

**TRI-CITY HEALTHCARE DISTRICT
AGENDA FOR A REGULAR MEETING
OF THE FINANCE, OPERATION AND PLANNING COMMITTEE
Wednesday, February 21, 2024
3:00 – 5:00 P.M.
Assembly Room #1
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 16, 2024	2 min.	Standard
5.	Old Business		
6.	New Business		
7.	Consideration of Consent Calendar- <i>(All items will be approved with a single motion, unless pulled for discussion)</i>	30 min.	Chair
	a) Blood Gas Testing, Consumables & Service Proposal <ul style="list-style-type: none"> • Werfen USA, LLC <i>Motion: Request approval of the agreement with Werfen USA, LLC for blood gas testing instrumentation, consumables, instrument service, software, and software service for a term of 60 months, beginning February 1, 2024, and ending January 31, 2029 for an annual cost of \$151,387.20 and a total cost for the term of \$756,936.</i>		Eva England
	b) Primary Blood Supply Proposal <ul style="list-style-type: none"> • San Diego Blood Bank <i>Motion: Request approval of the agreement with San Diego Blood Bank for blood products for a term of 60 months, beginning March 1, 2024 and ending February 28, 2029 for an annual cost of \$1,468,740 and a total cost for the term of \$8,279,424.</i>		Eva England
	c) Hematology Equipment, Service, & Consumables Proposal <ul style="list-style-type: none"> • Sysmex America, Inc. <i>Motion: Request approval of the agreement with Sysmex for Hematology Equipment, Service, and Consumables for a term of 60 months, beginning March 1, 2024 and ending February 28, 2029 for an annual cost of \$155,520 and a total cost for the term of \$777,600.</i>		Eva England
8.	Financials	15 min.	Janice Gurley
	a) Dashboard	5 min.	Janice Gurley
9.	Comments by committee members:	2 min.	Chair

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 office of the Executive Assistant during normal business hours.

Note: If you have a disability, please notify us at 760-940-5756 at least 48 hours prior to the meeting so that we may provide reasonable accommodations.

	AGENDA ITEM	TIME ALLOTTED	PERSON RESPONSIBLE
10.	Date of next meeting: March 20, 2024	2 min.	Chair
11.	Adjournment		
	Total Budget Time for Meeting	1 hr.	

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 office of the Executive Assistant during normal business hours.

Note: If you have a disability, please notify us at 760-940-5756 at least 48 hours prior to the meeting so that we may provide reasonable accommodations.

**Tri-City Medical Center
Finance, Operations and Planning Committee Minutes
January 16, 2024**

Members Present	Director Tracy Younger, Director Nina Chaya, Director Adela Sanchez (joined the meeting at 3:15 p.m.), Dr. Mohammad Jamshidi-Nezhad, Dr. Henry Showah
Non-Voting Members Present:	Dr. Gene Ma, CEO; Janice Gurley, Interim CFO; Donald Dawkins, CNE; Roger Cortez, CCO; Jeremy Raimo, COO; Susan Bond, General Counsel
Others Present	Ray Rivas, CFO, Harjit Randahawa, VP Human Resources, Michael Landman, Associate Attorney, Miava Sullivan, FOP Coordinator
Members Absent:	None

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
1. Call to order	Director Younger called the meeting to order at 3:02 pm.		Chair
2. Approval of Agenda		<p>MOTION It was moved by Director Chaya, and Dr. Showah seconded, and it was unanimously approved to accept the agenda of January 16, 2024.</p> <p>Members: AYES: Younger, Chaya, Jamshidi-Nezhad, Dr. Showah NOES: None ABSTAIN: None ABSENT: Director Sanchez</p>	Chair
3. Comments by members of the public on any item of interest to the public before committee's consideration of the item.	Director Younger read the paragraph regarding comments from members of the public.	No comments	Chair

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
4. Ratification of minutes of October 18, 2023	Minutes were ratified.	Minutes were ratified. MOTION It was moved by Director Chaya, and Dr. Jamshidi-Nezhad seconded, that the minutes of October 18, 2023, are to be approved without any requested modifications.	Chair
5. Old Business	None		Chair
6. New Business a. Finance, Operations & Planning Meeting Dates - 2024			
7. Consideration of Consent Calendar:	It has been requested the following item be pulled. <u>Director Younger requested:</u> 7.c. Real Estate Sub-Lease Agreement: TriasMD, LLC Item was tabled for further clarification:	MOTION It was moved by Dr. Showah, and Dr. Jamshidi-Nezhad seconded, and it was unanimously approved to accept the Consent Calendar minus item 7.c. for January 16, 2024. Members: AYES: Younger, Chaya, Sanchez NOES: None ABSTAIN: None ABSENT: None Approved via Consent Calendar	Chair
a) Medical Directorship Agreement – Diabetic Services Program • Jamil Alkhaddo, M.D.			Jeremy Raimo
b) Sub-Lease Medical Office Space Proposal - TriasMD, LLC			Jeremy Raimo

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible
c) Medical Directorship Agreement – Specialty Care Clinic & Progressive Care Unit <ul style="list-style-type: none"> • Victor Souza, M.D. 		Pulled <i>Replaced write-up with extension dates added.</i> MOTION It was moved by Dr. Showah, and Dr. Jamshidi-Nezhad seconded, and it was approved to accept the Medical Directorship with Dr. Victor Souza, M.D. Members: AYES: Younger, Chaya, Sanchez NOES: None ABSTAIN: None ABSENT: None	Donald Dawkins
8. Financials	Janice Gurley presented the financials ending December 31, 2023 (dollars in thousands) TCHD – Financial Summary Fiscal Year to Date Operating Revenue \$ 137,945 Operating Expense \$ 168,086 EBITDA \$ (16,179) EROE \$ (26,131) TCMC – Key Indicators Fiscal Year to Date Avg. Daily Census 109 Adjusted Patient Days 39,233 Surgery Cases 2,291 ED Visits 22,019 TCHD – Financial Summary Current Month Operating Revenue \$ 21,056 Operating Expense \$ 27,257 EBITDA \$ (3,926) EROE \$ (5,468) TCMC – Key Indicators		Janice Gurley

Topic	Discussions, Conclusions Recommendations	Action Recommendations/ Conclusions	Person(s) Responsible								
	<p>Current Month</p> <table border="0"> <tr> <td>Avg. Daily Census</td> <td>109</td> </tr> <tr> <td>Adjusted Patient Days</td> <td>6,555</td> </tr> <tr> <td>Surgery Cases</td> <td>381</td> </tr> <tr> <td>ED Visits</td> <td>3,919</td> </tr> </table> <p>Graphs:</p> <ul style="list-style-type: none"> TCMC-Average Daily Census, Total Hospital - Excluding Newborns TCMC-Emergency Department Visits TCMC-Acute Average Length of Stay 	Avg. Daily Census	109	Adjusted Patient Days	6,555	Surgery Cases	381	ED Visits	3,919		
Avg. Daily Census	109										
Adjusted Patient Days	6,555										
Surgery Cases	381										
ED Visits	3,919										
a. Dashboard	No discussion		Janice Gurley								
9. Comments by Committee Members	None		Chair								
10. Date of next meeting	February 21, 2024		Chair								
11. Adjournment	Meeting adjourned 3:56 pm		Chair								



Tri-City Medical Center

7.a.

**FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: FEBRUARY 21, 2024
BLOOD GAS TESTING, CONSUMABLES & SERVICE PROPOSAL**

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

Vendor's Name: Werfen USA, LLC
Area of Service: Laboratory Point of Care (Pulmonary)
Term of Agreement: 60 months, Beginning, February 1, 2024 – Ending, January 31, 2029

Maximum Totals:

Monthly Cost	Annual Cost	Total Term Cost
\$12,616	\$151,387	\$756,936

Description of Services/Supplies:

- This agreement replaces the current agreement with Siemens for blood gas testing. This agreement includes seven (7) GEM 5000 blood gas instruments, associated consumables, instrument service, GEM Web 500 Plus software, and software maintenance.
- The current Siemens instrumentation, operating on Windows XP, poses a security risk for the organization. As of March 31, 2024, Siemens no longer provides support for devices utilizing Windows XP. To ensure the continuity of blood gas testing services, the acquisition of new equipment is imperative.
- Pricing is Vizient Contract LB0983 Werfen Tier 3 [Annual Spend is between 100,001 to \$449,999]. During the agreement term, we may subscribe to another tier through Vizient if we meet the usage criteria.
- Werfen presents several advantages over the Siemens platform. It requires fewer cartridges than Siemens for testing, thereby reducing the consumption of consumables. Werfen cartridges are stored at room temperature before use, eliminating the need for refrigerator space. Additionally, Werfen significantly decreases hands-on processing time by approximately 200 hours per year, equivalent to approximately \$10,000 in savings for the respiratory team that can be re-allocated to patient care.

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

Person responsible for oversight of agreement: Tara Eagle, Assistant Director-Laboratory Services / Eva England, Sr. Director Ancillary Services

Motion:

I move that the Finance, Operations & Planning Committee recommend that the TCHD Board of Directors authorize the agreement with Werfen USA, LLC for blood gas testing instrumentation, consumables, instrument service, software, and software service for a term of 60 months, beginning February 1, 2024, and ending January 31, 2029 for an annual cost of \$151,387.20 and a total cost for the term of \$756,936.



Tri-City Medical Center

7.b.

FINANCE, OPERATIONS & PLANNING COMMITTEE DATE OF MEETING: FEBRUARY 21, 2024 PRIMARY BLOOD SUPPLY PROPOSAL

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

Vendor’s Name: San Diego Blood Bank (SDBB)
Area of Service: Laboratory
Term of Agreement: 60 months, Beginning, March 1, 2024 – Ending, February 28, 2029

Maximum Totals:

	Year 1	Year 2	Year 3	Year 4	Year 5	Total Term Cost
TOTAL	\$1,514,165	\$1,605,014	\$1,701,315	\$1,803,394	\$1,911,598	
Savings for (On Time Payment)	(\$45,425)	(\$48,150)	(\$51,039)	(\$54,101)	(\$57,347)	
TOTAL w/Savings	\$1,468,740	\$1,556,864	\$1,650,276	\$1,749,293	\$1,854,251	\$8,279,424

Description of Services/Supplies:

- This agreement is to renew our long-standing partnership with San Diego Blood Bank (SDBB) as our primary blood supplier. The agreement is to purchase 95% of blood products from SDBB. This agreement is for 5 years.
- There is a 6% increase from previous spend for year 1 and a subsequent 6% increase each year. This increase is attributed to additional cost in operations and new requirements for product testing prior to transfusion. However, we get 3% rebate if we pay SDBB invoices on-time.
- Benefit Highlight #1: SDBB is closest to us; which means if we need a STAT delivery for a special product or a complicated patient work up, we get quick service.
 - SDBB is 40mi away vs. *LifeStream* is in San Bernardino, 96mi away vs. *American Red Cross* is in Pomona, 80mi away
- Benefit Highlight #2: SDBB includes the antigen history of the donor for free. *LifeStream* and *American Red Cross* charge for this service. This saves TCMC \$30–\$50K per year in consumables, demonstrates SDBB’s long-standing commitment and partnership to TCMC, and improves patient safety by shortening the process for finding units for patients that are known to produce clinically-significant antibodies.

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

Person responsible for oversight of agreement: Tara Eagle, Assistant Director-Laboratory Services / Eva England, Sr. Director Ancillary Services

Motion:

I move that the Finance, Operations & Planning Committee recommend that the TCHD Board of Directors authorize the agreement with San Diego Blood Bank for blood products for a term of 60 months, beginning March 1, 2024 and ending February 28, 2029 for an annual cost of \$1,468,740 and a total cost for the term of \$8,279,424.



Tri-City Medical Center

7.c.

FINANCE, OPERATIONS & PLANNING COMMITTEE
DATE OF MEETING: FEBRUARY 21, 2024
HEMATOLOGY EQUIPMENT, SERVICE, & CONSUMABLES PROPOSAL

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

Vendor’s Name: Sysmex America, Inc.

Area of Service: Laboratory (Hematology)

Term of Agreement: 60 months, Beginning, March 1, 2024 – Ending, February 28, 2029

Maximum Totals:

Monthly Cost	Annual Cost	Total Term Cost
\$12,960	\$155,520	\$777,600

Description of Services/Supplies:

- This agreement replaces the current agreement with Beckman Coulter for Hematology equipment, service, and consumables.
- In order to operationalize the cost, TCMC is taking advantage of a Vizient promotion with Sysmex that uses a “cost per reportable” model where TCMC is charged \$1.704 per Complete Blood Count. The promotion includes a \$58,179 discount on the total term, a \$5,000 reimbursement for deionized water and a \$14,500 reimbursement for an interface to Cerner.
- The installation of the instrument will enhance the current hematology workflow by consolidating two separate instruments into an automated line. This workflow introduces a third instrument, effectively streamlining the entire process. Here’s the sequential order of specimen processing: the lavender blood tube is initially loaded onto the instrument line, where the first instrument performs the CBC. If the CBC meets the criteria for slide review, the instrument then transfers the lavender tube to the slide maker and stainer. Subsequently, once the slide is stained and dried, the instrument loads it for scanning on the digital microscope, facilitating the scientist's review.

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

Person responsible for oversight of agreement: Tara Eagle, Assistant Director-Laboratory Services / Eva England, Sr. Director Ancillary Services

Motion:

I move that the Finance, Operations & Planning Committee recommend that the TCHD Board of Directors authorize the agreement with Sysmex for Hematology Equipment, Service, and Consumables for a term of 60 months, beginning March 1, 2024 and ending February 28, 2029 for an annual cost of \$155,520 and a total cost for the term of \$777,600.



Financial Information

TCMC Days in Accounts Receivable (A/R)

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY24	69.7	72.7	80.0	80.1	76.2	97.4	93.9	72.7	70.6	74.6	71.6	69.7	81.4	48-52
FY23	74.3	72.0	67.7	69.8	71.5	71.0	71.3	72.7	70.6	74.6	71.6	69.7	71.1	

TCMC Days in Accounts Payable (A/P)

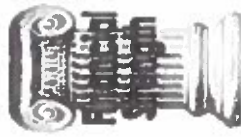
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD Avg	Goal Range
FY24	140.9	153.4	189.6	207.9	226.1	211.0	205.5	153.4	168.0	158.4	144.5	127.7	190.6	75-100
FY23	105.3	105.6	106.4	115.2	119.0	128.8	142.0	153.4	168.0	158.4	144.5	127.7	117.5	

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
FY24	(\$3,585)	(\$3,847)	(\$4,443)	(\$2,962)	(\$5,827)	(\$5,468)	\$859	(\$1,051)	(\$2,982)	(\$6,274)	(\$3,739)	(\$6,560)	(\$25,272)	(\$14,035)
FY23	(\$1,651)	(\$1,599)	(\$2,185)	(\$1,358)	(\$1,812)	(\$2,028)	(\$532)	(\$1,051)	(\$2,982)	(\$6,274)	(\$3,739)	(\$6,560)	(\$11,165)	

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
FY24	14.11%	-15.18%	-19.69%	-12.28%	-29.94%	25.97%	3.16%	-3.94%	-10.69%	-25.56%	-13.62%	-24.92%	-15.31%	-7.38%
FY23	5.96%	5.83%	-8.19%	-4.89%	-6.83%	-7.33%	-1.83%	-3.94%	-10.69%	-25.56%	-13.62%	-24.92%	-5.79%	



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
FY24	(\$2,442)	(\$2,708)	(\$3,246)	\$311	(\$4,168)	(\$3,926)	\$2,410						(\$13,769)	(\$2,660)
FY23	(\$686)	(\$205)	(\$987)	(\$175)	(\$594)	(\$781)	5605	575	(\$1,648)	(\$5,086)	(\$2,549)	\$898	(\$2,822)	

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
FY24	9.61%	10.69%	-14.38%	1.29%	-21.42%	-18.64%	8.88%						-8.34%	-1.40%
FY23	-2.48%	-0.75%	-3.70%	0.63%	-2.24%	-2.82%	2.08%	0.28%	-5.90%	-20.72%	9.28%	3.41%	-1.46%	

TCMC 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
FY24	6.12	6.88	7.31	6.66	7.50	6.78	6.23						6.76	6.76
FY23	6.53	5.91	5.93	6.48	7.13	7.14	6.35	5.96	6.12	6.30	7.10	6.37	6.48	

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

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	C/M YTD	C/M YTD Budget
FY24	\$18.3	\$11.6	\$9.9	\$12.5	\$19.6	\$27.2	\$31.9						\$23.8	\$21.7
FY23	\$43.9	\$38.1	\$29.6	\$25.3	\$20.7	\$22.5	\$25.4	\$11.4	\$6.9	\$27.7	\$23.8	\$21.7	\$23.8	\$21.7