

October 20, 2022

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 25, 2022, AT 12:00 P.M., DOWNING RESOURCE CENTER, ROOMS A, B, & C, SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA** or **VIA TELECONFERENCE** (*visit [svmh.com/virtualboardmeeting](http://svmh.com/virtualboardmeeting) for Access Information*).

Pursuant to SVMHS Board Resolution No. 2022-13, Assembly Bill 361, and guidance from the Monterey County Health Department 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/CEO; Augustine Lopez, Chief Financial Officer; Michelle Childs, Chief Human Resources Officer; Glenn Berry, MD, Medical Staff Member; Tony Redmond, Community Member

**PERSONNEL, PENSION AND INVESTMENTS COMMITTEE  
OCTOBER 2022 - COMMITTEE OF THE WHOLE  
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**TUESDAY, OCTOBER 25, 2022, 12:00 P.M.  
DOWNING RESOURCE CENTER, ROOMS A, B & C  
SALINAS VALLEY MEMORIAL HOSPITAL  
450 E. ROMIE LANE, SALINAS, CALIFORNIA  
or via TELECONFERENCE  
(Visit [svmh.com/virtualboardmeeting](http://svmh.com/virtualboardmeeting) for Access Information)**

*Pursuant to SVMHS Board Resolution No. 2022-13, Assembly Bill 361, and guidance from the Monterey County Health Department 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.*

**AGENDA**

1. Approve Minutes of the Personnel, Pension and Investment Committee Meeting of September 20, 2022 (DELGADO)
  - Motion/Second
  - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Rikin Kadakia, MD, (ii) the Contract Terms for Dr. Kadakia's Recruitment Agreement, and (iii) the Contract Terms for Dr. Kadakia's Cardiology Professional Services Agreement. (RADNER/CALLAHAN)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of Findings Supporting Recruitment of Internal Medicine Physicians, and Approval of Contract Terms for Hospitalist Services with Salinas Valley Medical Clinic. (RADNER/CALLAHAN)
  - Staff Report
  - Committee Questions to Staff
  - Public Comment
  - Committee Discussion/Deliberation
  - Motion/Second
  - Action by Committee/Roll Call Vote
4. Financial and Statistical Review (LOPEZ)

5. 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.

6. Adjournment

The next Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, November 15, 2022 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.svmh.com](http://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.

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 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM  
PERSONNEL, PENSION AND INVESTMENT COMMITTEE MEETING  
COMMITTEE OF THE WHOLE  
MEETING MINUTES  
SEPTEMBER 20, 2022**

*Pursuant to SVMHS Board Resolution No. 2022-12, Assembly Bill 361, and guidance from the Monterey County Health Department 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.*

The Personnel, Pension and Investment Committee convened at 12:01 p.m. in the Downing Resources Conference Center, Rooms A, B, & C.

Committee Members Present:

Glenn Berry, MD, Michelle Childs, Augustine Lopez, Richard Turner, and Chair Regina Gage.

Via Teleconference: Pete Delgado

Committee Members Absent:

Tony Redmond

Other Board Members Present, Constituting Committee of the Whole:

Via Teleconference: Juan Cabrera (*joined at 1:19 p.m.*)

*Augustine Lopez arrived at 12:03 p.m.*

A quorum was present, and the meeting was called to order at 12:01 p.m. by Chair Gage.

**APPROVAL OF MINUTES FROM THE PERSONNEL, PENSION AND INVESTMENT  
COMMITTEE MEETING OF AUGUST 23, 2022**

Pete Delgado requested the Personnel, Pension and Investment Committee Meeting approve the minutes of August 23, 2022.

No public input received.

**MOTION:**

Upon motion by Committee member Delgado and second by Committee member Childs, the minutes of the August 23, 2022 Personnel, Pension and Investment Committee were approved.

AYES: Committee members: Glenn, MD., Childs, Delgado, Lopez, Tuner, and Chair Gage. NOES: None. ABSENT: Committee member Redmond. ABSTAINATIONS: None.

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

Steven Kjar, Managing Director and Frank Salb, Director of Investments, representatives of Lockton Retirement Services an offering of Creative Planning, provided an Economic and Market Update as of June 30, 2022 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:

### Plan Level Analysis:

- a. Plan assets in the 403(b) Plan through 6/30/2022 are \$100,094,815. The largest holding in the Plan is the Fidelity 500 Index with 11.87% of plan assets. In aggregate, the target-date funds invest 47.08% of plan assets.
- b. Plan assets in the 457 deferred compensation Plan through 6/30/2022 are \$16,115,195. The largest holding in the Plan is the Fidelity 500 Index with 20.24% of plan assets. In aggregate, the target-date funds invest 38.48% of plan assets.

Discretionary Investment Committee Review: The Committee reviewed quarterly investment materials provided by Lockton Retirement Services.

- c. 403(b) and 457 Deferred compensation plans
  - i. The plans have the same menu and offer 13 fund options plus the American Century One Choice target date funds. Participants have the ability to invest in actively managed portfolios, low cost passively managed index funds and a suite of target date funds. The plan is well diversified based on industry standards.
  - ii. Each of the funds are passing our IPS monitoring criteria and there are no funds on the Watch List at this time.
- d. Index Fund(s) Review:
  - i. The Committee completed a thorough and diligent review of the current passive investment options. The current selection is deemed prudent based on the goals of providing participants with investment options that illustrate broad market coverage for the respective market segment, represent good adherence to the benchmark objective and have demonstrated a history of strong returns.
- e. Capital Preservation Overview
  - i. The Committee completed an in-depth review of capital preservation funds including what they are, fund structures, different options available within 403(b) and 457 plans and reviewed the specific options currently being used, the Transamerica Guaranteed Investment Option.
  - ii. This discussion was a follow up to the discussion at our last Committee Meeting and addressed questions from the Committee.
- f. Defined Benefit Pension Plan

- i. The Committee reviewed the overall investment performance of the DB Pension plan as of 6/30/2022 and reviewed updated performance information as of 8/31/2022. This review focused on the Actual Return of Plan Assets and a customized Benchmark Return of Plan Assets for the dates designated.
- ii. Plan assets in the DB pension plan through 6/30/2022 are \$403,420,022.
- iii. The Plan currently holds 19 funds.
- iv. The report designated funds currently on the Watch List for missing monitoring criteria. Lockton provided additional commentary related to the underperformance of these funds. The funds currently on watch include:
  - 1. PIMCO StocksPLUS Small Institutional
  - 2. Western Asset Core Plus Bond IS
  - 3. PIMCO StocksPLUS Intl (Unhedged) Inst

Plan Governance:

- g. Annual Fee Review: The Committee reviewed the Annual Fee Analysis for the 403(b) and 457(b) Plans. This Analysis outlines plan related expenses including investment management, recordkeeping, administration, and advisory costs.
  - i. Recordkeeping. SVMH and Lockton led a project to reduce Transamerica's recordkeeping expenses associated with the plan. Previously, recordkeeping was .09% of plan assets annually. After the recent negotiation, these expenses have been reduced to .07% of plan assets annually. This was disclosed to the Committee and this information was also included in the Annual Fee Review benchmarking project that was conducted.
  - ii. Fee Benchmarking: The Committee reviewed a fee benchmarking report that was generated using Fiduciary Decisions Inc., an independent benchmarking firm, to evaluate plan fees. Transamerica and LRS provided the data for the report.

These fee-benchmarking reports support a prudent fiduciary file and after thoroughly analyzing the data and factors related to fees associated with the plan, the Committee confirmed the plan's overall costs are necessary and reasonable given the services provided to both plan participants and the plan sponsor.

- h. Quarterly Fiduciary Update:  
The Committee reviewed the latest legislative, regulatory, and court updates to the Committee, in addition to information on the quarterly fiduciary training session webinar.

The committee discussed the economic and market correlation between employment and inflation. Additionally, the Committee reviewed the funds on the Watch List and Plan Investment Performance of all investment alternatives.

Chair Turner asked if it would be possible to receive an update a month following the end of the quarter. In response, Mr. Kjar stated that the data is not available immediately after the close of the quarter. In the past, updates can be provided approximately 30 days after the end of each quarter.

The standard timing of this reporting to the Committee is August/September and November/December.

## **FINANCIAL AND STATISTICAL REVIEW**

Augustine Lopez, Chief Financial Officer, provided a financial and statistical performance review for the month ending August 2022. This information was included in the Committee packet

Key highlights of the financial summary for August 2022 were: (1) Income from operations was \$3.6M with an operating margin of 5.7%, (2) Net income was \$3.2M with a net income margin of 5%; (3) Inpatient gross revenues 12%, favorable to the budget; (4) Emergency Department gross revenues were 5% favorable to the budget; (5) Outpatient gross revenues were 17% favorable to the budget in Infusion Therapy, Radiology, Surgery and Cardiology/Cath Lab; (6) Payor mix was unfavorable to the budget; (7) Total normalized net patient revenues were \$54M, which was favorable to the budget by \$5.8M or 12.1%; (8) Inpatient surgeries and inpatient business were above budget; (9) Average daily census was 128, 11% above budget and total admissions were above budget by 20%; (10) Total acute average length of stay (ALOS) Medicare traditional ALOS CMI adjusted was 1% unfavorable; (11) Operating revenues were above expenses; (13) Days cash on hand was 340; days of net accounts receivable is 49.

Chair Tuner requested to have targets reflective of the budget.

## **PUBLIC INPUT**

No public input received.

## **ADJOURNMENT**

There being no other business, the meeting was adjourned at 1:06 p.m. The October 25, 2022 Personnel, Pension and Investment Committee Meeting is scheduled for **Tuesday, October 25, 2022, at 12:00 p.m.**

## **ATTEST:**

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

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## Board Paper: Personnel, Pension and Investment Committee

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Agenda Item: **Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Rikin Kadakia, MD, (ii) the Contract Terms for Dr. Kadakia's Recruitment Agreement, and (iii) the Contract Terms for Dr. Kadakia's Cardiology Professional Services Agreement**

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

Date: October 12, 2022

### Executive Summary

In consultation with members of the medical staff, hospital executive management has identified the recruitment of a physician specializing in cardiology as a recruiting priority for the hospital's service area. Based on the Medical Staff Development Plan, completed by ECG Management Consultants in October 2019, the specialty of cardiology is recommended for recruitment. Additionally, Salinas Valley Memorial Healthcare System (SVMHS) has developed and is growing a structural heart program.

The recommended physician, Rikin Kadakia, MD, received his Doctor of Medicine Degree from the American University of the Caribbean, School of Medicine and completed his Internal Medicine residency at Virginia Tech, Carilion School of Medicine. Dr. Kadakia was Chief Cardiology Fellow at John Oschner Clinic Foundation in New Orleans, and completed his Structural and Peripheral Cardiology Fellowship at Scripps Green Hospital in San Diego. Dr. Kadakia will complete his Interventional Cardiovascular Diseases Fellowship at Scripps in July 2023. He has family in San Jose and is excited to set down roots in our community with his wife and young daughter.

### Background/Situation/Rationale

The proposed physician recruitment requires the execution of two agreements:

#### 1. **Professional Services Agreement** Essential Terms and Conditions:

- Professional Services Agreement (PSA) that provides W-2 relationship for IRS reporting requirements
- Two (2) year agreement
- Full-time: 1.0 Full-Time Equivalent (FTE)
- Base compensation of five hundred seventy-five thousand dollars (\$575,000) per year in addition to fair market value productivity income based on Medical Group Management Association (MGMA) Median for Western Region wRVU compensation
- Access to SVMHS Health Plan. Physician premium is projected based on 15% of SVMHS cost
- Access to SVMHS 403(b) and 457 retirement plans. SVMHS will make a 5% base contribution to the 403b plan that vests after 3 years. Based on federal contribution limits this contribution is capped at fifteen thousand two hundred fifty dollars (\$15,250) annually
- Four (4) weeks off for vacation
- One (1) week off for Continuing Medical Education (CME)
- Two thousand four hundred dollar (\$2,400) annual stipend for CME
- The physician will receive an occurrence based professional liability policy through BETA Healthcare Group



## 2. **Recruitment Agreement** Essential Terms and Conditions:

- Recruitment incentive of seventy-five thousand dollars (\$75,000.00) which is structured as a forgivable loan over two years of service

### Meeting our Mission, Vision, Goals

#### Strategic Plan Alignment:

The recruitment of Dr. Kadakia is aligned with our strategic priorities for the growth and finance pillars. We continue to develop SVMC 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. Kadakia to SVMC has been identified as a need for recruitment while also providing additional coverage for the Salinas Valley Medical Clinic Central Coast Cardiology 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 Rikin Kadakia, MD,**
  - **That the recruitment of a cardiologist to Salinas Valley Medical Clinic 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. Kadakia; and**
- (iii) **The Contract Terms of the Cardiology Professional Services Agreement for Dr. Kadakia.**

#### Attachments

- (1) Curriculum Vitae – Rikin Kadakia, MD

# Rikin Kadakia, MD, RPVI

Interventional, Peripheral and Structural Cardiology

## Clinical Experience

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### **Scripps Clinic / Scripps Green Hospital Interventional and Structural Cardiology – San Diego, California**

Fellow of Interventional Cardiovascular Disease, Class of '22

Fellow of Structural and Peripheral Cardiology, Class of '23

### **John Ochsner Clinic Foundation – University of Queensland, School of Medicine – New Orleans, Louisiana**

Fellow of Cardiovascular Disease, Class of 2021

Chief Fellow of Cardiovascular Disease

Registered Physician in Vascular Interpretation Certification

National Board of Echocardiography Certification (2021)

Associate Lecturer of the University of Queensland

### **Carilion Clinic – Virginia Tech, Carilion School of Medicine – Roanoke, Virginia**

Internal Medicine Residency, Class of 2018

American Board of Internal Medicine, Board certification (2018)

### **American University of the Caribbean, School of Medicine – Sint Maarten**

Doctor of Medicine, Class of 2015

### **St. John's University- Queens, New York**

Bachelor of Science - Magna Cum Laude, 2011

## Achievements

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Louisiana Chapter of American College of Cardiology Research Competition Winner, 1st Place, 2019

Rookie Cardiovascular Fellow of The Year, 2019

Herman L. Price Excellence in Heart Failure Award, 2019

Intensive Care Unit, Fellow of The Year, 2019

Internal Medicine Teaching Fellow of The Year, 2019

Internal Medicine Resident of The Year, 2017

American College of Physician Resident / Fellow National Poster winner 2017

Humanism and Excellence in Teaching Award (HETA) 2017, 2018, 2019

American College of Physician Young Achiever Award 2017

## Publications

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### **Age is Just A Number, Not a Therapeutic Obstacle - Journal Editorial**

Published in The International Journal of Cardiology

John Ochsner Clinic Foundation, University of Queensland, School of Medicine – Cardiology Department

### **Sudden Cardiac Death in Nonischemic Cardiomyopathy - Review Article**

Published in The Progress in Cardiovascular Diseases

John Ochsner Clinic Foundation, University of Queensland, School of Medicine – Cardiology Department

### **A TAVR Against Seemingly Insurmountable Odds: Case Review**

Published in The Journal of The American College of Cardiology

John Ochsner Clinic Foundation, University of Queensland, School of Medicine – Cardiology Department

**Comparing Bare Metal Stents to Drug-Eluting Stents in the Pre-TAVR Population:**

A Composite Endpoint of All Cause Mortality, In-Stent Restenosis, and Significant Bleeding

John Ochsner Clinic Foundation, University of Queensland, School of Medicine – Cardiology Department

**Research Experience & Presentations:**

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**Assessing Fitness, Oxygen Consumption versus Anaerobic Threshold:**

John Ochsner Clinic Foundation, University of Queensland, School of Medicine – Cardiology Department

Presented at The American College of Cardiology, Louisiana Chapter

Future presentation at The American Heart Association 2019 (Philadelphia, Pennsylvania)

**The Effectiveness of Preparticipation Cardiac Screening on the Prevention of Sudden Cardiac Death in High School Athletes:**

Carilion Clinic, Virginia Tech School of Medicine – Internal Medicine Department 10/2016 – 06/2017. Presented at the Carilion Clinic Annual Research Symposium

**Less is Superior to More:**

A single center retrospective review of minimally invasive versus traditional Transcatheter Aortic Valve Replacement Carilion Clinic, Virginia Tech School of Medicine – Interventional Cardiology Department

Presented at The American College of Physicians 2017 (San Diego, CA)

**Prevalence of abdominal aortic aneurysm in patients with multi-vessel coronary artery disease:**

01/2017 – 04/2017 Salem Medical Center Veterans Affairs – Cardiology Department

Presented at Arteriosclerosis, Thrombosis and Vascular Biology, Peripheral Vascular Disease 2017 (Minneapolis, MN)

**Sotalol induced Diffuse Alveolar Hemorrhage:**

Carilion Clinic, Virginia Tech School of Medicine – Internal Medicine Department

Presented at the American Thoracic Society Conference 2017 (Washington D.C., MD)

**Identification of a Novel SCN-5A Gene Mutation associated with Left Ventricular Noncompaction Cardiomyopathy:**

Carilion Clinic, Virginia Tech School of Medicine – Cardiology Department

Presented at The Mid-Atlantic Capital Cardiology Symposium / American College of Cardiology 2016

**Complete Heart Block Associated with Progressive Relapsing Polychondritis:**

Carilion Clinic, Virginia Tech School of Medicine – Cardiology Department

Oral Presentation at The American College of Physicians – Virginia Chapter 2017

**Teaching Experience**

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**Junior Faculty at The University of Queensland School of Medicine**

John Ochsner Clinic Foundation – University of Queensland, School of Medicine – New Orleans, Louisiana

07/2018 - 06/2021

**Tutor to Medical students**

Carilion Clinic – Virginia Tech – School of Medicine

American University of the Caribbean – School of Medicine

01/2015 - 06/2018

**Anatomy Lab Teacher Assistant**

**Harvey Stimulation Tutor**

American University of the Caribbean – School of Medicine

01/2011 – 12/2012

**Professional Affiliations**

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Member of Society for Cardiovascular Angiography & Interventions

Member of American College of Cardiology

Member of American College of Physicians

Member of Alpha Omega Honor Society

## Board Paper: Personnel, Pension and Investment Committee

Agenda Item: **Consider Recommendation for Board Approval of Findings Supporting Recruitment of Internal Medicine Physicians, and Approval of Contract Terms for Hospitalist Services with Salinas Valley Medical Clinic**

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

Date: October 12, 2022

### Executive Summary

The Hospitalist Program for Salinas Valley Memorial Healthcare System (SVMHS) operates under Salinas Valley Medical Clinic (SVMC). The SVMC Hospitalist Program focuses on increasing patient satisfaction and referring-provider satisfaction, and improved retention of hospitalist physician staff. Due to the growth SVMHS has experienced in the adult daily census at the hospital, the need to recruit and retain hospitalists to the program remains a priority.

Physician Name	Contract Type	FTE Status	Recruitment Incentive
Ashenafi Legesse, MD	W-2	1.0	\$40,000
Marwan Abdelrahim, MD	W-2	1.0	\$40,000

### Terms and Conditions of Agreements

#### 1. Hospitalist Professional Services Agreement Essential Terms and Conditions:

- Professional Services Agreement (PSA) with Standard Terms and Conditions that provides W-2 reporting of physician compensation as an independent contractor
- Two (2) year term for the PSA
- Physician compensation for services under the PSA in the amount of \$149.96 per hour for the hours of 7am-7pm, and \$159.96 per hour for the hours of 7pm-7am
- Expectation of the fifteen (15) twelve (12) hour shifts per month and no less than one hundred eighty (180) twelve (12) hour shift per year
- Hospitalist shifts in excess of one hundred eighty (180) twelve (12) hour shifts per year, will be compensated at an additional \$70.00 per hour credited during each excess shift
- Eligible to participate in the Performance Incentive Program. Eligibility requirements of at least one thousand (1,000) hours worked during the measurement period and a current PSA at time of payment
- Access to SVMHS Health Plan. Physician premium is projected based on 15% of SVMHS cost
- Access to SVMHS 403(b) and 457 retirement plans. Five percent (5%) base contribution to 403b plan that vests after three (3) years. Based on federal contribution limits this contribution is capped at fifteen thousand two hundred fifty dollars (\$15,250.00) annually
- CME Stipend. Two thousand four hundred dollars (\$2,400) annual stipend for Continuing Medical Education (CME).
- Professional Liability Coverage. Occurrence-based professional liability policy through BETA Healthcare Group.

## 2. **Recruitment Agreement** Essential Terms and Conditions:

- Recruitment incentive of forty thousand dollars (\$40,000.00) which is structured as a forgivable loan over two years of service

### Meeting our Mission, Vision, Goals

#### Strategic Plan Alignment

The addition of Dr. Legesse and Dr. Abdelrahim to the SVMC Hospitalist program is aligned with SVMHS' strategic priorities for service, quality, finance and growth pillars. We continue to develop SVMC 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 compensation proposed in the PSA has been reviewed by HealthWorks, an independent valuation and compensation consulting firm, to confirm that the terms contemplated are both commercially reasonable and fair market value.

#### Recommendation

Administration recommends that the Board make the following findings:

- **The recruitment of Internal Medicine Physicians to Salinas Valley Medical Clinic - Hospitalist Services is in the best interest of the public health of the communities served by the District, and**
- **The recruitment benefits and incentives the hospital proposes for these recruitments are necessary in order to relocate and attract appropriately qualified physicians to practice in the communities served by the District.**

Administration also requests the approval of the contract terms for the following:

- **Professional Services Agreement between Salinas Valley Memorial Healthcare System and the two (2) physicians listed in the table above, contracted under a W-2 based professional services agreement**
- **Recruitment Agreement between Salinas Valley Memorial Healthcare System and the two (2) physicians listed in the table above with dollar amounts in the recruitment incentive column.**

#### Attachments

- Curriculum Vitae for Ashenafi Legesse, MD and Marwan Abdelrahim, MD

Ashenafi Legesse,MD

**CERTIFICATION**

ABIM Certified

**EDUCATION**

1-UCSF Fresno Internal Medicine Residency Program

6/2013- 6/16

2-Addis Ababa University Medical Faculty, Addis Ababa, Ethiopia

09/1997-01/2005

**WORK EXPERIENCE**

**09/17-Current**

Kaiser Fresno Medical Center

Hospitalist

7/16-09/17 Community Regional Medical Center

Hospitalist

08/1/2010 - 3/2012

Betanya Medical Center, Addis Ababa, Ethiopia

General Practitioner

06/2008 – 06/2010

Career Colleges of America, Los Angeles, CA

Instructor: Anatomy, Physiology, Pathology and Pharmacology

12/2006 - 05/2008 Myungsung Christian Medical Center, Addis Ababa, Ethiopia

General Practitioner

02/2005 - 12/2006 Yekatit 12 General Hospital, Addis Ababa, Ethiopia

General Practitioner

12/2003-01/2005 Addis Ababa University Black Lion Hospital, Addis Ababa, Ethiopia

Internship

# Marwan M Abdelrahim

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## Education/Licenses

### PHYSICIAN LICENSE

- Medical Board of Oregon

Hermiston, OR  
November, 2021

### AMERICAN BOARD OF INTERNAL MEDICINE CERTIFICATION

August, 2022

### PHYSICIAN & SURGEON LICENSE

- Medical Board of California

Oakland, CA  
August, 2020

### DEA License

- Drug Enforcement Administration

October, 2020

### ALAMEDA HEALTH SYSTEM, Highland Hospital

Oakland, CA

#### Resident, Internal Medicine

- Internal medicine intern  
June, 2017-february 2021
- Internal medicine resident  
June 2017-March 2019
- Published guidelines for VTE prophylaxis administration for inpatient setting that is currently in USE by multidisciplinary health care professionals system wide.  
Mrach,2019-february,2021  
May,2019

### UNIVERSITY OF KHARTOUM, FACULTY OF MEDICINE

Khartoum, Sudan

- Bachelor of Medicine, Surgery and Bachelor of Medicine MBBS

January, 2014

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## Publications

1/ Suzette Barakat, Kasey Boehmer, **Marwan Abdelrahim**, Sangwoo Ahn, Abdulrahman A. Al-Khateeb, Neri Vilalobos, Larry Porjop, Patricia J. Erwin, Kirsten Fleming, Valentina Serrano, Gabriela Spencer-Bonila, Mohammed Hassan Murad. Does Health Coaching Grow Capacity in Cancer Survivors? A Systematic Review

2/ **Marwan Abdelrahim**, MBBS, Sanah Ladhani, MD, Amrita Hans, MD and Sarah Fleisig, MD. I've Got the Ifosfamide Blues

3/ P. Gutierrez, S. Obeid, **M. Abdelrahim**, and S. Ladhani. Standardization of VTE Risk Assessment & Prophylaxis Guidelines at Alameda Health System: A Resident Quality Improvement Project

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## Presentations

Poster presentation. Presented at 2020 ACP Northern California Chapter Resident and Medical Student Competition

Virtual

- How I've Got the Ifosfamide Blues, Clinical Vignette

2020

Poster presentation. Presented at 2018 QI Forum, Alameda Health System

- Standardization of VTE Risk Assessment & Prophylaxis Guidelines at Alameda Health System: A Resident Quality Improvement Project

Oakland, California

## Work and Volunteer Experience

### Good Shepherd Medical Center

- Hospitalist

Hermiston, OR  
November 2022-ongoing

### COALINGA REGIONAL MEDICAL CENTER

- Hospitalist physician- Medical director/Chief hospitalist
- SNF director

Coalinga, CA  
April-November,2021

### ALAMEDA HEALTH SYSTEM, Highland Hospital Resident, Internal Medicine

Oakland, CA

- Internal medicine intern 2017-2019
- Internal medicine resident 2019-2021
- Published guidelines for VTE prophylaxis administration for inpatient setting that is currently in USE by multidisciplinary health care professionals system wide. May 2019

### ALAMEDA HEALTH SYSTEM, Human Rights Clinic Forensic Medical Evaluations for Asylum Seekers

Oakland, CA  
2018 – 2021

- Physician for Human Rights Asylum Network Member
- Evaluating Asylum Seekers Human Rights Highland Hospital Clinic

### MAYO CLINIC Research Fellowship

Rochester, MN  
2016-2017

### MAYO CLINIC Volunteer at laboratory service

Rochester, MN  
2016-2017



# Financial Performance Review

## September 2022

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



# Consolidated Financial Summary

## For the Month of September 2022 – No Normalizing Items

\$ in Millions	For the Month of September 2022				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 63.0	\$ 56.3	\$ 6.7		11.9%
Operating Expense	\$ 58.2	\$ 55.5	\$ (2.7)		-4.9%
<b>Income from Operations*</b>	<b>\$ 4.8</b>	<b>\$ 0.8</b>	<b>\$ 4.0</b>		<b>500.0%</b>
Operating Margin %	7.6%	1.4%	6.2%		442.86%
Non Operating Income**	\$ (2.2)	\$ 1.0	\$ (3.2)		-320.0%
<b>Net Income</b>	<b>\$ 2.6</b>	<b>\$ 1.8</b>	<b>\$ 0.8</b>		<b>44.4%</b>
Net Income Margin %	4.1%	3.1%	1.0%		32.3%

### Favorable performance was driven by:

We received a \$4 million one time payment from our Managed Medicaid Health plan as result of our recent contract negotiation.

Excluding this payment, our income from operations would have met budget due to the following:

- A strong revenue month both predominantly in outpatient services
- Total gross revenues were over budget by \$20 million (10%), though there was an overall decline in patient acuity.
- Total admissions were 133 admits (16%) above budget
- The average daily census was 7% above budget at 123
- Total net patient revenues were \$6.7 million (12%) above budget driven by:
  - OP infusion cases were at 1,072, the highest level in the last 2 years
  - IP and OP surgical cases were above budget by 22% and 10%, respectively
  - Overall the payor mix was unfavorable driven by much higher governmental business
  - Increased patient volume and staffing challenges continue to require higher than expected contract labor and overtime utilization.
- Overall Labor Productivity was favorable by 8% (42 FTEs) due staffing efficiencies and unfilled budgeted positions .

Non Operating Income was lower than expected due market volatility requiring mark to market adjustments in our fixed income portfolio.

# Consolidated Financial Summary

## Year-to-Date September 2022 – No Normalizing Items

\$ in Millions	FY 2022 YTD September				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 178.9	\$ 171.2	\$ 7.7	4.5%	
Operating Expense	\$ 171.4	\$ 167.7	\$ (3.7)	-2.2%	
<b>Income from Operations*</b>	<b>\$ 7.5</b>	<b>\$ 3.5</b>	<b>\$ 4.0</b>	<b>114.3%</b>	
<i>Operating Margin %</i>	4.2%	2.1%	2.1%	100.0%	
Non Operating Income**	\$ 0.1	\$ 2.9	\$ (2.8)	-96.6%	
<b>Net Income</b>	<b>\$ 7.6</b>	<b>\$ 6.4</b>	<b>\$ 1.2</b>	<b>18.8%</b>	
<i>Net Income Margin %</i>	4.3%	3.8%	0.5%	13.2%	

# SVMH Financial Highlights September 2022

Gross Revenues were Favorable

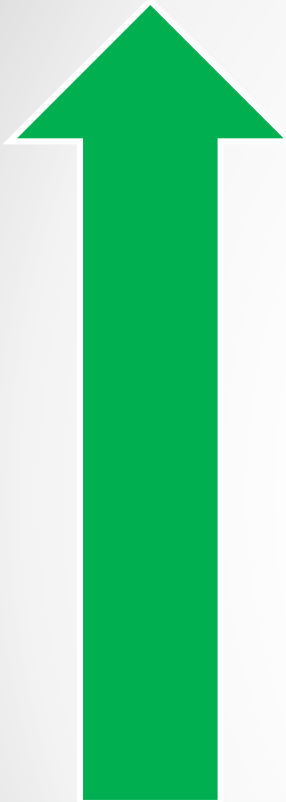
- **Gross Revenues** were 10 % favorable to budget
- **IP Gross Revenues** were 3% favorable to budget
- **ED Gross Revenues** were 13% favorable to budget
- **OP Gross Revenues** were 20% favorable to budget in the following areas:
  - Infusion Therapy
  - Radiology
  - Surgery
  - Cardiology

- **Commercial:** 6% above budget
- **Medicaid:** 21% above budget
- **Medicare:** 8% below budget

Payor Mix – unfavorable to budget

Total Normalized Net Patient Revenues were \$54.1M, which was Favorable to budget by \$7.3M or 15.5%

# Financial Summary – September 2022



- 1) Higher than expected Inpatient business:
  - Average daily census was at 123, 7% above budget of 115
- 2) Total admissions were 16% (133 admits) above budget
  - ER admissions were 16% above budget (98 admits)
- 3) ER Outpatient visits were above budget by 20% at 4,718
- 4) Inpatient Surgeries were 21% (29 cases) above budget at 165
- 5) Higher than expected Outpatient business:
  - Predominantly due to higher than budgeted volumes in Infusion Therapy, Surgery, Radiology, Cardiology and Cath Lab
- 6) Outpatient Surgeries were 11% (25 cases) above budget at 256
- 7) Covid cases decreased to 13 cases, a decrease of 73% over prior month
- 8) OP Observation cases were below budget by 11% at 146
- 9) Medicare Traditional ALOS CMI adjusted was 1% favorable at 2.31 days with a Case Mix Index of 1.7

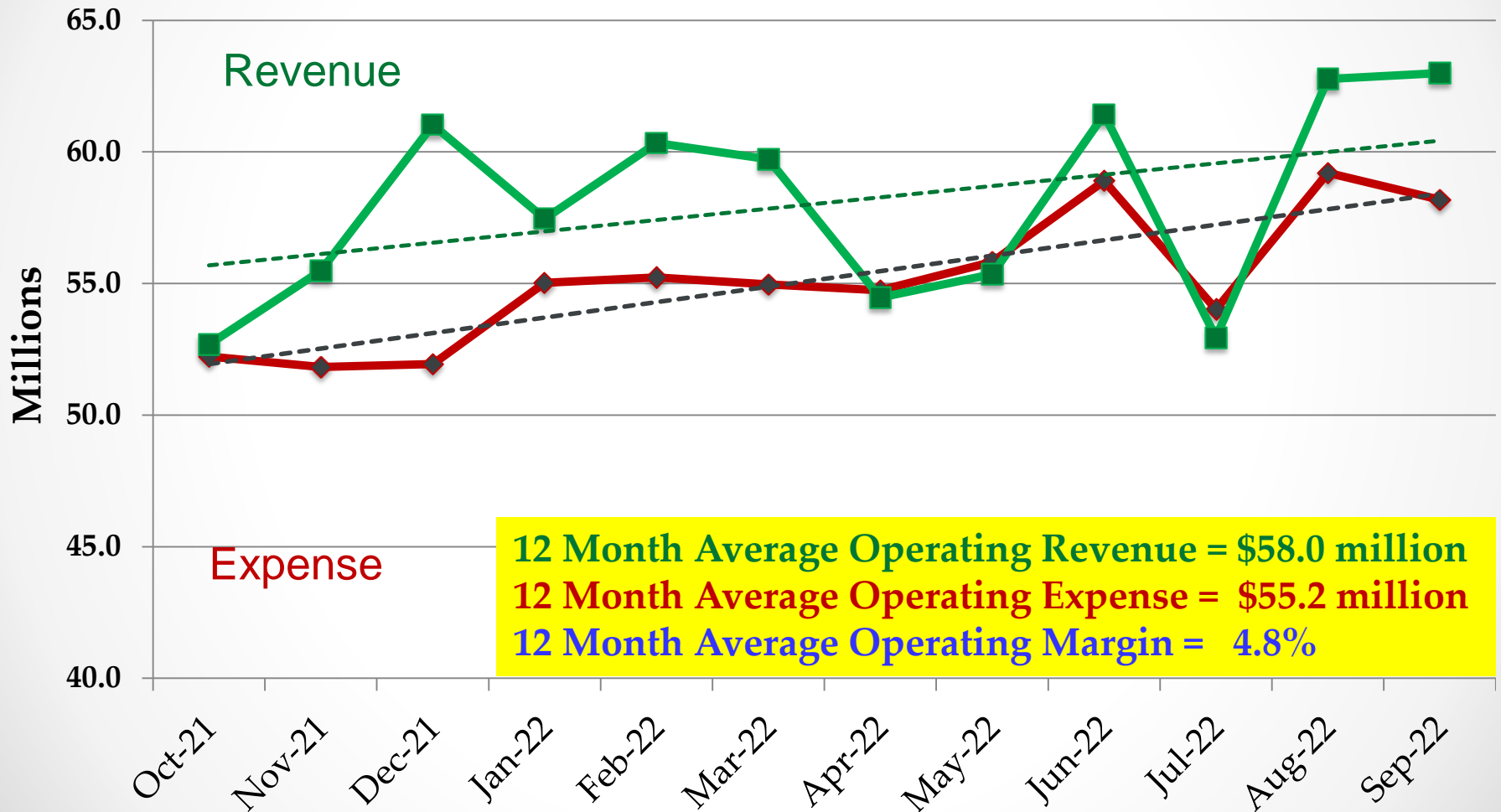
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10) Deliveries were 10% (13 deliveries) below budget at 121



# SVMHS Operating Revenues & Expenses (Normalized)

## Rolling 12 Months: October 21 to September 22



# SVMHS Key Financial Indicators

Statistic	YTD	SVMHS	S&P A+ Rated			YTD	
	Sep-22	Target	+/-	Hospitals	+/-	Sep-21	+/-
Operating Margin*	4.2%	5.0%		4.7%		7.6%	
Total Margin*	4.3%	6.0%		8.7%		11.8%	
EBITDA Margin**	8.1%	7.4%		14.6%		13.4%	
Days of Cash*	338	305		387		372	
Days of Accounts Payable*	53	45		-		43	
Days of Net Accounts Receivable***	49	45		52		49	
Supply Expense as % NPR	13.0%	14.0%		-		12.7%	
SWB Expense as % NPR	54.0%	53.0%		55.5%		53.0%	
Operating Expense per APD*	6,291	4,992		-		6,369	

\*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**  
**STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL**  
**September 30, 2022**

	Month of September,				Three months ended September 30,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 223,337,796	\$ 202,877,354	20,460,442	10.09%	\$ 668,433,199	\$ 622,150,300	46,282,899	7.44%
Deductions from revenue	169,203,073	156,001,206	13,201,867	8.46%	516,092,437	478,642,749	37,449,688	7.82%
Net patient revenue	54,134,723	46,876,148	7,258,575	15.48%	152,340,762	143,507,550	8,833,212	6.16%
Other operating revenue	550,444	1,374,687	(824,243)	-59.96%	2,123,543	4,124,060	(2,000,517)	-48.51%
<b>Total operating revenue</b>	<b>54,685,167</b>	<b>48,250,834</b>	<b>6,434,333</b>	<b>13.34%</b>	<b>154,464,305</b>	<b>147,631,610</b>	<b>6,832,695</b>	<b>4.63%</b>
Operating expenses:								
Salaries and wages	17,421,381	15,789,058	1,632,323	10.34%	53,059,981	48,303,831	4,756,150	9.85%
Compensated absences	2,519,565	3,033,107	(513,542)	-16.93%	7,959,046	9,235,134	(1,276,088)	-13.82%
Employee benefits	7,358,322	7,137,006	221,316	3.10%	22,163,547	22,162,144	1,403	0.01%
Supplies, food, and linen	7,497,972	6,213,598	1,284,374	20.67%	20,470,893	19,049,389	1,421,504	7.46%
Purchased department functions	4,356,683	3,490,994	865,689	24.80%	11,572,083	10,473,025	1,099,058	10.49%
Medical fees	2,049,972	2,026,754	23,218	1.15%	5,420,274	6,080,263	(659,989)	-10.85%
Other fees	2,527,182	2,094,220	432,962	20.67%	7,166,910	6,513,788	653,122	10.03%
Depreciation	1,651,869	1,892,338	(240,469)	-12.71%	5,683,598	5,699,997	(16,399)	-0.29%
All other expense	1,578,270	1,732,165	(153,895)	-8.88%	4,925,187	5,266,487	(341,300)	-6.48%
<b>Total operating expenses</b>	<b>46,961,216</b>	<b>43,409,241</b>	<b>3,551,975</b>	<b>8.18%</b>	<b>138,421,519</b>	<b>132,784,058</b>	<b>5,637,461</b>	<b>4.25%</b>
<b>Income from operations</b>	<b>7,723,951</b>	<b>4,841,593</b>	<b>2,882,358</b>	<b>59.53%</b>	<b>16,042,786</b>	<b>14,847,552</b>	<b>1,195,234</b>	<b>8.05%</b>
Non-operating income:								
Donations	169,553	166,667	2,886	1.73%	2,301,378	500,000	1,801,378	360.28%
Property taxes	333,333	333,333	(0)	0.00%	1,000,000	1,000,000	0	0.00%
Investment income	(3,134,114)	129,915	(3,264,029)	-2512.43%	(3,374,640)	389,746	(3,764,386)	-965.86%
Income from subsidiaries	(2,769,692)	(3,768,251)	998,559	-26.50%	(7,982,089)	(10,420,682)	2,438,593	-23.40%
<b>Total non-operating income</b>	<b>(5,400,920)</b>	<b>(3,138,335)</b>	<b>(2,262,584)</b>	<b>72.10%</b>	<b>(8,055,351)</b>	<b>(8,530,936)</b>	<b>475,585</b>	<b>-5.57%</b>
<b>Operating and non-operating income</b>	<b>\$ 2,323,031</b>	<b>\$ 1,703,258</b>	<b>619,773</b>	<b>36.39%</b>	<b>\$ 7,987,435</b>	<b>\$ 6,316,617</b>	<b>1,670,819</b>	<b>26.45%</b>

**SALINAS VALLEY MEMORIAL HOSPITAL  
SCHEDULES OF NET PATIENT REVENUE  
September 30, 2022**

	<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	1,762	1,553	5,658	4,695
Medi-Cal	1,146	964	3,271	2,928
Commercial insurance	704	749	2,252	2,191
Other patient	76	71	295	344
Total patient days	<u>3,688</u>	<u>3,337</u>	<u>11,476</u>	<u>10,158</u>
Gross revenue:				
Medicare	\$ 96,219,936	\$ 86,871,071	\$ 297,290,894	\$ 268,703,634
Medi-Cal	67,211,441	57,526,189	190,759,092	171,807,998
Commercial insurance	52,928,243	50,189,204	156,753,414	149,083,669
Other patient	<u>6,978,176</u>	<u>7,129,690</u>	<u>23,629,799</u>	<u>25,025,799</u>
Gross revenue	<u>223,337,796</u>	<u>201,716,153</u>	<u>668,433,199</u>	<u>614,621,101</u>
Deductions from revenue:				
Administrative adjustment	107,512	483,877	610,292	978,289
Charity care	535,361	1,012,772	2,253,469	3,690,676
Contractual adjustments:				
Medicare outpatient	30,181,299	28,727,528	91,759,869	85,379,289
Medicare inpatient	35,407,331	37,096,830	125,700,425	110,214,968
Medi-Cal traditional outpatient	3,220,276	2,559,562	9,948,427	7,468,468
Medi-Cal traditional inpatient	4,195,198	5,239,091	13,182,718	17,042,211
Medi-Cal managed care outpatient	27,313,755	21,787,415	75,497,264	67,909,539
Medi-Cal managed care inpatient	25,823,325	20,196,240	71,310,003	62,124,937
Commercial insurance outpatient	18,201,106	18,125,359	53,320,836	50,910,833
Commercial insurance inpatient	20,268,730	16,266,947	58,712,860	50,902,363
Uncollectible accounts expense	4,021,602	3,745,228	11,922,369	11,514,735
Other payors	<u>(72,422)</u>	<u>38,442</u>	<u>1,873,905</u>	<u>2,001,084</u>
Deductions from revenue	<u>169,203,073</u>	<u>155,279,292</u>	<u>516,092,437</u>	<u>470,137,393</u>
Net patient revenue	<u>\$ 54,134,723</u>	<u>\$ 46,436,862</u>	<u>\$ 152,340,762</u>	<u>\$ 144,483,708</u>
Gross billed charges by patient type:				
Inpatient	\$ 112,650,472	\$ 103,333,462	\$ 348,700,935	\$ 319,805,534
Outpatient	81,402,029	69,968,237	235,084,367	211,266,196
Emergency room	<u>29,285,293</u>	<u>28,414,454</u>	<u>84,647,896</u>	<u>83,549,370</u>
Total	<u>\$ 223,337,794</u>	<u>\$ 201,716,153</u>	<u>\$ 668,433,198</u>	<u>\$ 614,621,101</u>

**SALINAS VALLEY MEMORIAL HOSPITAL  
STATEMENTS OF REVENUE AND EXPENSES  
September 30, 2022**

	<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	\$ 54,134,723	\$ 46,436,862	\$ 152,340,762	\$ 144,483,708
Other operating revenue	550,444	1,205,071	2,123,543	3,363,575
Total operating revenue	<u>54,685,167</u>	<u>47,641,933</u>	<u>154,464,305</u>	<u>147,847,283</u>
Operating expenses:				
Salaries and wages	17,421,381	15,631,010	53,059,981	46,891,772
Compensated absences	2,519,565	2,539,271	7,959,046	7,626,195
Employee benefits	7,358,322	7,225,821	22,163,547	22,522,425
Supplies, food, and linen	7,497,972	6,428,334	20,470,893	18,432,733
Purchased department functions	4,356,683	3,343,930	11,572,083	9,605,691
Medical fees	2,049,972	1,752,026	5,420,274	5,806,657
Other fees	2,527,182	1,157,831	7,166,910	3,506,671
Depreciation	1,651,869	1,732,670	5,683,598	5,300,772
All other expense	1,578,270	1,528,399	4,925,187	4,615,117
Total operating expenses	<u>46,961,216</u>	<u>41,339,292</u>	<u>138,421,519</u>	<u>124,308,033</u>
Income from operations	<u>7,723,951</u>	<u>6,302,641</u>	<u>16,042,786</u>	<u>23,539,250</u>
Non-operating income:				
Donations	169,553	166,667	2,301,378	500,000
Property taxes	333,333	333,333	1,000,000	1,000,000
Investment income	(3,134,114)	(1,113,460)	(3,374,640)	(761,168)
Taxes and licenses	0	0	0	0
Income from subsidiaries	(2,769,692)	(1,848,452)	(7,982,089)	(6,913,571)
Total non-operating income	<u>(5,400,920)</u>	<u>(2,461,912)</u>	<u>(8,055,351)</u>	<u>(6,174,739)</u>
Operating and non-operating income	2,323,032	3,840,729	7,987,436	17,364,511
Net assets to begin	<u>865,509,406</u>	<u>823,878,342</u>	<u>859,845,002</u>	<u>810,354,560</u>
Net assets to end	<u>\$ 867,832,438</u>	<u>\$ 827,719,071</u>	<u>\$ 867,832,438</u>	<u>\$ 827,719,071</u>
Net income excluding non-recurring items	\$ 2,323,032	\$ 3,358,951	\$ 7,987,436	\$ 16,882,733
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>481,778</u>	<u>0</u>	<u>481,778</u>
Operating and non-operating income	<u>\$ 2,323,032</u>	<u>\$ 3,840,729</u>	<u>\$ 7,987,436</u>	<u>\$ 17,364,511</u>

**SALINAS VALLEY MEMORIAL HOSPITAL  
SCHEDULES OF INVESTMENT INCOME  
September 30, 2022**

	<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>
Detail of other operating income:				
Dietary revenue	\$ 111,488	\$ 131,930	\$ 373,419	\$ 400,005
Discounts and scrap sale	824	9,926	274,499	282,403
Sale of products and services	17,596	301,593	97,167	367,279
Clinical trial fees	0	13,902	0	20,878
Stimulus Funds	0	0	0	0
Rental income	173,485	162,287	523,336	482,900
Other	247,051	585,433	855,122	1,810,110
<b>Total</b>	<b>\$ 550,444</b>	<b>\$ 1,205,071</b>	<b>\$ 2,123,543</b>	<b>\$ 3,363,575</b>
Detail of investment income:				
Bank and payor interest	\$ 662,142	\$ 83,555	\$ 1,179,962	\$ 288,497
Income from investments	(3,791,540)	(1,157,911)	(4,549,887)	(1,075,291)
Gain or loss on property and equipment	(4,715)	(39,103)	(4,715)	25,625
<b>Total</b>	<b>\$ (3,134,114)</b>	<b>\$ (1,113,460)</b>	<b>\$ (3,374,640)</b>	<b>\$ (761,168)</b>
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (88,756)	\$ (236,294)	\$ (496,170)	\$ (634,102)
Neurological Clinic	(155,202)	(60,225)	(231,778)	(153,947)
Palliative Care Clinic	(51,001)	(115,080)	(183,255)	(261,612)
Surgery Clinic	(90,825)	(126,421)	(381,241)	(323,871)
Infectious Disease Clinic	(31,748)	(35,349)	(86,592)	(77,275)
Endocrinology Clinic	(109,335)	(162,124)	(469,673)	(376,988)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(354,671)	(436,319)	(1,104,945)	(1,212,929)
OB/GYN Clinic	(273,134)	(280,964)	(885,552)	(985,532)
PrimeCare Medical Group	(261,713)	(589,867)	(1,150,011)	(1,289,277)
Oncology Clinic	(251,289)	18,195	(754,547)	(749,999)
Cardiac Surgery	(349,700)	(154,577)	(787,400)	(490,435)
Sleep Center	23,695	(21,034)	(59,389)	(77,558)
Rheumatology	(69,476)	(63,727)	(185,698)	(151,517)
Precision Ortho MDs	(391,338)	(329,004)	(835,554)	(858,020)
Precision Ortho-MRI	0	0	0	0
Precision Ortho-PT	104,925	(91,765)	(120,069)	(162,887)
Vaccine Clinic	(1,030)	0	(1,254)	0
Dermatology	82,258	(25,859)	(43,040)	(72,361)
Hospitalists	0	0	0	0
Behavioral Health	(716,454)	(93,405)	(72,336)	(219,127)
Pediatric Diabetes	(50,614)	(57,500)	(140,148)	(140,260)
Neurosurgery	(12,719)	(22,080)	(70,965)	(52,548)
Multi-Specialty-RR	10,191	14,090	20,937	17,710
Radiology	(94,632)	(354,198)	(413,748)	(904,826)
Salinas Family Practice	(63,707)	(56,680)	(237,411)	(268,912)
Urology	47,502	0	(174,126)	0
<b>Total SVMC</b>	<b>(3,148,773)</b>	<b>(3,280,187)</b>	<b>(8,863,965)</b>	<b>(9,446,273)</b>
Doctors on Duty	64,212	1,501,560	289,319	1,305,473
Vantage Surgery Center	0	24,430	0	69,882
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	211,934	(267,495)	401,453	861,709
Aspire/CHI/Coastal	0	(13,536)	(63,635)	(59,966)
Apex	64,627	84,917	99,612	116,858
21st Century Oncology	(19,752)	48,852	28,000	120,468
Monterey Bay Endoscopy Center	58,061	53,008	127,127	118,277
<b>Total</b>	<b>\$ (2,769,692)</b>	<b>\$ (1,848,452)</b>	<b>\$ (7,982,089)</b>	<b>\$ (6,913,571)</b>

**SALINAS VALLEY MEMORIAL HOSPITAL  
BALANCE SHEETS  
September 30, 2022**

	<b>Current year</b>	<b>Prior year</b>
<b>A S S E T S</b>		
Current assets:		
Cash and cash equivalents	\$ 284,067,791	\$ 330,242,613
Patient accounts receivable, net of estimated uncollectibles of \$31,257,588	84,941,326	77,169,477
Supplies inventory at cost	7,599,460	8,063,643
Other current assets	20,563,028	9,986,151
Total current assets	397,171,605	425,461,883
Assets whose use is limited or restricted by board	149,879,860	146,325,055
Capital assets:		
Land and construction in process	39,324,547	35,488,799
Other capital assets, net of depreciation	198,755,719	206,976,129
Total capital assets	238,080,266	242,464,928
Other assets:		
Investment in Securities	141,849,676	148,482,228
Investment in SVMC	12,605,206	14,852,109
Investment in Aspire/CHI/Coastal	1,679,677	3,641,741
Investment in other affiliates	22,941,120	22,403,354
Net pension asset	705,134	2,444,328
Total other assets	179,780,813	191,823,760
Deferred pension outflows	95,401,205	50,119,236
	\$ 1,060,313,749	\$ 1,056,194,863
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 61,687,786	\$ 56,327,207
Due to third party payers	23,067,473	56,596,240
Current portion of self-insurance liability	17,540,186	17,410,712
Total current liabilities	102,295,445	130,334,159
Long term portion of workers comp liability	14,058,922	14,556,513
Total liabilities	116,354,367	144,890,672
Pension liability	76,126,944	83,585,120
Net assets:		
Invested in capital assets, net of related debt	238,080,266	242,464,928
Unrestricted	629,752,172	585,254,143
Total net assets	867,832,438	827,719,071
	\$ 1,060,313,749	\$ 1,056,194,863

**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>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	49	40	140	114	(26)
Other Admissions	106	84	293	266	(27)
Total Admissions	155	124	433	380	(53)
Medi-Cal Patient Days	68	63	206	181	(25)
Other Patient Days	165	136	486	18	(468)
Total Patient Days of Care	233	199	692	199	(493)
Average Daily Census	7.8	6.6	7.5	2.2	(5.4)
Medi-Cal Average Days	1.4	1.8	1.5	1.7	0.2
Other Average Days	1.4	1.7	1.7	0.1	(1.6)
Total Average Days Stay	1.6	1.7	1.6	0.5	(1.1)
<u>ADULTS &amp; PEDIATRICS</u>					
Medicare Admissions	286	356	916	1,157	241
Medi-Cal Admissions	274	291	728	824	96
Other Admissions	408	311	901	949	48
Total Admissions	968	958	2,545	2,930	385
Medicare Patient Days	1,356	1,387	4,021	4,637	616
Medi-Cal Patient Days	980	1,183	3,036	3,401	365
Other Patient Days	907	1,747	2,842	(3,721)	(6,563)
Total Patient Days of Care	3,243	4,317	9,899	4,317	(5,582)
Average Daily Census	108.1	143.9	107.6	46.9	(60.7)
Medicare Average Length of Stay	4.7	3.9	4.2	4.0	(0.2)
Medi-Cal Average Length of Stay	3.3	3.6	3.2	3.5	0.3
Other Average Length of Stay	2.3	4.6	2.5	-3.2	(5.6)
Total Average Length of Stay	3.3	4.0	3.3	1.3	(1.9)
Deaths	28	22	79	64	(15)
Total Patient Days	3,476	4,516	10,591	4,516	(6,075)
Medi-Cal Administrative Days	28	4	74	27	(47)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	28	4	74	27	(47)
Percent Non-Acute	0.81%	0.09%	0.70%	0.60%	-0.10%

**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>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	274	463	752	463	(289)
Heart Center	323	431	961	431	(530)
Monitored Beds	755	642	2,387	642	(1,745)
Single Room Maternity/Obstetrics	407	347	1,109	347	(762)
Med/Surg - Cardiovascular	462	990	1,777	990	(787)
Med/Surg - Oncology	259	226	816	226	(590)
Med/Surg - Rehab	388	633	1,223	633	(590)
Pediatrics	69	153	276	153	(123)
Nursery	233	199	692	199	(493)
Neonatal Intensive Care	94	0	253	0	(253)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	70.26%	118.72%	62.88%	116.14%	
Heart Center	71.78%	95.78%	69.64%	93.70%	
Monitored Beds	93.21%	79.26%	96.10%	77.54%	
Single Room Maternity/Obstetrics	36.67%	31.26%	32.58%	30.58%	
Med/Surg - Cardiovascular	34.22%	73.33%	42.92%	71.74%	
Med/Surg - Oncology	66.41%	57.95%	68.23%	56.69%	
Med/Surg - Rehab	49.74%	81.15%	51.13%	79.39%	
Med/Surg - Observation Care Unit	0.00%	84.71%	0.00%	82.86%	
Pediatrics	12.78%	28.33%	16.67%	27.72%	
Nursery	47.07%	40.20%	22.79%	19.66%	
Neonatal Intensive Care	28.48%	0.00%	25.00%	0.00%	

**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>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	152	108	426	362	(64)
C-Section deliveries	49	31	134	102	(32)
Percent of C-section deliveries	32.24%	28.70%	31.46%	28.18%	-3.28%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	16,545	18,595	60,973	55,887	(5,086)
Out-Patient Operating Minutes	24,649	29,255	74,597	78,279	3,682
Total	41,194	47,850	135,570	134,166	(1,404)
Open Heart Surgeries	10	16	37	38	1
In-Patient Cases	121	126	419	403	(16)
Out-Patient Cases	243	295	742	818	76
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	36	20	126	80	(46)
High Risk	411	545	1,293	1,605	312
More Than One Resource	2,602	3,019	7,874	8,891	1,017
One Resource	1,897	2,020	5,262	5,944	682
No Resources	97	96	325	278	(47)
Total	<u>5,043</u>	<u>5,700</u>	<u>14,880</u>	<u>16,798</u>	<u>1,918</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
	2021	2022	2020-21	2021-22	
<b>CENTRAL SUPPLY</b>					
In-patient requisitions	16,315	15,295	102,118	105,727	3,609
Out-patient requisitions	6,250	6,730	67,967	63,426	-4,541
Emergency room requisitions	1,375	698	11,273	8,349	-2,924
Interdepartmental requisitions	7,849	7,115	49,644	44,398	-5,246
Total requisitions	31,789	29,838	231,002	221,900	-9,102
<b>LABORATORY</b>					
In-patient procedures	42,107	38,721	253,735	241,589	-12,146
Out-patient procedures	9,286	11,597	76,062	80,263	4,201
Emergency room procedures	9,433	11,145	60,934	76,430	15,496
Total patient procedures	60,826	61,463	390,731	398,282	7,551
<b>BLOOD BANK</b>					
Units processed	318	297	1,996	1,965	-31
<b>ELECTROCARDIOLOGY</b>					
In-patient procedures	1,041	1,068	6,566	6,885	319
Out-patient procedures	349	302	2,706	2,668	-38
Emergency room procedures	1,045	1,148	6,142	7,127	985
Total procedures	2,435	2,518	15,414	16,680	1,266
<b>CATH LAB</b>					
In-patient procedures	64	77	512	607	95
Out-patient procedures	51	71	571	625	54
Emergency room procedures	0	0	1	0	-1
Total procedures	115	148	1,084	1,232	148
<b>ECHO-CARDIOLOGY</b>					
In-patient studies	298	371	2,033	2,406	373
Out-patient studies	138	156	1,262	1,520	258
Emergency room studies	2	1	16	5	-11
Total studies	438	528	3,311	3,931	620
<b>NEURODIAGNOSTIC</b>					
In-patient procedures	140	165	1,109	1,090	-19
Out-patient procedures	24	27	169	164	-5
Emergency room procedures	0	0	0	0	0
Total procedures	164	192	1,278	1,254	-24

**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
	2021	2022	2020-21	2021-22	
<b>SLEEP CENTER</b>					
In-patient procedures	0	0	1	0	-1
Out-patient procedures	183	167	1,315	1,153	-162
Emergency room procedures	0	0	0	0	0
Total procedures	183	167	1,316	1,153	-163
<b>RADIOLOGY</b>					
In-patient procedures	1,654	1,429	9,708	8,710	-998
Out-patient procedures	416	356	4,323	2,915	-1,408
Emergency room procedures	1,217	1,382	7,939	8,809	870
Total patient procedures	3,287	3,167	21,970	20,434	-1,536
<b>MAGNETIC RESONANCE IMAGING</b>					
In-patient procedures	105	141	860	890	30
Out-patient procedures	127	77	953	768	-185
Emergency room procedures	14	6	80	49	-31
Total procedures	246	224	1,893	1,707	-186
<b>MAMMOGRAPHY CENTER</b>					
In-patient procedures	2,718	3,550	20,910	24,711	3,801
Out-patient procedures	2,696	3,518	20,790	24,527	3,737
Emergency room procedures	3	0	3	8	5
Total procedures	5,417	7,068	41,703	49,246	7,543
<b>NUCLEAR MEDICINE</b>					
In-patient procedures	12	14	86	94	8
Out-patient procedures	61	78	506	541	35
Emergency room procedures	1	0	4	4	0
Total procedures	74	92	596	639	43
<b>PHARMACY</b>					
In-patient prescriptions	111,491	94,299	636,356	605,331	-31,025
Out-patient prescriptions	10,439	11,319	99,978	104,283	4,305
Emergency room prescriptions	5,342	7,197	36,983	48,996	12,013
Total prescriptions	127,272	112,815	773,317	758,610	-14,707
<b>RESPIRATORY THERAPY</b>					
In-patient treatments	29,606	21,738	156,457	131,478	-24,979
Out-patient treatments	143	981	3,391	7,896	4,505
Emergency room treatments	373	194	1,179	1,583	404
Total patient treatments	30,122	22,913	161,027	140,957	-20,070
<b>PHYSICAL THERAPY</b>					
In-patient treatments	2,256	2,396	16,109	16,284	175
Out-patient treatments	99	170	1,751	2,108	357
Emergency room treatments	0	0	0	0	0
Total treatments	2,355	2,566	17,860	18,392	532

**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>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<b>OCCUPATIONAL THERAPY</b>					
In-patient procedures	1,445	1,660	9,403	10,682	1,279
Out-patient procedures	74	99	797	1,086	289
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,519</u>	<u>1,759</u>	<u>10,200</u>	<u>11,768</u>	<u>1,568</u>
<b>SPEECH THERAPY</b>					
In-patient treatments	348	525	2,682	3,077	395
Out-patient treatments	23	28	171	200	29
Emergency room treatments	0	0	0	0	0
Total treatments	<u>371</u>	<u>553</u>	<u>2,853</u>	<u>3,277</u>	<u>424</u>
<b>CARDIAC REHABILITATION</b>					
In-patient treatments	0	0	0	0	0
Out-patient treatments	498	401	2,637	4,268	1,631
Emergency room treatments	0	0	1	0	-1
Total treatments	<u>498</u>	<u>401</u>	<u>2,638</u>	<u>4,268</u>	<u>1,630</u>
<b>CRITICAL DECISION UNIT</b>					
Observation hours	<u>378</u>	<u>344</u>	<u>1,866</u>	<u>2,252</u>	<u>386</u>
<b>ENDOSCOPY</b>					
In-patient procedures	85	78	626	636	10
Out-patient procedures	12	29	159	223	64
Emergency room procedures	0	0	0	0	0
Total procedures	<u>97</u>	<u>107</u>	<u>785</u>	<u>859</u>	<u>74</u>
<b>C.T. SCAN</b>					
In-patient procedures	537	596	3,803	4,027	224
Out-patient procedures	445	281	3,598	2,517	-1,081
Emergency room procedures	433	552	3,208	4,164	956
Total procedures	<u>1,415</u>	<u>1,429</u>	<u>10,609</u>	<u>10,708</u>	<u>99</u>
<b>DIETARY</b>					
Routine patient diets	17,554	21,351	113,154	130,102	16,948
Meals to personnel	19,345	21,421	144,216	152,161	7,945
Total diets and meals	<u>36,899</u>	<u>42,772</u>	<u>257,370</u>	<u>282,263</u>	<u>24,893</u>
<b>LAUNDRY AND LINEN</b>					
Total pounds laundered	<u>99,573</u>	<u>100,531</u>	<u>710,088</u>	<u>689,921</u>	<u>-20,167</u>

SALINAS VALLEY MEMORIAL HOSPITAL  
SUMMARY INCOME STATEMENT  
September 30, 2022

	<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	\$ 54,134,723	\$ 46,436,862	\$ 152,340,762	\$ 144,483,708
Other operating revenue	550,444	1,205,071	2,123,543	3,363,575
Total operating revenue	<u>54,685,167</u>	<u>47,641,933</u>	<u>154,464,305</u>	<u>147,847,283</u>
Total operating expenses	46,961,216	41,339,292	138,421,519	124,308,033
Total non-operating income	<u>(5,400,920)</u>	<u>(2,461,912)</u>	<u>(8,055,351)</u>	<u>(6,174,739)</u>
Operating and non-operating income	<u>\$ 2,323,032</u>	<u>\$ 3,840,729</u>	<u>\$ 7,987,436</u>	<u>\$ 17,364,511</u>

SALINAS VALLEY MEMORIAL HOSPITAL  
 BALANCE SHEETS  
 September 30, 2022

	<u>Current year</u>	<u>Prior year</u>
<b>ASSETS:</b>		
Current assets	\$ 397,171,605	\$ 425,461,883
Assets whose use is limited or restricted by board	149,879,860	146,325,055
Capital assets	238,080,266	242,464,928
Other assets	179,780,813	191,823,760
Deferred pension outflows	<u>95,401,205</u>	<u>50,119,236</u>
	<u>\$ 1,060,313,749</u>	<u>\$ 1,056,194,863</u>
<b>LIABILITIES AND EQUITY:</b>		
Current liabilities	102,295,445	130,334,159
Long term liabilities	14,058,922	14,556,513
	76,126,944	83,585,120
Net assets	<u>867,832,438</u>	<u>827,719,071</u>
	<u>\$ 1,060,313,749</u>	<u>\$ 1,056,194,863</u>

*PUBLIC INPUT*

*ADJOURNMENT*

*THE NOVEMBER 2022  
PERSONNEL, PENSION AND INVESTMENT  
COMMITTEE MEETING  
IS SCHEDULED FOR TUESDAY,  
NOVEMBER 15, 2022, AT 12:00 P.M.*