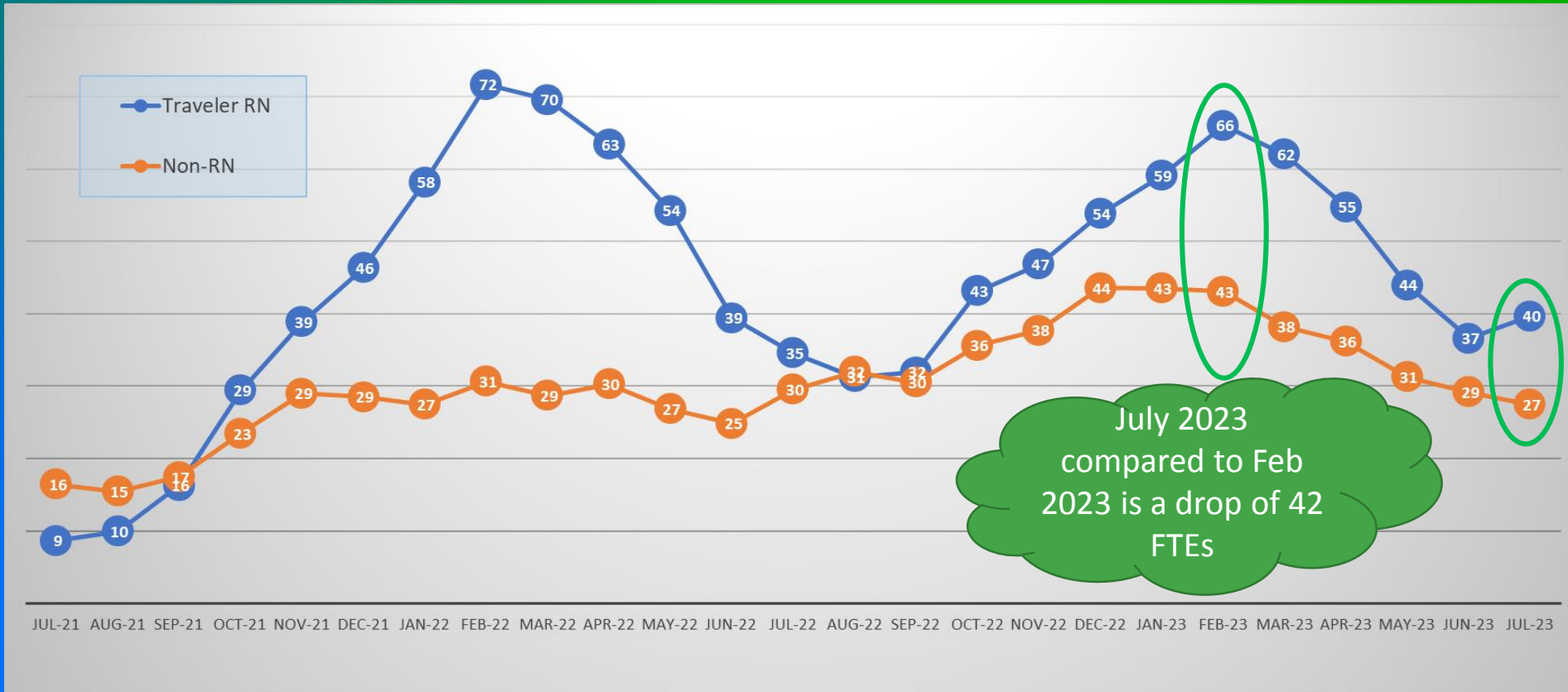
## Aug 2022 thru July 2023



# Labor Productivity – July 2023

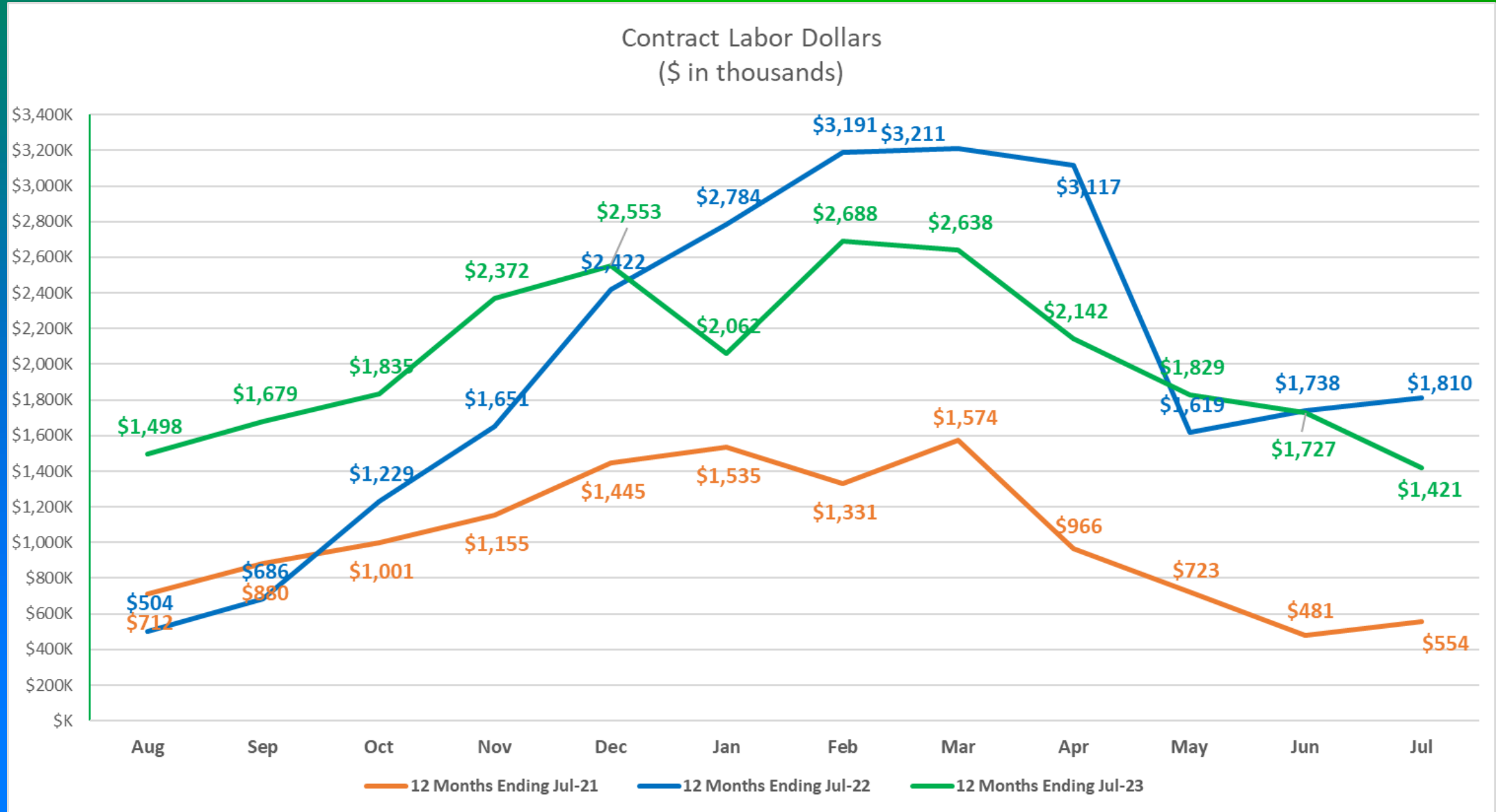
- 1. Worked FTEs:** During the month of July, worked FTEs on a PAADC basis were 1.7% unfavorable at **6.44** with a target of **6.33**. *When reviewed on a unit by unit level, the variance was **38.8 FTEs Negative (\$539k)**.* Average Daily Census increased slightly at 119 compared to 116 in June, and was 6% below budget (127). Worked FTE decreased to 1,482 in July (1,536 in June). In addition to lower volume on the inpatient side, which drove variances in support departments, areas like the ED, Cardiac and Imaging saw softer volumes in the last part of the month which drove variances on the outpatient side of the business.
- 2. Paid FTEs:** On a PAADC basis paid FTEs were **0.3%** favorable to budget at **7.73 actual vs. 7.75 budget**. Paid FTE decreased from 1,821 in June to 1,778 in July.

# Contract Labor FTE By Month FY22 and FY23 YTD July



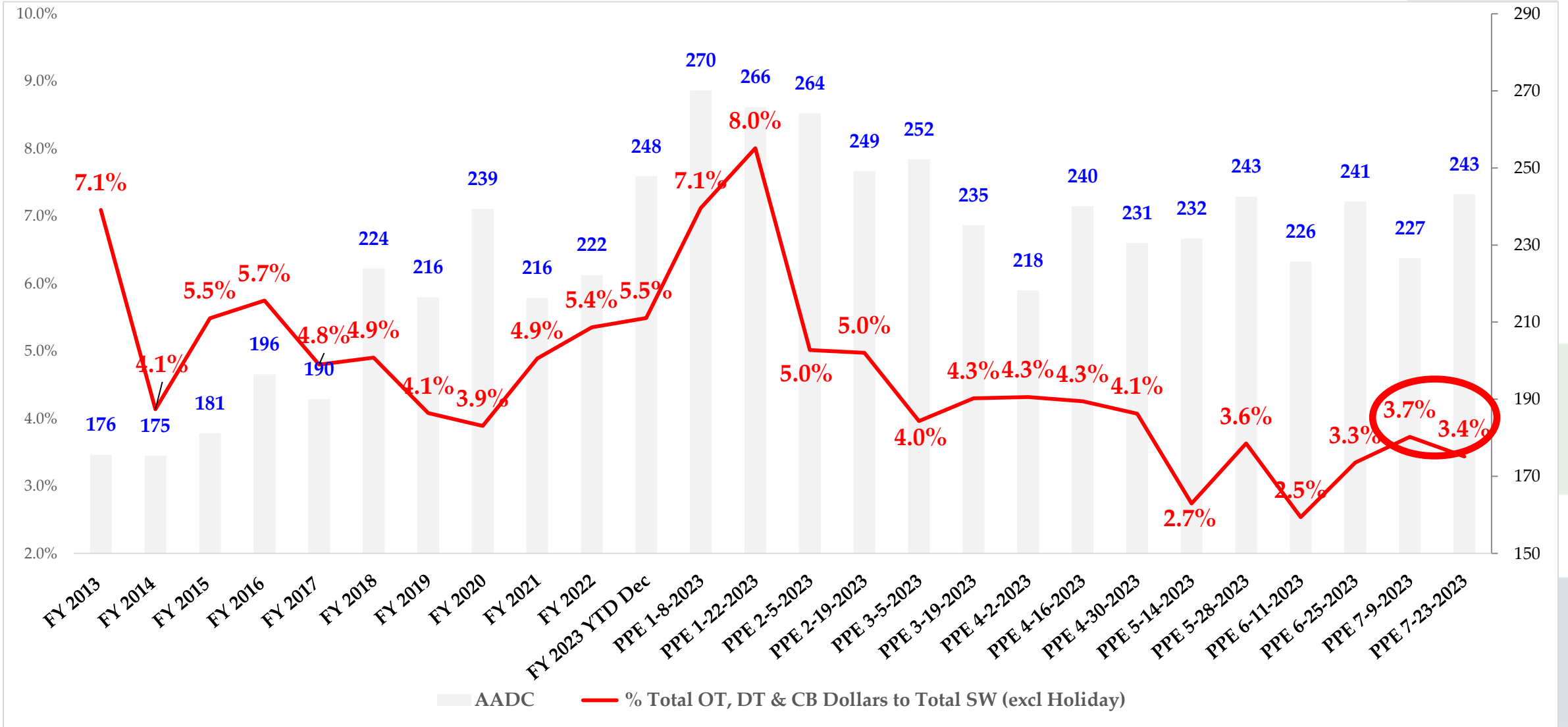
Contract labor continues to be utilized as direct result of staff shortages (national issue), and high volumes. Contract labor increased one FTE in July compared to June. RN FTEs increased by three, which was partially offset by a reduction of two FTEs in non-RN contract labor.

# Contract Labor – July 2023



# % of Total OT, DT & CB Dollars to Total S&W

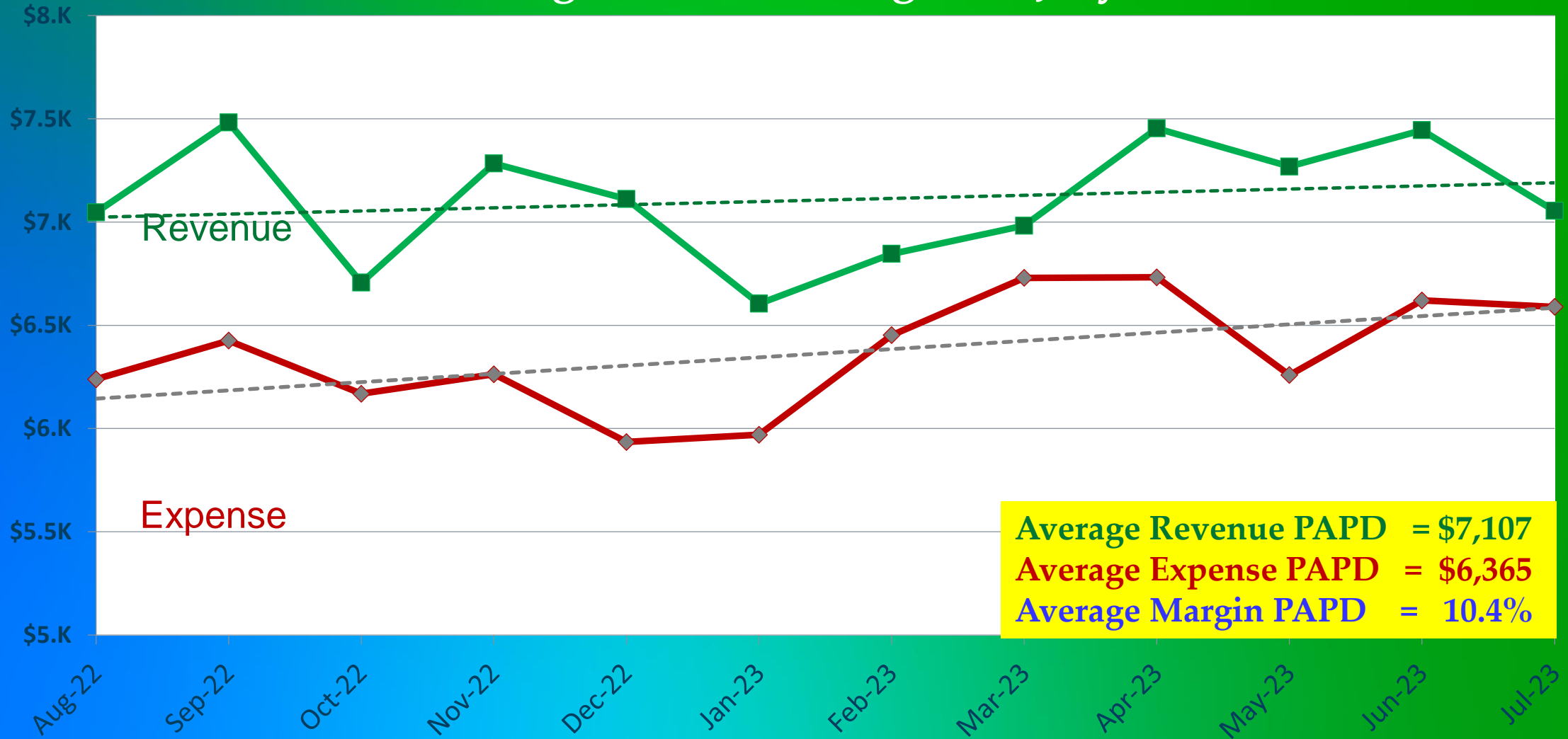
## Updated Thru PPE 7-23-23





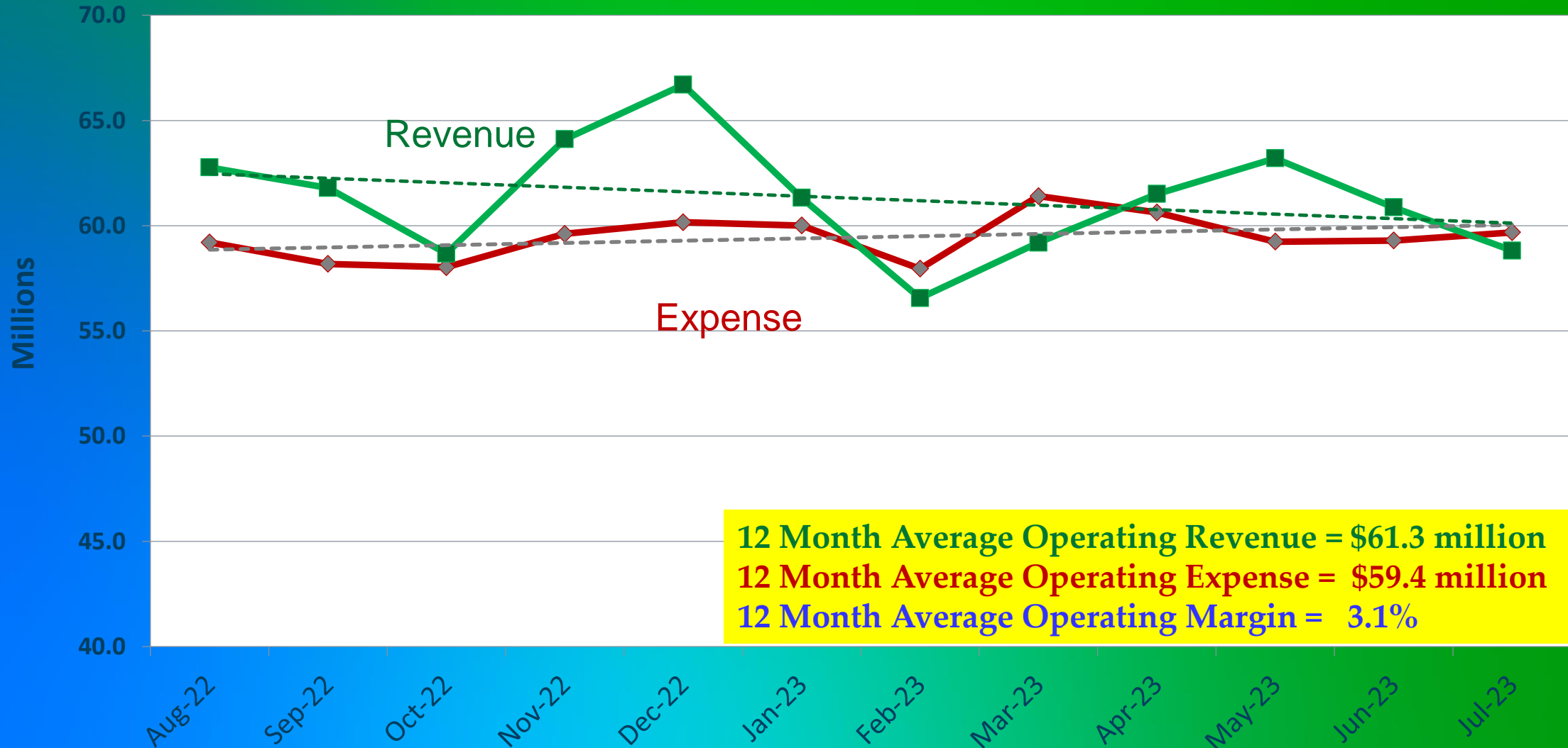
# SVHMC Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: Aug 22 to July 23



# SVH Revenues & Expenses (Normalized)

Rolling 12 Months: Aug 22 to July 23



# Salinas Valley Health Key Financial Indicators

Statistic	YTD	SVH		S&P A+ Rated		YTD	
	7/31/23	Target	+/-	Hospitals	+/-	7/31/22	+/-
Operating Margin*	-1.5%	5.0%		4.0%		-2.0%	
Total Margin*	3.6%	6.0%		6.6%		1.2%	
EBITDA Margin**	2.3%	7.4%		13.6%		2.4%	
Days of Cash*	342	305		249		342	
Days of Accounts Payable*	44	45		-		50	
Days of Net Accounts Receivable***	52	45		49		52	
Supply Expense as % NPR	13.0%	14.0%		-		13.1%	
SWB Expense as % NPR	55.7%	53.0%		53.7%		57.2%	
Operating Expense per APD*	6,544	6,739		-		5,896	

\*These metrics have been adjusted for normalizing items

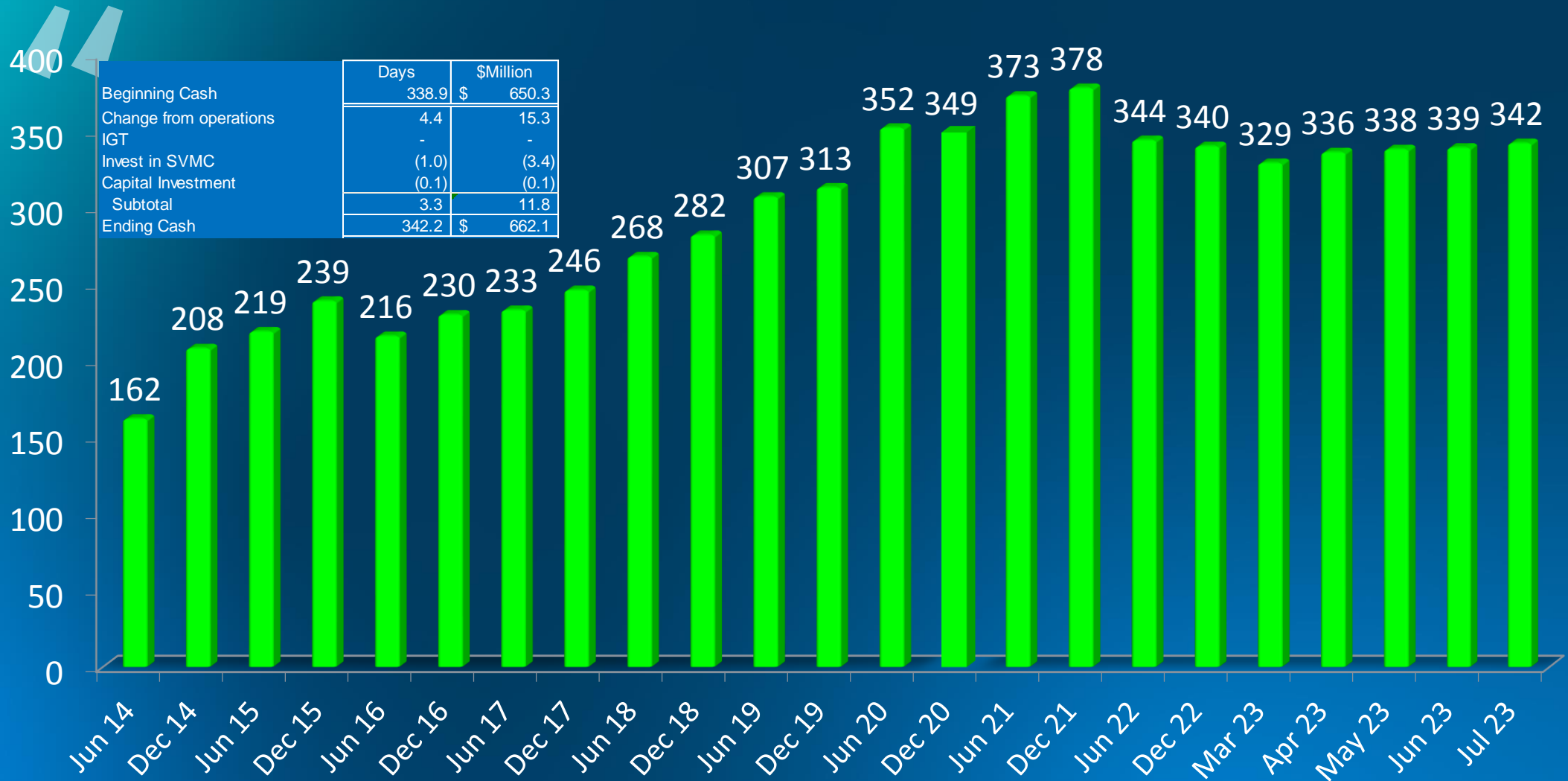
\*\*Metric based on Operating Income (consistent with industry standard)

\*\*\*Metric based on 90 days average net revenue (consistent with industry standard)

Days of Cash and Accounts Payable metrics have been adjusted to **exclude** accelerated insurance payments (COVID-19 assistance)

# Salinas Valley Health

Days Cash on Hand = 342 Days (\$662M) - July 2023



# Routine Capital Expenditures Through July 2023

Fiscal Month	FY 2023 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,658,333	126,063	1,532,270		
August	1,658,333		3,190,603		
September	1,658,333		4,848,936		
October	1,658,333		6,507,269		
November	1,658,333		8,165,602		
December	1,658,333		9,823,935	Total Improvements	0
January	1,658,333		11,482,268	Computer PCs for IT	81,042
February	1,658,333		13,140,601	Ophthalmoscope for Surgery	20,939
March	1,658,334		14,798,935	Mobile Badge Readers	12,271
April	1,658,334		16,457,269	Pharmacy Incubator	9,479
May	1,658,334		18,115,603	Other Miscellaneous	2,332
June	1,658,334		19,773,937	Total Equipment	126,063
<b>YTD TOTAL</b>	<b>19,900,000</b>	<b>126,063</b>	<b>19,773,937</b>	<b>Grand Total</b>	<b>126,063</b>

# Questions / Comments

**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>	<u>2023-24</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	35	31	35	31	(4)
Other Admissions	92	82	92	82	(10)
Total Admissions	127	113	127	113	(14)
Medi-Cal Patient Days	58	51	58	51	(7)
Other Patient Days	141	130	141	130	(11)
Total Patient Days of Care	199	181	199	181	(18)
Average Daily Census	6.4	5.8	6.4	5.8	(0.6)
Medi-Cal Average Days	1.6	1.8	1.6	1.8	0.1
Other Average Days	1.6	1.6	1.6	1.6	0.1
Total Average Days Stay	1.6	1.7	1.6	1.7	0.1
<u>ADULTS &amp; PEDIATRICS</u>					
Medicare Admissions	394	387	394	387	(7)
Medi-Cal Admissions	277	236	242	236	(6)
Other Admissions	395	302	303	302	(1)
Total Admissions	1,066	925	939	925	(14)
Medicare Patient Days	1,614	1,630	1,614	1,630	16
Medi-Cal Patient Days	1,121	1,058	1,121	1,058	(63)
Other Patient Days	942	670	942	670	(272)
Total Patient Days of Care	3,677	3,358	3,677	3,358	(319)
Average Daily Census	118.6	108.3	118.6	108.3	(10.3)
Medicare Average Length of Stay	4.1	4.3	4.1	4.3	0.2
Medi-Cal Average Length of Stay	3.7	3.7	3.7	3.7	(0.0)
Other Average Length of Stay	2.5	1.8	2.5	1.8	(0.7)
Total Average Length of Stay	3.4	3.3	3.4	3.3	(0.2)
Deaths	21	25	21	25	4
Total Patient Days	3,876	3,539	3,876	3,539	(337)
Medi-Cal Administrative Days	14	3	14	3	(11)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	14	3	14	3	(11)
Percent Non-Acute	0.36%	0.08%	0.36%	0.08%	-0.28%

**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>	<u>2023-24</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	266	223	266	223	(43)
Heart Center	322	329	322	329	7
Monitored Beds	633	625	633	625	(8)
Single Room Maternity/Obstetrics	341	313	341	313	(28)
Med/Surg - Cardiovascular	918	891	918	891	(27)
Med/Surg - Oncology	220	293	220	293	73
Med/Surg - Rehab	542	467	542	467	(75)
Pediatrics	120	95	120	95	(25)
Nursery	199	181	199	181	(18)
Neonatal Intensive Care	164	122	164	122	(42)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	66.00%	55.33%	66.00%	55.33%	
Heart Center	69.25%	70.75%	69.25%	70.75%	
Monitored Beds	75.63%	74.67%	75.63%	74.67%	
Single Room Maternity/Obstetrics	29.73%	27.29%	29.73%	27.29%	
Med/Surg - Cardiovascular	65.81%	63.87%	65.81%	63.87%	
Med/Surg - Oncology	54.59%	72.70%	54.59%	72.70%	
Med/Surg - Rehab	67.25%	57.94%	67.25%	57.94%	
Med/Surg - Observation Care Unit	0.00%	0.00%	0.00%	0.00%	
Pediatrics	21.51%	17.03%	21.51%	17.03%	
Nursery	38.91%	35.39%	19.45%	17.69%	
Neonatal Intensive Care	48.09%	35.78%	48.09%	35.78%	



**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>	<u>2023-24</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	119	111	119	111	(8)
C-Section deliveries	37	32	37	32	(5)
Percent of C-section deliveries	31.09%	28.83%	31.09%	28.83%	-2.26%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	17,401	16,247	17,401	16,247	(1,154)
Out-Patient Operating Minutes	21,839	28,629	21,839	28,629	6,790
Total	39,240	44,876	39,240	44,876	5,636
Open Heart Surgeries	7	9	7	9	2
In-Patient Cases	138	118	138	118	(20)
Out-Patient Cases	237	273	237	273	36
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	37	37	37	37	0
High Risk	497	699	497	699	202
More Than One Resource	2,870	2,767	2,870	2,767	(103)
One Resource	1,901	1,634	1,901	1,634	(267)
No Resources	70	115	70	115	45
Total	<u>5,375</u>	<u>5,252</u>	<u>5,375</u>	<u>5,252</u>	<u>(123)</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>	<u>2023-24</u>	
<b>CENTRAL SUPPLY</b>					
In-patient requisitions	13,866	14,091	13,866	14,091	225
Out-patient requisitions	8,580	10,154	8,580	10,154	1,574
Emergency room requisitions	601	613	601	613	12
Interdepartmental requisitions	7,378	6,343	7,378	6,343	-1,035
Total requisitions	<u>30,425</u>	<u>31,201</u>	<u>30,425</u>	<u>31,201</u>	<u>776</u>
<b>LABORATORY</b>					
In-patient procedures	37,461	35,996	37,461	35,996	-1,465
Out-patient procedures	10,408	10,695	10,408	10,695	287
Emergency room procedures	12,844	12,162	12,844	12,162	-682
Total patient procedures	<u>60,713</u>	<u>58,853</u>	<u>60,713</u>	<u>58,853</u>	<u>-1,860</u>
<b>BLOOD BANK</b>					
Units processed	<u>307</u>	<u>300</u>	<u>307</u>	<u>300</u>	<u>-7</u>
<b>ELECTROCARDIOLOGY</b>					
In-patient procedures	981	1,077	981	1,077	96
Out-patient procedures	356	396	356	396	40
Emergency room procedures	1,098	1,210	1,098	1,210	112
Total procedures	<u>2,435</u>	<u>2,683</u>	<u>2,435</u>	<u>2,683</u>	<u>248</u>
<b>CATH LAB</b>					
In-patient procedures	83	115	83	115	32
Out-patient procedures	89	90	89	90	1
Emergency room procedures	0	0	0	0	0
Total procedures	<u>172</u>	<u>205</u>	<u>172</u>	<u>205</u>	<u>33</u>
<b>ECHO-CARDIOLOGY</b>					
In-patient studies	339	330	339	330	-9
Out-patient studies	213	248	213	248	35
Emergency room studies	0	0	0	0	0
Total studies	<u>552</u>	<u>578</u>	<u>552</u>	<u>578</u>	<u>26</u>
<b>NEURODIAGNOSTIC</b>					
In-patient procedures	152	118	152	118	-34
Out-patient procedures	21	20	21	20	-1
Emergency room procedures	0	0	0	0	0
Total procedures	<u>173</u>	<u>138</u>	<u>173</u>	<u>138</u>	<u>-35</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>	<u>2023-24</u>	
<b>SLEEP CENTER</b>					
In-patient procedures	0	0	0	0	0
Out-patient procedures	138	189	138	189	51
Emergency room procedures	0	0	0	0	0
<b>Total procedures</b>	<b>138</b>	<b>189</b>	<b>138</b>	<b>189</b>	<b>51</b>
<b>RADIOLOGY</b>					
In-patient procedures	1,289	1,254	1,289	1,254	-35
Out-patient procedures	352	407	352	407	55
Emergency room procedures	1,386	1,421	1,386	1,421	35
<b>Total patient procedures</b>	<b>3,027</b>	<b>3,082</b>	<b>3,027</b>	<b>3,082</b>	<b>55</b>
<b>MAGNETIC RESONANCE IMAGING</b>					
In-patient procedures	150	152	150	152	2
Out-patient procedures	105	133	105	133	28
Emergency room procedures	3	9	3	9	6
<b>Total procedures</b>	<b>258</b>	<b>294</b>	<b>258</b>	<b>294</b>	<b>36</b>
<b>MAMMOGRAPHY CENTER</b>					
In-patient procedures	4,108	3,643	4,108	3,643	-465
Out-patient procedures	4,078	3,608	4,078	3,608	-470
Emergency room procedures	0	0	0	0	0
<b>Total procedures</b>	<b>8,186</b>	<b>7,251</b>	<b>8,186</b>	<b>7,251</b>	<b>-935</b>
<b>NUCLEAR MEDICINE</b>					
In-patient procedures	23	21	23	21	-2
Out-patient procedures	99	110	99	110	11
Emergency room procedures	1	0	1	0	-1
<b>Total procedures</b>	<b>123</b>	<b>131</b>	<b>123</b>	<b>131</b>	<b>8</b>
<b>PHARMACY</b>					
In-patient prescriptions	87,652	81,796	87,652	81,796	-5,856
Out-patient prescriptions	14,529	15,349	14,529	15,349	820
Emergency room prescriptions	8,901	8,771	8,901	8,771	-130
<b>Total prescriptions</b>	<b>111,082</b>	<b>105,916</b>	<b>111,082</b>	<b>105,916</b>	<b>-5,166</b>
<b>RESPIRATORY THERAPY</b>					
In-patient treatments	14,648	12,529	14,648	12,529	-2,119
Out-patient treatments	567	1,179	567	1,179	612
Emergency room treatments	244	322	244	322	78
<b>Total patient treatments</b>	<b>15,459</b>	<b>14,030</b>	<b>15,459</b>	<b>14,030</b>	<b>-1,429</b>
<b>PHYSICAL THERAPY</b>					
In-patient treatments	2,464	2,446	2,464	2,446	-18
Out-patient treatments	237	263	237	263	26
Emergency room treatments	0	0	0	0	0
<b>Total treatments</b>	<b>2,701</b>	<b>2,709</b>	<b>2,701</b>	<b>2,709</b>	<b>8</b>

**SALINAS VALLEY HEALTH MEDICAL CENTER**

**PATIENT STATISTICAL REPORT**

For the month of July and one months to date

	<u>Month of July</u>		<u>One months to date</u>		<u>Variance</u>
	<u>2022</u>	<u>2023</u>	<u>2022-23</u>	<u>2023-24</u>	
<b>OCCUPATIONAL THERAPY</b>					
In-patient procedures	1,144	1,418	1,144	1,418	274
Out-patient procedures	164	259	164	259	95
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,308</u>	<u>1,677</u>	<u>1,308</u>	<u>1,677</u>	<u>369</u>
<b>SPEECH THERAPY</b>					
In-patient treatments	478	481	478	481	3
Out-patient treatments	22	24	22	24	2
Emergency room treatments	0	0	0	0	0
Total treatments	<u>500</u>	<u>505</u>	<u>500</u>	<u>505</u>	<u>5</u>
<b>CARDIAC REHABILITATION</b>					
In-patient treatments	0	2	0	2	2
Out-patient treatments	344	499	344	499	155
Emergency room treatments	0	0	0	0	0
Total treatments	<u>344</u>	<u>501</u>	<u>344</u>	<u>501</u>	<u>157</u>
<b>CRITICAL DECISION UNIT</b>					
Observation hours	<u>312</u>	<u>372</u>	<u>312</u>	<u>372</u>	<u>60</u>
<b>ENDOSCOPY</b>					
In-patient procedures	92	60	92	60	-32
Out-patient procedures	28	46	28	46	18
Emergency room procedures	0	0	0	0	0
Total procedures	<u>120</u>	<u>106</u>	<u>120</u>	<u>106</u>	<u>-14</u>
<b>C. T. SCAN</b>					
In-patient procedures	696	722	696	722	26
Out-patient procedures	381	471	381	471	90
Emergency room procedures	674	753	674	753	79
Total procedures	<u>1,751</u>	<u>1,946</u>	<u>1,751</u>	<u>1,946</u>	<u>195</u>
<b>DIETARY</b>					
Routine patient diets	20,141	21,298	20,141	21,298	1,157
Meals to personnel	24,785	27,945	24,785	27,945	3,160
Total diets and meals	<u>44,926</u>	<u>49,243</u>	<u>44,926</u>	<u>49,243</u>	<u>4,317</u>
<b>LAUNDRY AND LINEN</b>					
Total pounds laundered	<u>96,857</u>	<u>98,051</u>	<u>96,857</u>	<u>98,051</u>	<u>1,194</u>

SALINAS VALLEY HEALTH MEDICAL CENTER  
SUMMARY INCOME STATEMENT  
July 31, 2023

	<u>Month of July,</u>		<u>One months ended July 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 49,290,716	\$ 44,168,855	\$ 49,290,716	\$ 44,168,855
Other operating revenue	1,041,862	696,153	1,041,862	696,153
Total operating revenue	<u>50,332,578</u>	<u>44,865,008</u>	<u>50,332,578</u>	<u>44,865,008</u>
Total operating expenses	47,015,795	42,835,248	47,015,795	42,835,248
Total non-operating income	<u>(786,603)</u>	<u>1,394,589</u>	<u>(786,603)</u>	<u>1,394,589</u>
Operating and non-operating income	<u>\$ 2,530,180</u>	<u>\$ 3,424,348</u>	<u>\$ 2,530,180</u>	<u>\$ 3,424,348</u>

SALINAS VALLEY HEALTH MEDICAL CENTER  
 BALANCE SHEETS  
 July 31, 2023

	<u>Current year</u>	<u>Prior year</u>
<b>ASSETS:</b>		
Current assets	\$ 440,118,383	\$ 398,897,530
Assets whose use is limited or restricted by board	158,603,034	150,567,841
Capital assets	245,617,711	238,053,957
Other assets	181,021,125	185,970,278
Deferred pension outflows	<u>116,970,429</u>	<u>95,857,027</u>
	<u>\$ 1,142,330,682</u>	<u>\$ 1,069,346,633</u>
<b>LIABILITIES AND EQUITY:</b>		
Current liabilities	83,325,717	110,596,501
Long term liabilities	17,265,735	18,514,233
Lease deferred inflows	2,856,606	1,911,058
Pension liability	123,875,314	79,111,485
Net assets	<u>915,007,310</u>	<u>859,213,355</u>
	<u>\$ 1,142,330,682</u>	<u>\$ 1,069,346,633</u>

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL**  
**July 31, 2023**

	Month of July,				One months ended July 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 230,976,823	\$ 235,748,845	(4,772,022)	-2.02%	\$ 230,976,823	\$ 235,748,845	(4,772,022)	-2.02%
Deductions from revenue	181,686,107	185,707,444	(4,021,337)	-2.17%	181,686,107	185,707,444	(4,021,337)	-2.17%
Net patient revenue	49,290,716	50,041,401	(750,685)	-1.50%	49,290,716	50,041,401	(750,685)	-1.50%
Other operating revenue	1,041,862	1,332,540	(290,678)	-21.81%	1,041,862	1,332,540	(290,678)	-21.81%
<b>Total operating revenue</b>	<b>50,332,578</b>	<b>51,373,941</b>	<b>(1,041,363)</b>	<b>-2.03%</b>	<b>50,332,578</b>	<b>51,373,941</b>	<b>(1,041,363)</b>	<b>-2.03%</b>
Operating expenses:								
Salaries and wages	16,175,545	16,580,170	(404,625)	-2.44%	16,175,545	16,580,170	(404,625)	-2.44%
Compensated absences	3,048,106	3,543,339	(495,233)	-13.98%	3,048,106	3,543,339	(495,233)	-13.98%
Employee benefits	8,687,224	7,905,799	781,425	9.88%	8,687,224	7,905,799	781,425	9.88%
Supplies, food, and linen	6,607,489	6,899,278	(291,789)	-4.23%	6,607,489	6,899,278	(291,789)	-4.23%
Purchased department functions	3,962,609	3,539,230	423,379	11.96%	3,962,609	3,539,230	423,379	11.96%
Medical fees	2,126,284	2,359,060	(232,776)	-9.87%	2,126,284	2,359,060	(232,776)	-9.87%
Other fees	2,888,597	2,269,528	619,069	27.28%	2,888,597	2,269,528	619,069	27.28%
Depreciation	1,806,499	2,143,590	(337,091)	-15.73%	1,806,499	2,143,590	(337,091)	-15.73%
All other expense	1,713,442	1,841,330	(127,888)	-6.95%	1,713,442	1,841,330	(127,888)	-6.95%
<b>Total operating expenses</b>	<b>47,015,795</b>	<b>47,081,325</b>	<b>(65,530)</b>	<b>-0.14%</b>	<b>47,015,795</b>	<b>47,081,325</b>	<b>(65,530)</b>	<b>-0.14%</b>
<b>Income from operations</b>	<b>3,316,783</b>	<b>4,292,616</b>	<b>(975,833)</b>	<b>-22.73%</b>	<b>3,316,783</b>	<b>4,292,616</b>	<b>(975,833)</b>	<b>-22.73%</b>
Non-operating income:								
Donations	(21,180)	166,667	(187,847)	-112.71%	(21,180)	166,667	(187,847)	-112.71%
Property taxes	333,333	333,333	(0)	0.00%	333,333	333,333	(0)	0.00%
Investment income	2,544,661	1,185,806	1,358,855	114.59%	2,544,661	1,185,806	1,358,855	114.59%
Income from subsidiaries	(3,643,417)	(3,753,728)	110,311	-2.94%	(3,643,417)	(3,753,728)	110,311	-2.94%
<b>Total non-operating income</b>	<b>(786,603)</b>	<b>(2,067,922)</b>	<b>1,281,319</b>	<b>-61.96%</b>	<b>(786,603)</b>	<b>(2,067,922)</b>	<b>1,281,319</b>	<b>-61.96%</b>
<b>Operating and non-operating income</b>	<b>\$ 2,530,180</b>	<b>\$ 2,224,693</b>	<b>305,486</b>	<b>13.73%</b>	<b>\$ 2,530,180</b>	<b>\$ 2,224,693</b>	<b>305,486</b>	<b>13.73%</b>

**SALINAS VALLEY HEALTH MEDICAL CENTER  
SCHEDULES OF NET PATIENT REVENUE  
July 31, 2023**

	<u>Month of July,</u>		<u>One months ended July 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,862	1,866	1,862	1,866
Medi-Cal	1,026	1,089	1,026	1,089
Commercial insurance	691	778	691	778
Other patient	111	110	111	110
Total patient days	<u>3,690</u>	<u>3,843</u>	<u>3,690</u>	<u>3,843</u>
Gross revenue:				
Medicare	\$ 110,980,964	\$ 93,763,441	\$ 110,980,964	\$ 93,763,441
Medi-Cal	60,807,708	58,830,312	60,807,708	58,830,312
Commercial insurance	50,069,566	49,093,605	50,069,566	49,093,605
Other patient	<u>9,118,585</u>	<u>8,343,764</u>	<u>9,118,585</u>	<u>8,343,764</u>
Gross revenue	<u>230,976,823</u>	<u>210,031,122</u>	<u>230,976,823</u>	<u>210,031,122</u>
	74.4%	72.7%	74.4%	72.7%
Deductions from revenue:				
Administrative adjustment	344,863	57,364	344,863	57,364
Charity care	651,415	795,550	651,415	795,550
Contractual adjustments:				
Medicare outpatient	34,154,645	29,511,945	34,154,645	29,511,945
Medicare inpatient	48,282,003	43,300,678	48,282,003	43,300,678
Medi-Cal traditional outpatient	2,365,238	3,197,831	2,365,238	3,197,831
Medi-Cal traditional inpatient	5,746,550	5,096,919	5,746,550	5,096,919
Medi-Cal managed care outpatient	26,214,788	23,132,061	26,214,788	23,132,061
Medi-Cal managed care inpatient	19,745,496	21,656,267	19,745,496	21,656,267
Commercial insurance outpatient	19,564,566	16,341,866	19,564,566	16,341,866
Commercial insurance inpatient	19,180,324	17,691,144	19,180,324	17,691,144
Uncollectible accounts expense	4,071,764	3,725,199	4,071,764	3,725,199
Other payors	<u>1,364,455</u>	<u>1,355,441</u>	<u>1,364,455</u>	<u>1,355,441</u>
Deductions from revenue	<u>181,686,107</u>	<u>165,862,267</u>	<u>181,686,107</u>	<u>165,862,267</u>
Net patient revenue	<u>\$ 49,290,716</u>	<u>\$ 44,168,855</u>	<u>\$ 49,290,716</u>	<u>\$ 44,168,855</u>
	21.34%	21.03%	21.34%	21.03%
Gross billed charges by patient type:				
Inpatient	\$ 119,461,977	\$ 111,244,255	\$ 119,461,977	\$ 111,244,255
Outpatient	81,911,981	71,595,344	81,911,981	71,595,344
Emergency room	<u>29,602,866</u>	<u>27,191,523</u>	<u>29,602,866</u>	<u>27,191,523</u>
Total	<u>\$ 230,976,824</u>	<u>\$ 210,031,122</u>	<u>\$ 230,976,824</u>	<u>\$ 210,031,122</u>



**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**STATEMENTS OF REVENUE AND EXPENSES**  
**July 31, 2023**

	<b>Month of July,</b>		<b>One months ended July 31,</b>	
	<b>current year</b>	<b>prior year</b>	<b>current year</b>	<b>prior year</b>
<b>Operating revenue:</b>				
Net patient revenue	\$ 49,290,716	\$ 44,168,855	\$ 49,290,716	\$ 44,168,855
Other operating revenue	1,041,862	696,153	1,041,862	696,153
Total operating revenue	50,332,578	44,865,008	50,332,578	44,865,008
<b>Operating expenses:</b>				
Salaries and wages	16,175,545	16,059,151	16,175,545	16,059,151
Compensated absences	3,048,106	2,613,115	3,048,106	2,613,115
Employee benefits	8,687,224	7,218,138	8,687,224	7,218,138
Supplies, food, and linen	6,607,489	6,109,456	6,607,489	6,109,456
Purchased department functions	3,962,609	3,574,378	3,962,609	3,574,378
Medical fees	2,126,284	1,369,093	2,126,284	1,369,093
Other fees	2,888,597	2,355,069	2,888,597	2,355,069
Depreciation	1,806,499	1,891,869	1,806,499	1,891,869
All other expense	1,713,442	1,644,979	1,713,442	1,644,979
Total operating expenses	47,015,795	42,835,248	47,015,795	42,835,248
Income from operations	3,316,783	2,029,760	3,316,783	2,029,760
<b>Non-operating income:</b>				
Donations	(21,180)	1,961,499	(21,180)	1,961,499
Property taxes	333,333	333,333	333,333	333,333
Investment income	2,544,661	2,078,830	2,544,661	2,078,830
Taxes and licenses	0	0	0	0
Income from subsidiaries	(3,643,417)	(2,979,073)	(3,643,417)	(2,979,073)
Total non-operating income	(786,603)	1,394,589	(786,603)	1,394,589
Operating and non-operating income	2,530,180	3,424,348	2,530,180	3,424,348
Net assets to begin	912,477,130	855,789,007	912,477,130	855,789,007
Net assets to end	\$ 915,007,310	\$ 859,213,355	\$ 915,007,310	\$ 859,213,355
Net income excluding non-recurring items	\$ 2,530,180	\$ 3,424,348	\$ 2,530,180	\$ 3,424,348
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	0	0	0	0
Operating and non-operating income	\$ 2,530,180	\$ 3,424,348	\$ 2,530,180	\$ 3,424,348

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**SCHEDULES OF INVESTMENT INCOME**  
**July 31, 2023**

	<u>Month of July,</u>		<u>One months ended July 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Detail of other operating income:				
Dietary revenue	\$ 205,779	\$ 144,759	\$ 205,779	\$ 144,759
Discounts and scrap sale	4,828	5,867	4,828	5,867
Sale of products and services	59,928	11,562	59,928	11,562
Clinical trial fees	0	0	0	0
Stimulus Funds	0	0	0	0
Rental income	190,384	175,116	190,384	175,116
Other	580,943	358,849	580,943	358,849
<b>Total</b>	<b>\$ 1,041,862</b>	<b>\$ 696,153</b>	<b>\$ 1,041,862</b>	<b>\$ 696,153</b>

Detail of investment income:				
Bank and payor interest	\$ 1,400,690	\$ 374,090	\$ 1,400,690	\$ 374,090
Income from investments	1,200,857	1,704,739	1,200,857	1,704,739
Gain or loss on property and equipment	(56,887)	0	(56,887)	0
<b>Total</b>	<b>\$ 2,544,661</b>	<b>\$ 2,078,830</b>	<b>\$ 2,544,661</b>	<b>\$ 2,078,830</b>

Detail of income from subsidiaries:

Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (177,364)	\$ (206,606)	\$ (177,364)	\$ (206,606)
Neurological Clinic	(79,165)	(47,117)	(79,165)	(47,117)
Palliative Care Clinic	(84,521)	(76,574)	(84,521)	(76,574)
Surgery Clinic	(226,390)	(92,779)	(226,390)	(92,779)
Infectious Disease Clinic	(34,483)	(26,052)	(34,483)	(26,052)
Endocrinology Clinic	(209,267)	(131,287)	(209,267)	(131,287)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(526,532)	(476,829)	(526,532)	(476,829)
OB/GYN Clinic	(319,797)	(276,414)	(319,797)	(276,414)
PrimeCare Medical Group	(734,034)	(534,596)	(734,034)	(534,596)
Oncology Clinic	(293,778)	(175,694)	(293,778)	(175,694)
Cardiac Surgery	(222,875)	(234,032)	(222,875)	(234,032)
Sleep Center	(37,209)	(38,835)	(37,209)	(38,835)
Rheumatology	(63,574)	(52,980)	(63,574)	(52,980)
Precision Ortho MDs	(406,363)	(226,182)	(406,363)	(226,182)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	(63,332)	(32,994)	(63,332)	(32,994)
Vaccine Clinic	0	(348)	0	(348)
Dermatology	(1,642)	(4,082)	(1,642)	(4,082)
Hospitalists	0	0	0	0
Behavioral Health	(36,842)	(46,097)	(36,842)	(46,097)
Pediatric Diabetes	(51,607)	(45,855)	(51,607)	(45,855)
Neurosurgery	(30,526)	(30,900)	(30,526)	(30,900)
Multi-Specialty-RR	7,633	5,799	7,633	5,799
Radiology	23,793	(112,777)	23,793	(112,777)
Salinas Family Practice	(116,979)	(110,911)	(116,979)	(110,911)
Urology	(146,575)	(31,021)	(146,575)	(31,021)
Total SVMC	(3,831,429)	(3,005,163)	(3,831,429)	(3,005,163)
Doctors on Duty				
Vantage Surgery Center	33,869	(85,363)	33,869	(85,363)
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	110,651	104,624	110,651	104,624
Coastal	22,893	(63,635)	22,893	(63,635)
Apex	0	0	0	0
GenesisCare USA	(16,412)	23,876	(16,412)	23,876
Monterey Bay Endoscopy Center	37,011	46,588	37,011	46,588
<b>Total</b>	<b>\$ (3,643,417)</b>	<b>\$ (2,979,073)</b>	<b>\$ (3,643,417)</b>	<b>\$ (2,979,073)</b>

**SALINAS VALLEY HEALTH MEDICAL CENTER**  
**BALANCE SHEETS**  
**July 31, 2023**

	<b>Current year</b>	<b>Prior year</b>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 330,930,416	\$ 294,695,259
Patient accounts receivable, net of estimated uncollectibles of \$29,008,811	87,141,496	84,785,930
Supplies inventory at cost	8,048,689	7,518,119
Current portion of lease receivable	1,921,803	534,201
Other current assets	12,075,978	11,364,021
	440,118,383	398,897,530
<b>Assets whose use is limited or restricted by board</b>	158,603,034	150,567,841
<b>Capital assets:</b>		
Land and construction in process	60,334,728	37,299,751
Other capital assets, net of depreciation	185,282,983	200,754,207
	245,617,711	238,053,957
<b>Other assets:</b>		
Right of use assets, net of amortization	5,681,859	7,137,296
Long term lease receivable	1,115,546	1,462,610
Investment in securities	146,194,103	141,950,991
Investment in SVMC	5,270,377	10,244,689
Investment in Aspire/CHI/Coastal	1,704,534	1,580,065
Investment in other affiliates	21,842,983	21,621,662
Net pension asset	(788,277)	1,972,965
	181,021,125	185,970,278
<b>Deferred pension outflows</b>	116,970,429	95,857,027
	\$ 1,142,330,682	\$ 1,069,346,633
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 56,399,034	\$ 60,369,222
Due to third party payers	6,173,719	29,764,970
Current portion of notes payable	0	0
Current portion of self-insurance liability	18,858,353	17,526,341
Current portion of lease liability	1,894,611	2,935,968
	83,325,717	110,596,501
Long term portion of notes payable	0	0
Long term portion of workers comp liability	13,285,330	14,058,922
Long term portion of lease liability	3,980,405	4,455,311
	100,591,452	129,110,735
Lease deferred inflows	2,856,606	1,911,058
Pension liability	123,875,314	79,111,485
<b>Net assets:</b>		
Invested in capital assets, net of related debt	245,617,711	238,053,957
Unrestricted	669,389,599	621,159,398
	915,007,310	859,213,355
	\$ 1,142,330,682	\$ 1,069,346,633

# *PUBLIC INPUT*

# **ADJOURNMENT**