

**TRI-CITY HEALTHCARE DISTRICT
AGENDA FOR A REGULAR MEETING
OF THE FINANCE, OPERATION AND PLANNING COMMITTEE
February 14, 2017
12:30-3:30
Assembly Room 2
Tri-City Medical Center
4002 Vista Way, Oceanside, CA 92056**

The Committee may make recommendations on any of the items listed below, unless the item is specifically labeled "Informational Only"

	AGENDA ITEM	TIME ALLOTTED	PERSON RESPONSIBLE
1.	Call to Order	1 min.	Chair
2.	Approval of Agenda	2 min.	Chair
3.	Public Comments-Announcement Comments may be made at this time by members of the public on any item on the Agenda before the Committee's consideration of the item or on any matter within the jurisdiction of the Committee. NOTE: During the Committee's consideration of any Agenda item, members of the public also have the right to address the Committee at that time regarding that item.	2 min.	Chair
4.	Ratification of minutes – January 17, 2017	2 min.	Standard
5.	Old Business-(All items for Discussion or possible Action)		
6.	New Business-(All Items for Discussion or possible Action)		
	a) Review & Discuss Board Policy #15-013 <ul style="list-style-type: none"> • Policies & Procedures Including Bidding Regulations Governing Purchases of Supplies and Equipment, Procurement of Professional Services, and Bidding for Public Works Contracts 	10 min.	Chair / Chris Miechowski
	b) Physician Agreement for ED On-Call Coverage - Neurosurgery <ul style="list-style-type: none"> • Alexander A. Khalessi, M.D. 	5 min.	Sherry Miller
	c) Physician Agreement for ED On-Call Coverage – Neurology <ul style="list-style-type: none"> • Kalyani Korabathina, M.D. 	5 min.	Sherry Miller
	d) Surgical Light Replacement & Video Integration Proposal, O.R. #2	10 min.	Chris Miechowski for Mary Diamond
	e) Key Healthcare Consulting, LLC Proposal	5 min.	Joni Penix
	f) Physician Agreement for Cardiac Rehabilitation Physician Supervision <ul style="list-style-type: none"> • Sharon M. Slowik, M.D. 	10 min.	Eva England
	g) Physician Agreement for Medical Director for Behavioral Health Services - Behavioral Health Unit (BHU) <ul style="list-style-type: none"> • Neil Richtand, M.D., Ph.D. 	10 min.	Sharon Schultz

NOTE: This meeting is also called and noticed as a meeting of the Board, but shall be conducted as an Administrative and Finance Committee meeting. Members of the Board who are not members of the Committee may attend the entire meeting, but shall not otherwise directly participate or vote on any item. The Committee shall take no final actions, but may make recommendations to be considered at a future meeting of the Board as to any item on the agenda, including information items. All public documents provided to the committee or Board for this meeting including materials related to an item on this agenda and submitted to the Board of Directors within 72 hours prior to this meeting may be reviewed at the District Offices located at 4002 Vista Way, Oceanside, CA 92056 in the Clerk's Office during normal business hours.

Note: If you have a disability, please notify us at 760-940-7323 at least 48 hours prior to the meeting so that we may provide reasonable accommodations.

	AGENDA ITEM	TIME ALLOTTED	PERSON RESPONSIBLE
	h) Physician Agreement for Medical Director for Behavioral Health Services - Crisis Stabilization Unit (CSU) <ul style="list-style-type: none"> Neil Richtand, M.D., Ph.D. 	10 min.	Sharon Schultz
	i) Physician Agreement for Rehabilitation Services <ul style="list-style-type: none"> Mark Sadoff, M.D. 	10 min.	Priya Joshi
	j) Recruitment Agreement Proposal <ul style="list-style-type: none"> Geehan D'Souza, M.D. 	10 min.	Wayne Knight
	k) Financials	10 min.	Ray Rivas
	l) Work Plan – Information Only <ul style="list-style-type: none"> Wellness Center Financial Update (January) Tri-City Real Estate Holding and Management LLC, (Annual) Accountable Care Organization (ACO), (Annual) Dashboard 	20 min.	David Bennett Ray Rivas Wayne Knight Ray Rivas
7.	Comments by committee members	2 min.	Chair
8.	Date of next meeting: March 21, 2017	2 min.	Chair
9.	Community Member Openings: (none)	2 min.	Chair
10.	Adjournment		
	Total Budget Time for Meeting	2 hr. 8 min.	

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FINANCE, OPERATIONS AND PLANNING

REVISED

MEETING DATES

2017

Time: 12:30-3:30 PM

Location: All meetings to be held in Assembly Room # 2

January 17, 2017

February 14, 2017

March 21, 2017

April 18, 2017

May 16, 2017

June 20, 2017

July 18, 2017

August 22, 2017

September 19, 2017

October 17, 2017

~~November 21, 2017~~ (CANCELLED)

December 7, 2017 (RESCHEDULED)

~~December 19, 2017~~ (CANCELLED)

**Tri-City Medical Center
Finance, Operations and Planning Committee Minutes
January 17, 2017**

Members Present	Director Julie Nygaard, Director Cyril Kellett, Director Laura Mitchell, Dr. Marcus Contardo, Kathleen Mendez, Carlo Marcuzzi, Steve Harrington, Wayne Lingenfelter
Non-Voting Members Present:	Steve Dietlin, CEO, Ray Rivas, Acting CFO, Kapua Conley, COO, Cheryle Bernard-Shaw, CCO Wayne Knight, Chief Strategy Officer
Others Present	David Bennett, Sharon Schultz, Terry Moede, Dr. Scott Worman, Jane Dunmeyer, Glen Newhart, Ernie Rosales, Kathy Topp, Sherry Miller, Mary Diamond, Charlene Carty, Eva England, Tom Moore, Chris Miechowski, Jeremy Raimo, Priya Joshi, Jody Root (Procopio), Barbara Hainsworth
Members Absent:	Dr. John Kroener, Dr. Frank Corona, Tim Keane

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to order	Director Nygaard called the meeting to order at 12:31 pm.		
2. Approval of Agenda		<u>MOTION</u> It was moved by Director Kellett, Dr. Contardo seconded, and it was unanimously approved to accept the agenda of January 17, 2017.	
3. Comments by members of the public on any item of interest to the public before committee's consideration of the item.	Director Nygaard read the paragraph regarding comments from members of the public.		Director Nygaard
4. Ratification of minutes of November 15, 2016	Minutes were ratified.	Minutes were ratified. <u>MOTION</u> It was moved by Director Kellett, Ms. Mendez seconded, that the minutes of November 15, 2016, are to be approved without any requested modifications. Director Mitchell and Mr. Marcuzzi abstained.	

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
5. Old Business			
6. New Business			Chair
a. Ethics & Compliance Training Reminder	Director Nygaard emphasized the importance of Committee members attending the Ethics & Compliance training.		Chair
b. Finance, Operations and Planning Meeting Discussion <ul style="list-style-type: none"> • Regarding Tuesday, November 21, 2017 (<i>cancellation</i>) & December 7, 2017 (<i>reschedule</i>) 		<u>MOTION</u> It was moved by Director Mitchell, Director Kellett seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommends cancellation of the November 21, 2017 meeting and the December meeting be rescheduled from December 19, 2017 to December 7, 2017.	Chair
c. Physician Agreement for ED On-Call Coverage – Neurosurgery <ul style="list-style-type: none"> • Sharona Ben-Haim, M.D. 	Sherry Miller conveyed that this write-up is to add Dr. Sharona Ben-Haim as new physician to the existing panel for ED On-Call coverage for Neurosurgery, with no increase in expense. In addition, she requested that this write up be amended to reflect a change in the term of this agreement from 6 to 12 months. Discussion ensued.	<u>MOTION</u> It was moved by Director Kellett, Dr. Contardo seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors add Sharona Ben-Haim, M.D. to the currently existing ED On-Call Coverage Panel for Neurosurgery for a term of 12 months, beginning January 1, 2017 and ending December 31, 2017. <i>Write-up to be amended by Barbara Hainsworth</i>	Sherry Miller
d. Physician Agreement for ED On-Call Coverage – Neurosurgery <ul style="list-style-type: none"> • Pamela Jones, M.D. 	Sherry Miller stated that this write-up is to add Dr. Pamela Jones as new physician to the existing panel for ED On-Call coverage for Neurosurgery, with no increase in expense. In addition, she requested that this write up be	<u>MOTION</u> It was moved by Director Kellett, Director Mitchell seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors add Pamela Jones,	Sherry Miller

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
	amended to reflect a change in the term of this agreement from 6 to 12 months. Discussion ensued.	M.D. to the currently existing ED On-Call Coverage Panel for Neurosurgery for a term of 12 months, beginning January 1, 2017 and ending December 31, 2017. <i>Write-up to be amended by Barbara Hainsworth</i>	Sherry Miller
<p>e. Physician Agreement for ED On-Call Coverage – Orthopedic Surgery</p> <ul style="list-style-type: none"> Erik S. Stark, M.D. 	Sherry Miller conveyed that this write-up is to add Dr. Erik Stark as new physician to the existing panel for ED On-Call coverage for Orthopedic Surgery, with no increase in expense.	<p>MOTION</p> <p>It was moved by Director Mitchell, Director Kellett seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors add Erik Stark, M.D. to the currently existing ED On-Call Coverage Panel for Orthopedic Surgery for a term of 18 months, beginning January 1, 2017 and ending June 30, 2018.</p>	Sharon Schultz
<p>f. Medical Coverage for CSU Proposal</p> <ul style="list-style-type: none"> Coastal Hospitalists 	Sharon Schultz explained that this write-up was for the Coastal Hospitalists group to provide medical care, medical consultation and medication orders to patients in the Crisis Stabilization Unit (CSU). This proposal is an addendum to the current contract to provide medical treatment for outpatient behavioral health.	<p>MOTION</p> <p>It was moved by Director Kellett, Dr. Contardo seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors authorize the agreement with Coastal Hospitalists for five months, beginning February 1, 2017 and ending June 30, 2017 for a daily rate of \$875, a monthly cost of \$26,250, and a total term cost of \$131,250.</p>	Sharon Schultz
<p>g. Physician Agreement of Medical Director of BHU</p> <ul style="list-style-type: none"> Mohammad Ahmed, M.D. 	Sharon Schultz reported that this agreement was for Dr. Ahmed to act as the Medical Director for the Behavioral Health Unit. He will provide professional guidance, oversight for this area, as well as	<p>MOTION</p> <p>It was moved by Director Mitchell, Director Kellett seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD</p>	Sharon Schultz

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>customary medical director duties as outlined in the agreement.</p> <p>Director Nygaard reported that the motion on this write-up will be corrected to read, "40 hours per month", instead of 40 hours for the month".</p>	<p>Board of Directors authorize Dr. Mohammad Ahmed as the Medical Director of the BHU for 12 months beginning February 1, 2017 and ending January 31, 2018. Not to exceed 40 hours per month, at an hourly rate of \$150, for a monthly cost of \$6,000, and a total cost for the term of \$72,000.</p> <p>Write-up to be amended by Barbara Hainsworth</p>	
<p>h. Physician Agreement of Medical Director of CSU</p> <ul style="list-style-type: none"> Mohammad Ahmed, M.D. 	<p>Sharon Schultz reported that this agreement was for Dr. Ahmed to act as the Medical Director for the Crisis Stabilization Unit. He will provide professional guidance, oversight for this area, as well as customary medical director duties as outlined in the agreement.</p> <p>Director Nygaard reported that the motion on this write-up will be corrected to read, "40 hours per month", instead of 40 hours for the month".</p>	<p>MOTION It was moved by Director Kellelt, Dr. Contardo seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors authorize Dr. Mohammad Ahmed as the Medical Director of the CSU for 12 months beginning February 1, 2017 and ending January 31, 2018. Not to exceed 40 hours per month, at an hourly rate of \$150, for a monthly cost of \$6,000, and a total cost for the term of \$72,000.</p> <p>Write-up to be amended by Barbara Hainsworth</p>	Sharon Schultz
<p>i. Physician Agreement for Covering Physician of BHU</p> <ul style="list-style-type: none"> Venugopal DePala, M.D. 	<p>Sharon Schultz reported that this agreement was for Dr. DePala to provide covering physician duties for the Behavioral Health Unit, when Dr. Ahmed is off. He will provide professional guidance, oversight for this area, as well as customary duties as outlined in the agreement.</p> <p>Director Nygaard reported that the</p>	<p>MOTION It was moved by Director Kellelt, Director Mitchell seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors authorize Dr. DePala as the Covering Physician for the BHU for 12 months beginning February 1, 2017 and ending January 31, 2018. Not to exceed 10 hours per</p>	Sharon Schultz

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible																
<p>j. Physician Agreement for Covering Physician of CSU</p> <ul style="list-style-type: none"> Venugopal DePala, M.D. 	<p>motion on this write-up will be corrected to read, "10 hours per month", instead of 10 hours for the month".</p> <p>Sharon Schultz reported that this agreement was for Dr. DePala to provide covering physician duties for the Crisis Stabilization Unit, when Dr. Ahmed is off. He will provide professional guidance, oversight for this area, as well as customary duties as outlined in the agreement.</p> <p>Director Nygaard reported that there were two corrections to this write-up. The first is that the Terms of the Agreement should be reflected as 12 months, not 1 month, and the motion on this write-up will be corrected to read, "10 hours per month", instead of 10 hours for the month".</p>	<p>month, at an hourly rate of \$150, for a monthly cost of \$1,500, and a total cost for the term of \$18,000. <i>Write-up to be amended by Barbara Hainsworth</i></p> <p>MOTION It was moved by Director Kellett, Dr. Contardo seconded, and it was unanimously approved that the Finance, Operations and Planning Committee recommend that the TCHD Board of Directors authorize Dr. DePala as the Covering Physician for the CSU for 12 months beginning February 1, 2017 and ending January 31, 2018. Not to exceed 10 hours per month, at an hourly rate of \$150, for a monthly cost of \$1,500, and a total cost for the term of \$18,000. <i>Write-up to be amended by Barbara Hainsworth</i></p>	Sharon Schultz																
k. Financials	<p>Ray Rivas presented the financials ending December 31, 2016 (dollars in thousands)</p> <p>TCHD – Financial Summary</p> <table border="1"> <thead> <tr> <th colspan="2">Fiscal Year to Date</th> </tr> </thead> <tbody> <tr> <td>Operating Revenue</td> <td>\$ 166,573</td> </tr> <tr> <td>Operating Expense</td> <td>\$ 166,794</td> </tr> <tr> <td>EBITDA</td> <td>\$ 10,726</td> </tr> <tr> <td>EROE</td> <td>\$ 3,095</td> </tr> </tbody> </table> <p>TCMC – Key Indicators – FYTD</p> <table border="1"> <tbody> <tr> <td>Avg. Daily Census</td> <td>182</td> </tr> <tr> <td>Adjusted Patient Days</td> <td>57,118</td> </tr> <tr> <td>Surgery Cases</td> <td>3,141</td> </tr> </tbody> </table>	Fiscal Year to Date		Operating Revenue	\$ 166,573	Operating Expense	\$ 166,794	EBITDA	\$ 10,726	EROE	\$ 3,095	Avg. Daily Census	182	Adjusted Patient Days	57,118	Surgery Cases	3,141		Ray Rivas
Fiscal Year to Date																			
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Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
	<p>Deliveries 1,363 ED Visits 31,989</p> <p>TCHD-Financial Summary – Current Month</p> <p>Operating Revenue \$ 27,606 Operating Expense \$ 28,269 EBITDA \$ 1,556 EROE \$ 317</p> <p>TCMC – Key Indicators – Current Month</p> <p>Avg. Daily Census 180 Adjusted Patient Days 9,456 Surgery Cases 563 Deliveries 200 ED Visits 5,082</p> <p>TCMC - Net Patient A/R & Days in Net A/R By Fiscal Year</p> <p>Net Patient A/R \$ 43.1 (in millions) Days in Net A/R 50.2</p> <p>Graphs:</p> <ul style="list-style-type: none"> • TCMC-Net Days in Patient Accounts Receivable • TCMC-Average Daily Census, Total Hospital – Excluding Newborns • TCMC-Adjusted Patient Days • TCMC-Acute Average Length of Stay • TCMC-Emergency Department Visits 		
I. Work Plan – Information Only	Director Nygaard reported that these agenda items were for review only, but Committee members were welcome to ask questions.	Chair	

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
<ul style="list-style-type: none"> Wellness Center 	<p>David Bennett reviewed the Wellness Center update document included in the agenda packet. Brief discussion ensued. Additionally, Priya Joshi and Eva England displayed a single PowerPoint slide detailing the Wellness Center as a medically integrated entity, and Kapua Conley emphasized its relationship with numerous service lines, available to members.</p>		David Bennett
<ul style="list-style-type: none"> Construction Report 	<p>No discussion.</p>		Chris Miechowski
<ul style="list-style-type: none"> Aionex / Throughput 	<p>Kathy Topp discussed the handout that was distributed. Some discussion ensued.</p>		Kapua Conley
<ul style="list-style-type: none"> Dashboard 	<p>No discussion.</p>		Ray Rivas
<ul style="list-style-type: none"> Neuroscience Institute-NSI Medical Directorships 	<p>Jeremy Raimo provided a short PowerPoint presentation outlining details for the Neuroscience Service Line, Organizational Structure, FY 16 & FY 17 Metrics.</p>		Jeremy Raimo
<ul style="list-style-type: none"> Medical Director, Surgery 	<p>Mary Diamond gave a brief PowerPoint presentation reflecting the metrics for Monthly First Case-On Time Starts, Total Block Utilization Percentage by Month and the Monthly Average Turnover & Close/Cut Intervals.</p>		Mary Diamond
<ul style="list-style-type: none"> IT Physician Liaison 	<p>Terry Moede and Dr. Scott Worman reviewed the Business</p>		Terry Moede

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
	Critical Applications / Projects document, with particular interest in the potential for the Nutanix IT Infrastructure. Significant discussion ensued.		
7. Comments by Committee Members		None	Chair
8. Date of next meeting	February 14, 2017		Chair
9. Community Openings (none)			
10. Adjournment	Meeting adjourned 1:54 pm		

**TRI-CITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS POLICY**

BOARD POLICY #15-013 (FOP)

POLICY TITLE: Policies and Procedures Including Bidding Regulations Governing Purchases of Supplies and Equipment, Procurement of Professional Services, and Bidding for Public Works Contracts

Government Code section 54202 requires the District to adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the District. In addition, with limited exceptions, Health & Safety Code section 32132 requires the District to competitively bid contracts involving expenditures of more than Twenty Five Thousand Dollars (\$25,000) for materials and supplies to be furnished, sold, or leased to the District, as well as contracts involving expenditures of more than Twenty Five Thousand Dollars (\$25,000) for work to be done. Finally, Government Code section 4525 et seq. requires the District to select firms to provide certain professional services on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required.

The following policies and procedures governing purchases of supplies and equipment, procurement and bidding for public works contracts, and procurement of professional services are hereby adopted.

I. FORMAL BIDDING REQUIREMENTS

A. Contracts Requiring Formal Bids – Materials, Supplies, and Work to be Done Involving Expenditure of More Than \$25,000.

Unless exempted by this Policy or applicable law (including, for example, bidding exemptions for medical or surgical equipment or supplies and professional services), any contract for work to be done or for materials and supplies to be furnished, sold, or leased to the District shall be awarded through the “formal” bidding procedures specified in this Section “I” (Formal Bidding Requirements) if they involve an expenditure of more than Twenty Five Thousand Dollars (\$25,000). (H&S Code § 32132(a).) Unless otherwise provided by law or this policy, such contracts involving an expenditure of Twenty Five Thousand Dollars (\$25,000) or less may be made through the procedures specified in Section “II” or “III” of this policy. As used herein, “work to be done” includes, among other things, general maintenance work and public works contracts. Statutes requiring bidding, and exceptions from competitive procurement requirements for certain types of contracts are summarized in the table attached hereto and incorporated herein as Exhibit A for easy reference.

B. Bid Procedures.

1. Preparation of Bid Package.

Before entering into any contract which requires formal bidding, the District shall prepare or cause to be prepared a bid package. Unless exempted by the President/CEO or his/her designee pursuant to Section "VI" (Flexibility and Waiver of Policy Requirements) below, the bid package shall include a notice inviting bids, instructions to bidders, bid form, which shall include a provision as to the method for determining the lowest bidder, whether on: 1. Base bid alone; 2. Identified alternates; 3. Prioritized order of alternates within identified budget; or 4. Other "fair manner," contractors qualification statement contract form, conditions of the contract, required bonds and other forms, drawings, and full, complete, and accurate plans and specifications, giving such directions as will enable any competent supplier or contractor to ascertain and carry out the contract requirements. The bid package shall also contain a statement that no gratuities of any kind will be accepted, including meals, gifts or trips, and violation of this condition may constitute immediate disqualification.

The President/CEO or his/her designee shall endeavor to include all required contract documents in the bid package. To the extent that the President/CEO or his/her designee determines, pursuant to Section "V" (Flexibility and Waiver of Policy Requirements) below, that any required contract document cannot be incorporated into the bid package, its terms shall be negotiated with the lowest responsible bidder prior to the award of the contract.

To the extent possible, the plans and specifications shall also be reviewed and approved by the District's authorized representative prior to their insertion in the bid package.

2. Notice Inviting Bids – Contents.

All bid packages shall include a notice inviting bids. The notice inviting bids shall include, among other things determined necessary for a particular contract by the President/CEO or his/her designee, information as to the type, quality and quantity of materials, supplies or work to be provided, the contract performance schedule, the project location, the basis for determining the lowest bidder, whether on: 1. Base bid alone; 2. Identified alternates; 3. Prioritized order of alternates within identified budget; or 4. Other "fair manner," a contact person, and other bid requirements and information regarding how to obtain a bid package, the place where bids are to be received, and the time by which they are to be received. For contracts involving public works projects, the notice inviting bids shall also contain any other information required by state law or

Section "IV" (Provisions Applicable to Public Works Contracts) of this Policy.

3. Notice Inviting Bids - Distribution by Mail, Posting or Other Means.

The District shall distribute the notice inviting bids by appropriate means as determined by the President/CEO or his/her designee in a manner to permit reasonable competition consistent with the nature and requirements of the proposed contract. The President/CEO, or his/her designee may require that, except in cases of emergency or where not practicable, all suppliers and contractors who have notified the District in writing that they desire to bid on contracts, and all suppliers and contractors which the District would like to bid on contracts, shall be furnished with the notice inviting bids by postal or electronic mail.

The President/CEO, or his/her designee, may also require that in addition to notifying all such persons by mail or electronic mail, the District shall post the notice inviting bids in one or more public places typically used by the District. It shall be posted in sufficient time in advance of the bid opening to allow bidders to bid, as determined by the President/CEO or his/her designee. The notice shall remain posted until an award has been made. Notice may also be made by internet, telephone, facsimile, telegram, personal contact, letter, or other informal means.

4. Notice Inviting Bids - Advertising/Publication.

The District shall advertise/publish the notice inviting bids by appropriate means as determined by the President/CEO or his/her designee in a manner to permit reasonable competition consistent with the nature and requirements of the proposed contract. For example, the President/CEO or his/her designee may require that, except in cases of emergency or where circumstances require that less notice be given, the notice inviting bids shall be published on the District's website and, in the case of a public works project also furnished to one or more contractor plan rooms or services.

For cost efficiency purposes, the published notice inviting bids need not be as detailed as that provided by other means, including by mail, posting or inclusion in the bid package, but should contain the legally and practically required essential contents of the notice, including but not limited to, where and how to obtain the complete bid package, Labor Code notice provisions, and bonding requirements.

5. Bid Form.

As part of the bid package, the District shall furnish to each bidder an appropriate bid form prepared by the District for the type of contract being let. Bids not presented on forms so furnished, or exact copies thereof,

shall be rejected as non-responsive. Bidders shall be required to execute and submit the contract in the form provided in the bid package as part of their bid.

6. Presentation of Bids.

All bids shall be presented under sealed cover. Upon receipt, the bid shall be date and time stamped.

7. Withdrawal of Bids.

Bids may be withdrawn at any time prior to the time fixed in the public notice for the opening of bids only by written request made to the person or entity designated in charge of the bidding procedure. The withdrawal of a bid does not prejudice the right of the bidder to timely file a new bid. Except as authorized by law for public works contracts (Pub. Contract Code § 5100 et seq.), no bidder may withdraw its bid after opening for the period of time indicated in the bid package.

C. Award of Contracts.

1. Opening of Bids.

On the day named in the public notice, the District shall publicly open the sealed bids.

The Board of Directors is under no obligation to accept the lowest responsive and responsible bid received, since the District has absolute discretion in the acceptance of bids and reserves the right to reject all bids if it desires. The Board of Directors also reserves the right to determine the conditions of responsibility including matters such as delivery date, product quality, and the service and reliability of the supplier.

2. Responsible Bidder.

The District's determination of whether a bidder is responsible shall be based on an analysis of each bidder's ability to perform, financial statement (if required), experience, past record and any other factors it shall deem relevant. If the lowest bidder is to be rejected because of an adverse determination of the bidder's responsibility based on the District's staff review, the bidder shall be entitled to be informed of the adverse evidence and afforded an opportunity to rebut that evidence and to present evidence of responsibility. In such event, the District shall give the rejected bidder and the bidder to be awarded the contract at least five (5) working days' notice of a public board meeting at which the responsibility issue shall be considered by the Appeals Panel. No other notice, other than that required for Agenda descriptions by the Ralph M. Brown Act, shall be required. The Board may, in its discretion, continue its

consideration and determination of the issue to future meetings of the Board within the time authorized for the award of the contract. The Board's decision shall be conclusive.

3. Bid Challenges.

If any bidder wishes to challenge a potential bid award, he shall file a written objection within five (5) calendar days following bid opening. The written objection shall include specific reasons why the District should reject the bid questioned by the bidder. The District may, in its discretion, consider the protest during the public meeting at which the contract award is to be considered, or it may consider it at a prior meeting. The District shall give the challenging bidder and the bidder to be awarded the contract at least five (5) working days' notice of the board meeting at which the challenge shall be considered by the Board or the Appeals Panel. No other notice, other than that required for Agenda descriptions by the Ralph M. Brown Act, shall be required. The Board may, in its discretion, continue its consideration and determination of the issue to future meetings of the Board within the time authorized for the award of the contract. The Board's decision shall be final.

D. Emergencies.

The Board of Directors has adopted a resolution pursuant to Public Contract Code section 22050 authorizing the Chief Executive Officer (or the Chief Operating Officer if the Chief Executive Officer is unavailable, or a non-elected officer or employee of the District upon delegation of such authority by the Chief Executive Officer or Chief Operating Officer) to take immediate action and award certain emergency contracts not exceeding \$250,000 (Two Hundred Fifty Thousand Dollars) without seeking competitive bids ("Emergency Contract Resolution"). The scope of such delegation and authority, including the process for such award and subsequent review by the Board of Directors, is set forth in the Emergency Contract Resolution. In the event that the Emergency Contract Resolution is rescinded, revoked, modified, amended, replaced, or superseded, this policy shall be read and interpreted consistent with the most recent action by the Board of Directors regarding authority to award emergency contracts even if this policy has not yet been amended to conform to such Board action. This is in addition to the District's authority under Health & Safety Code section 32136 as it may be amended from time to time.

II. GROUP PURCHASING ORGANIZATIONS ("GPO").

The District may participate as a member of any organization described in Section 23704 of the Revenue and Taxation Code ("GPO"). Any purchases made, or services rendered, by the GPO on behalf of the District are not subject to the bidding requirements pursuant to Section 32123 of the Health and Safety Code and are not subject to the formal bidding

requirements or informal competitive purchasing procedures established by this policy. (H&S Code § 32132(e).)

III. INFORMAL COMPETITIVE PURCHASING PROCEDURES

A. Contracts Requiring Informal Competitive Procurement Procedures.

All contracts subject to this Policy and not subject to Sections I or II shall be awarded in accordance with this Section III (Informal Competitive Purchasing Procedures).

B. Requirements for Specific Types of Contracts.

1. Certain Professional Services (Professional Architecture, Landscape Architectural, Engineering, Environmental, Land Surveying, Construction Management).

Contracts for professional services, as defined in Government Code section 4526, as it may be amended from time to time, may be awarded without following the "formal" bidding procedures, but shall meet the "informal" competitive purchasing procedures specified in Section III" (Informal Competitive Purchasing Procedures) of this Policy or comply with Board Policy No. 14-023. (Gov. Code § 4525 et seq.) In no event shall a contract for professional services be awarded based solely upon the lowest cost to the District.

a. Proposals Submitted for Construction Project Management Services

Any individual or firm proposing to provide construction project management services shall provide evidence that the individual or firm and its personnel carrying out onsite responsibilities have expertise and experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project. (Gov. Code § 4529.5.)

b. Maximum Participation of Small Business Firms

In selecting professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction management firms, the selection procedures shall assure maximum participation of small business firms, as defined by the Director of General Services pursuant to Section 14837. (Gov. Code § 4526.)

2. Electronic Data Processing and Telecommunications Goods and Services.

Contracts for electronic data processing and telecommunications goods and services shall be awarded through the “informal” competitive purchasing procedures specified in Section “III” (Informal Competitive Purchasing Procedures of this Policy); provided, that such contracts may be made without soliciting or securing bids when they involve an expenditure of \$25,000 or less or when the Board determines either that: (1) the goods and services proposed for acquisition are the only goods and services which can meet the District’s need; or (2) the goods and services are needed in cases of emergency where immediate acquisition is necessary for the protection of the public health, welfare, or safety.

3. Professional Financial, Economic, Accounting, Legal or Administrative Services.

Contracts for the professional services set forth in Government Code section 53060, which include but are not limited to special services and advice in financial, economic, accounting, legal or administrative professional services may be procured through the “informal” competitive purchasing procedures specified in Section “III” (Informal Competitive Purchasing Procedures) of this Policy or in any other manner as deemed to be in the best interest of the District as determined by the Board, or the President/CEO.

4. Clinical Services Agreements.

All clinical services agreements (e.g., anesthesiology, pathology, radiology, emergency, hospitalists) shall be subject to competitive selection procedures based on recommendations from General Counsel and/or outside special healthcare counsel. Such contracts may be procured through the Informal Competitive Purchasing Procedures of this Policy or in any other manner as deemed to be in the best interest of the District as determined by the President/CEO.

C. Informal Competitive Purchasing Procedures.

1. Contracts Exceeding \$1,000,000.

- a. The President/CEO or his/her designee will issue a formal Request for Proposal for any individual contract award (not required to be bid by statute) exceeding One Million Dollars (\$1,000,000) unless a written sole source justification will be provided to the Board of Directors and Board committee as part of the contract approval process.

b. Preparation of Request for Proposals.

The President/CEO or his/her designee shall prepare or cause to be prepared a written request for proposals ("RFP"). Unless exempted by the President/CEO or his/her designee pursuant to Section "V" (Flexibility and Waiver of Policy Requirements) below, the RFP shall include at least the following information: (1) the specific nature or scope of the goods and/or services being sought; (2) the type of project contemplated, if applicable; (3) the estimated term of the contract; (4) the specific experience expected of the consultant or supplier; (5) the time, date and place for submission of the RFP; (6) a contact person who can answer questions of the consultants or supplier during the bidding process; (7) a contract form; and (8) the evaluation criteria to be utilized in the selection of the consultant or supplier.

The President/CEO or his/her designee shall endeavor to include all required information in the RFP. To the extent that the President/CEO or his/her designee determines, pursuant to Section "VI" (Flexibility and Waiver of Policy Requirements) below, that any required information cannot be incorporated into the RFP, its terms shall be negotiated with the successful consultant or supplier prior to the award of the contract.

c. Circulation of Request for Proposals.

The District shall attempt to obtain and consider completed RFP's from at least three (3) qualified sources.

2. Contracts Greater than or Equal to \$250,000 and Less Than or Equal to \$1,000,000.

The President/CEO or his/her designee shall obtain at least three (3) quotes from vendors for any proposed individual contract award (not otherwise required by statute to be bid) between Two Hundred Fifty Thousand Dollars (\$250,000) and One Million Dollars (\$1,000,000), unless a written sole source justification is provided to and approved by the President/CEO. The approved sole source justification will be provided to the Board of Directors and Board committee as part of the contract approval process.

3. Contracts Less Than \$250,000.

- a. Unless otherwise required by applicable law or this Policy, contracts less than Two Hundred Fifty Thousand Dollars (\$250,000) may be awarded without soliciting bids or proposals from multiple vendors. Agreements for legal services shall be

approved by the Board or its designee pursuant to Board Policy No. 14-023.

- b. Contracts for electronic data processing and telecommunications goods and services with a cost to the District of more than Twenty-Five Thousand Dollars (\$25,000) and less than Two Hundred Fifty Thousand Dollars (\$250,000) shall be awarded after obtaining quotes from a minimum of three (3) vendors. Contracts with a cost of Two Hundred Fifty Thousand Dollars (\$250,000) or more shall be subject to the procedures stated in Section III.C. (Informal Competitive Purchasing Procedures), subsections 2 and 3, as applicable.

D. Award of Contracts.

1. Electronic Data Processing and Telecommunications Goods or Services Exceeding \$25,000.

When the District awards a contract pursuant to this Section "III" (Informal Competitive Purchasing Procedures) for electronic data processing and telecommunications goods or services with a cost to the District of more than Twenty Five Thousand Dollars (\$25,000), the contract award shall be based on the proposal which provides the most cost effective solution to the District's requirements, as determined by the specified evaluation criteria. The evaluation criteria may provide for the selection of a consultant or supplier on an objective basis other than cost alone (H&S Code § 32138(c).)

2. Other Contracts.

When the District awards any other contract pursuant to this Section "III" (Informal Competitive Purchasing Procedures), the contract award shall be based on the proposal which is in the best interests of the District. In addition, unless exempted pursuant to Government Code section 4529, contracts for professional architectural, landscape architectural, engineering, environmental, land surveying, construction management and any other services specified in Government Code section 4526, as it may be amended from time to time, shall be awarded on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. In no event shall a contract for such professional services be awarded on the basis of cost alone. (Gov. Code § 4525 et seq.)

IV. PROVISIONS APPLICABLE TO PUBLIC WORKS CONTRACTS

A. Prequalification May Be Required Prior to Bidding on Public Works Contracts.

On a case-by-case basis based on the complexity and estimated cost of a contract, as determined by the President/CEO or his designee, the District may require all prospective bidders, including not only contractors also subcontractors, to prequalify by fully completing a pre-qualification questionnaire available from the District, providing a current Dunn & Bradstreet report and bond rating, and providing all materials requested by the District's Notice of Prequalification of Bidders, and be approved by the District to be on the final Bidders list. A financial statement shall not be required from a prospective bidder who has qualified as a Small Business Administration entity pursuant to paragraph (1) of subdivision (d) of Section 14837 of the Government Code, when the bid is no more than twenty-five percent (25%) of the qualifying amount provided in paragraph (1) of subdivision (d) of Section 14837 of the Government Code.

If prequalification is required by the District, no bid will be accepted from a bidder that has failed to comply with these requirements. If two or more business entities submit a bid on a project as a Joint Venture, or expect to submit a bid as part of a Joint Venture, each entity within the Joint Venture must be separately qualified to bid.

The President/CEO, or his designee, shall adopt and apply, on behalf of the District, a uniform system of rating bidders on the basis of the completed questionnaires and financial statements, in order to determine both the minimum requirements permitted for qualification to bid, and the type and size of the contracts upon which each prospective bidder shall be deemed qualified to bid. The uniform system of rating prospective bidders shall be based on objective criteria.

The District will use the information and documents submitted by prospective bidders as the basis of rating prospective bidders in respect to the size and scope of contracts upon which each prospective bidder is qualified to bid. The District reserves the right to check other sources available.

The prospective bidder's inclusion on the final Bidder's list does not preclude the District from a post-bid consideration and determination on a specific project of whether a bidder has the quality, fitness, capacity and experience to satisfactorily perform the proposed work, and has demonstrated the requisite trustworthiness.

The pre-qualification packages should be submitted under seal and marked "CONFIDENTIAL" to Tri-City Healthcare District Facilities Department by the date and time specified in the quarterly Notice of Prequalification issued by the District.

The pre-qualification packages submitted by prospective bidders are not public records and are not open to public inspection. All information provided will be

kept confidential to the extent permitted by law, although the contents may be disclosed to third parties for the purpose of verification, investigation of substantial allegations, and in the process of an appeal hearing. State law requires that the names of contractors applying for pre-qualification status shall be public records subject to disclosure, and the first page of the questionnaire will be used for that purpose.

Each questionnaire must be signed under penalty of perjury in the manner designated at the end of the form, by an individual who has the legal authority to bind the prospective bidder on whose behalf that person is signing. If any information provided by a prospective bidder becomes inaccurate, the prospective bidder must immediately notify the District and provide updated accurate information in writing, under penalty of perjury.

The District reserves the right to waive minor irregularities and omissions in the information contained in the pre-qualification application submitted, to make all final determinations, and to determine at any time that the pre-qualification procedures will not be applied to a future public works project. The District shall notify each prospective bidder submitting an application for prequalification in writing by first-class mail or email within ten (10) days after the District's decision as to prequalification. Upon request of the prospective bidder, the District shall provide notification to the prospective bidder in writing of the basis for the prospective bidder's disqualification and any supporting evidence that has been received from others or adduced as a result of an investigation by the District.

After receiving notice of the basis for disqualification, the prospective bidder (except where disqualified for failure to submit required information) may file a written protest to the disqualification within seventy-two (72) hours of its receipt of notice of disqualification. Receipt shall be deemed to be two (2) days after mailing of the notice. The written objection shall include specific reasons, facts, supporting documentation and legal authorities explaining why the prospective bidder should be found qualified.. The written objection must be filed with:

Tri-City Healthcare District
Facilities Department
4002 Vista Way
Oceanside, CA 92056

Unless a prospective bidder files a timely appeal, the prospective bidder waives any and all rights to challenge the prequalification decision of the District, whether by administrative process, judicial process or any other legal process or proceeding.

If the prospective bidder gives the required notice of appeal and requests a hearing, the hearing shall be conducted no later than ten (10) business days after the District's receipt of its Notice of Appeal. The hearing so provided shall be

conducted by a panel to which the District's Board of Directors has delegated responsibility to hear such appeals (the "Appeals Panel"). At the hearing, the prospective bidder will be given the opportunity to present information and present reasons in opposition to the pre-qualification determination. At the conclusion of the hearing or no later than three (3) business days after completion of the hearing, the Appeals Panel will render its decision.

Prospective bidders shall be allowed to dispute their proposed prequalification rating prior to the closing time for receipt of bids. In the event that the District circulates bid packages before the completion of a pending appeal, the District will provide the prospective bidder with a bid package only after the prospective bidder has made payment therefore in an amount equal to the District's cost of printing and reproduction of the bid package, if any. The District will reimburse the prospective bidder for such amount if the prospective bidder successfully appeals the disqualification determination and is found to be qualified to submit a bid. The Appeals Panel shall render its decision on the pending appeal prior the closing time for receipt of bids.

B. Bid Security.

All bids shall be accompanied by bid security in an amount equal to at least ten percent (10%) of the total bid price. The security shall be in a form as follows:

1. Cashier's or Certified Check in the required amount; or
2. Bidder's Bond executed by an admitted surety insurer and made payable to the District.

Any bid not accompanied by one of the foregoing forms of bidder's security shall be rejected as non-responsive.

C. License and Registration Requirement.

The notice inviting bids and plans shall identify the required contractor's license classification. (Pub. Cont. Code § 3300.) In every completed bid, and in all construction contracts and subcontracts, shall be included the license number of the contractor and all subcontractors working under him. No project may be awarded to a contractor which is not licensed pursuant to state law or which utilizes subcontractors not so licensed.

Additionally, all contractors and subcontractors listed on a bid proposal for a public works project must be registered with the California Department of Industrial Relations ("DIR") pursuant to Labor Code section 1725.5 (with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)). No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR.

D. Insurance.

All contracts shall require insurance of the type, in amounts and with provisions approved by District Legal Counsel. All contractors awarded contracts shall furnish the District with original certificates of insurance and endorsements effecting coverage required by the contract. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms supplied or approved by the District. All certificates and endorsements must be received and approved by the District before work commences, or sooner if indicated by the contract documents. The District shall reserve the right to require complete, certified copies of all required insurance policies, at any time.

At a minimum, all general liability and automobile insurance policies shall contain the following provisions, or contractor shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies: (1) the District, its directors, officers, employees and agents shall be covered as additional insureds with respect to the work or operations performed by or on behalf of the contractor, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the District, its directors, officers, employees and agents, or if excess, shall stand in an unbroken chain of coverage excess of the contractor's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officers, employees and agents shall be excess of the contractor's insurance and shall not be called upon to contribute with it in any way.

At a minimum, all workers' compensation and employers' liability policies shall contain the following provision, or contractor shall provide endorsements on forms supplied or approved by the District to add the following provision to the insurance policies: (1) the insurer shall agree to waive all rights of subrogation against the District, its directors, officers, employees and agents for losses paid under the terms of the insurance policy which arise from work performed by the contractor.

At a minimum, all policies shall contain the following provisions, or contractor shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies: (1) coverage shall not be canceled except after thirty (30) days prior written notice by mail has been given to the District; and (2) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its directors, officials, officers, employees and agents. Insurance carriers shall be qualified to do business in California and maintain an agent for process within the state. Such insurance carrier shall have not less than an "A" policyholder's rating and a financial rating of not less than "Class VII" according to the latest Best Key Rating Guide.

All insurance required by the contract shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its directors, officers, employees or agents.

All builders'/all risk insurance policies shall provide that the District be named as loss payee. In addition, the insurer shall waive all rights of subrogation against the District. The making of progress payments to the contractor shall not be construed as creating and insurable interest by or for the District, or as relieving the contractor or its subcontractors of any responsibility for loss from any direct physical loss, damage or destruction covered by the builders'/all risk policy occurring prior to final acceptance of the work by the District.

The District shall not be liable for loss or damage to any tools, machinery, equipment, materials or supplies of the contractor. The contractor shall supply to the District an endorsement waiving the insurance carrier's right of subrogation against the District for all policies insuring such tools, machinery, equipment, materials or supplies.

E. Contract Terms.

All contract terms, including, but not limited to, the contract form, general conditions and special conditions, shall include any applicable mandatory public works provisions and shall be approved by District Legal Counsel.

F. Changes in Plans and Specifications.

Every contract shall provide that the District may make changes in the plans and specifications for the project after execution of the contract. Bid procedures as set forth in this Policy need not be secured for change orders which do not materially change the scope of the project, as set forth in the original contract, if the contract was made after compliance with bidding requirements, and if each individual's change order does not total more than five percent (5%) of the original contract. (H&S Code § 32132(c).)

All changes or amendments to the original contract must be in writing and signed by both the contractor and a duly authorized representative of the District.

V. **AUTHORITY TO AWARD CONTRACTS**

The President/CEO may award contracts within his/her signatory authority as provided in the Approval and Authorization Matrix, and consistent with Board Policy No. 14-023 and this Policy, unless Board of Directors approval is required by law. All contracts exceeding the President/CEO's signature authority shall be awarded by the Board of Directors only.

VI. FLEXIBILITY AND WAIVER OF POLICY REQUIREMENTS

In recognition of the fact that the contracting and procurement needs of the District may from time to time render certain procedures or requirements herein impracticable, the President/CEO or his/her designee is authorized to permit or waive deviations from this Policy, to the extent permitted by law, upon making a written finding that such deviations are in the District's best interests in consultation with District Legal Counsel as to legal issues involved.

Additionally, provisions required by Section "IV" (Provisions Applicable to Public Works Contracts) to be included in public contracts (e.g. requirements for performance bonds, insurance, etc.) may be included in other contracts, if appropriate.

VII. CONFLICTS OF INTEREST

As to all contracts covered by this policy, any practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration, are prohibited. No employee may participate in the selection process when the employee has a relationship with a person or business entity seeking a contract when disqualified under the provisions of Section 87100 of the Government Code or other provisions of law. (See, Gov. Code § 4526.) Additionally, all employees must comply with the District's Code of Conduct, including restrictions on accepting gifts and entertainment.

Reviewed by the FO&P Committee: 11/21/06
Approved by the Board of Directors: 12/14/06
Reviewed by the FO&P Committee: 11/27/07
Approved by the Board of Directors: 12/13/07
Reviewed by the FO&P Committee: 11/16/10
Approved by the Board of Directors: 12/16/10
Approved by the FO&P Committee: 6/18/14
Approved by the Board of Directors: 6/26/14
Reviewed by the FO&P Committee: 8/18/15
Approved by the Board of Directors: 8/27/15

EXHIBIT A

BIDDING AND COMPETITIVE PROCUREMENT REQUIREMENTS

Category	Bidding or Competitive Procurement Requirement
Materials and supplies to be furnished sold or leased to the district involving an expenditure of more than \$25,000	<p><u>Bidding required.</u> (See Health & Safety Code § 32132, subd. (a).) This is the general rule, some specific exceptions apply as listed below.</p> <p><u>Emergency Exception:</u> Bidding not required if board of directors first determines that an emergency exists warranting such expenditure due to fire, flood, storm, epidemic, or other disaster and is necessary to protect the public health, safety, welfare, or property. (See Health & Safety Code § 32136.)</p>
Work involving an expenditure of more than \$25,000 (including public works)	<p><u>Bidding required.</u> (See Health & Safety Code § 32132, subd. (a).)</p> <p><u>Emergency Exception:</u> Bidding not required if board of directors first determines that an emergency exists warranting such expenditure due to fire, flood, storm, epidemic, or other disaster and is necessary to protect the public health, safety, welfare, or property. (See Health & Safety Code §32136.)</p> <p><u>Change Orders</u> - Bids are not necessary for change orders that do not materially change the scope of the work if the contract was awarded through bidding and each individual change order does not total more than 5 percent of the contract. (See Health & Safety Code § 32132, subd. (c).)</p>
Medical or surgical equipment or supplies	<p>Bidding does not apply. (See Health & Safety Code § 32132, subd. (b).) This includes only equipment or supplies commonly, necessarily, and directly used by, or under the direction of, a physician and surgeon in caring for or treating a patient in a hospital. (See Health & Safety Code § 32132, subd. (d).)</p>
Electronic data processing and telecommunications goods and services	<p>If the cost is less than or equal to \$25,000, no bidding requirements. (See Health & Safety Code § 32132, subd (b).)</p> <p>If the cost is more than \$25,000, must be procured through competitive means as described by statute.</p>

Category	Bidding or Competitive Procurement Requirement
	<p>(See Health & Safety Code § 32138.)</p> <p><u>Exception:</u> Competitive means not required if the board determines either that (1) the goods and services proposed for acquisition are the only goods and services which can meet the district's need, or (2) the goods and services are needed in cases of emergency where immediate acquisition is necessary for the protection of the public health, welfare, or safety. (See Health & Safety Code § 32138, subd. (a).)</p>
Professional services	<p>Competitive bidding does not apply. (See Health & Safety Code § 32132, subd. (b); see also Gov. Code § 53060.)</p> <p>Architectural, landscape architectural, engineering, environmental, land surveying and construction management services must be selected on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. (See Gov. Code § 4525 et seq.)</p> <p><u>Exception:</u> These provisions do not apply where the District head determines that the services needed are more of a technical nature and involve little professional judgment and the requiring bids would be in the public interest. (See Gov. Code § 4529.)</p>
Energy conservation contracts	<p>District may enter into such contracts after a public hearing and findings required by statute. (See Gov. Code § 4217.10 et seq.)</p>

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
PHYSICIAN AGREEMENT for ED ON-CALL COVERAGE - NEUROSURGERY

Type of Agreement		Medical Directors	X	Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates		Renewal – Same Rates

Physician's Name: Alexander A. Khalessi, M.D.
Area of Service: Emergency Department On-Call: Neurosurgery
Term of Agreement: 12 months, Beginning, Feb 1, 2017 – Ending, January 31, 2018
Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES
 For entire Current ED On-Call Area of Service Coverage: Neurosurgery
 New physician to existing panel, no increase in expense

Rate/Day	Current Panel Days per Year	Current Panel Annual Cost
\$800	365	\$292,000
	Total:	\$292,000

Position Responsibilities:

- Provide 24/7 patient coverage for all Neurosurgery specialty services in accordance with Medical Staff Policy #8710-520 (Emergency Room Call: Duties of the On-Call Physician)
- Complete related medical records in accordance with all Medical Staff, accreditation, and regulatory requirements.

Document Submitted to Legal:		Yes	X	*No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No
Budgeted Item:	X	Yes		No

*Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.

Person responsible for oversight of agreement: Sherry Miller, Manager, Medical Staff Services / Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors add Alexander Khalessi M.D. to the currently existing ED On-Call Coverage Panel for Neurosurgery for a term of 12 months, beginning February 1, 2017 and ending January 31, 2018.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
PHYSICIAN AGREEMENT for ED ON-CALL COVERAGE - Neurology

Type of Agreement		Medical Directors	X	Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates		Renewal – Same Rates

Physician's Name: Kalyani Korabathina, M.D.
Area of Service: Emergency Department On-Call: Neurology
Term of Agreement: 12 months, Beginning, February 1, 2017 – Ending, January 31, 2018
Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES
Maximum Totals: For entire Current ED On-Call Area of Service Coverage: Neurology
 New physician to existing panel, no increase in expense

Rate/Day	Current Panel Days per Year	Current Panel Annual Cost
\$740	365	\$270,100
	Total:	\$270,100

Position Responsibilities:

- Provide 24/7 patient coverage for all Neurology specialty services in accordance with Medical Staff Policy #8710-520 (Emergency Room Call: Duties of the On-Call Physician)
- Complete related medical records in accordance with all Medical Staff, accreditation, and regulatory requirements.

Document Submitted to Legal:		Yes	X	*No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No
Budgeted Item:	X	Yes		No

*Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.

Person responsible for oversight of agreement: Sherry Miller, Manager, Medical Staff Services / Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors add Kalyani Korabathina M.D. to the currently existing ED On-Call Coverage Panel for Neurology for a term of 12 months, beginning February 1, 2017 and ending January 31, 2018.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
SURGICAL LIGHT REPLACEMENT AND VIDEO INTEGRATION PROPOSAL, O.R. #2

Type of Agreement		Medical Directors		Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates		Renewal – Same Rates

Vendor's Name: Stryker (Berchtold Lights and Stryker Video Integration)
Sun Structural Engineering (Design)
McCoy Construction (Construction/Installation)

Area of Service: Surgery

Term of Agreement: One-Time Purchase

Maximum Totals:

Item:	Amount:
• Purchase of Berchtold F-Generation Surgical Lights and ChromoVision Camera System Full HD for E	\$75,639
• Purchase of SwitchPoint Infinity All-in-One HD Digital Routing System, ProCare Service Plan for Three (3) Years and Misc. Accessories	\$111,252
• Purchase of SDC 3 Base w/SDP 1000 printer kit and wireless transmitter	\$28,850
• Construction (publicly bid agreement with McCoy Design & Construction)	\$76,197
• Design Services, Inspection Services, Permit Fees, Contingency	\$52,170
• 8% Tax, Shipping & Handling	\$21,720
Total Expected Cost:	\$365,828

Description of Services/Supplies:

- Replacement of Surgical Lights in OR 2 , along with installation of an integration system to allow for better image availability during minimally invasive surgery and storage of images:

Document Submitted to Legal:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No
Budgeted Item:	X	Yes		No

Person responsible for oversight of agreement: Mary Diamond, Sr. Director-Nursing, Surgical Services / Sharon Schultz, Chief Nurse Executive

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the publicly bid agreement with McCoy Design & Construction for \$76,197, and the purchase of equipment to replace the lights in operating room 2, for a total expected project cost of \$365,828.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
KEY HEALTHCARE CONSULTING, LLC PROPOSAL

Type of Agreement		Medical Directors		Panel		Other:
Status of Agreement		New Agreement		Renewal – New Rates	X	Renewal – Same Rates

Vendor's Name: Key Healthcare Consulting, LLC

Area of Service: Charge Entry Services for Hospital Emergency Room, Crisis Stabilization Unit and Observation

Term of Agreement: 36 months, Beginning, March 15, 2017 – Ending, March 14, 2020

Maximum Totals:

Monthly Cost	Annual Cost	Total Term Cost
\$23,791	\$285,492	\$856,476

Description of Services/Supplies:

- KHC will provide charge entry services for Hospital Emergency Department, Observation accounts and Crisis Stabilization Unit within 3 days from the date of service. This is a per visit charge of \$2.92 per visit for ED and \$18.00 per visit for Observation and the Crisis Stabilization Unit. The monthly cost is based on number of visits. We do not expect to go over the maximum total.
- Procedures for which the consultant will enter charges include injection, infusion and vaccine administration charges defined by CPT Guidelines
- KHC determines ED level of care and number of observation and CSU hours charged
- KHC provides quarterly audit reports which include, duplicate charges, injection, E/M, modifiers, missing charges, meds and audit procedure errors. Additional training is provided as needed.
- KHC provides education to staff to correctly capture additional procedure charges

Document Submitted to Legal:	X	Yes		No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No
Budgeted Item:	X	Yes		No

Person responsible for oversight of agreement: Joni Penix, Director, Patient Financial Services / Sharon Shultz, Chief Nurse Executive

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the agreement with Key Healthcare Consulting, LLC for Charge Entry for a term of 36 months beginning, March 15, 2017 and ending, March 14, 2020 for an expected annual cost of \$285,492, and an expected total cost for the term of \$856,476.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
PHYSICIAN AGREEMENT for Cardiac Rehabilitation Physician Supervision

Type of Agreement		Medical Directors		Panel		Other: Supervising Physician
Status of Agreement		New Agreement		Renewal – New Rates	X	Renewal – Same Rates

Physician's Name: Sharon M. Slowik, M.D.
Area of Service: Cardiac Rehabilitation Services, On-Site and Wellness Center
Term of Agreement: 24 months, Beginning, July 1, 2017 – Ending, June 30, 2019
Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES

Rate/Hour	Hours per Month	Hours per Year	Monthly Cost	Annual Cost	24 month (Term) Cost
\$148.30	39	468	\$5,783.70	\$69,404.40	\$138,808.80

Position Responsibilities:

- Cardiac rehabilitation Wellness Center Supervising Physician in accordance with CMS 42 CFR 410.49 (Direct supervision of the Cardiac Rehabilitation program by a physician is a requirement).
- Maintain cardiac rehabilitation program as a physician directed clinic.
- Providing medical supervision of patients receiving services in the Department, and clinical consultation for the Department as requested by attending physicians including, without limitation, daily review and monitoring of patients receiving services in or through the Department.
- Ensuring that all medical and therapy services provided by the Department, Program or Service are consistent with Hospital's mission and vision.
- Supervising the preparation and maintenance of medical records for each patient receiving services in or through the Department.
- Evaluation of all Phase 2 patients enrolled in the Cardiac Rehabilitation Program and ongoing supervision and evaluation of monitored exercise sessions.
- Attend meetings with Hospital administration, Hospital's medical staff as required by Hospital and/or Dept.
- Participate in and otherwise cooperate with continuing education and in-service training of Department Personnel and others working in Department.
- Assure that adequate medical coverage is provided for Cardiac Rehabilitation clinical services activities performed within Department during hours of operation.

Document Submitted to Legal:		Yes	X	*No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No
Budgeted Item:	X	Yes		No

**Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.*

Person responsible for oversight of agreement: Eva England, CV Service Line Administrator/ Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize Dr. Sharon M. Slowik as the Coverage Physician for a term of 24 months beginning July 1, 2017 and ending June 30, 2019. Not to exceed an average of 39 hours per month or 468 hours annually, at an hourly rate of \$148.30 for an annual cost of \$69,404.40, and a total cost for the term of \$138,808.80.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
Physician Agreement for Medical Director for Behavioral Health Services – BHU

Type of Agreement	X	Medical Directors		Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates		Renewal – Same Rates

Physician's Name: Neil Richtand, M.D., Ph.D.
Area of Service: Behavioral Health Unit (BHU)
Term of Agreement: Beginning, March 11, 2017- Ending, March 31, 2018
Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES

Rate/Hour	Hours per Month	Hours per Year	Annual Cost	Term Cost
\$150	42	504	\$75,600	\$81,900

Position Responsibilities:

- Provide supervision for the clinical operation of the Department and Programs.
- Provide staff education to improve outcome of care.
- Resolve conflicts that are intra-departmental or inter-departmental in nature to ensure or improve timeliness of patient treatment and intervention.
- Ensure that services provided are in compliance with regulatory standards.
- Participate in Quality Assurance and Performance Improvement activities.
- Timely communication with primary care physicians and/or other community health resources.
- Documentation: Full and timely documentation for all patients. Comply with all legal regulatory, accreditation, Medical Staff and billing criteria, including applying Medicare guidelines, including, Title 1X for admission and discharge decisions.
- Utilization Review, Quality Improvement: Actively participate in the hospital's and medical staff's utilization review, quality, performance improvement and risk programs.

Document Submitted to Legal:		Yes	X	No*
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No
Budgeted Item:	X	Yes		No

*Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.

Person responsible for oversight of agreement: Sharon Schultz, Chief Nurse Executive

Motion: I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize Dr. Neil Richtand as the Medical Director of the BHU, beginning March 11, 2017 through March 31, 2018, not to exceed an average of 42 hours per month, at an hourly rate of \$150 for an annual cost of \$75,600, and a term cost of \$81,900.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
Physician Agreement for Medical Director for the Crisis Stabilization Unit – CSU

Type of Agreement	X	Medical Directors		Panel		Other:
Status of Agreement	X	New Agreement		Renewal – New Rates		Renewal – Same Rates

Physician's Name: Neil Richtand, M.D., Ph.D.
Area of Service: Crisis Stabilization Unit (CSU)
Term of Agreement: Beginning, March 11, 2017 - Ending, March 31, 2018
Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES

Rate/Hour	Hours per Month	Hours per Year	Annual Cost	Term Cost
\$150	42	504	\$75,600	\$81,900

Position Responsibilities:

- Provide supervision for the clinical operation of the Department and Programs.
- Provide staff education to improve outcome of care.
- Resolve conflicts that are intra-departmental or inter-departmental in nature to ensure or improve timeliness of patient treatment and intervention.
- Ensure that services provided are in compliance with regulatory standards.
- Participate in Quality Assurance and Performance Improvement activities.
- Timely communication with primary care physicians and/or other community health resources.
- Documentation: Full and timely documentation for all patients. Comply with all legal regulatory, accreditation, Medical Staff and billing criteria, including applying Medicare guidelines, including, Title 1X for admission and discharge decisions.
- Utilization Review, Quality Improvement: Actively participate in the hospital's and medical staff's utilization review, quality, performance improvement and risk programs.

Document Submitted to Legal:		Yes	X	No*
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No
Budgeted Item:	X	Yes		No

*Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.

Person responsible for oversight of agreement: Sharon Schultz, Chief Nurse Executive

Motion: I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize Dr. Neil Richtand as the Medical Director of the CSU, beginning March 11, 2017 through March 31, 2018, not to exceed an average of 42 hours per month, at an hourly rate of \$150 for an annual cost of \$75,600, and a term cost of \$81,900.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
PHYSICIAN AGREEMENT for Dr. Mark Sadoff – Rehabilitation Services

Type of Agreement	X	Medical Directors		Panel	X	Other: Add Responsibilities
Status of Agreement		New Agreement		Renewal – New Rates		Renewal – Same Rates

Physician's Name: Mark Sadoff, M.D.
Area of Service: Add Telemedicine to Current Responsibilities
Term of Agreement: 16 months, Beginning, March 1, 2017 – Ending, June, 30, 2018
Maximum Totals: Within Hourly and/or Annualized Fair Market Value: YES

Rate/Hour	Hours per Month	Hours per Year	Monthly Cost	Annual Cost	16 month (Term) Cost
\$165	80	960	\$13,200	\$158,400	\$211,200

Position Responsibilities:

- Physician has an active /current contract. Agreement would add Telemedicine consultation services within the scope of Dr. Sadoff's current duties, permitting greater time sensitive accessibility to physician, for the benefit of the unit.
- Total hours per month will include Telemedicine and will not exceed the current maximum of 80 hours a month. No change in hourly rate for current contract term.
- Provide Medical oversight for patients admitted to the Acute Rehabilitation Unit at TCMC
- Provide services as Medical Director of Rehabilitation services and specifically for the Acute Rehab Unit
- **Add on** Include Telemedicine Services within the current scope of duties up to a maximum of 10 hours per month

Document Submitted to Legal:		Yes	X	No*
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:	X	Yes		No
Budgeted Item:	X	Yes		No

* Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.

Person responsible for oversight of agreement: Priya Joshi, Director, Rehab Services / Kapua Conley, Chief Operating Officer

Motion:

I move that Finance Operations and Planning Committee recommend that TCHD Board of Directors authorize the addition of responsibilities to the current Medical Director of Rehabilitation Services contract, with no additional cost.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: February 14, 2017
Physician Recruitment Proposal – Geehan D’Souza, M.D.

Type of Agreement		Medical Directors		Panel	X	Other: Recruitment Agreement
Status of Agreement	X	New Agreement		Renewal		

Physician Name: Geehan D’Souza, M.D.

Areas of Service: Plastic Surgery

Key Terms of Agreement:

Effective Date: August 1, 2017 or the date Dr. D’Souza becomes a credentialed member in good standing of the Tri-City Healthcare District Medical Staff
Community Need: TCHD Physician Needs Assessment shows significant community need for Plastic Surgery
Income Guarantee: Not to exceed a two-year income guarantee with loan to be forgiven over a three-year forgiveness period provided physician continues to practice within service area
Service Area: Area defined by the lowest number of contiguous zip codes from which the hospital draws at least 75% of its inpatients
Income Guarantee: \$390,000 (year 1) + \$195,000 (Year 2) = \$585,000 Total
Incremental Start-Up: \$ 50,000 (with receipts)
Total Loan Amount: \$635,000 (Not To Exceed)
Relocation Expense: \$ 2,500 (with receipts – not part of loan)
Total Expenditure: \$637,500 (Not To Exceed)

Unique Features: Geehan D’Souza M.D. is currently looking for suitable Medical Office space to practice his unique skill in plastic surgery having recently completed his Fellowship training at Cleveland Clinic.

Requirements:

Business Pro Forma: Must submit a two-year business pro forma for TCHD approval relating to the addition of this physician to the medical practice, including proposed incremental expenses and income. TCHD may suspend or terminate income guarantee payments if operations deviate more than 20% from the approved pro forma and are not addressed as per agreement.

Expenses: The agreement specifies categories of allowable professional expenses (expenses associated with the operation of physician’s practice and approved at the sole discretion of TCHD) such as billing, rent, medical and office supplies, etc. If the incremental monthly expenses exceed the maximum, the excess amount will not be included.

Document Submitted to Legal:		Yes	X	*No
Approved by Chief Compliance Officer:	X	Yes		No
Is Agreement a Regulatory Requirement:		Yes	X	No
Budgeted Item	X	Yes		No

*Approval is recommended based on utilizing the approved template. Legal review is not necessary when template is used.

Person responsible for oversight of agreement: Wayne Knight, Chief Strategy Officer

Motion:

I move that the Finance, Operations and Planning Committee recommend the Board of Directors find it in the best interest of the public health of the communities served by the District to approve the expenditure, not to exceed \$637,500 in order to facilitate this plastic surgeon practicing medicine in the communities served by the District. This will be accomplished through a Physician Recruitment Agreement (not to exceed a two-year income guarantee) with Geehan D’Souza, M.D.

**Finance, Operations and Planning Work Plan
Program Tracking Schedule**

FY 2017

February 14, 2017

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb 2017	Mar	Apr	May	June	Responsible Party
Wellness Center (Quarterly), since 2009 (changed from semi-annual to quarterly, April 2016)	•			•			•			•			David Bennett
Physician Recruitment Tracking (Annual), (Since 2009)												•	Jeremy Raimo
Tri-City Real Estate Holding and Management LLC (Annual), (Since 2011)								•					Ray Rivas
Finance, Operations and Planning Charter, (Annual)										•			Chair
Construction Report, (Quarterly)	•			•			•			•			Kapua Conley
Accountable Care Organization (ACO) (Annual), (Since 2013)								•					Wayne Knight
Infusion Center, (Quarterly) (Report quarterly until Oct. 2015 then annual)				•									Sharon Schultz
Aionex Bed Board / Throughput, (Bi-Monthly) (Changed from monthly, to bi-monthly August 2015)	•		•		•		•		•				Kathy Topp

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb 2017	Mar	April	May	June	Responsible Party
Dashboard		•	•	•	•	•	•	•	•	•	•	•	Ray Rivas
Meaningful Use, (Semi-Annual) (Start reporting September 2015 for one year then semi-annual)			•						•				Terry Moede / Lyn Bolton
ICD-10 - Update (Annual)		•											Colleen Thompson
Neuroscience Institute – NSI Medical Directorships, (Semi-Annual) (Start reporting June 2015 for first year then semi-annual)	•						•						Wayne Knight
Medical Director – Surgery (Quarterly) (Began reporting in July 2015)	•			•			•			•			Mary Diamond
IT Physician Liaison (Semi-Annual) (Began reporting in July 2016)	•						•						Terry Moede
Update on Institutes (Annual):													
• Cardiovascular													
• Neuroscience		•											Wayne Knight
• Orthopaedic (Added August 2016, begin reporting August 2017)													
PRIME (Annual) (Timeline pending for update)													Scott Livingstone
Update on Crisis Stabilization Unit (CSU) (Semi-Annual) (Added January 2017, begin reporting July 2017)	•						•						Sharon Schultz



Tri-City Medical Center

ADVANCED HEALTH CARE FOR YOU

Financial Information

TCCM Days in Accounts Receivable (A/R)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY17	51.2	50.2	48.7	50.5	49.6	50.5	48.9	48.9	49.5	50.4	47.4	46.7	49.9	48-52
FY16	46.7	45.7	45.7	45.3	47.0	49.1	51.7	48.9	49.5	50.4	47.4	46.7	47.3	48-52

TCCM Days in Accounts Payable (A/P)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY17	78.9	81.6	86.5	88.1	91.6	87.9	84.6	81.1	81.4	81.1	81.1	80.7	85.6	75-100
FY16	83.6	85.8	92.1	88.7	84.0	82.5	83.6	81.1	81.4	81.1	81.1	80.7	86.1	75-100

TCHD EROE \$ in Thousands (Excess Revenue over Expenses)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	\$288	\$211	\$746	\$1,118	\$414	\$317	(\$226)	(\$411)	(\$220)	\$331	\$315	(\$1,842)	\$2,869	\$1,453
FY16	\$862	\$612	\$182	(\$189)	(\$513)	\$965	(\$1,784)	(\$411)	(\$220)	\$331	\$315	(\$1,842)	\$135	

TCHD EROE % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	1.04%	0.75%	2.69%	3.99%	1.51%	1.15%	-0.79%	-1.53%	-0.77%	1.13%	1.09%	-6.82%	1.47%	0.72%
FY16	3.03%	2.20%	0.66%	-0.68%	-2.00%	3.40%	-6.31%	-1.53%	-0.77%	1.13%	1.09%	-6.82%	0.07%	



Tri-City Medical Center

ADVANCED HEALTH CARE
FOR YOU

Financial Information

TCHD EBITDA \$ in Thousands (Earnings before Interest, Taxes, Depreciation and Amortization)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	\$1,583	\$1,496	\$2,015	\$2,365	\$1,711	\$1,556	\$1,010	\$797	\$1,019	\$1,530	\$1,598	(\$558)	\$11,735	\$10,591
FY16	\$2,046	\$1,817	\$1,357	\$1,011	\$644	\$2,155	(\$594)	\$797	\$1,019	\$1,530	\$1,598	(\$558)	\$8,436	

TCHD EBITDA % of Total Operating Revenue

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	5.70%	5.32%	7.27%	8.43%	6.27%	5.64%	3.52%	2.97%	3.56%	5.22%	5.55%	-2.07%	6.01%	5.24%
FY16	7.20%	6.53%	4.90%	3.65%	2.50%	7.58%	-2.10%	2.97%	3.56%	5.22%	5.55%	-2.07%	4.35%	

TCHD Paid FTE (Full-Time Equivalent) per Adjusted Occupied Bed

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY17	6.04	5.84	5.74	5.85	6.43	6.16	6.26	5.43	6.07	5.86	6.09	5.99	6.04	6.04
FY16	6.13	6.05	5.91	5.98	6.11	6.01	5.77	5.43	6.07	5.86	6.09	5.99	5.99	6.04

TCHD Fixed Charge Coverage Covenant Calculation

	TTM Jul	TTM Aug	TTM Sep	TTM Oct	TTM Nov	TTM Dec	TTM Jan	TTM Feb	TTM Mar	TTM Apr	TTM May	TTM Jun	Covenant
FY17	1.37	1.37	1.37	1.59	1.73	1.50	1.35	1.73	1.70	1.82	1.63	1.47	1.10
FY16	1.88	1.96	2.15	2.05	1.85	1.92	1.87	1.73	1.70	1.82	1.63	1.47	1.10

TCHD Liquidity \$ in Millions (Cash + Available Revolving Line of Credit)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY17	\$29.1	\$29.4	\$26.8	\$18.9	\$23.0	\$25.9	\$35.7	\$27.5	\$24.8	\$28.0	\$37.6	\$31.7
FY16	\$30.7	\$33.4	\$36.1	\$35.7	\$31.8	\$28.0	\$26.3	\$27.5	\$24.8	\$28.0	\$37.6	\$31.7