July 17, 2026

TO: Legal Counsel

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

The next regular meeting of the **FINANCE COMMITTEE - COMMITTEE OF THE WHOLE** of **SALINAS VALLEY HEALTH**[1] will be held **MONDAY, JULY 20, 2026, AT 4:00 P.M., HEART CENTER TELECONFERENCE ROOM, SALINAS VALLEY HEALTH MEDICAL CENTER, 450 E. ROMIE LANE, SALINAS, CALIFORNIA.**

(*For Public Access Information Visit* https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/board-committee-meetings-virtual-link/.)

Allen Radner, MD
President/Chief Executive Officer

[1] Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

Committee Voting Members: **Victor Rey, Jr.**, Chair, **Joel Hernandez Laguna**, Vice Chair, **Allen Radner, MD**, President/CEO, **Iftikhar Hussain**, Chief Financial Officer, and **Steven Regwan, DO,** Medical Staff Member

Advisory Non-Voting Members: Sanjeev Tandon, Community Member

FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
SALINAS VALLEY HEALTH[1]

MONDAY, JULY 20, 2026, 4:00 P.M.
HEART CENTER TELECONFERENCE ROOM

Salinas Valley Health Medical Center
450 E. Romie Lane, Salinas, California

(Visit SalinasValleyHealth.com/virtualboardmeeting for Public Access Information)

AGENDA

1. Call to Order / Roll Call

2. Public Comment

   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.

3. Approve Minutes of the Finance Committee Meeting of June 22, 2026 (REY)

   - Motion/Second
   - Public Comment
   - Action by Committee/Roll Call Vote

4. Consider Recommendation for Board Approval of a 5-Year Agreement with Hillrom for the Voalte Nurse Call Services Program (MILLER)

   - Staff Report
   - Committee Questions to Staff
   - Public Comment
   - Committee Discussion/Deliberation
   - Motion/Second
   - Action by Committee/Roll Call Vote

5. Financial and Statistical Review (HUSSAIN)

6. Review Balanced Scorecard (HUSSAIN)

[1]Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

7. Adjournment

The next Finance Committee Meeting is scheduled for Monday, **August 24, 2026** at 4:00 p.m.

[1]Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

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 Salinas Valley Health (SVH) Committee packet is available at the Committee Meeting, electronically at https://www.salinasvalleyhealth.com/about-us/healthcare-district-information-reports/board-of-directors/meeting-agendas-packets/2026/, and in the SVH Human Resources Department located at 611 Abbott Street, Suite 201, Salinas, California, 93901. All items appearing on the agenda are subject to action by the SVH Board.

Requests for a disability related modification or accommodation, including auxiliary aids or Spanish translation services, in order to attend or participate in-person at a meeting, need to be made to the Board Clerk during regular business hours at 831-759-3208 at least forty-eight (48) hours prior to the posted time for the meeting in order to enable the District to make reasonable accommodations.

[1]Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

CALL TO ORDER
ROLL CALL

(Chair to call the meeting to order)

PUBLIC COMMENT

DRAFT SALINAS VALLEY HEALTH[1]
FINANCE COMMITTEE
COMMITTEE OF THE WHOLE
MEETING MINUTES JUNE 22, 2026

Committee Member Attendance:

Voting Members Present: **Victor Rey, Jr.,** Chair, **Joel Hernandez Laguna**, Vice Chair, **Allen Radner, M.D.**, President/CEO, and **Iftikhar Hussain**, CFO

Voting Members Absent: **Steven Regwan, D.O.,** Medical Staff Member

Advisory Non-Voting Members Present:
In Person: Clement Miller, COO, Alysha Hyland, CAO, Carla Spencer, CNO, Gary Ray, CLO
Via Teleconference: Timothy Albert, MD, CCO, Michelle Childs, CHRO, Orlando Rodriguez, MD, CMO

Other Board Members Present, Constituting Committee of the Whole:
Via Teleconference: Catherine Carson

1. CALL TO ORDER/ROLL CALL

A quorum was present and Chair Victor Rey, Jr., called the meeting to order at 4:00 p.m. in the Heart Center Teleconference Room.

2. PUBLIC COMMENT: None.

3. APPROVAL OF MINUTES FROM THE FINANCE COMMITTEE MEETING OF MAY 26, 2026

Approve the minutes of the May 26, 2026 Finance Committee meeting. The information was included in the Committee packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

MOTION:
Upon motion by Committee Member Dr. Radner, and second by Committee Member Hussain, the minutes of the May 26, 2026 Finance Committee are approved as presented.

ROLL CALL VOTE:
Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Hussain;
Nays: None;
Abstentions: None;
Absent: Dr. Regwan.

Motion Carried.

[1]Salinas Valley Memorial Healthcare System operating as Salinas Valley Health

4. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF CYBERSECURITY CONSOLIDATION THROUGH CDW GOVERNMENT, A SUPPLIER OF SALINAS VALLEY HEALTH'S GROUP PURCHASING ORGANIZATION AND CONTRACT AWARD

As our cybersecurity program and the tools in the market have matured, the District has the opportunity to consolidate solutions. The Information Technology & Cybersecurity teams are requesting approval of a cybersecurity vendor contract to consolidate four of our current products. There is significant security benefit from having a unified solution for detection and response to security threats and incidents. The proposed contract is an initial three (3) years with a negotiated, but non-obligated option to renew with a 1% increase cap for another three years.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: Committee members discussed renewal and implementation timelines.

MOTION:
Upon motion by Vice Chair Hernandez Laguna and second by Committee Member Dr. Radner, the Finance Committee recommends to the Board of Directors to approve the cybersecurity product consolidation through CDW, Salinas Valley Health's group purchasing organization, in the amount of $1,282,053 over the next three years through June 30, 2029.

ROLL CALL VOTE:
Ayes: Chair Rey, Vice Chair Hernandez Laguna, Dr. Radner, Hussain;
Nays: None;
Abstentions: None;
Absent: Dr. Regwan.

Motion Carried.

5. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF MICROSOFT ENTERPRISE AGREEMENT RENEWAL AS SOLE SOURCE AND CONTRACT AWARD

Salinas Valley Health utilizes Microsoft products such as Windows and Office across our hospital and clinics. Microsoft platforms are also utilized to access and host our many information systems. The renewal represents an average 12.8% price increase from our 2023 renewal (4.1% annualized). Additional products such as Exchange Online were purchased since the 2023 renewal and are also being renewed.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

MOTION:
Upon motion by Committee Member Hussain second by Vice Chair Hernandez Laguna, the Finance Committee recommends Board approval of the Microsoft Enterprise Agreement Renewal as a sole source contract award in the amount of $3,391,335.54 over the next three years through June 30, 2029.

ROLL CALL VOTE:
Ayes: Chair Rey, Vice Chair Hernandez Laguna, Hussain, Dr. Radner;
Nays: None;
Abstentions: None;
Absent: Dr. Regwan.

Motion Carried.

6. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF THE CISCO WEBEX CLOUD MIGRATION AS SOLE SOURCE JUSTIFICATION AND CONTRACT AWARD

Salinas Valley Health (SVH) currently uses the Cisco Unified Communications System (UCS) as its phone management system. The solution is currently hosted on-site by SVH. To continue supporting our enterprise telecommunications platform, SVH is committed to high availability, performance, and long-term supportability of our communications solutions. To achieve these objectives, administration evaluated the migration of our on-premise Cisco Unified Communications System (UCS) to a cloud-hosted platform.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: Audrey Parks, VP Information Technology, noted patients will benefit from the self service and automation which will improve wait times, patient engagement and enhanced customer service. This cloud-hosted platform will cover the medical center and clinics.

MOTION:
Upon motion by Committee Member Hussain and second by Vice Chair Hernandez Laguna the Finance Committee recommends Board approval of the Cisco Webex cloud migration as sole source justification and contract award in the amount of $4,110,527 over the next five years through August 31, 2031 subject to final contract negotiation.

ROLL CALL VOTE:
Ayes: Chair Rey, Vice Chair Hernandez Laguna, Hussain, Dr. Radner;
Nays: None;
Abstentions: None;
Absent: Dr. Regwan.

Motion Carried.

7. CONSIDER RECOMMENDATION FOR BOARD APPROVAL OF CONTRACT AWARD TO RL DATIX FOR RL 360 MODULES

RL Datix is a leading healthcare governance, risk, and compliance software provider that helps organizations improve patient safety and manage risks effectively. RL Datix helps healthcare organizations proactively identify, assess, and mitigate risks. This platform is used to report, track, and analyze patient safety events, adverse events, and compliance issues.

A full report was included in the packet.

PUBLIC COMMENT: Director Carson commented that she fully supports approving this item which will provide advanced reporting capabilities to benchmark our performance against other hospitals.

COMMITTEE MEMBER DISCUSSION: Dr. Radner commented having this module will help effectively communicate WeCare reporting to departments and leaders. Committee reviewed the cost details and the length of the agreement.

MOTION:
Upon motion by Vice Chair Hernandez Laguna and second by Committee Member Dr. Radner, the Finance Committee recommends Board approval of Contract Award to RL Datix for RL 360 Modules in the amount of $2,230,255 over the life of the agreement.

ROLL CALL VOTE:
Ayes: Chair Rey, Vice Chair Hernandez Laguna, Hussain, Dr. Radner;
Nays: None;
Abstentions: None;
Absent: Dr. Regwan.

Motion Carried.

8. CONSTRUCTION UPDATE

A construction update was given by Brad McCoy, VP of Facilities, Construction and Real Estate. Brad reviewed the Programming, Floor Plans, Parking, Make Ready and Cascading projects. Key highlights included renderings of the new ED Expansion Building, Main Entrance Development, and Seismic Compliance Project. He also reported the funding allocation strategy for the ED Expansion and the Seismic Retrofit Master Plan. In addition, he presented a 10-year cash flow projection and noted the forthcoming funding request for the Master Capital Budget.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

9. PRESENTATION ON PROPOSED FISCAL YEAR 2027 (FY2027) OPERATING AND CAPITAL BUDGET

A review of the 2027 Operating and Capital Budget was given by Iftikhar Hussain, Chief Financial Officer. Highlights included the 2027 Budget calendar, Operating Margin Key Assumptions, the improvements in the Non-Operating Income Key Assumptions, Budget to Actual Variance for the current year, FY 2027 Budgeted Income Statements, Inflation Assumptions and Clinic Total Margin.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: Today's review is for informational purposes only. Fiscal Year 2027 Operating and Capital Budget will be presented as an item on the Board Agenda in which at that time the Board as a whole will review and approve.

10. FINANCIAL AND STATISTICAL REVIEW

An update was received from Iftikhar Hussain, CFO, on the Financial and Statistical Review for the month of April 2026. Highlights included a review of Consolidated Financial Results, Consolidated Operating Margin, Volume Trends, Labor Productivity showed overtime and contract labor steadily decreasing.

A full report was included in the packet.

PUBLIC COMMENT: None.

COMMITTEE MEMBER DISCUSSION: None.

11. REVIEW BALANCED SCORECARD

An update on each Pillar's performance measure was given by the Executive Team.

A full report was included in the packet.

PUBLIC COMMENT: Director Carson was encouraged by the improvements in the Culture of Safety. She further commented that patient safety initiatives and staff education should continue to be prioritized.

COMMITTEE MEMBER DISCUSSION: None.

12. ADJOURNMENT

There being no other business, the meeting was adjourned at 5:29 p.m. The next Finance Committee Meeting is scheduled for Monday, **July 20, 2026** at 4:00 p.m.

_____
Victor Rey, Jr., Chair
Finance Committee

Board Paper: Finance Committee

Agenda Item:	**Consider Recommendation for Board Approval of a 5-Year Agreement with Hillrom for the Voalte Nurse Call Services Program**
Executive Sponsor:	Clement Miller, Chief Operating Officer
Meeting Date:	July 20, 2026

Executive Summary

The proposed agreement with Hillrom for the Voalte Nurse Call Services Program caps the annual price increases at **three percent (3.0%)**, providing predictable pricing and reducing long-term cost escalation. Historically, Salinas Valley Health has renewed this service agreement on a one-year basis. Under those renewals, Hillrom has typically proposed annual price increases of five percent (5.0%). While the organization has periodically negotiated lower increases, those reductions have not been consistently achievable and require annual renegotiation. By transitioning to a five-year agreement, the organization secures a maximum annual increase of three percent for the duration of the contract. This approach provides greater budget certainty, reduces administrative effort associated with yearly contract negotiations, and protects the organization from higher recurring cost increases. SVH Administration recommends approval of the five-year agreement with Hillrom as a fiscally responsible strategy that provides long-term pricing stability while supporting the continued maintenance and reliability of the Voalte Nurse Call Services Program.

Background/Situation

The Nurse Call Services Program supports critical communication systems used throughout Salinas Valley Health Medical Center's nursing units and is essential to daily patient care operations. The organization has no plans to replace or transition away from this platform in the foreseeable future, making ongoing service and maintenance a long-term operational necessity. Given the continued reliance on this equipment, a multi-year service agreement provides an opportunity to secure stable pricing, ensure uninterrupted vendor support, and align contract terms with the anticipated lifecycle of the Nurse Call system.

Timeline/Review Process

During the **2026–2027 renewal review** for the Nurse Call Services Program, it was identified that Hillrom had routinely applied annual renewal increases above typical CPI-based expectations. Historically, the organization has renewed this service agreement on a one-year basis, requiring annual negotiations to mitigate proposed increases. While SVH has successfully negotiated reductions in certain years, the ability to consistently secure favorable pricing has varied. Following negotiations with Hillrom, SVH secured a proposed five-year service agreement with annual increases capped at 3%, compared to the historical renewal increases of approximately 5%.

July 20, 2026	Presentation to the SVH Finance Committee and request for recommendation to the SVH Board for approval.
July 23, 2026	Consideration for approval of Hillrom Agreement by the SVH Board of Directors.

Strategic Plan Alignment

The Hillrom agreement supports SVH's strategic priorities by promoting financial stewardship, improving budget predictability, and ensuring the continued reliability of critical Nurse Call Services that support patient care operations.

Pillar/Goal Alignment

☐ Service ☐ People ☒ Quality ☒ Finance ☒ Growth ☐ Community

Key Contract Terms	Vendor: Hillrom, WSS ID No. 2370
1. Proposed effective date	June 1, 2026
2. Term of agreement	Five (5) Years
3. Renewal terms	N/A
4. Termination provision(s)	None
5. Payment Terms	Paid Annually, Net 30 Upon Invoice
6. Annual cost	Varies based on 3% annual increase: Year 1 (2026-2027): USD 135,699.87 Year 2 (2027-2028): USD 158,710.59 Year 3 (2028-2029): USD 163,471.90 Year 4 (2029-2030): USD 168,376.07 Year 5 (2030-2031): USD 173,427.35
7. Cost over life of agreement	$799,685.78
8. Budgeted (indicate y/n)	Yes, Routinely Renewed Every Year

Recommendation

SVH Administration requests the Finance Committee to recommend to the SVH Board of Directors approval of the five-year agreement with Hillrom for the Voalte Nurse Call Services Program at a cost in the amount of $799,685.78.

Attachments

- Hillrom Quote No. CRYQ607949GPA52126-01
- Sole Source Justification

Prepared for:

Salinas Valley Memorial Health Care System
450 E Romie Ln
Salinas, CA 93901

Voalte Nurse Call

NC GOLD+ RCB

YEAR 1-5 PAID ANNUALLY

Casey Gretkowski
Hillrom Clinical Workflow Solutions
1-470-550-9828 phone

casey_gretkowski@baxter.com

Account Number	**607949**
Proposal Number	**CRYQ607949GPA52126-01**
Proposal Date	**7/8/2026**
Proposal Expiration	**10/6/2026**
Proposal Type	**Renewal**

This proposal is valid for 60 days from the proposal date.
Payment Terms are Net 30

Voalte® Nurse Call Services Program

Protecting Patients with ProActive Services

Hill-Rom's Voalte® Nurse Call is designed to protect patients by anticipating care. Like any Health IT product, it requires software upgrades, technical support and maintenance. The below service offerings are designed to ensure your facility is supported every step of the way.

*PLAN DETAILS**	*SILVER*	*GOLD*	*GOLD+*	*PLATINUM*
Software Upgrades	✓	✓	✓	✓
*Remote Clinical Upgrade & Consulting Hours **	✓	✓	✓	✓
Onsite Clinical Consulting & Optimization		***1 day***	***1 day***	***3 days***
Technical Training and Certification	✓			
24/7/365 Tech Support	✓	✓	✓	✓
System Configuration Changes	✓	✓	✓	✓
Annual Business Update	✓	✓	✓	✓
Access to Customer Portal	✓	✓	✓	✓
System Security Certificate Updates	✓	✓	✓	✓
Onsite Field Dispatch		✓	✓	✓
Annual Preventive Maintenance		✓	✓	✓
Parts Coverage (Including Labor)		✓	✓	✓
CenTrak *RTLS Battery Maintenance (2x/yr)*			✓	✓
Quarterly Business Reviews				✓

**The Silver Services Package is essential to continue to receive software maintenance services as set forth in your facility's purchase documents.*

***Hours vary by plan.*

The Voalte Nurse Call Services Program is governed by: (1) this Proposal; (2) the Voalte Nurse Call Services Program Terms and Conditions available at www.hillrom.com/en/products/care-comms-nurse-call/care-comms-terms/ (the "Terms"); and (3) the Voalte Nurse Call Services Program Details available at www.hillrom.com/serviceoptions/nursecall/ (these documents are collectively referred to herein as the "Services Agreement"). The Terms apply to the term of the Voalte Nurse Call Services Program contemplated by this Proposal, any subsequent renewal term, and any other Voalte Nurse Call Services Program purchased by Customer. The Terms will be deemed incorporated by reference into any subsequent proposals entered into by and between Hill-Rom Company, Inc. ("Hillrom") and Customer with respect to a Voalte Nurse Call Services Program.

Hillrom will invoice Customer annually under the Services Agreement. By signing this Proposal, you represent and warrant that you are authorized to accept the terms of the Services Agreement on behalf of Customer.

Upon Customer's signature hereto, the Services Agreement shall constitute legal, valid, and binding obligations of Hillrom and Customer.

CUSTOMER:

607949
Salinas Valley Memorial Health Care System
450 E Romie Ln
Salinas, CA 93901

Signature: _____
Name: _____
Title: _____
Date: _____

YEAR 1-5 PAID ANNUALLY

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM 607949

				CRYQ607949GPA52126-01				
				NC GOLD+	YEAR 2	YEAR 3	YEAR 4	YEAR 5
DEPARTMENT	RCBs	ASBCs	GRS10s	6/1/2026-5/31/2027	6/1/2027-5/31/2028	6/1/2028-5/31/2029	6/1/2029-5/31/2030	6/1/2030-5/31/2031
Emergency Dept	18	19	0	$ 6,572.51	$ 6,901.14	$ 7,246.19	$ 7,608.50	$ 7,988.93
Main	234	213	20	$ 110,748.47	$ 116,285.89	$ 122,100.19	$ 128,205.20	$ 134,615.46
Tower	51	40	6	$ 25,300.72	$ 26,565.76	$ 27,894.04	$ 29,288.75	$ 30,753.18
TOTALS	303	272	26	**$ 142,621.70**	**$ 149,752.79**	**$ 157,240.42**	**$ 165,102.45**	**$ 173,357.57**
			COVERED UNDER WARRANTY	*$ (18,388.08)*	$ -	$ -	$ -	$ -
			ADDITIONAL FEATURES	*$ 11,466.25*	*$ 12,039.56*	*$ 12,641.54*	*$ 13,273.62*	*$ 13,937.30*
			MULTIYEAR SAVINGS	$ -	$ (3,081.76)	$ (6,410.06)	$ (10,000.00)	$ (13,867.52)
			*GRAND TOTAL	***$ 135,699.87***	***$ 158,710.59***	***$ 163,471.90***	***$ 168,376.07***	***$ 173,427.35***

*Counts will be assessed on a per annum basis and trued up to account for any changes in install base.

ADDITIONAL FEATURES					
STAFF ASSIGNMENT	PATIENT SAFETY	ADT	WIRELESS	OUTBOUND	INBOUND
NO	NO	YES	YES	NO	NO

1069 State Route 46 East, Batesville IN 47006 800.445.3730 www.hill-rom.com

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM 607949

CAMPUS	FLOOR OR DEPARTMENT	NURSING UNIT	RCB3	RCB2	RCB1	ASBC	GRS10H	GRS10
Salinas Valley Memorial Hospital	Emergency Dept	Main ED			8	9		
Salinas Valley Memorial Hospital	Emergency Dept	Tynan ED Control	3	2	5	10		
Salinas Valley Memorial Hospital	Main	0FL Endo	4				1	
Salinas Valley Memorial Hospital	Main	0FL NUC Med	4				1	
Salinas Valley Memorial Hospital	Main	1FL Cath Lab	3				1	
Salinas Valley Memorial Hospital	Main	1FL Cath Lab Holding	6			10	1	
Salinas Valley Memorial Hospital	Main	1FL CCU - ICU	10			9	2	
Salinas Valley Memorial Hospital	Main	1FL CTScan NUC	12				1	
Salinas Valley Memorial Hospital	Main	1FL Heart Center	16			15		1
Salinas Valley Memorial Hospital	Main	1FL PACU	5				1	
Salinas Valley Memorial Hospital	Main	1FL Surgery	5				1	
Salinas Valley Memorial Hospital	Main	1FL Telemetry	29			23		2
Salinas Valley Memorial Hospital	Main	2FL LDRP Tower	12			10	1	
Salinas Valley Memorial Hospital	Main	2FL Mother-Baby	21			20	1	
Salinas Valley Memorial Hospital	Main	2FL NICU	6				1	
Salinas Valley Memorial Hospital	Main	2FL OBED	7			8	1	
Salinas Valley Memorial Hospital	Main	3 FL Main MedSurg	2	21		33		1
Salinas Valley Memorial Hospital	Main	3 FL PEDS		15		19		1
Salinas Valley Memorial Hospital	Main	4 FL Main MedSurg		30		33		1
Salinas Valley Memorial Hospital	Main	5 FL Main	26			33		1
Salinas Valley Memorial Hospital	Tower	3FL Tower MedSurg	3	14		13		2
Salinas Valley Memorial Hospital	Tower	4FL Tower Oncology	1	16		13	1	1
Salinas Valley Memorial Hospital	Tower	5th Tower	17			14		2
		TOTALS	192	98	13	272	14	12
		SUMMARY	303			272	26	

CARE COMMUNICATIONS PRODUCTS
SERVICES TERMS AND CONDITIONS

1. **Scope; Entire Agreement.** These Care Communications Products Services Terms and Conditions apply to the maintenance, repair, support, and other services (the "Services Programs") offered by Hill-Rom Company, Inc. ("Hillrom") for its Care Communications Products, which include Voalte Nurse Call, Voalte Patient Safety, Voalte Patient Safety - Falls Protocol, Enterprise Reporting Model, Enterprise Reporting Model+, and Hillrom Precision Locating (collectively referred to herein as the "Products"). The Services Program for each Product is detailed in a Services Program Details document for such Product, a current copy of which shall be provided to Customer upon request. The following documents, listed in order of precedence in the event of any inconsistency among them, constitute the agreement between Hillrom and Customer with respect to the Services Programs ("Agreement"): (i) proposals executed by Hillrom and Customer; (ii) these Care Communications Products Services Terms and Conditions; and (iii) the Services Programs Details. To the extent Hillrom and Customer do not execute a proposal, Customer's acceptance of any services performed by Hillrom signifies Customer's acceptance of the terms of the Agreement. The Agreement represents the entire agreement between Hillrom and Customer with respect to the Services Programs and supersedes any other oral or written agreement between Hillrom and Customer. The Agreement will prevail over any conflicting terms in Customer's purchase order and may only be modified in a writing signed by both parties.
2. **Effective Date.** The effective date of the Agreement is as provided in Hillrom's proposal.
3. **Initial Term and Renewal.** Unless otherwise specified in Hillrom's proposal, the initial term of each Services Program is eighteen (18) months commencing on shipment of the applicable Product and each renewal term of a Services Program is twelve (12) months. Each Services Program may be renewed upon Hillrom's and Customer's execution of a renewal proposal, or, in the absence of a renewal proposal, upon Customer's timely payment of a renewal term invoice issued by Hillrom. Any entitlements not used during the applicable term of a Services Program do not roll over to the subsequent term. For the avoidance of doubt, the Agreement applies to the initial term and each renewal term of a Services Program and is deemed incorporated by reference into any proposals or Customer purchase orders for the Services Program.
4. **Payment Terms.** Customer must pay the annual fee for each Services Program in full in advance; the annual fee is not refundable. The fee does not include any applicable sales, use or other taxes payable by Customer. Payment is due net thirty (30) days from invoice date. Unless waived by Hillrom in writing, undisputed overdue invoices shall be subject to an overdue payment charge equal to the lesser of 1.5% per month or the maximum rate allowed by law. Customer agrees to pay Hillrom for any and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Hillrom to collect any amounts owed to it. Customer may be obligated to accurately reflect and/or report any discount, rebate, or reduction in price in its costs claimed or charges made to federal (e.g., Medicare) or state (e.g., Medicaid) health care programs requiring such disclosure, and Hillrom's invoices may not reflect Customer's net cost. Customer may make written request to Hillrom in the event it requires additional information to meet applicable reporting or disclosure obligations.
5. **Suspension of Performance.** If Customer fails to comply with the net thirty (30) days payment term for a Services Program, Hillrom may suspend the performance of services under such Services Program upon ten (10) days' written notice unless (i) Hillrom receives full payment, or (ii) the parties agree in writing to alternative payment arrangements. Hillrom reserves the right to cancel a Services Program upon written notice to Customer with immediate effect if Customer fails to rectify its non-payment or continues to default on its payment obligation.
6. **Exclusions; Cancellation.** The Services Programs do not cover damage to or failure of covered Products, equipment, or software caused by, in whole or in part, the following as determined by Hillrom in its sole discretion: (i) modification or upgrade, improper repair, or relocation by anyone other than Hillrom; (ii) misuse or improper use, including failure to comply properly with routine maintenance requirements specified in the directions for use or service manual; (iii) natural disasters, extreme weather, or other catastrophe; (iv) cybersecurity incidents; (v) loss of, or fluctuation in, electrical power, air conditioning or humidity control; (vi) failure or refusal to implement software changes or updates; or (vii) use of non-Hillrom accessories, replacement parts, and/or third-party software not authorized in writing by Hillrom. In addition, the Services Programs do not cover Products, equipment, or software with missing or altered serial numbers. Pursuant to this Section 6, if Customer or any third party modifies any covered Product, Hillrom may immediately cancel the Services Program for the modified Product by giving five (5) days' written notice of cancellation.
7. **Data**. Customer hereby acknowledges and agrees that Hillrom has the right to collect, store, process, maintain, upload, sync, transmit, share, disclose, aggregate, analyze, and use service and diagnostic data created, generated, stored, and/or transmitted by the covered Products and software and accessed by Hillrom personnel in connection with providing services under the Services Programs ("Data"). Hillrom shall own all right, title, and interest in and to such Data and any

aggregations, analyses, reports, programs, and output based on or including such Data ("Derivative Data") and has the right to retain all such Data and Derivative Data after termination of the Services Programs. Customer acknowledges and agrees that Hillrom, its affiliates, and its contracted third parties has the right to use and disclose the Data for any lawful purpose including, without limitation: (i) benchmarking and analysis of workflow and Data to identify system improvements, efficiency improvements, quality improvements, increase cost efficiencies, and product development; (ii) in-depth analysis of the specifics of errors for better understanding of errors and error situations to help understand and reduce their incidence; (iii) to facilitate better technical support and customer support to avoid machine downtime and/or return and replacement of given hardware modules; (iv) investigate changes in ordering patterns that could yield opportunities to define new warning limits, formulary ingredients, and label templates; provided that, to the extent that any Data contains "Protected Health Information" as that term is defined by the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"), Hillrom's use and disclosure of such data shall be governed by the business associate agreement/addendum between the Parties; and (v) to facilitate the provision of functionality for the covered Products and software, and any other lawful purpose, including but not limited to, performance optimization, quality assurance, software updates, subscription services, and other services (if any) provided to Customer, or to otherwise improve Hillrom's products, services, or technologies. Hillrom acknowledges that: CUSTOMER SHALL HAVE NO LIABILITY FOR HILLROM'S USE, RETENTION OR DISCLOSURE OF ANY DATA OR THE ACCURACY OF SUCH DATA.

8. **Non-Solicitation.** To the extent permitted by applicable law, during the term of the Services Programs and for a period of six (6) months following its expiration or cancellation, Customer agrees that it will not directly or indirectly: (i) induce any individual who has provided services to Customer on behalf of Hillrom within the 6-month period immediately preceding the expiration or cancellation of the Services Programs to terminate his/her relationship with Hillrom; or (ii) assist, coordinate, or otherwise offer employment to, employ, or retain as an independent contractor any individual who was employed by Hillrom at any time during the 6-month period immediately preceding the offer, employment, or retention without first paying to Hillrom a finder's fee equal to 50% of the annual fee for the Services Programs. The foregoing restrictions do not prohibit Customer from placing any general advertisements for employees or hiring individuals who respond to such general advertisements so long as such general advertisements are not directed to any individuals who have provided services to services to Customer on behalf of Hillrom.
9. **Warranty.** Hillrom warrants that it will perform services in a reasonably timely, professional, and workmanlike manner using trained and qualified personnel capable of performing services in accordance with industry standards. Hillrom's exclusive obligation, and Customer's exclusive remedy, for breach of the foregoing warranty is re-performance of defective services. THE FOREGOING WARRANTY CONSTITUTES THE SOLE WARRANTY MADE BY HILLROM AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER REMEDIES. NO EMPLOYEE OR REPRESENTATIVE OF HILLROM IS AUTHORIZED TO MODIFY THIS WARRANTY IN ANY WAY OR GRANT ANY OTHER WARRANTY.
10. **Limitation of Liability.** Hillrom will not be liable for loss or damages because of delays or nonperformance resulting from any cause beyond Hillrom's reasonable foresight or control. Any delays will extend Hillrom's period of performance under the Services Programs. IN NO EVENT AND UNDER NO LEGAL THEORY – WHETHER IN TORT (INCLUDING NEGLIGENCE), CONTRACT, WARRANTY, PRODUCTS LIABILITY, OR OTHERWISE - WILL HILLROM BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS (WHETHER DIRECT OR INDIRECT), LOSS OF GOODWILL, BUSINESS INTERRUPTION, OR LOSS OR CORRUPTION OF DATA, OR ANY EXEMPLARY OR PUNITIVE DAMAGES. IN NO EVENT WILL HILLROM'S AGGREGATE LIABLITY TO CUSTOMER OR ANY THIRD PARTY FOR DIRECT DAMAGES ARISING OUT OF THE SERVICES PROGRAMS OR THESE CARE COMMUNICATION PRODUCTS SERVICES TERMS AND CONDITIONS, REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE NUMBER OF CLAIMS MADE, EXCEED THE FEE FOR THE SERVICES PROGRAMS PAID OR PAYABLE BY CUSTOMER FOR THE 12-MONTH PERIOD IN WHICH THE FIRST EVENT GIVING RISE TO SUCH DAMAGES OCCURRED. THIS SECTION 10 IS INDEPENDENT OF ANY OTHER LIMITATION OF LIABILITY AND REFLECTS AN ALLOCATION OF RISK SEPARATE FROM PROVISIONS SPECIFYING OR LIMITING A PARTY'S REMEDIES.
11. **General.** Hillrom and Customer shall comply at all times with applicable federal and state laws and regulations. Customer may assign the Agreement upon notice to Hillrom. The Agreement will be governed by and construed under the laws of the State of Illinois without reference to its conflicts of law principles. The provisions of these Care Communication Products Services Terms and Conditions that by their nature are intended to survive the expiration or cancellation of the Services Programs and the Agreement, including Section 7, Section 8, and Section 9, will survive the expiration or cancellation of the Services Programs and the Agreement.

12. **Confidentiality.** During the term of this Agreement, if either party receives from the other party information marked "confidential" or similar legend, or, if not in written form, information that is identified as confidential at the time of disclosure, or information, whether or not marked or identified as confidential at the time of disclosure, that the receiving Party knows or should know is nonpublic, commercially sensitive, trade secret, or proprietary and thus confidential ("Confidential Information"), the receiving party shall not use such Confidential Information except in the performance of this Agreement, and shall protect such Confidential Information in the same manner as it treats its own confidential information (using at least commercially reasonable efforts). The receiving party shall give Confidential Information only to those of its employees and agents who have a need to know and who are subject to obligations of confidentiality at least as stringent as those contained in this Agreement. This Agreement imposes no obligation upon the receiving party with respect to information that the receiving party can prove: (i) was in the receiving party's rightful possession on or before receipt from the disclosing party, free of any obligation to keep it confidential; (ii) is or becomes a matter of public knowledge through no action or inaction of the receiving party; or (iii) is rightfully received by the receiving party from a third party without a duty of confidentiality. If the receiving party receives a request or demand to disclose all or any part of Confidential Information under the terms of a subpoena or order issued by a court of competent jurisdiction or authorized governmental agency, the receiving party may comply with such request or demand only if the receiving party: (a) asserts the privileged and confidential nature of Confidential Information against the third party seeking disclosure; (b) promptly notifies the disclosing party in writing of any such requirement or order to disclose prior to the disclosure of Confidential Information; and (c) upon the disclosing party's request and at the disclosing party's expense, reasonably cooperates with the disclosing party to protect against any such disclosure and/or obtain a protective order narrowing the scope of such disclosure and/or use of Confidential Information. Upon expiration or termination of this Agreement, or at any time upon the disclosing party's written request, the receiving party shall destroy and provide written certification to the disclosing party of such destruction, or return to the disclosing party, all Confidential Information, including, without limitation, all memoranda, reports, analyses, notes, and other tangible embodiments prepared by the receiving party based on or including the disclosing party's Confidential Information. Destruction or return of Confidential Information by the receiving party includes expunging and destroying all Confidential Information in electronic form residing on any computer, server, or other device or medium in its possession, custody or control.

Justification for Sole Source Form

To: Contract Review Committee
From: Laura Zerbe, Director of Plant Operations
Type of Purchase:

☐Data Processing/Telecommunication Goods/Service of $25,000 or more
☒Purchase Service, Medical/Surgical – Supplies/Equipment of $400,000 or more
☐Non-Medical materials/supplies/Public Works of $25,000 or more

Total Cost $:	USD 799,685.78
Vendor Name:	Hillrom
Agenda Item:	Consider Recommendation for Board Approval of 5-Year Voalte Nurse Call Services Program

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

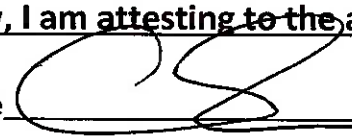
Describe how this selection results in the best value to SVHMC. See typical examples below (Check one).

☐Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe.**

☒Existing SVHMC equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Description:** The Nurse Call Services Program supports SVHMC's existing nurse call infrastructure currently installed throughout patient care areas. The organization has an established equipment inventory, service history, and operational processes associated with this system. Continued support from Hillrom ensures ongoing maintenance, troubleshooting, and service continuity for existing nurse call equipment without requiring replacement of the current platform or implementation of a new system.

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

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

Submitter Signature  Date: 7/14/26

Financial Performance Review

May 2026

Finance Committee

Iftikhar Hussain

Chief Financial Officer

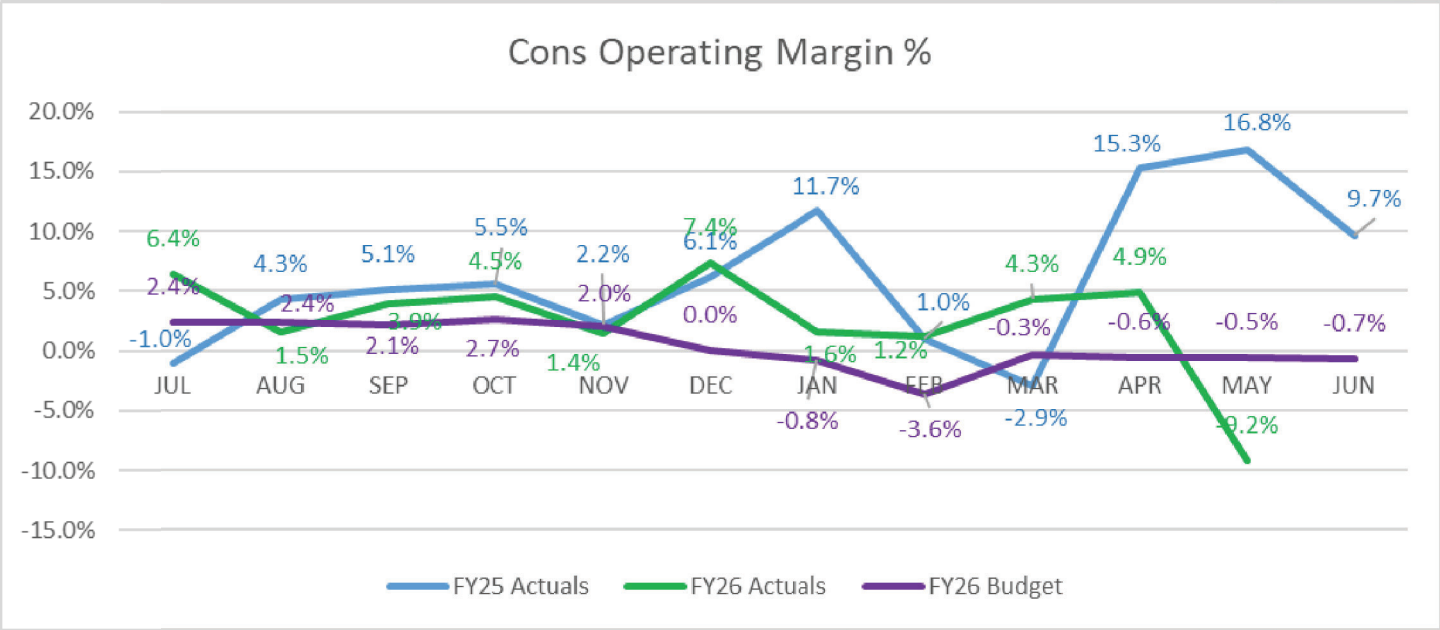
Consolidated Financial Results
May 2026

Month					$ in Millions	YTD				
May			Bud Variance (unfav)			May			Bud Variance (unfav)	
Actual	Budget	Prior Year	$	%		Actual	Budget	Prior Year	$	%
$ 63.2	$ 71.5	$ 68.1	$ (8.3)	-11.6%	Operating Revenue	$ 795.3	$ 766.9	$ 545.6	$ 28.4	3.7%
69.0	71.9	67.4	2.9	4.0%	Operating Expense	773.2	762.8	520.8	(10.4)	-1.4%
(5.8)	**(0.4)**	**0.7**	**(5.4)**	**-1350.0%**	**Income from Operations**	**22.1**	**4.1**	**24.8**	**18.0**	**439.0%**
-9.2%	*-0.5%*	*1.0%*	*-8.7%*	*-1740.00%*	*Operating Margin %*	*2.8%*	*0.5%*	*4.6%*	*2.3%*	*460.0%*
					Op. margin % full year target		*3.0%*			
1.6	2.5	6.3	(0.9)	-36.0%	Non Operating Income	17.7	27.3	26.4	(9.6)	-35.2%
(4.2)	**2.1**	**7.0**	**(6.3)**	**-300.0%**	**Net Income**	**39.8**	**31.4**	**51.2**	**8.4**	**26.8%**
-6.7%	*2.9%*	*10.2%*	*-9.6%*	*-331.03%*	*Net Income Margin %*	*5.0%*	*4.1%*	*9.4%*	*0.9%*	*22.0%*

Supplemental Payments
- $1 million during May
- $33 million YTD

$5.3 million unfavorable net revenue correction in May related to commercial payor grouping

Consolidated Operating Margin



Key Financial Indicators

Indicator Metric		YTD 5/31/2026	Budget	S&P A+ Rated	YTD Prior Year
Operating Margin*		2.8%	0.4%	4.0%	6.4%
Total Margin*		5.0%	4.0%	6.6%	10.8%
EBITDA Margin**		7.8%	5.4%	13.6%	10.7%
Days of Cash*		358	317	249	377
Days of Accounts Payable*		46	45	-	47
Days of Net Accounts Receivable***		77	60	49	64
Supply Expense as % NPR		15.2%	14.6%	-	15.1%
Labor Expense as % NPR		51.7%	55.7%	53.7%	52.0%
Operating Expense per APD*		7,427	7,205	-	6,718

All metrics above are consolidated for SVH except Operating Expense per APD
*These metrics have **not** been adjusted for normalizing items
**Metric based on Operating Income (consistent with industry standard)
***Metric based on 365 days average net revenue (consistent with industry standard)

Executive Summary

- In May, an additional $5.3 million contractual reserve was recorded following adoption of Epic reimbursement trends which revealed the commercial and miscellaneous financial class was under reserved due to new estimates of recent collection rates for local prison claims that average payments of only 13% of charges since November 2025.
- Admissions and Census
  - YTD Admissions and Observations are 1.6% higher than PY
  - YTD ADC is 7% lower than PY due to length of stay improvement
  - May Admissions of 1,069 was a new high for FY26
  - YTD ER volumes are down 3% from PY.
- Deliveries have decreased consistent with demographic trends
- Cath Lab – YTD cases are up 2% from PY but were down in May impacting outpatient revenue
- Procedure Volumes for the year are stable.
  - Strong growth in Infusion services, up 10% from PY
  - Surgical volume was lower for the month of May down 13% from PY impacting revenue. YTD Surgeries off 2% from PY

Executive Summary: May Financial Performance – Continued

Cost and Utilization:

- **Worked FTEs** on a per Adjusted ADC basis were **10%** unfavorable at **7.4** - compared to a target of **6.8**
- **Payor Mix** was close to budget with commercial charges down 4% from budget
- **Non-Operating Income** was under budget by $0.9 million due to timing of donations income and lower than projected investment income.
- **Days in AR** at 77 down 2 days from April on higher cash collections up 2% from budget in May.
- **Days Cash on Hand** decreased to 358 days due to $6.5 million capital spending

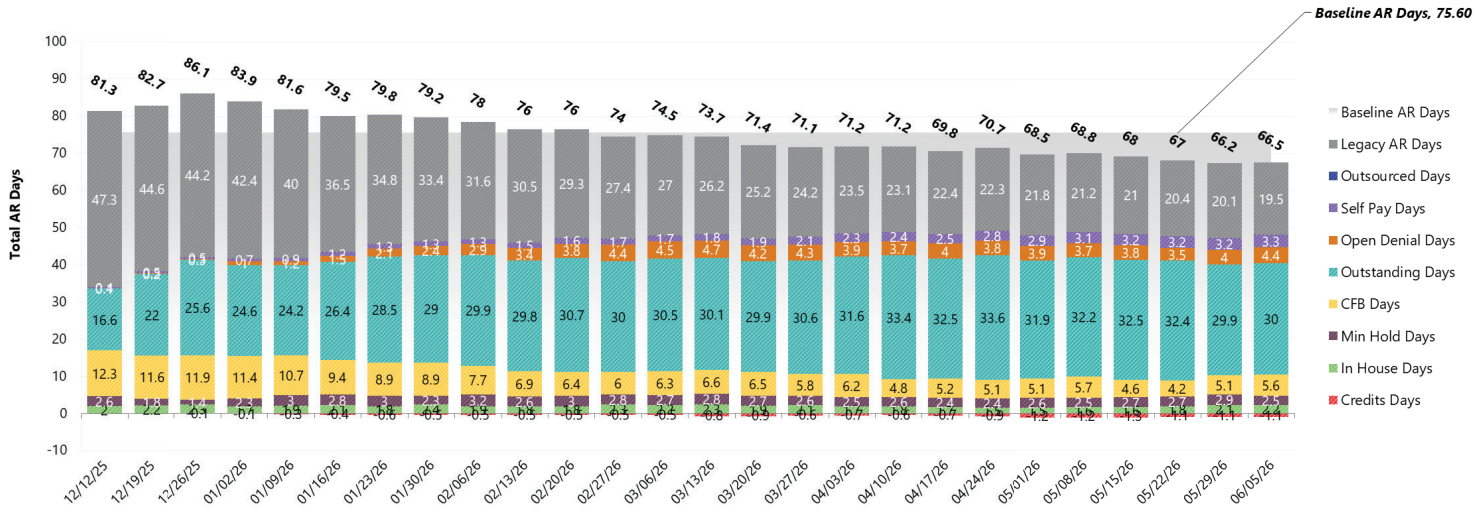
	Prior 3 Months			Current Month		Year-To-Date	
Key Metrics	Feb-26 Actual	Mar-26 Actual	Apr-26 Actual	May-26 Actuals	May-26 Budget	FY26 YTD Actuals	FY25 YTD Prior Year Actuals
Total Gross Revenue	$ 286,944	$ 313,675	$ 298,735	$ 299,504	$ 305,516	$ 3,214,080	$ 3,113,581
Medicare %	47%	49%	47%	46%	46%	46%	46%
Medicaid %	29%	29%	28%	29%	29%	29%	29%
Commercial %	21%	19%	19%	21%	21%	21%	21%
All Other %	4%	4%	5%	4%	4%	4%	4%

Volume Summary – May 2026

Actual	Prior Year	May Bud	Bud Var	Key Statistics	YTD	YTD-PY	YTD May Bud	YTD Bud Var
				Inpatient				
109	111	114	-4%	ADC	108	116	114	-5%
1,069	957	931	15%	Admissions	10,701	10,738	10,064	6%
110	104	130	-15%	Deliveries	1,162	1,270	1,410	-18%
2.1	2.2	2.3	-9%	Medicare Traditional ALOS CMI Adjusted	2.1	2.2	2.3	-10%
1.77	1.85	1.75	1%	Medicare Traditional Case Mix	1.74	1.76	1.75	-1%
				Emergency Room				
4,524	4,717	4,653	-3%	ER OP Visits	48,552	49,881	50,288	-3%
849	745	719	18%	ER IP Admissions	8,389	8,307	7,765	8%
				Procedures				
159	140	146	9%	IP Surgeries	1,677	1,662	1,578	6%
259	342	293	-12%	OP Surgeries	3,291	3,398	3,164	4%
272	332	333	-18%	Cath Lab	3,522	3,462	3,603	-2%
1,225	1,244	1,158	6%	OP Infusion Cases	13,736	12,848	12,515	10%
374	303	405	-8%	MRI Procedures	3,683	3,105	4,373	-16%
2,273	1,981	2,168	5%	CT Scans	22,504	21,802	23,429	-4%
				Observation Cases				
163	206	152	7%	Obs Cases	2,069	1,832	1,648	26%

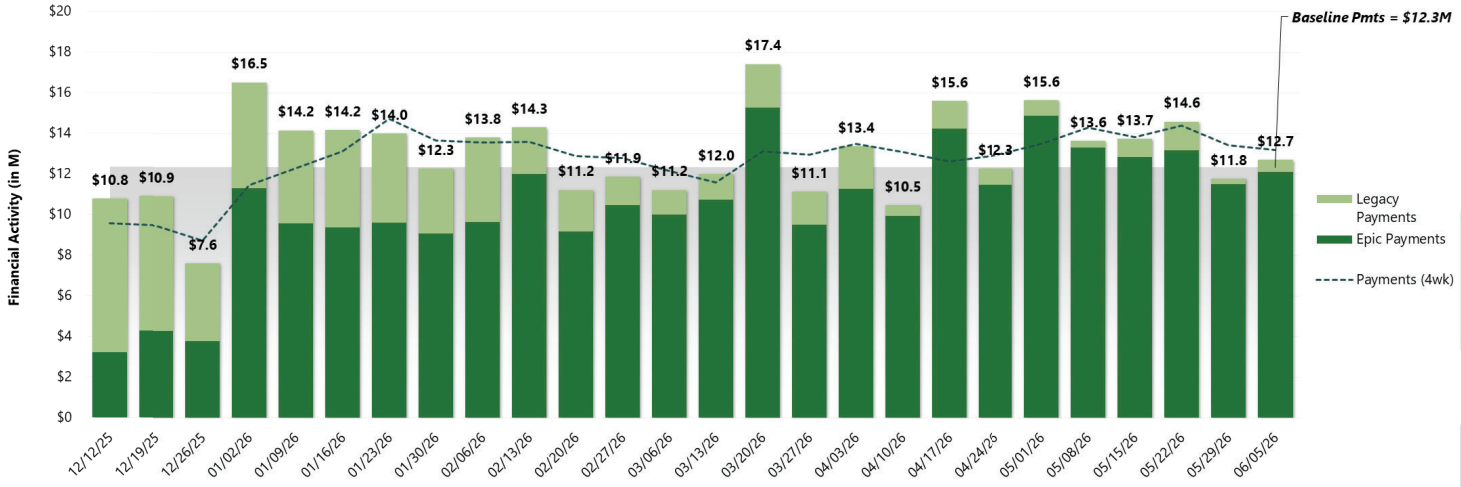
7

Accounts Receivable – AR Days Trend



8

Accounts Receivable –Payment Trend

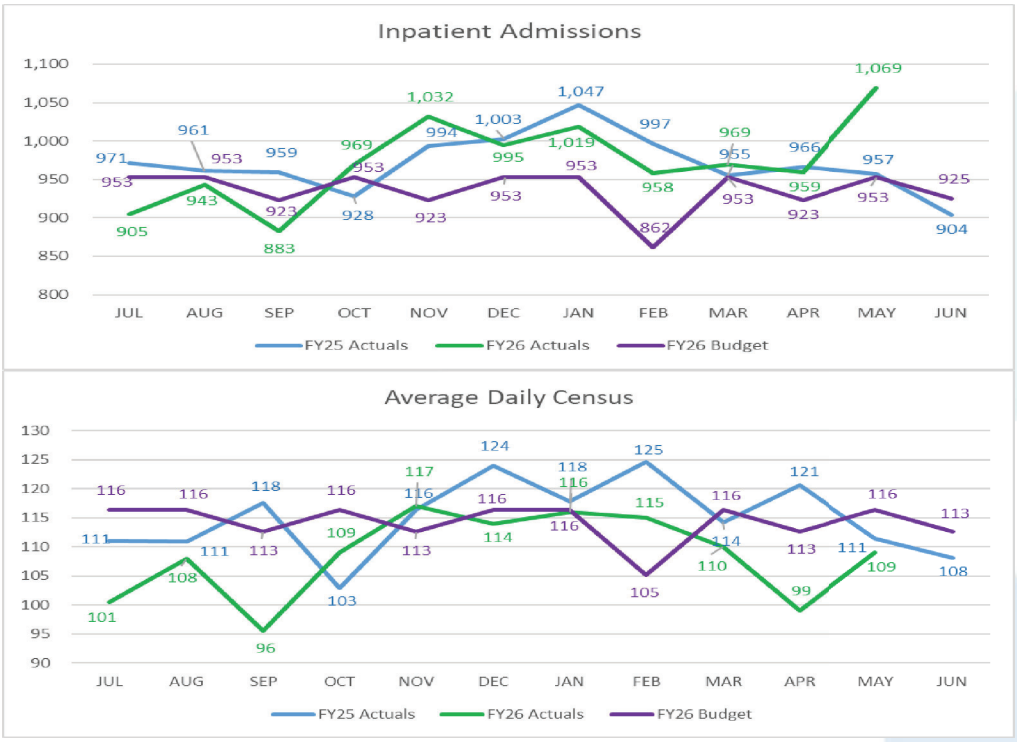


Medi-Cal and Other Supplemental Payments

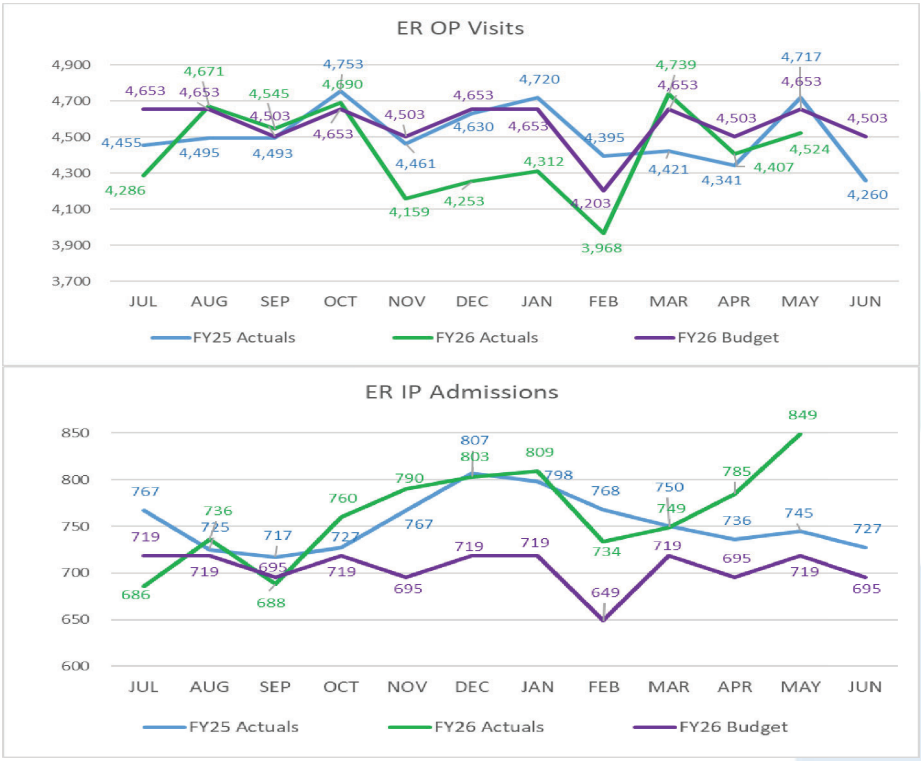
FY 2026					
Date	Payor	Description	Total Amount	Regular	One Time
Oct 2025	CCAH	Direct Payment Program (net) Phase 2- CY 2023	4,474,778	4,474,778	
Oct 2025	CCAH	DMPH-Quality Incentive Payment CY 2024 Interim	3,326,677	3,326,677	
Dec 2025	CCAH	CCAH-EPIC Training & Implementation	12,000,000		12,000,000
Jan 2026	CCAH	Voluntary Rate Range-CY 2024 (net)	5,579,554	5,579,554	
Apr 2026	CCAH	Medi-Cal Quality Incentive Program (net)	2,944,592	2,944,592	
Apr 2026	CCAH	Direct Payment Program (net) Phase 1- CY 2024	3,902,248	3,902,248	
May 2026	DHCS	Medi-Cal OP Supplemental (net) CY 2024-25	955,663	955,663	
June 2026 Projection	DHCS	Medi-Cal Rate range	2,218,743	2,218,743	
Total FY 2026			**35,402,255**	**23,402,255**	**12,000,000**

FY 2025					
Date	Payor	Description	Amount	Regular	One Time
Jan 2025	CCAH	Voluntary Rate Range-CY 2023 (net)	4,639,758	4,639,758	
Apr 2025	CCAH	Medi-Cal Quality Incentive Program (net)	7,045,692	7,045,692	
Apr 2025	DHCS	Medi-Cal OP Supplemental (net) CY 2023-24	1,398,017	1,398,017	
Apr 2025	CCAH	Direct Payment Program (net) Phase 1- CY 2023	4,797,482	4,797,482	
May 2025	CCAH	NDPH HQAF (net) Program Year-2024	4,270,850	4,270,850	
Jun 2025	DHCS	Medi-Cal Rate Range (net) CY 2024-25	2,305,245	2,305,245	
Multiple Dates	FEMA	Grant Funds (net) FY2025	6,260,697		6,260,697
Total FY 2025			**30,717,741**	**24,457,044**	**6,260,697**

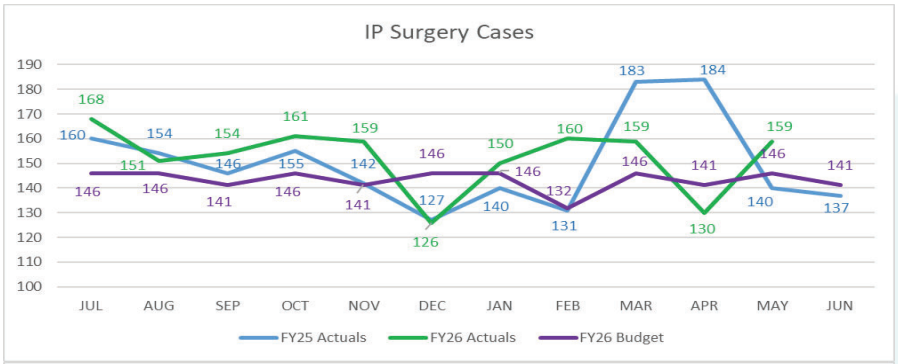
Volume Trends – Admissions & ADC

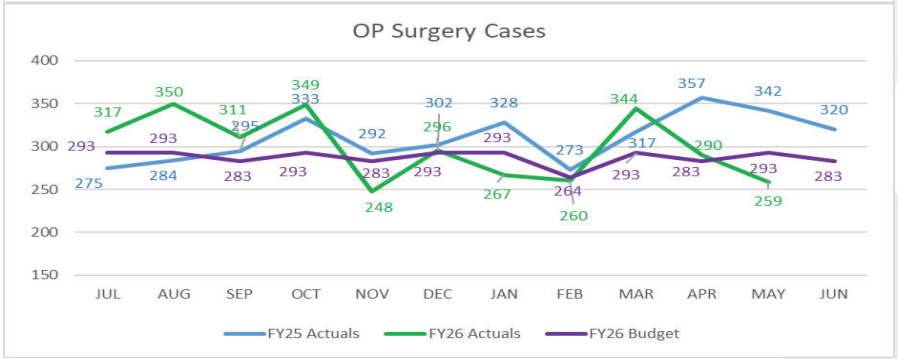


Volume Trends – ER

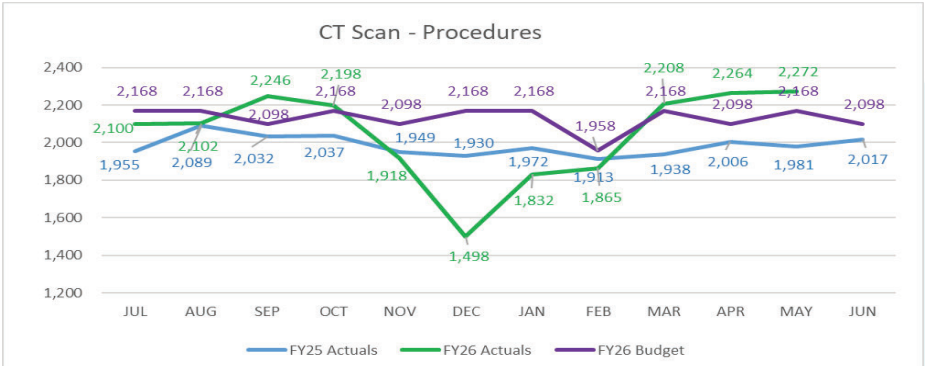


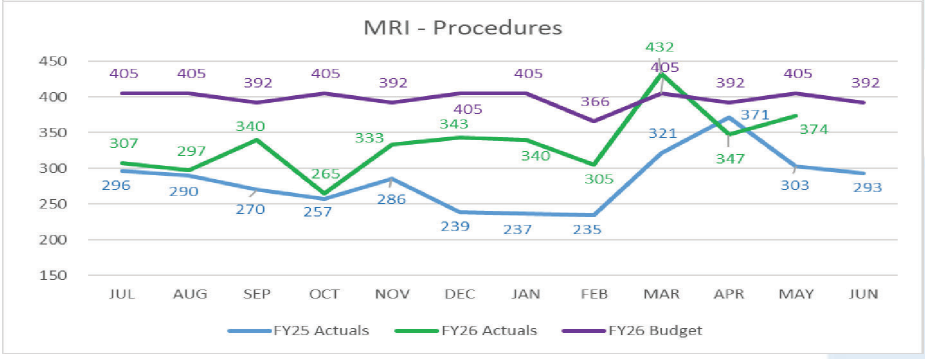
Volume Trends - Surgery Cases





Volume Trends - Imaging





Labor Productivity Key Indicators

Current Month					Year-to-Date			
Prior Year	Actual	Budget	Variance (in FTE)		Prior Year	Actual	Budget	Variance (in FTE)
1,697.5	1,785.4	1,660.1	(125.3 FTE)	Worked FTE	1,621.1	1,709.3	1,613.4	(95.9 FTE)
4.4%	4.5%	4.4%	(0.6 FTE)	Overtime as a % of Worked Hours	4.6%	4.4%	4.6%	3.2 FTE
2.9%	4.3%	2.9%	(23.7 FTE)	Contract Labor as a % of Worked Hours	3.5%	5.9%	3.1%	(48.1 FTE)

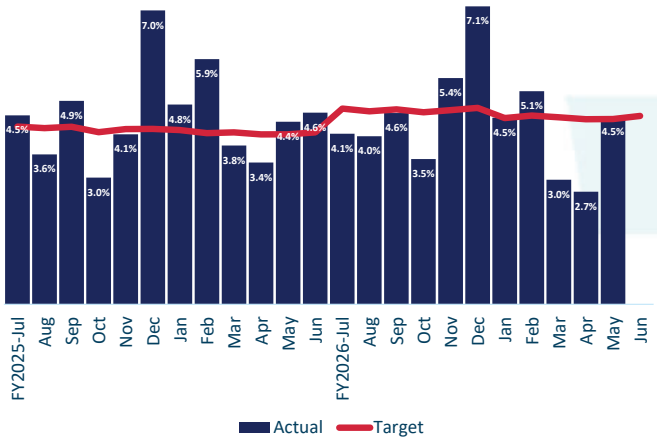
Labor Productivity

As of May 2026 Year-to-Date

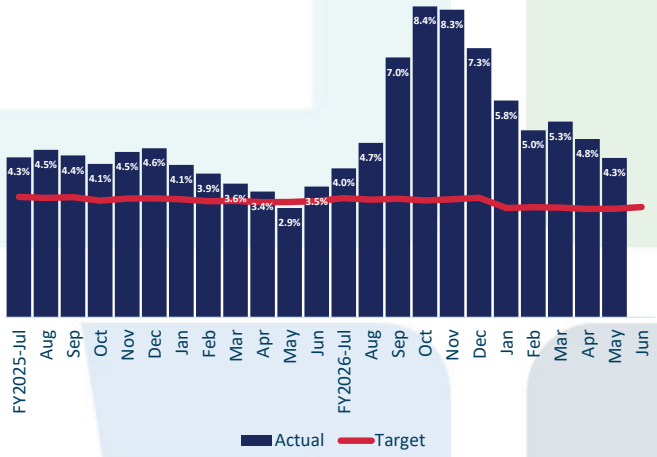
- **Worked FTE:** Worked FTE is unfavorable to budget by 96 on a year-to-date basis. The variance is primarily driven by:
  - Higher Epic readiness and go live costs
  - Imaging Services: Expanded hours in mammography and internalizing MRI services have led to unbudgeted FTE growth.
  - Cyber security, Workday and system analyst positions were not added to the budget resulting in a negative variance of 13.3 FTE.
- **Contract Labor:** Contract labor usage is over budget by 5.9% on a year-to-date basis.
  - The increase was driven by the Epic implementation and filling roles that have been challenging to recruit. However, the usage has decreased over the last few months after the Epic implementation was completed.

Overtime & Contract Labor Trends

Overtime as a Percent of Worked FTE

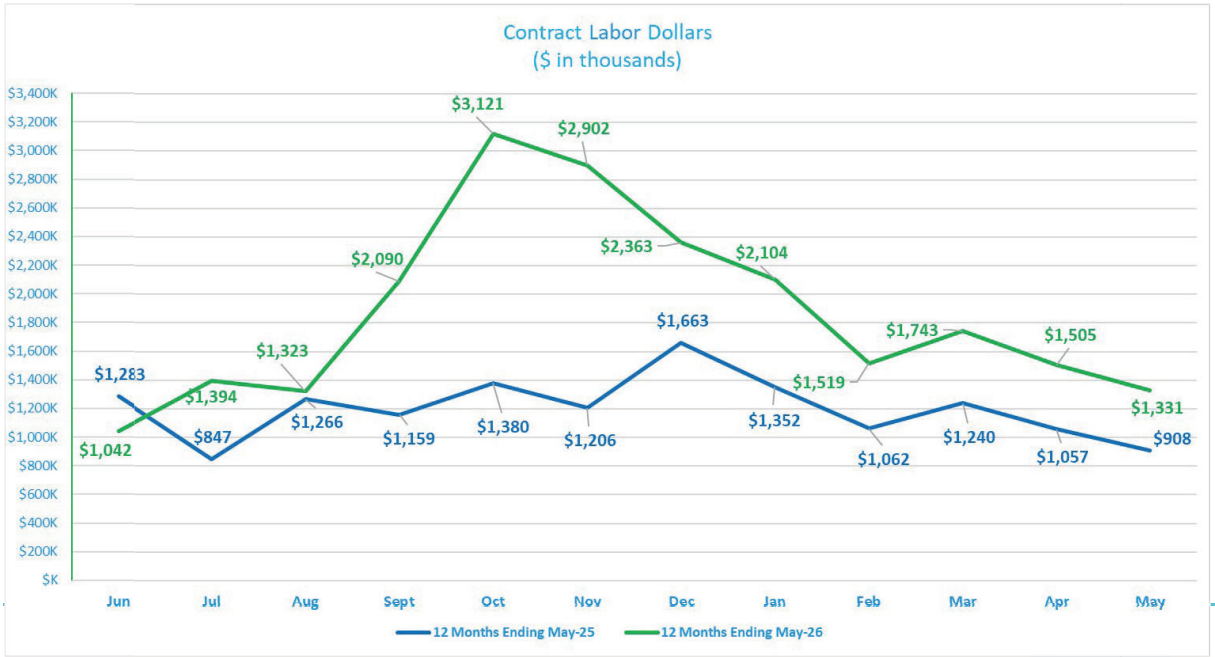


Contract Labor as a Percent of Worked FTE



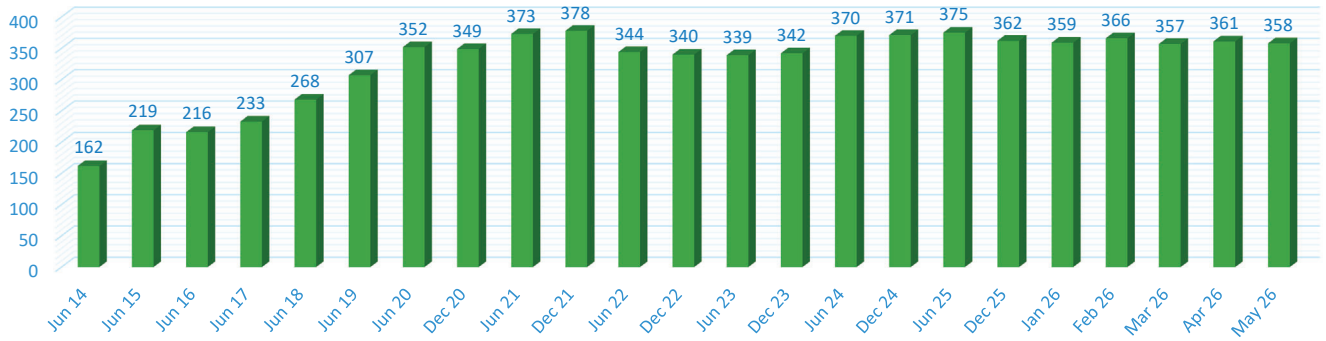
17

Contract Labor Trends

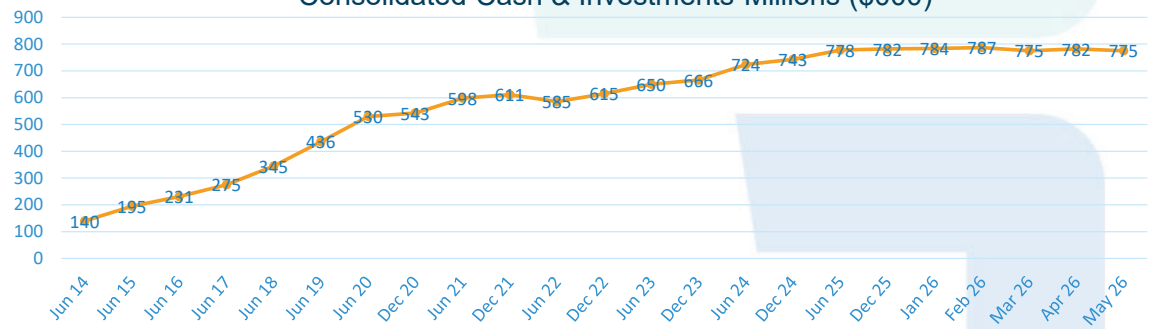


18

Days Cash on Hand = 358 Days ($775M) - May 2026



Consolidated Cash & Investments-Millions ($000)



Sources and Uses of Cash

Salinas Valley Health - Consolidated Change in Days Cash on Hand	May		YTD	
	Days	Dollars	Days	Dollars
Sources of cash (inflow):				
Net income (loss) from operations	(2.7)	(5,835,703)	10.1	21,939,487
Add back depreciation/amortization	1.8	3,915,412	17.7	38,300,433
Non-operating income (loss)	0.7	1,613,740	8.7	18,780,571
Decrease (increase) in supplies inventory-SVHMC	0.2	408,553	1.2	2,565,896
Decrease (increase) in right of use lease assets	-	-	1.5	3,225,895
Increase (decrease) in SVHMC SBITA/Lease Liability	(0.1)	(260,816)	5.9	12,714,342
Total sources of cash (inflow)	**(0.1)**	**(158,813)**	**45.0**	**97,526,623**
Uses of cash (outflow):				
Increase (decrease) in net patient accounts receivable SVHMC	(3.6)	(7,808,315)	3.7	7,985,553
Increase (decrease) in SBITA Renewals	0.2	472,389	9.5	20,622,076
Capital and strategic investments	3.0	6,487,626	22.7	49,183,868
Increase (decrease) Pension plan	1.4	3,007,922	5.6	12,172,558
Increase (decrease) in other current assets SVHMC	2.2	4,670,886	0.6	1,312,812
Increase (decrease) Investment in Non-Consolidating Affiliate	(0.0)	(7,266)	1.9	4,070,115
Decrease (increase) in SVHMC accounts pay & accrued exp-SVHMC	0.1	257,953	3.4	7,382,322
Miscellaneous	0.1	134,135	0.1	209,630
Total uses of cash	**3.3**	**7,215,329**	**47.5**	**102,938,934**
Net cash flow	**(3.4)**	**(7,374,143)**	**(2.5)**	**(5,412,310)**
Beginning cash and investments	**361.1**	**782,424,192**	**360.2**	**780,462,360**
Ending cash and investments	**357.7**	**775,050,050**	**357.7**	**775,050,050**

Capital Expenditures Includes:		
Epic Acute Installation	$ -	$ 16,999,761
1188 Padre Drive Purchase and Renovation	7,802,505	7,802,505
Master Plan Retro Fit	36,795	3,710,487
5 Lower Ragsdale - Roof Replacement	28,939	2,453,698
Training Rooms Basement Annex	15,452	1,887,141
Angio/Special Procedures Suite	111,809	1,569,710

Questions/Comments

Salinas Valley HEALTH

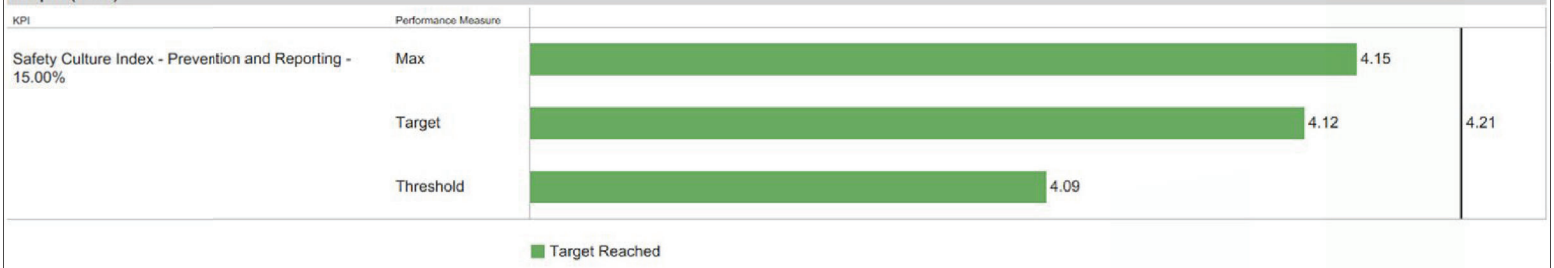
FY2026 Balanced Scorecard

As of June 2026

With Operating Margin Estimated at Meeting Threshold (2.4%)

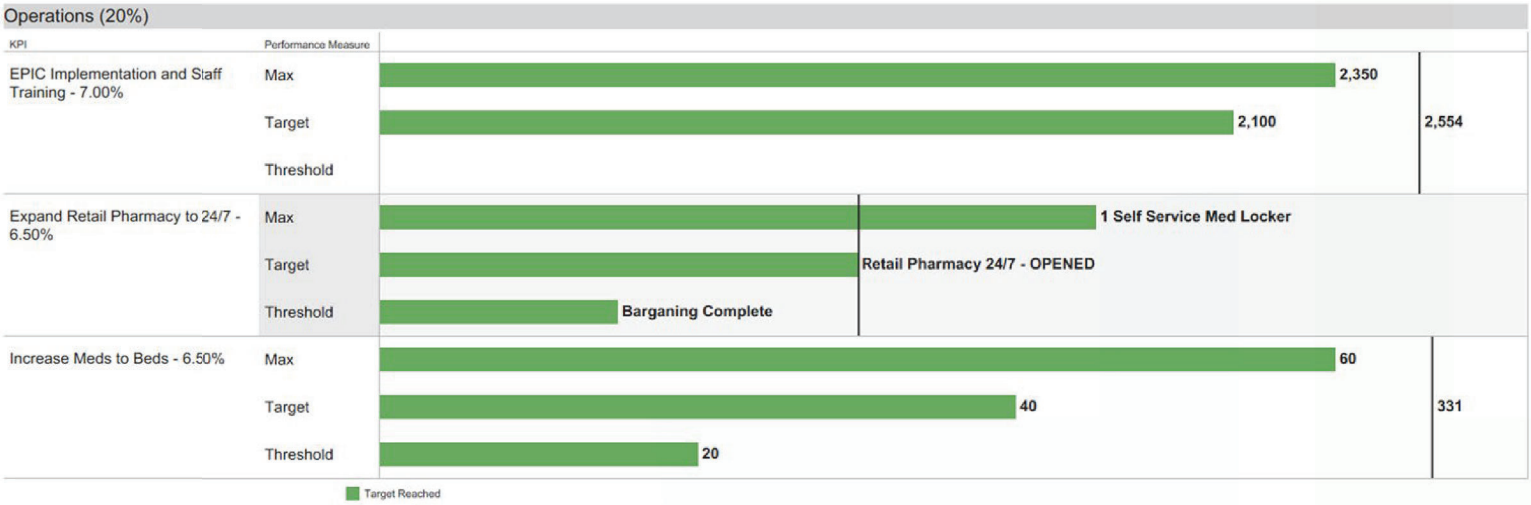
- Leapfrog Hospital Safety Grade: Leapfrog A requires performance above national averages in infection rates, patient safety indicators, hand hygiene monitoring, etc.
  - Measured in the Spring and Fall. Target equates to receiving an A and B in the two measurement periods; the maximum is set at receiving an A in both periods.
  - Not eligible for a threshold payment
- CMS Star Rating: Based on weighted measures, including mortality, safety of care, readmissions, patient experience, and timely/effective care.
  - Not eligible for a threshold payment
- Recommend the Hospital / Likelihood of Recommending
  - Source: Press Ganey and measured monthly based on Received Date
  - Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
  - FY2026 threshold set at FY2025 performance (baseline) with the target being a 0.5 point increase from baseline and the maximum set at a 1 point increase from baseline.

People (15%)



- Source: Press Ganey 2026 Employee Engagement Survey
- Current Pulse 4.16
- Results will be measured annually and will be available on or before July 31, 2026

Operations (20%)



- Epic Inpatient Implementation: A key milestone for this project's go-live success on November 8, 2025 is ensuring that all physicians and staff complete the required training and demonstrate readiness through the End User Proficiency Assessment (EUPA).
  - Source:

Population	Number of Users	Tracking System	Training Type	EUPA?
Non-Provider Role	1595	HealthStream	Live Class	Yes
Asynchronous Role	688	HealthStream	Self-Led Videos	Yes
Provider & Scribe Role	392	Epic U	Live Class	Yes
Total	2675			

- SVH Retail Pharmacy: The retail pharmacy is currently open an average of 10 hours per day. Expanding to 24/7 will allow for expanded meds to beds services in all departments, while allowing for advanced support of the emergency department. The placement of a medication dispensing locker will provide staff and patients with increased options to discreetly pick up their requested medications.
- Meds to Beds (M2B): The M2B program was designed to ensure that patients leave the hospital with their prescribed medications, reducing the risk of rehospitalization due to medication adherence. Source: Retail pharmacy M2B admin report

Finance (20%)

KPI	Performance Measure	
Operating Margin - 20.00%	Max	4.00
	Target	2.40 / 3.00
	Threshold	2.40

Meeting Threshold

- Any award requires meeting threshold operating margin of 2.4%.
- Year-end financial performance was estimated at meeting the threshold until June results are finalized.

Growth (15%)

KPI	Performance Measure	
Salinas Valley Ventures - 5.00%	Max	Threshold +2 Portfolio Companies
	Target	Threshold +1 Portfolio Companies
	Threshold	PM Hired and Onboarded
340B - Implementation of Pharmacotherapy Clinic and rollout to service lines - 5.00%	Max	2 Service Lines
	Target	1 Service Line
	Threshold	Establish Program w FTEs
SVHC Expansion - 5.00%	Max	3 Service Lines or Locations
	Target	2 Service Lines or Locations
	Threshold	1 Service Line or Location

Threshold +4 Portfolio Companies

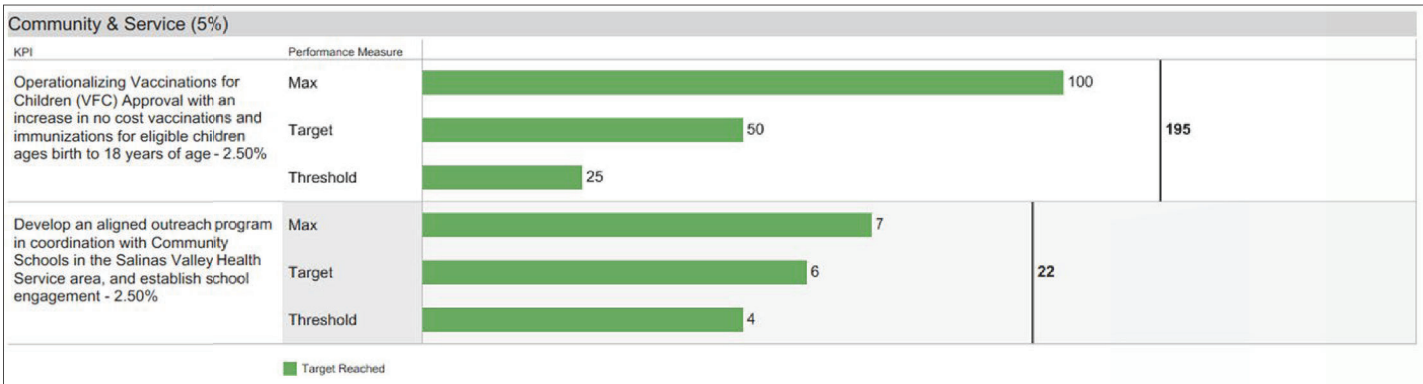
4 Service Lines or Locations

Target Reached

•Salinas Valley Health Ventures (SVHV): SVHV is designed to support operational efficiencies, clinical quality and access, and the adoption of innovative technologies. The early goals are partnerships with companies that can provide immediate support for SVH's strategic goals while also providing an opportunity for long-term financial returns.

•Implementation of Pharmacotherapy Clinic (PTC): Implementation of a PTC will provide patients and physicians a partner in managing medication utilization, in addition to supporting the organization's effort in expanding access to 340B savings for all eligible patients.

•SVH Clinics Expansion of Service Lines or Locations: Access to care and expansion of clinical capabilities are critical elements of our mission to serve the healthcare needs of our community. The clinic system's goal is to continue to grow in service line depth as well as locations of service.



•Vaccinations for Children (VFC): Operationalizing Vaccinations for Children (VFC) Approval with an increase in no cost vaccinations and immunizations for eligible children ages birth to 18 years of age, via the Mobile Clinic
- *Source: California Immunization Registry (CAIR)*

•School engagement/participation: Develop an aligned outreach program in coordination with Community Schools in the Salinas Valley Health Service Area and establish school engagement.

Organizational Goals by Pillar	Threshold	Target	Max
Establish school engagement/participation	4 (10%)	6 (15%)	7 (20%)

- There are 5 School Districts awarded funds in our Service Area: North Monterey County Unified (4 schools), Soledad Unified (8 schools), Alisal Union School District (12 schools), Salinas City Elementary School District (9 schools), Salinas Union High School District (3 schools). Districts/Schools not yet applied/awarded: Chualar, Gonzales, Greenfield (currently in application)
- *Source: Smartsheet, Community Schools Initiative Tracker.* Success is measured by the percent of total schools participating. Total eligible schools: 36.

Salinas Valley HEALTH

Salinas Valley HEALTH

FY2026 Balanced Scorecard (AIP)

Pillar	Measure	Weight	Threshold	Target	Max	YTD Results	Performance to Target	Payout Percent
Quality and Safety								
	Leapfrog Hospital Safety Grade	5.00%	NA	Grade AB or BA	Grade AA	Grade AA	150.0%	7.5%
	CMS Star Rating	5.00%	NA	4 Stars	5 Stars	4 Stars	100.0%	5.0%
	Inpatient - Recommend the Hospital	3.75%	77.8	78.3	78.8	78.2	99.8%	3.2%
	Emergency Room - Likelihood of Recommending	3.75%	65.3	65.8	66.3	61.5	93.5%	0.0%
	Ambulatory - Recommend the Hospital	3.75%	83	84.1	84.6	80.6	95.8%	0.0%
	Outpatient - Likelihood of Recommending	3.75%	88.7	89.2	89.7	87.2	97.7%	0.0%
	Subtotal	25.00%						15.7%
People								
	Safety Culture Index: Prevention and Reporting	15.00%	4.09	4.12	4.15	4.21	102.2%	22.5%
Operations								
	EPIC Inpatient Implementation: Go Live 11/8/2025, Complete Epic training for physicians and staff with a 100% pass rate on the End User Proficiency Assessment (EUPA)	7.00%	Go Live 11/8/2025	Train 2100 Users by 11/8/2025	Train 2350 Users by 11/30/2025	Train 2350 Users by 11/30/2025	150.0%	10.5%
	SVH Retail Pharmacy : Expansion of Hours of Operation to 24/7	6.50%	Completion of Bargaining	Open 24/7 Retail Pharmacy	Implement 1 Self Service Medication Dispensing Locker	Open 24/7 Retail Pharmacy	100.0%	6.5%
	Increase Meds to Beds by X%	6.50%	20%	40%	60%	331%	827.5%	9.8%
	Subtotal	20.00%						26.8%
Finance								
	Operating Margin %	20.00%	2.4%	3.0%	4.0%	2.4%	80.0%	10.0%
Growth								
	Salinas Valley Ventures	5.00%	Principle Manager Hired and Onboarded by End of CY2025	Threshold Plus One (1) Portfolio Company Engaged	Threshold Plus Two (2) or More Portfolio Companies Engaged	Threshold Plus Four (4) or More Portfolio Companies Engaged	150.0%	7.5%
	340B - Implementation of a pharmacotherapy clinic designed to optimize medication use and improve patient outcomes	5.00%	Establish Program with Completion of Necessary Hires	Establish One (1) Service Line	Establish Two (2) Service Lines	Establish Two (2) Service Lines	150.0%	7.5%
	Salinas Valley Health Clinic: Expansion of service lines and locations	5.00%	1 Service Line or Location	2 Service Lines or Locations	3 Service Lines or Locations	- Service Lines or Location	150.0%	7.5%
	Subtotal	15.00%						22.5%
Community & Service								
	Operationalizing Vaccinations for Children (VFC) Approval with an increase in no cost vaccinations and immunizations for eligible children ages birth to 18 years of age.	2.50%	25	50	100	195.0	390.0%	3.8%
	Develop an aligned outreach program in coordination with Community Schools in the Salinas Valley Health Service area, and establish school engagement.	2.50%	10%	15%	20%	61.1%	407.4%	3.8%
	Subtotal	5.00%						7.5%
						Initial Funding		**104.9%**
						Finance Regulator		**100.0%**
						Total Funding		**104.9%**

- Year-end financial performance was estimated at meeting the threshold until June results are finalized.

ADJOURNMENT