

October 21, 2021

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 **PERSONNEL, PENSION AND INVESTMENT COMMITTEE - COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **TUESDAY, OCTOBER 26, 2021, AT 12:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C, AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR BY PHONE OR VIDEO (Visit svmh.com/virtualboardmeeting for Access Information).**

Please note: Pursuant to Executive Order N-25-20 issued by the Governor of the State of California in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado
President/Chief Executive Officer

Committee Members: Regina M. Gage – Chair; Richard Turner – Vice Chair; Pete Delgado – President/Chief Executive Officer; Augustine Lopez – Chief Financial Officer; Michelle Childs, Chief Human Resources Officer; and Glenn Berry, M.D. – Medical Staff Member

**PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING
OCTOBER 2021 - COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**TUESDAY, OCTOBER 26, 2021
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO**

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AGENDA

1. Approval of Minutes from the Personnel, Pension and Investment Committee Meeting of September 28, 2021 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Miguel Dorantes, MD (ii) the Contract Terms for Dr. Dorantes' Recruitment Agreement, and (iii) the Contract Terms for Dr. Dorantes' Family Medicine Professional Services Agreement (RADNER/CALLAHAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote

3. Financial and Statistical Review (LOPEZ)

4. 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.

5. Closed Session

(See Attached Closed Session Sheet information)

6. Reconvene Open Session/Report on Closed Session

7. Adjournment – The November 2021 Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, November 16, 2021, at 12:00 p.m.**

Notes: 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.

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 Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

The Committee packet is available at the Committee Meeting, at www.svmh.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

**PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING OF THE
BOARD OF DIRECTORS – COMMITTEE OF THE WHOLE
AGENDA FOR CLOSED SESSION**

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

- [] **LICENSE/PERMIT DETERMINATION**
(Government Code §54956.7)

Applicant(s): (Specify number of applicants) _____

- [] **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
(Government Code §54956.8)

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation): _____

Agency negotiator: (Specify names of negotiators attending the closed session): _____

Negotiating parties: (Specify name of party (not agent): _____

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both): _____

- [] **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
(Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers): _____, or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations): _____

[] **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**
(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases):

Additional information required pursuant to Section 54956.9(e): _____

Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): _____

[] **LIABILITY CLAIMS**
(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961): _____

Agency claimed against: (Specify name): _____

[] **THREAT TO PUBLIC SERVICES OR FACILITIES**
(Government Code §54957)

Consultation with: (Specify name of law enforcement agency and title of officer): _____

[] **PUBLIC EMPLOYEE APPOINTMENT**
(Government Code §54957)

Title: (Specify description of position to be filled): _____

[] **PUBLIC EMPLOYMENT**
(Government Code §54957)

Title: _____

[] **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
(Government Code §54957)

Title: (Specify position title of employee being reviewed): _____

[] **PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE**
(Government Code §54957)

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

CONFERENCE WITH LABOR NEGOTIATOR

(Government Code §54957.6)

Agency designated representative: (Specify name of designated representatives attending the closed session): Pete Delgado

Employee organization: (Specify name of organization representing employee or employees in question): National Union of Healthcare Workers, California Nurses Association, Local 39, ESC Local 20, or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations): _____

CASE REVIEW/PLANNING

(Government Code §54957.8)

(No additional information is required to consider case review or planning.)

REPORT INVOLVING TRADE SECRET

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): _____

Estimated date of public disclosure: (Specify month and year): _____

HEARINGS/REPORTS

(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee):

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

**MINUTES OF THE SEPTEMBER 2021 PERSONNEL, PENSION AND
INVESTMENT COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**TUESDAY, SEPTEMBER 28, 2021
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
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Committee Members Present: Regina M. Gage, Chair; Pete Delgado, Augustine Lopez, Michelle Childs, Glenn Berry, MD, in person; Richard Turner, Vice Chair, by teleconference.

Other Board Members Present, Constituting Committee of the Whole: Juan Cabrera, Joel Hernandez Laguna and Victor Rey by teleconference, constituting Committee of the Whole.

Also Present: Adrienne Laurent, Lisa Paulo, Scott Cleveland, Steve Kjar, Rosalia Madrigal, Alan Edwards in person; Danielle Forbes, Renee Jaenicke, Audrey Parks, Tony Redmond, Frank Salb by teleconference.

The meeting was called to order at 12:02 p.m. by Regina M. Gage, but a quorum was not present.

APPROVAL OF MINUTES FROM THE PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING OF JUNE 29, 2021 AND AUGUST 24, 2021

Pete Delgado, President/Chief Executive Officer, recommended the Personnel, Pension and Investment Committee approve the minutes of the Personnel, Pension and Investment Committee Meeting of June 29, 2021 and August 24, 2021. This information was included in the Committee packet.

No Public Comment.

MOTION: The Personnel, Pension and Investment Committee approves the minutes of the Personnel, Pension and Investment Committee Meeting of June 29, 2021 and August 24, 2021, as presented. Moved/Seconded/Roll Call Vote: Ayes: Gage, Turner, Delgado, Lopez, Childs, Berry; Noes: None; Abstentions: None; Absent: None; Motion Carried.

CONSIDER RECOMMENDATION TO TRANSFORMATION, STRATEIC PLANNING, AND GOVERNANCE COMMITTEE FOR APPOINTMENT OF SUBJECT MATTER EXPERT TO SVMHS PERSONNEL, PENSION AND INVESTMENT COMMITTEE

Michelle Childs, Chief Human Resources Office, reported that Administration has recently become aware of the availability and willingness of Tony Redmond to consider a position as a subject matter expert on the Salinas Valley Memorial Healthcare System Personnel, Pension and Investment Committee. Mr. Redmond is a highly-respected human resources professional with a long history of service in the healthcare and biotechnology industries, including public healthcare system, Alameda Health System. Tony left Alameda to rejoin Exelixis, Inc., as Vice President, Employee Experience.

Mr. Redmond provided an overview of his skills and qualifications. This information was included in the Committee packet.

Salinas Valley Memorial Healthcare System's governance structure includes a five-member board of directors, and a sub-committee structure with up to three voting members per committee who are subject matter experts. The Personnel, Pension and Investment Committee currently has no subject matter expert serving as members of this committee.

Regina Gage, Committee Chair asked Mr. Redmond why Salinas Valley Memorial Healthcare System? Mr. Redmond shared that he enjoys healthcare and worked in the field for 7 ½ years. He noted that the company he works for is a genomics-based drug discovery company that delivers results and new medicines to treat and defeat cancer. He is also on the board for a breast milk bank that collects, processes and delivers an excess amount of milk to NICUs throughout hospital systems.

Mr. Delgado asked Mr. Redmond if he has experience with unions. Mr. Redmond shared that he has more than 19 years of experience with unions and was involved in union negotiations at Stanford and Kaiser Permanente.

Ms. Childs shared the importance of having another person's perspective related to the personnel section of the Committee. She is especially hoping for support with the compensation policy since Mr. Redmond has extensive background in this area.

Mr. Delgado thanked Mr. Redmond for his interest.

No Public Comment.

MOTION: The Personnel, Pension and Investment Committee recommends to the Transformation, Strategic Planning and Governance Committee for appointment of Tony Redmond, as subject matter expert SVMHS Personnel, Pension and Investment Committee. Moved/Seconded/Roll Call Vote: Ayes: Gage, Turner, Delgado, Lopez, Childs, Berry Noes: None; Abstentions: None; Absent: None; Motion Carried.

CONSIDER RECOMMENDATION FOR COMMITTEE APPROVAL - DISABILITY BENEFIT

Michelle Childs, Chief Human Resources Officer, reviewed the recommendation for Committee approval regarding disability benefit. This information was included in the Committee packet, and outlined the plan provision that allows an employee who leaves due to a disability to have the opportunity for disability benefits under the pension plan.

Discussion surrounded an individual employed with Salinas Valley Memorial Hospital for 16 years and is fully vested in the pension plan; however, the individual is not at normal retirement age. The individual separated employment on August 24, 2016, which was not a result of a disability.

There was lengthy discussion among the Committee regarding the process, eligibility, requirements for filing disability benefits under the Employees' Pension Plan.

Ms. Childs recommended the Committee approve sending the individual a letter denying the request for disability benefits as provided in the packet, which allows for appeal within 60 days.

No Public Comment.

MOTION: The Personnel, Pension and Investment Committee approves sending correspondence to the individual requesting disability benefit denying the request due to the disability provision of the plan, as presented. Moved/ Seconded/Roll Call Vote: Ayes: Gage, Turner, Delgado, Lopez, Childs, Berry; Noes: None; Abstentions: None; Absent: None Motion Carried.

REVIEW INVESTMENT PERFORMANCE FOR QUARTER ENDING JUNE 2021 OF SVMHS'S 403(B) PLAN, 457 PLAN AND EMPLOYEE PENSION PLAN

Augustine Lopez, Chief Financial Officer, introduced Steven Kjar, Vice President and Frank Salb, Director of Investments, Lockton Investment Advisors, LLC, who provided an Economic and Market Update as of June 30, 2021 of SVMHS's 403(b) plan, 457 Deferred Compensation Plan, and the Employees' Defined Benefit Pension Plan. This information was included in the Committee packet.

Mr. Kjar and Mr. Salb provided the following key highlights:

- I. Economic Update
 - a. Normalizing conditions bolstered the economy, especially for sectors hardest hit by pandemic.
 - b. Inflation fears are present in the market at the current time. Economic experts predict that these issues will subside moving forward as most recognize the temporary nature of the issues driving price increases.
 - c. Economic Scorecard was presented for the last 12 months that includes economic growth, employment, inflation, interest rates and markets.
- II. Market Activity
 - a. Equities
 - i. Global stimulus efforts continued to drive stock returns with the strongest performance coming from economic segments most negatively impacted by pandemic the year before.
 - ii. Growth outperformed value for the quarter, though value still leads on a 1-year trailing basis.
 - b. Bonds
 - i. After inflation concerns drove a first quarter interest rate spike, the Fed left its benchmark interest rates unchanged, signaling anticipated low rates through 2023.
 - ii. The US Treasury market stabilized in Q2 after experiencing the worst returns since 1980 in the first quarter of 2021.
- III. Outlook
 - a. Four forms of inflation pose current threats:
 - i. Prices that fell during the pandemic returning to normal levels.
 - ii. Supply constraint-driven prices that increased prices during the pandemic but should normalize.
 - iii. Prices that are settling at permanently higher levels, such as wages for leisure and hospitality workers.
 - iv. Prices that have been suppressed by the pandemic such as rental rates.
 - b. New variants of COVID are likely to negatively impact emerging markets relative to developed economies due to those countries' lack of infrastructure for vaccine distribution.

403(b) Plan and 457(b) Plan Review

Lockton reviewed the investment lineup, investment performance and plan assets in both the 403(b) and 457(b) Plans as of June 30, 2021. Total assets of the 403(b) plan were \$106,641,508.21; and total assets of the 457 Deferred Compensation Plan were \$16,316,903.87. The 403(b) and 457(b) Plans both offer the same investment fund lineup to participants. All investments in both plans are meeting current metrics and no investments have been placed on watch at this time.

Pension Plan Review

Lockton reviewed the performance of the pension plan relative to plan benchmarks. This information is as of June 30, 2021 and was provided.

- a. One Year Performance
 - Actual: 26.47%
 - Benchmark: 23.64%
- b. Three Year Performance
 - Actual 11.45%
 - Benchmark 11.04%
- c. Five Year Performance
 - Actual 10.47%
 - Benchmark 9.74%
- d. Since Inception
 - Actual 11.44%

Performance information obtained from Trust Reports prepared by Transamerica. Performance is actual performance for time period listed and returns are net of investment management fees.

Fiduciary and Legislative Update

- I. Legislative Activity
 - a. Bi-partisan efforts underway in the Senate would introduce several retirement plan changes similar to those proposed by the House's Secure 2.0 bill.
 - b. Several plan design opportunities created by the potential legislation may be attractive to plan sponsors, such as student loan matching.
- II. Court Activity
 - a. More cases have arisen about the use of participant plan data.
 - b. Sponsors should evaluate how their recordkeepers secure employee information and understand with whom the information is shared.
- III. Fiduciary Training
 - a. This quarter's training discusses DOL guidance on managing missed deferrals.

CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF ASSET ALLOCATION FOR DEFINED BENEFIT PENSION PLAN CHANGE TO 65% EQUITIES / 35% FIXED INCOME, EFFECTIVE IMMEDIATELY

Augustine Lopez, Chief Financial Officer, reported that he has been in discussion with representatives of Lockton Investment Advisors (LIA) to review the current market and anticipated conditions. Mr. Lopez introduced Steven Kjar, Vice President and Frank Salb, Chief Investment Officer of Lockton Advisors, LLC who provided a review of the recommendation for Board approval to change the asset allocation for the Employee's Defined Benefit Pension Plan.

Mr. Kjar presented a review of the asset allocation of pan assets since 2016.

- I. Asset Allocation development in 2016
 - a. The Committee reviewed several different asset allocation alternatives at this time. The alternatives considered and discussed included 80% equities/20% fixed income; 70% equities/30% fixed income and 60% equities/40% fixed income

(2) SVMH gross revenues were favorable to budget; (3) SVMH payor mix were unfavorable to budget; (4) SVMH total normalized net patient were \$49.5 million which was favorable to budget by \$3.8 million or 8.3%; (5) Outpatient volumes in infusion therapy, other outpatient pharmacy, cardiology, radiology, and other outpatient services were stronger than expected; (6) ER outpatient visits, total admissions and inpatient surgeries were above budget; (7) total acute average length of stay and Medicare traditional average length of stay case mix index were favorable; and (8) outpatient observation cases, outpatient surgeries, average daily census and deliveries were below budget.

Regina Gage, Committee Chair, congratulated and thanked Mr. Lopez and his team for the great financial report.

PUBLIC INPUT

None.

CLOSED SESSION

Regina Gage, Chair, announced that the item to be discussed in Closed Session is *Conference with Labor Negotiator – Concerning National Union of Healthcare Workers, California Nurses Association, Local 39 and ESC Local 20*. The meeting was recessed into Closed Session under the Closed Session protocol at 1:24 p.m.

RECONVENE OPEN SESSION/REPORT ON CLOSED SESSION

The Committee reconvened Open Session at 1:45 p.m. Regina Gage reported that in Closed Session, the Committee discussed: *Conference with Labor Negotiator – Concerning National Union of Healthcare Workers, California Nurses Association, Local 39 and ESC Local 20*. No action was taken in the Closed Session.

ADJOURNMENT

There being no other business, the meeting was adjourned at 1:46 p.m. The October 2021 Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, October 26, 2021, at 12:00 p.m.**

Regina M. Gage, Chair
Personnel, Pension and Investment Committee

/rm

**RECOMMENDATION OF THE SEPTEMBER 2021
PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**September Committee Meeting
Meeting of September 28, 2021
To the Board of Directors**

1. **RECOMMEND BOARD APPROVAL OF ASSET ALLOCATION FOR PENSION PLAN
CHANGE TO 65% EQUITIES / 35% FIXED INCOME, EFFECTIVE IMMEDIATELY**

RECOMMENDATION: Recommends that the Board of Directors approve the change in the asset allocation investment strategy for the Employees' Defined Benefit Pension Plan to sixty-five percent (65%) equities (including real estate), and thirty-five percent (35%) fixed income, as presented.

Board Paper: Personnel, Pension and Investment Committee

Agenda Item: **Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Miguel Dorantes, MD (ii) the Contract Terms for Dr. Dorantes' Recruitment Agreement, and (iii) the Contract Terms for Dr. Dorantes' Family Medicine Professional Services Agreement**

Executive Sponsor: Allen Radner, MD, Chief Medical Officer
Stacey Callahan, Physician Services Coordinator

Date: October 13, 2021

Executive Summary

In consultation with members of the medical staff, hospital executive management has identified the recruitment of a physician specializing in family practice as a recruiting priority for the hospital's service area. Based on the Medical Staff Development Plan, completed by ECG Management Group in October 2019, the specialty of Family Medicine is recommended as a top priority for recruitment. Furthermore, the departure of one of the physicians from the SVMHS Rural Health Clinic in Gonzales, Taylor Farms Family Health & Wellness Center (TFFH&WC), has left a full-time physician vacancy at this location.

The recommended physician, Miguel Dorantes, MD, received his Doctor of Medicine degree in Baja Mexico and continued his training at UCLA where he graduated from the International Medical Graduate Program in 2010. Dr. Dorantes completed his Family Medicine Residency in 2014 from the UCLA School of Medicine at Kern County Medical Center in Bakersfield. Dr. Dorantes is a Salinas resident and has been practicing family medicine in Santa Cruz and Santa Clara counties. Dr. Dorantes is Board certified by the American Board of Family Medicine, holds an active California license, and is fluent in Spanish. He plans to join TFFH&WC in December.

Background/Situation/Rationale

The proposed physician recruitment requires the execution of two types of agreements:

(1) **Professional Services Agreement.**

The proposed professional services agreement includes the following terms:

- Professional Services Agreement that provides W-2 relationship for IRS reporting
- Two (2) year agreement
- 1.0 Full-Time Equivalent (FTE)
- Base guarantee salary of two hundred seventy-five thousand dollars (\$275,000) per year, and to the extent it exceeds the base salary, productivity compensation of fifty seven dollars and sixty five cents (\$57.65) work Relative Value Unit (wRVU).
- Access to SVMHS Health Plan. Physician premium is projected based on 15% of SVMHS cost
- Access to SVMHS 403(b) and 457 retirement plans. 5% base contribution to 403b plan that vests after three years. Based on federal contribution limits this contribution is capped at fourteen thousand five hundred dollars (\$14,500) annually
- Three (3) weeks off for vacation
- Two thousand dollars (\$2,000) annual stipend for Continuing Medical Education (CME)
- The physician will receive an occurrence based professional liability policy through BETA Healthcare Group

- (2) **Recruitment Agreement** that provides a sign-on bonus of forty thousand dollars (\$40,000) and is structured as a forgivable loan over 24-months of service.

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

The recruitment of Dr. Dorantes is aligned with our strategic priorities for the growth and finance pillars. We continue to develop a clinic infrastructure that engages our physicians in a meaningful way, promotes efficiencies in care delivery and creates opportunities for expansion of services. This investment provides a platform for growth that can be developed to better meet the needs of the residents of our District by opening up access to care regardless of insurance coverage or ability to pay for services.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

The addition of Dr. Dorantes to TFFH&WC has been identified as a need for recruitment while also providing additional resources and coverage for the practice.

The compensation proposed in these agreements have been reviewed by independent valuation and compensation consulting firms to confirm that the terms contemplated are fair market value and commercially reasonable.

Recommendation

Administration requests that the Personnel, Pension and Investment Committee recommend to the SVMHS Board of Directors approval of the following:

- (i) **The Findings Supporting Recruitment of Miguel Dorantes, MD,**
- **That the recruitment of a family medicine physician to Taylor Farms Family Health & Wellness Center is in the best interest of the public health of the communities served by the District; and**
 - **That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;**
- (ii) **The Contract Terms of the Recruitment Agreement for Dr. Dorantes; and**
- (iii) **The Contract Terms of the Family Medicine Professional Services Agreement for Dr. Dorantes.**

Attachments

- (1) Curriculum Vitae – Miguel Dorantes, MD

CURRICULUM VITAE

Miguel Angel Dorantes, MD

Medical Education

7/01/2011-7/01/2014

Kern County Medical Center- UCLA School of medicine affiliated
Family Medicine Resident PGY III
Bakersfield, CA

08/2010-9/2010

David Geffen School of Medicine, Los Angeles, CA
International Medical Graduate

Participated in the clerkship of Advanced Radiology at UCLA School of Medicine with emphasis on general approach to Radiology. Reviewed the major abnormalities in Emergency Radiology and Primary care medicine, both trauma and non-trauma, as well as an introduction to sectional imaging and subspecialty Radiology.

2/2008-2/2010

UCLA International Medical Graduate Program
UCLA Family Health Center
Pre-residency training program

04/2010-07/2010

Competed and earned a position for a 12 week clinical observership consisting of both inpatient and outpatient rotations in the two UCLA System hospitals, as well as affiliated teaching hospitals and clinics. The outpatient and inpatient rotations included: Addiction Medicine, Cardiology, Family Medicine, Internal Medicine, Palliative Medicine, Pediatrics and Women's health.

05/2009-10/2009

UCLA Department of Family Medicine, Los Angeles, CA
International Medical Graduate

Competed and earned a position for a scholarship to this 24 week intensive, self-study program for the USMLE Step 2 CK and Step 2 CS exams located at the UCLA Family Medicine Health Center. As part of this program, I also participated in an 8 week didactic week Ambulatory and Family Medicine clerkship at the David Geffen School of Medicine. I attended weekly grand rounds, participated with senior IMG scholars to prepare for USMLE Step 2 CS. In addition, I facilitated communication between Spanish speaking patients and the medical team.

01/2008/01/2009

UCLA Department of Family Medicine, Los Angeles, CA

International Medical Graduate Competed and earned a position for this 24 week intensive USMLE Step 1 preparation program with UCLA collaborative partner Kaplan Pasadena Center. The course work for the USMLE Step 1 preparation took place with funding provided by UCLA IMG Program.

01/1999-01/2006

Universidad Autonoma de Baja California, Mexicali, Mexico

Medical graduate. Completed a mandatory 1 year of medical service to an underserved community. I was assigned to a farming community in the outskirts of Mexicali, BC, Mexico. Under faculty supervision, I performed comprehensive medical care to my community, provided health education to the nearby villages and implemented the Preventing Medicine Program "Oportunidades" funded by the Mexican Government, a program designed to provide the essential medical attention and preventive measures to the underserved communities in the country. I conducted a once a year community health census for women's health and family planning. I organized a yearlong teen education program, addressing sexual health and psychosocial issues in teens, with emphasis on reducing teen pregnancy, keeping teens in school and out of drugs

Medical School Awards/other awards

Honorary award for outstanding score in the National Board Examination, Mexico 2006

2 time black belt national champion in martial arts Korean style Tang-soo-do Moo-do-kwan

Work Experience

06/01/2020 to 07/04/2021

Bay Area Community Health (Merge of Foothill Community and Tristar Health)

Title: Clinic Director for Gilroy and Glenview Clinics (South Santa Clara County)

Duties included:

Working as a bilingual Family Medicine Physician

Supervision of 3 PA's and staff

Seeing patients of all ages

Minor surgeries, most procedures and musculoskeletal problems

Training PA and NP students at Bay Area Community Health Clinics

02/06/2015 to 06/01/2020

Foothill Community Health Center

9460 No Name Uno Suite 110

Gilroy, CA 95020

Title: Associate Medical Director.

Duties included:

Working as bilingual Family Medicine Physician.

Supervision of 4 PA's and staff.

In Charge of the OB Program in Gilroy, CA

Taking care of patients of all ages

All minor surgeries, procedures and musculoskeletal problems

Training new PA and NP students at Foothill Clinics

7/5/2014-1/22/2015

East Cliff Family Health Center, Santa Cruz, CA

Worked as a bilingual Family Medicine physician caring for the adult and pediatric population, performing a variety of duties that includes minor surgeries and other procedures

02/17/2013

Nexplanon placement certification 2013

09/2010-11/2010

David Geffen School of Medicine, UCLA, Los Angeles, CA

Spanish instructor. Provided Spanish language instruction to first and second year UCLA medical students. The course offered an opportunity for medical students to build language and cultural competency skills to effectively communicate with Spanish speaking patients and their families.

07/20/2010-07/21/2010

Texas Tech University, El Paso, TX

Participated in the forum of the 7th Annual US-Mexico border Center for Excellence Consortium for the improvement of health and quality of life of people along the border. Represented California and the UCLA IMG Program, sharing knowledge of its function in preparing Mexican trained physicians for entry into US Family Medicine Residencies

7/11/2012

House staff presenter in Multidisciplinary Oncology Conference. Multidisciplinary Management in colorectal cancer. Target Audience: Surgeons, Internists/FP, Radiologist, Residents, Nurses, and medical students.

Membership and Honorary/Professional Societies

American Academy of Family Physicians (AAFP)

American Medical Association (AMA)
National Hispanic Medical Association (NHMA)

Volunteer Experience

7/2011 to this date

Providing free physical exam for local high school students for sports participation in Bakersfield and Arvin, CA

01/2010

Les Kelly Health Center, Santa Monica, CA

1920 Colorado Ave, Santa Monica, CA 90404 (310) 319-4700

I facilitated communication between Spanish speaking patients and the medical team.

09/2010

RAM LA, health Fair Los Angeles, CA

Under supervision of Michelle Anne Bholat, M.D., MPH I participated in the ENT module performing hearing tests and in the Ophthalmology module performing visual acuity tests. I helped by interpreting for the doctors who were screening patients and identifying individuals who needed a referral for further treatment.

Language Fluency

Fluent in English and Spanish

Hobbies & Interests

Martial arts, soccer, hiking, camping, movies and weight lifting

References

Navin M. Amin, MD, FACP, F

RCP, FAAFP, FACTM, DTM & H, FABHP

Chairman, Department of Family Medicine

Professor of Family Medicine, UCI

Associate professor of Medicine, UCLA

Associate professor of Family Medicine, Stanford University

KMC Medical Plaza

1111 Columbus St, Bakersfield, CA 93305 (661) 326-6500

Financial Performance Review

September 2021

Augustine Lopez
Chief Financial Officer



Consolidated Financial Summary

For the Month of September 2021

Profit/Loss Statement

\$ in Millions	For the Month of September 2021					
			Variance fav (unfav)			
	Actual	Budget	\$VAR	%VAR		
Operating Revenue	\$ 55.4	\$ 52.1	\$ 3.3	6.3%		
Operating Expense	\$ 52.5	\$ 50.8	\$ (1.7)	-3.3%		
Income from Operations*	\$ 2.9	\$ 1.3	\$ 1.6	123.1%		
<i>Operating Margin %</i>	5.1%	2.6%	2.5%	96.15%		
Non Operating Income**	\$ 0.6	\$ 1.1	\$ (0.5)	-45.5%		
Net Income	\$ 3.5	\$ 2.4	\$ 1.1	45.8%		
<i>Net Income Margin %</i>	6.1%	4.7%	1.4%	29.8%		

*** Income from Operations includes:**

\$0.5M AB113 Intergovernmental Transfer Payment (FY 19-20)

\$0.5M Total Normalizing Items, Net

**Unfavorable variance in non-operating income is predominantly due to lower than expected returns on investments

Consolidated Financial Summary

For the Month of September 2021 - Normalized Profit/Loss Statement

\$ in Millions	For the Month of September 2021					
			Variance fav (unfav)			
	Actual	Budget	\$VAR	%VAR		
Operating Revenue	\$ 54.9	\$ 52.1	\$ 2.8	5.4%		
Operating Expense	\$ 52.5	\$ 50.8	\$ (1.7)	-3.3%		
Income from Operations	\$ 2.4	\$ 1.3	\$ 1.1	84.6%		
<i>Operating Margin %</i>	4.2%	2.6%	1.6%	61.5%		
Non Operating Income	\$ 0.6	\$ 1.1	\$ (0.5)	-45.5%		
Net Income	\$ 3.0	\$ 2.4	\$ 0.6	25.0%		
<i>Net Income Margin %</i>	5.3%	4.7%	0.6%	12.8%		

Consolidated Financial Summary

Year-to-Date September 2021

Profit/Loss Statement

\$ in Millions	FY 2021 YTD September			
			Variance fav (unfav)	
	Actual	Budget	\$VAR	%VAR
Operating Revenue	\$ 170.8	\$ 158.7	\$ 12.1	7.6%
Operating Expense	\$ 157.4	\$ 155.1	\$ (2.3)	-1.5%
Income from Operations*	\$ 13.4	\$ 3.6	\$ 9.8	272.2%
<i>Operating Margin %</i>	7.9%	2.3%	5.6%	243.5%
Non Operating Income	\$ 3.1	\$ 3.3	\$ (0.2)	-6.1%
Net Income**	\$ 16.5	\$ 6.9	\$ 9.6	139.1%
<i>Net Income Margin %</i>	9.7%	4.3%	5.4%	125.6%

*** Income from Operations includes:**

\$0.5M AB113 Intergovernmental Transfer Payment (FY 19-20)

\$0.5M Total Normalizing Items, Net

**Unfavorable variance in non-operating income is predominantly due to lower than expected returns on investments

Consolidated Financial Summary

Year-to-Date September 2021 - Normalized

Profit/Loss Statement

\$ in Millions	FY 2021 YTD September				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 170.2	\$ 158.7	\$ 11.5	7.2%	
Operating Expense	\$ 157.4	\$ 155.1	\$ (2.3)	-1.5%	
Income from Operations	\$ 12.8	\$ 3.6	\$ 9.2	255.6%	
<i>Operating Margin %</i>	7.6%	2.3%	5.3%	230.4%	
Non Operating Income	\$ 3.1	\$ 3.3	\$ (0.2)	-6.1%	
Net Income	\$ 15.9	\$ 6.9	\$ 9.0	130.4%	
<i>Net Income Margin %</i>	9.4%	4.3%	5.1%	118.6%	

Favorable results due to:

- Higher than expected **Medicare Case Mix Index** (1.9)
- Favorable collections on older aged commercial accounts
- Continued effective management on **length of stay** for all payors, despite higher acuity levels
- Stronger than expected **outpatient volumes** in infusion therapy, cardiology, radiology, and various other ancillary services (CT Scan, MRI, Cath Lab, Mammography)
- Cost Savings Initiative: **Overall effective management of labor productivity** on a departmental unit of service basis

SVMH Financial Highlights September 2021

Gross Revenues were favorable

- **Gross Revenues** were **6% favorable** to budget
- **IP gross revenues** were **1% unfavorable** to budget
 - **ED gross revenues** were **43% above** budget
 - **OP gross revenues** were **6% favorable** to budget in the following areas:
 - Infusion Therapy
 - Other OP Pharmacy
 - Cardiology
 - Radiology
 - Other OP Services

- **Commercial:** **1% above** budget
- **Medicaid:** **9% above** budget
- **Medicare:** **9% above** budget

Payor Mix - **unfavorable** to budget

Total Normalized Net Patient Revenues were \$46.0M, which was favorable to budget by \$1.4M or 3.1%

Financial Summary – September 2021



1) Strong Outpatient business:

- Stronger than expected patient volumes in Infusion Therapy, Cardiology, Radiology, and Other Outpatient Services

2) ER Outpatient visits were above budget by 49% (1,385 visits)

3) Total admissions were 6 admits above budget

- ER admissions were 7% below budget (43 admits)
- ER admissions (including OB ED) were 80% of total acute admissions

4) Total Acute ALOS was 4% favorable at 4.0 vs 4.2 days budgeted

5) Deliveries were 9% (13 deliveries) above budget at 153



6) Lower than expected Inpatient business:

- Average daily census was at 111, 3% below budget of 115

7) Inpatient Surgeries were 6% (7 cases) below budget at 126

8) Outpatient Surgeries were 21% (63 cases) below budget

9) OP Observation cases were 20% (30 cases) above budget at 180

10) Medicare Traditional ALOS CMI adjusted 1% unfavorable at 2.5 days with a Case Mix Index of 1.9

CMI – All Discharges (with & without COVID)

Based on Discharges

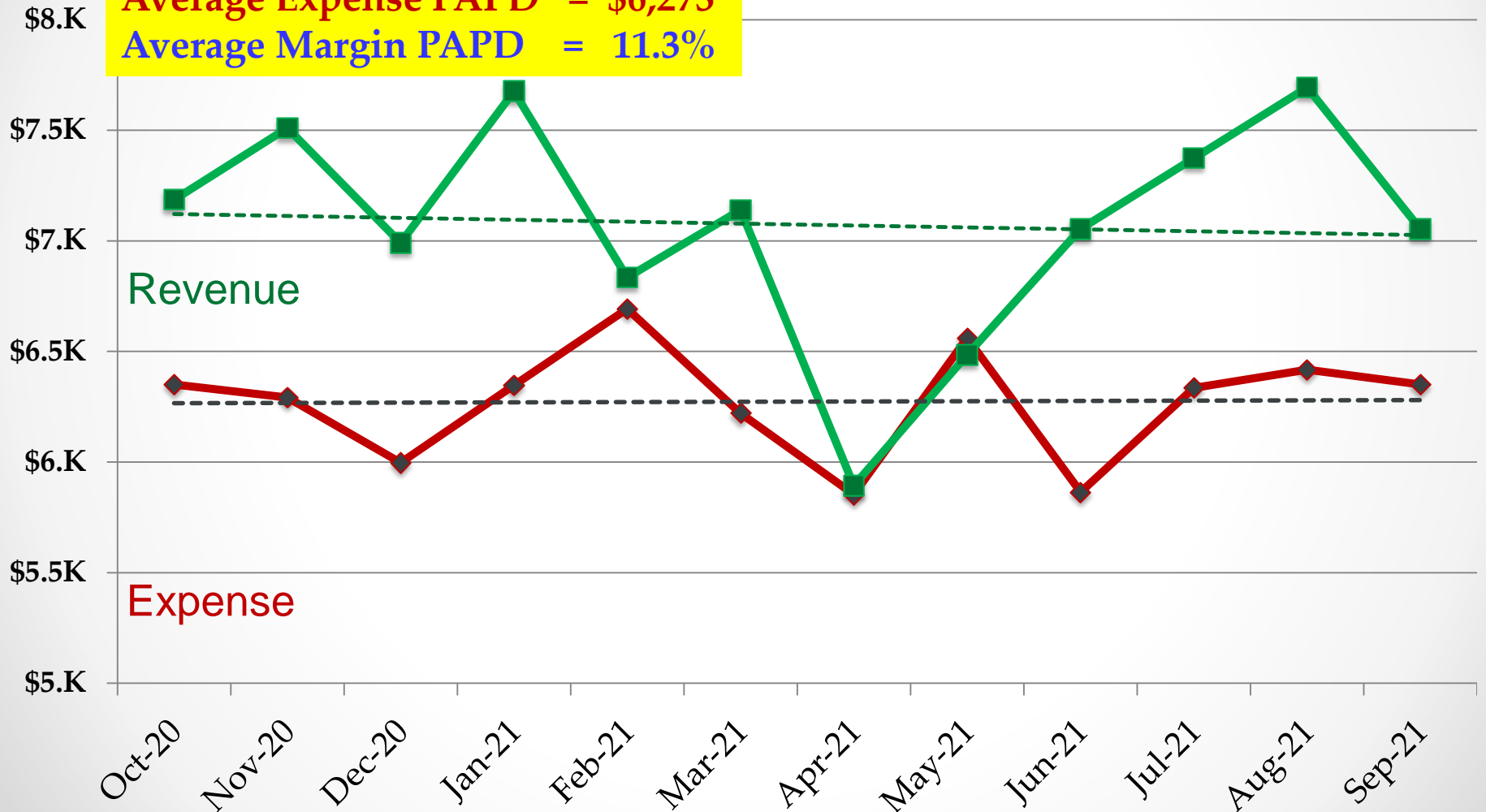
October 2020 thru September 2021

All Payors Month	All Discharges				COVID Discharges Only				Discharges Excluding COVID			
	All Payor CMI	Discharges	ADC	ALOS	All Payor CMI	Discharges	ADC	ALOS	All Payor CMI	Discharges	ADC	ALOS
10/31/2020	1.64	864	115	4.1	2.39	55	13	7.5	1.59	809	102	3.9
11/30/2020	1.76	784	110	4.2	2.32	93	18	5.7	1.68	691	92	4.0
12/31/2020	1.76	853	121	4.4	2.15	222	45	6.2	1.62	631	77	3.8
1/31/2021	1.81	890	139	4.8	2.33	289	65	7.0	1.56	601	74	3.8
2/28/2021	1.77	767	119	4.4	2.36	89	27	8.4	1.70	678	92	3.8
3/31/2021	1.74	875	116	4.1	3.11	27	11	12.8	1.69	848	105	3.8
4/30/2021	1.59	824	104	3.8	1.92	9	1	3.7	1.59	815	103	3.8
5/31/2021	1.70	816	100	3.8	2.19	7	1	5.1	1.69	809	99	3.8
6/30/2021	1.64	826	100	3.6	2.04	10	2	5.9	1.63	816	98	3.6
7/31/2021	1.66	892	108	3.8	2.04	14	2	3.4	1.65	878	107	3.8
8/31/2021	1.67	867	107	3.8	2.12	46	8	5.4	1.64	821	99	3.7
9/30/2021	1.59	843	109	3.9	2.88	33	13	11.5	1.54	810	96	3.6
Total	1.69	10,101	112	4.1	2.32	894	17	7.0	1.63	9,207	95	3.8

SVMH Revenues & Expenses Per Adjusted Patient Day (Normalized)

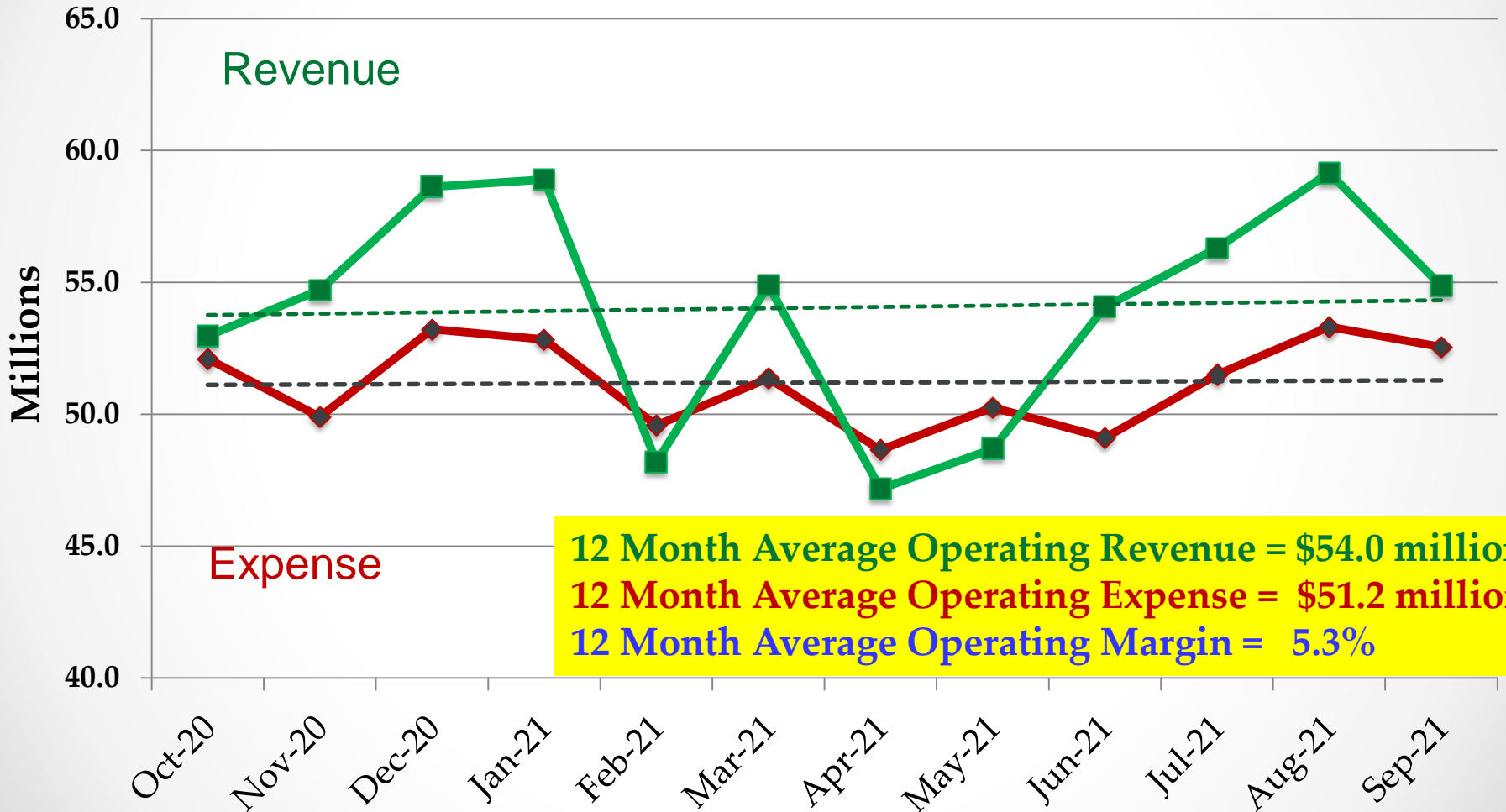
Rolling 12 Months: October 20 to September 21

Average Revenue PAPD = \$7,074
Average Expense PAPD = \$6,273
Average Margin PAPD = 11.3%



SVMHS Operating Revenues & Expenses (Normalized)

Rolling 12 Months: October 20 to September 21



12 Month Average Operating Revenue = \$54.0 million
 12 Month Average Operating Expense = \$51.2 million
 12 Month Average Operating Margin = 5.3%

SVMHS Key Financial Indicators

	YTD	SVMHS		S&P A+ Rated		YTD	
Statistic	Sep-21	Target	+/-	Hospitals	+/-	Sep-20	+/-
Operating Margin*	7.6%	9.0%	Red	4.0%	Green	9.0%	Red
Total Margin*	9.4%	10.8%	Red	6.6%	Green	11.7%	Red
EBITDA Margin**	11.6%	13.4%	Red	13.6%	Red	13.1%	Red
Days of Cash*	374	305	Green	249	Green	344	Green
Days of Accounts Payable*	43	45	Yellow	-		46	Red
Days of Net Accounts Receivable***	47	45	Yellow	49	Green	50	Green
Supply Expense as % NPR	12.7%	15.0%	Green	-		12.9%	Green
SWB Expense as % NPR	53.0%	53.0%	Green	53.7%	Green	53.2%	Green
Operating Expense per APD*	6,369	4,992	Red	-		6,120	Red

*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)

QUESTIONS / COMMENTS

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
September 30, 2021

	<u>Month of September,</u>		<u>Three months ended September 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 46,436,862	\$ 46,378,344	\$ 144,483,708	\$ 143,341,703
Other operating revenue	1,205,071	1,656,129	3,363,575	3,293,585
Total operating revenue	<u>47,641,933</u>	<u>48,034,473</u>	<u>147,847,283</u>	<u>146,635,288</u>
Total operating expenses	41,378,395	40,286,080	124,347,136	123,093,356
Total non-operating income	<u>(2,461,912)</u>	<u>(2,596,661)</u>	<u>(6,174,739)</u>	<u>(5,411,815)</u>
Operating and non-operating income	<u>\$ 3,801,626</u>	<u>\$ 5,151,733</u>	<u>\$ 17,325,408</u>	<u>\$ 18,130,117</u>

SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
September 30, 2021

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 424,014,663	\$ 392,241,426
Assets whose use is limited or restricted by board	146,325,055	133,860,457
Capital assets	242,425,825	260,050,464
Other assets	191,823,760	194,473,865
Deferred pension outflows	<u>50,119,236</u>	<u>83,379,890</u>
	<u>\$ 1,054,708,539</u>	<u>\$ 1,064,006,102</u>
LIABILITIES AND EQUITY:		
Current liabilities	128,886,938	158,947,921
Long term liabilities	14,556,513	14,780,831
	83,585,120	126,340,336
Net assets	<u>827,679,968</u>	<u>763,937,014</u>
	<u>\$ 1,054,708,539</u>	<u>\$ 1,064,006,102</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
September 30, 2021**

	<u>Month of September,</u>		<u>Three months ended September 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,553	1,557	4,695	4,610
Medi-Cal	964	1,040	2,928	3,252
Commercial insurance	749	659	2,191	2,387
Other patient	71	125	344	397
Total patient days	<u>3,337</u>	<u>3,381</u>	<u>10,158</u>	<u>10,646</u>
Gross revenue:				
Medicare	\$ 86,871,070	\$ 77,942,165	\$ 268,703,634	\$ 231,199,550
Medi-Cal	57,526,189	55,195,715	171,807,998	159,997,561
Commercial insurance	50,189,204	46,571,611	149,083,669	147,725,624
Other patient	<u>7,129,690</u>	<u>8,620,170</u>	<u>25,025,799</u>	<u>26,283,794</u>
Gross revenue	<u>201,716,153</u>	<u>188,329,661</u>	<u>614,621,100</u>	<u>565,206,529</u>
Deductions from revenue:				
Administrative adjustment	483,877	363,742	978,289	1,023,789
Charity care	1,012,772	481,549	3,690,676	3,222,169
Contractual adjustments:				
Medicare outpatient	28,727,528	25,451,667	85,379,289	76,170,558
Medicare inpatient	37,096,830	32,666,647	110,214,968	99,213,567
Medi-Cal traditional outpatient	2,559,562	2,363,435	7,468,468	5,720,459
Medi-Cal traditional inpatient	5,239,091	8,649,553	17,042,211	24,116,960
Medi-Cal managed care outpatient	21,787,415	18,414,464	67,909,539	55,194,675
Medi-Cal managed care inpatient	20,196,240	17,779,825	62,124,937	53,363,171
Commercial insurance outpatient	18,125,359	15,996,665	50,910,833	47,339,295
Commercial insurance inpatient	16,266,947	14,563,240	50,902,363	42,856,038
Uncollectible accounts expense	3,745,228	3,566,969	11,514,735	10,846,901
Other payors	<u>38,442</u>	<u>1,653,559</u>	<u>2,001,084</u>	<u>2,797,244</u>
Deductions from revenue	<u>155,279,291</u>	<u>141,951,316</u>	<u>470,137,392</u>	<u>421,864,826</u>
Net patient revenue	<u>\$ 46,436,862</u>	<u>\$ 46,378,344</u>	<u>\$ 144,483,708</u>	<u>\$ 143,341,703</u>
Gross billed charges by patient type:				
Inpatient	\$ 103,333,462	\$ 98,901,983	\$ 319,805,534	\$ 299,175,329
Outpatient	69,968,237	68,930,077	211,266,196	202,355,311
Emergency room	<u>28,414,454</u>	<u>20,497,601</u>	<u>83,549,370</u>	<u>63,675,889</u>
Total	<u>\$ 201,716,153</u>	<u>\$ 188,329,661</u>	<u>\$ 614,621,100</u>	<u>\$ 565,206,529</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
September 30, 2021**

	<u>Month of September,</u>		<u>Three months ended September 30,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 46,436,862	\$ 46,378,344	\$ 144,483,708	\$ 143,341,703
Other operating revenue	<u>1,205,071</u>	<u>1,656,129</u>	<u>3,363,575</u>	<u>3,293,585</u>
Total operating revenue	<u>47,641,933</u>	<u>48,034,473</u>	<u>147,847,283</u>	<u>146,635,288</u>
Operating expenses:				
Salaries and wages	15,631,010	15,142,093	46,891,772	47,061,421
Compensated absences	2,539,271	2,392,993	7,626,195	7,547,911
Employee benefits	7,225,821	8,020,587	22,522,425	23,523,354
Supplies, food, and linen	6,428,334	5,913,898	18,432,733	18,658,679
Purchased department functions	3,343,930	2,743,503	9,605,691	9,186,562
Medical fees	1,752,026	1,558,982	5,806,657	4,562,404
Other fees	1,157,831	1,341,157	3,506,671	3,636,462
Depreciation	1,771,773	1,789,195	5,339,875	5,321,660
All other expense	<u>1,528,399</u>	<u>1,383,672</u>	<u>4,615,117</u>	<u>3,594,903</u>
Total operating expenses	<u>41,378,395</u>	<u>40,286,080</u>	<u>124,347,136</u>	<u>123,093,356</u>
Income from operations	<u>6,263,538</u>	<u>7,748,393</u>	<u>23,500,147</u>	<u>23,541,932</u>
Non-operating income:				
Donations	166,667	166,667	500,000	500,000
Property taxes	333,333	333,333	1,000,000	1,000,000
Investment income	(1,113,460)	(75,294)	(761,168)	723,684
Taxes and licenses	0	0	0	0
Income from subsidiaries	<u>(1,848,452)</u>	<u>(3,021,367)</u>	<u>(6,913,571)</u>	<u>(7,635,499)</u>
Total non-operating income	<u>(2,461,912)</u>	<u>(2,596,661)</u>	<u>(6,174,739)</u>	<u>(5,411,815)</u>
Operating and non-operating income	3,801,626	5,151,733	17,325,408	18,130,117
Net assets to begin	<u>823,878,342</u>	<u>758,785,281</u>	<u>810,354,560</u>	<u>745,806,898</u>
Net assets to end	<u>\$ 827,679,968</u>	<u>\$ 763,937,014</u>	<u>\$ 827,679,968</u>	<u>\$ 763,937,015</u>
Net income excluding non-recurring items	\$ 3,319,848	\$ 4,731,259	\$ 16,843,630	\$ 17,709,643
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>481,778</u>	<u>420,474</u>	<u>481,778</u>	<u>420,474</u>
Operating and non-operating income	<u>\$ 3,801,626</u>	<u>\$ 5,151,733</u>	<u>\$ 17,325,408</u>	<u>\$ 18,130,117</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
September 30, 2021**

	Month of September,		Three months ended September 30,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	\$ 131,930	\$ 127,560	\$ 400,005	\$ 389,717
Discounts and scrap sale	9,926	5,715	282,403	31,310
Sale of products and services	301,593	9,931	367,279	126,387
Clinical trial fees	13,902	2,574	20,878	41,978
Stimulus Funds	0	0	0	0
Rental income	162,287	157,031	482,900	471,094
Other	585,433	1,353,318	1,810,110	2,233,099
	<u>\$ 1,205,071</u>	<u>\$ 1,656,129</u>	<u>\$ 3,363,575</u>	<u>\$ 3,293,585</u>
 Detail of investment income:				
Bank and payor interest	\$ 83,555	\$ 142,996	\$ 288,497	\$ 494,242
Income from investments	(1,157,911)	(218,290)	(1,075,291)	229,442
Gain or loss on property and equipment	(39,103)	0	25,625	0
	<u>\$ (1,113,460)</u>	<u>\$ (75,294)</u>	<u>\$ (761,168)</u>	<u>\$ 723,684</u>
 Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (236,294)	\$ (115,710)	\$ (634,102)	\$ (552,154)
Neurological Clinic	(60,225)	(41,706)	(153,947)	(138,270)
Palliative Care Clinic	(115,080)	(89,640)	(261,612)	(225,408)
Surgery Clinic	(126,421)	(159,809)	(323,871)	(392,307)
Infectious Disease Clinic	(35,349)	(41,813)	(77,275)	(83,459)
Endocrinology Clinic	(162,124)	(165,585)	(376,988)	(471,107)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(436,319)	(289,875)	(1,212,929)	(1,227,553)
OB/GYN Clinic	(280,964)	(451,699)	(985,532)	(757,653)
PrimeCare Medical Group	(589,867)	(855,611)	(1,289,277)	(1,768,174)
Oncology Clinic	18,195	(55,601)	(749,999)	(680,971)
Cardiac Surgery	(154,577)	(177,065)	(490,435)	(494,347)
Sleep Center	(21,034)	(55,667)	(77,558)	(132,625)
Rheumatology	(63,727)	(67,262)	(151,517)	(120,914)
Precision Ortho MDs	(329,004)	(267,752)	(858,020)	(864,216)
Precision Ortho-MRI	0	2,518	0	(25,322)
Precision Ortho-PT	(91,765)	7,856	(162,887)	35,116
Dermatology	(25,859)	(18,055)	(72,361)	(56,569)
Hospitalists	0	0	0	0
Behavioral Health	(93,405)	(65,625)	(219,127)	(204,587)
Pediatric Diabetes	(57,500)	(35,143)	(140,260)	(125,789)
Neurosurgery	(22,080)	(24,912)	(52,548)	(70,372)
Multi-Specialty-RR	14,090	(12,241)	17,710	(45,603)
Radiology	(354,198)	155,824	(904,826)	(160,192)
Salinas Family Practice	(56,680)	0	(268,912)	0
Total SVMC	(3,280,187)	(2,824,573)	(9,446,273)	(8,562,476)
Doctors on Duty	1,501,560	(246,912)	1,305,473	409,714
Assisted Living	0	(18,143)	0	(28,299)
Salinas Valley Imaging	0	0	0	(19,974)
Vantage Surgery Center	24,430	6,102	69,882	56,813
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	(267,495)	29,110	861,709	258,491
Aspire/CHI/Coastal	(13,536)	1,818	(59,966)	(214,776)
Apex	84,917	30,846	116,858	37,895
21st Century Oncology	48,852	(26,963)	120,468	(94,989)
Monterey Bay Endoscopy Center	53,008	27,349	118,277	522,102
	<u>\$ (1,848,452)</u>	<u>\$ (3,021,367)</u>	<u>\$ (6,913,571)</u>	<u>\$ (7,635,499)</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
September 30, 2021**

	Current year	Prior year
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 328,765,711	\$ 298,103,836
Patient accounts receivable, net of estimated uncollectibles of \$20,170,208	77,199,158	76,708,161
Supplies inventory at cost	8,063,643	8,508,199
Other current assets	9,986,151	8,921,231
Total current assets	424,014,663	392,241,426
Assets whose use is limited or restricted by board	146,325,055	133,860,457
Capital assets:		
Land and construction in process	35,488,799	45,320,316
Other capital assets, net of depreciation	206,937,026	214,730,148
Total capital assets	242,425,825	260,050,464
Other assets:		
Investment in Securities	148,482,228	148,527,822
Investment in SVMC	14,345,201	18,332,243
Investment in Aspire/CHI/Coastal	3,641,741	3,840,412
Investment in other affiliates	22,910,262	21,965,640
Net pension asset	2,444,328	1,807,748
Total other assets	191,823,760	194,473,865
Deferred pension outflows	50,119,236	83,379,890
	\$ 1,054,708,539	\$ 1,064,006,102
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 54,879,986	\$ 55,103,771
Due to third party payers	56,596,240	86,331,288
Current portion of self-insurance liability	17,410,712	17,512,862
Total current liabilities	128,886,938	158,947,921
Long term portion of workers comp liability	14,556,513	14,780,831
Total liabilities	143,443,451	173,728,752
Pension liability	83,585,120	126,340,336
Net assets:		
Invested in capital assets, net of related debt	242,425,825	260,050,464
Unrestricted	585,254,143	503,886,550
Total net assets	827,679,968	763,937,014
	\$ 1,054,708,539	\$ 1,064,006,102

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
September 30, 2021

	Month of September,				Three months ended September 30,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 201,716,153	\$ 190,270,606	11,445,547	6.02%	\$ 614,621,100	\$ 583,527,257	31,093,843	5.33%
Deductions from revenue	155,279,291	145,677,751	9,601,540	6.59%	470,137,392	447,620,058	22,517,334	5.03%
Net patient revenue	46,436,862	44,592,855	1,844,007	4.14%	144,483,708	135,907,199	8,576,509	6.31%
Other operating revenue	1,205,071	783,804	421,267	53.75%	3,363,575	2,341,919	1,021,656	43.62%
Total operating revenue	47,641,933	45,376,659	2,265,274	4.99%	147,847,283	138,249,119	9,598,164	6.94%
Operating expenses:								
Salaries and wages	15,631,010	15,253,945	377,065	2.47%	46,891,772	46,747,684	144,088	0.31%
Compensated absences	2,539,271	2,663,215	(123,944)	-4.65%	7,626,195	7,954,326	(328,131)	-4.13%
Employee benefits	7,225,821	7,015,025	210,796	3.00%	22,522,425	21,684,004	838,421	3.87%
Supplies, food, and linen	6,428,334	5,749,083	679,251	11.81%	18,432,733	17,626,082	806,651	4.58%
Purchased department functions	3,343,930	3,091,764	252,166	8.16%	9,605,691	9,043,941	561,750	6.21%
Medical fees	1,752,026	1,823,779	(71,753)	-3.93%	5,806,657	5,483,919	322,738	5.89%
Other fees	1,157,831	927,598	230,233	24.82%	3,506,671	2,783,979	722,692	25.96%
Depreciation	1,771,773	1,774,937	(3,164)	-0.18%	5,339,875	5,340,313	(438)	-0.01%
All other expense	1,528,399	1,417,419	110,980	7.83%	4,615,117	4,329,155	285,962	6.61%
Total operating expenses	41,378,395	39,716,765	1,661,630	4.18%	124,347,136	120,993,403	3,353,733	2.77%
Income from operations	6,263,538	5,659,893	603,645	10.67%	23,500,147	17,255,715	6,244,432	36.19%
Non-operating income:								
Donations	166,667	166,667	0	0.00%	500,000	500,000	(0)	0.00%
Property taxes	333,333	333,333	(0)	0.00%	1,000,000	1,000,000	0	0.00%
Investment income	(1,113,460)	(63,302)	(1,050,158)	1658.98%	(761,168)	(189,905)	(571,264)	300.82%
Income from subsidiaries	(1,848,452)	(3,825,656)	1,977,204	-51.68%	(6,913,571)	(12,209,494)	5,295,923	-43.38%
Total non-operating income	(2,461,912)	(3,388,958)	927,046	-27.35%	(6,174,739)	(10,899,398)	4,724,659	-43.35%
Operating and non-operating income	\$ 3,801,626	\$ 2,270,935	1,530,691	67.40%	\$ 17,325,408	\$ 6,356,317	10,969,091	172.57%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Sep and three months to date

	<u>Month of Sep</u>		<u>Three months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	55	49	156	140	(16)
Other Admissions	104	106	322	293	(29)
Total Admissions	159	155	478	433	(45)
Medi-Cal Patient Days	82	68	233	206	(27)
Other Patient Days	179	165	512	486	(26)
Total Patient Days of Care	261	233	745	692	(53)
Average Daily Census	8.7	7.8	8.1	7.5	(0.6)
Medi-Cal Average Days	1.7	1.4	1.6	1.5	(0.1)
Other Average Days	1.4	1.6	1.6	1.7	0.1
Total Average Days Stay	1.8	1.6	1.6	1.6	0.1
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	283	286	938	916	(22)
Medi-Cal Admissions	294	225	718	728	10
Other Admissions	402	302	894	901	7
Total Admissions	979	813	2,550	2,545	(5)
Medicare Patient Days	1,320	1,356	4,059	4,021	(38)
Medi-Cal Patient Days	1,069	980	3,359	3,036	(323)
Other Patient Days	935	1,002	2,834	3,096	262
Total Patient Days of Care	3,324	3,338	10,252	10,153	(99)
Average Daily Census	110.8	111.3	111.4	110.4	(1.1)
Medicare Average Length of Stay	4.6	4.7	4.3	4.2	(0.1)
Medi-Cal Average Length of Stay	3.7	3.3	3.9	3.2	(0.6)
Other Average Length of Stay	2.4	2.5	2.3	2.7	0.4
Total Average Length of Stay	3.5	3.4	3.4	3.3	(0.0)
Deaths	25	28	89	79	(10)
Total Patient Days	3,585	3,571	10,997	10,845	(152)
Medi-Cal Administrative Days	3	28	95	74	(21)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	3	28	95	74	(21)
Percent Non-Acute	0.08%	0.78%	0.86%	0.68%	-0.18%

SALINAS VALLEY MEMORIAL HOSPITAL

PATIENT STATISTICAL REPORT

For the month of Sep and three months to date

	<u>Month of Sep</u>		<u>Three months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	240	275	707	753	46
Heart Center	349	323	1,016	961	(55)
Monitored Beds	898	755	2,636	2,387	(249)
Single Room Maternity/Obstetrics	383	407	1,171	1,109	(62)
Med/Surg - Cardiovascular	658	462	1,997	1,777	(220)
Med/Surg - Oncology	73	259	431	816	385
Med/Surg - Rehab	356	388	1,167	1,223	56
Pediatrics	55	69	191	276	85
Nursery	261	233	745	692	(53)
Neonatal Intensive Care	58	94	395	253	(142)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	61.54%	70.51%	59.11%	62.96%	
Heart Center	77.56%	71.78%	73.62%	69.64%	
Monitored Beds	110.86%	93.21%	106.12%	96.10%	
Single Room Maternity/Obstetrics	34.50%	36.67%	34.40%	32.58%	
Med/Surg - Cardiovascular	48.74%	34.22%	48.24%	42.92%	
Med/Surg - Oncology	18.72%	66.41%	36.04%	68.23%	
Med/Surg - Rehab	45.64%	49.74%	48.79%	51.13%	
Med/Surg - Observation Care Unit	0.00%	60.00%	0.00%	38.24%	
Pediatrics	10.19%	12.78%	11.53%	16.67%	
Nursery	52.73%	47.07%	24.54%	22.79%	
Neonatal Intensive Care	17.58%	28.48%	39.03%	25.00%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Sep and three months to date

	<u>Month of Sep</u>		<u>Three months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	151	152	471	426	(45)
C-Section deliveries	50	49	146	134	(12)
Percent of C-section deliveries	33.11%	32.24%	31.00%	31.46%	0.46%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	19,233	16,545	73,944	60,973	(12,971)
Out-Patient Operating Minutes	29,081	24,649	64,536	74,597	10,061
Total	48,314	41,194	138,480	135,570	(2,910)
Open Heart Surgeries	14	10	41	37	(4)
In-Patient Cases	148	121	480	419	(61)
Out-Patient Cases	293	243	766	742	(24)
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	14	36	61	126	65
High Risk	508	411	1,492	1,293	(199)
More Than One Resource	2,103	2,602	6,475	7,874	1,399
One Resource	1,112	1,897	5,483	5,262	(221)
No Resources	30	97	144	325	181
Total	<u>3,767</u>	<u>5,043</u>	<u>13,655</u>	<u>14,880</u>	<u>1,225</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Sep and three months to date

	<u>Month of Sep</u>		<u>Three months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
CENTRAL SUPPLY					
In-patient requisitions	12,939	15,171	38,684	47,054	8,370
Out-patient requisitions	10,937	9,449	31,262	28,266	-2,996
Emergency room requisitions	1,586	1,512	4,857	4,822	-35
Interdepartmental requisitions	<u>6,318</u>	<u>6,044</u>	<u>20,183</u>	<u>17,871</u>	<u>-2,312</u>
Total requisitions	<u>31,780</u>	<u>32,176</u>	<u>94,986</u>	<u>98,013</u>	<u>3,027</u>
LABORATORY					
In-patient procedures	32,889	31,975	101,039	99,103	-1,936
Out-patient procedures	10,565	11,282	31,267	34,030	2,763
Emergency room procedures	8,440	11,352	25,146	33,757	8,611
Total patient procedures	<u>51,894</u>	<u>54,609</u>	<u>157,452</u>	<u>166,890</u>	<u>9,438</u>
BLOOD BANK					
Units processed	<u>304</u>	<u>237</u>	<u>812</u>	<u>876</u>	<u>64</u>
ELECTROCARDIOLOGY					
In-patient procedures	928	841	2,740	2,806	66
Out-patient procedures	397	379	1,219	1,206	-13
Emergency room procedures	<u>819</u>	<u>981</u>	<u>2,457</u>	<u>3,035</u>	<u>578</u>
Total procedures	<u>2,144</u>	<u>2,201</u>	<u>6,416</u>	<u>7,047</u>	<u>631</u>
CATH LAB					
In-patient procedures	97	75	228	271	43
Out-patient procedures	98	93	256	292	36
Emergency room procedures	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>-1</u>
Total procedures	<u>196</u>	<u>168</u>	<u>485</u>	<u>563</u>	<u>78</u>
ECHO-CARDIOLOGY					
In-patient studies	305	282	863	967	104
Out-patient studies	176	215	537	695	158
Emergency room studies	<u>4</u>	<u>2</u>	<u>8</u>	<u>4</u>	<u>-4</u>
Total studies	<u>485</u>	<u>499</u>	<u>1,408</u>	<u>1,666</u>	<u>258</u>
NEURODIAGNOSTIC					
In-patient procedures	169	167	528	471	-57
Out-patient procedures	19	29	84	69	-15
Emergency room procedures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total procedures	<u>188</u>	<u>196</u>	<u>612</u>	<u>540</u>	<u>-72</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Sep and three months to date

	Month of Sep		Three months to date		Variance
	2020	2021	2020-21	2021-22	
SLEEP CENTER					
In-patient procedures	0	0	0	0	0
Out-patient procedures	209	163	539	537	-2
Emergency room procedures	0	0	0	0	0
Total procedures	209	163	539	537	-2
RADIOLOGY					
In-patient procedures	1,187	1,205	3,783	3,665	-118
Out-patient procedures	673	422	2,107	1,307	-800
Emergency room procedures	1,043	1,217	3,279	3,755	476
Total patient procedures	2,903	2,844	9,169	8,727	-442
MAGNETIC RESONANCE IMAGING					
In-patient procedures	138	94	368	366	-2
Out-patient procedures	131	123	420	365	-55
Emergency room procedures	15	10	36	21	-15
Total procedures	284	227	824	752	-72
MAMMOGRAPHY CENTER					
In-patient procedures	2,969	3,383	8,841	10,563	1,722
Out-patient procedures	2,961	3,360	8,806	10,479	1,673
Emergency room procedures	0	1	0	7	7
Total procedures	5,930	6,744	17,647	21,049	3,402
NUCLEAR MEDICINE					
In-patient procedures	11	12	38	39	1
Out-patient procedures	82	68	220	237	17
Emergency room procedures	1	1	2	3	1
Total procedures	94	81	260	279	19
PHARMACY					
In-patient prescriptions	80,143	82,183	244,967	250,963	5,996
Out-patient prescriptions	15,339	16,428	46,500	47,144	644
Emergency room prescriptions	5,185	7,342	15,360	21,146	5,786
Total prescriptions	100,667	105,953	306,827	319,253	12,426
RESPIRATORY THERAPY					
In-patient treatments	16,762	21,494	53,538	57,853	4,315
Out-patient treatments	466	1,135	1,370	3,247	1,877
Emergency room treatments	103	292	287	726	439
Total patient treatments	17,331	22,921	55,195	61,826	6,631
PHYSICAL THERAPY					
In-patient treatments	2,278	2,328	6,918	6,836	-82
Out-patient treatments	367	298	873	972	99
Emergency room treatments	0	0	0	0	0
Total treatments	2,645	2,626	7,791	7,808	17

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Sep and three months to date

	<u>Month of Sep</u>		<u>Three months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
OCCUPATIONAL THERAPY					
In-patient procedures	1,299	1,453	3,706	4,753	1,047
Out-patient procedures	123	134	350	458	108
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,422</u>	<u>1,587</u>	<u>4,056</u>	<u>5,211</u>	<u>1,155</u>
SPEECH THERAPY					
In-patient treatments	371	383	1,155	1,288	133
Out-patient treatments	23	24	69	91	22
Emergency room treatments	0	0	0	0	0
Total treatments	<u>394</u>	<u>407</u>	<u>1,224</u>	<u>1,379</u>	<u>155</u>
CARDIAC REHABILITATION					
In-patient treatments	0	0	0	0	0
Out-patient treatments	322	714	1,138	1,977	839
Emergency room treatments	0	0	0	0	0
Total treatments	<u>322</u>	<u>714</u>	<u>1,138</u>	<u>1,977</u>	<u>839</u>
CRITICAL DECISION UNIT					
Observation hours	<u>300</u>	<u>307</u>	<u>746</u>	<u>806</u>	<u>60</u>
ENDOSCOPY					
In-patient procedures	89	108	287	304	17
Out-patient procedures	26	31	91	104	13
Emergency room procedures	0	0	0	0	0
Total procedures	<u>115</u>	<u>139</u>	<u>378</u>	<u>408</u>	<u>30</u>
C.T. SCAN					
In-patient procedures	520	472	1,588	1,673	85
Out-patient procedures	511	365	1,609	1,207	-402
Emergency room procedures	484	623	1,371	1,805	434
Total procedures	<u>1,515</u>	<u>1,460</u>	<u>4,568</u>	<u>4,685</u>	<u>117</u>
DIETARY					
Routine patient diets	16,047	16,883	48,611	51,828	3,217
Meals to personnel	21,105	21,687	63,671	65,444	1,773
Total diets and meals	<u>37,152</u>	<u>38,570</u>	<u>112,282</u>	<u>117,272</u>	<u>4,990</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>94,239</u>	<u>97,891</u>	<u>309,667</u>	<u>293,124</u>	<u>-16,543</u>

PUBLIC INPUT

CLOSED SESSION

*(Report on Item to be
Discussed in Closed Session)*

*RECONVENE OPEN SESSION/
REPORT ON CLOSED SESSION*

*ADJOURNMENT – THE NOVEMBER 2021
PERSONNEL, PENSION AND
INVESTMENT COMMITTEE MEETING
IS SCHEDULED FOR TUESDAY,
NOVEMBER 16, 2021, AT 12:00 P.M.*